

FINANCING ENERGY EFFICIENCY

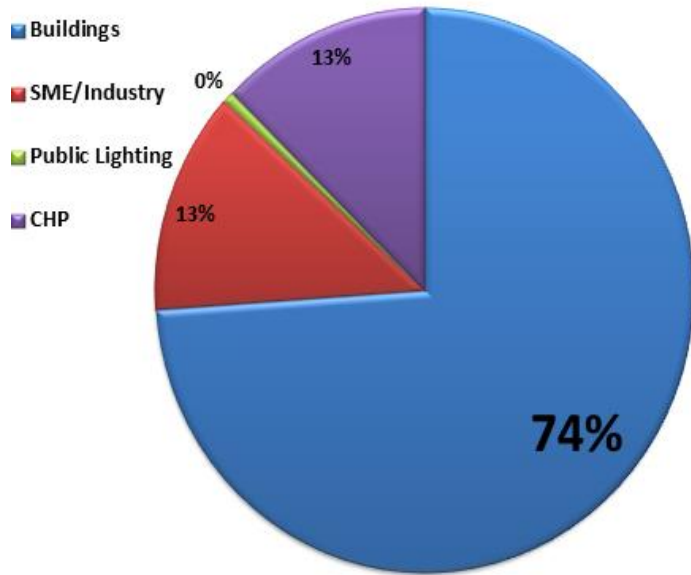
**Sustainable Energy Investment Forums Conference
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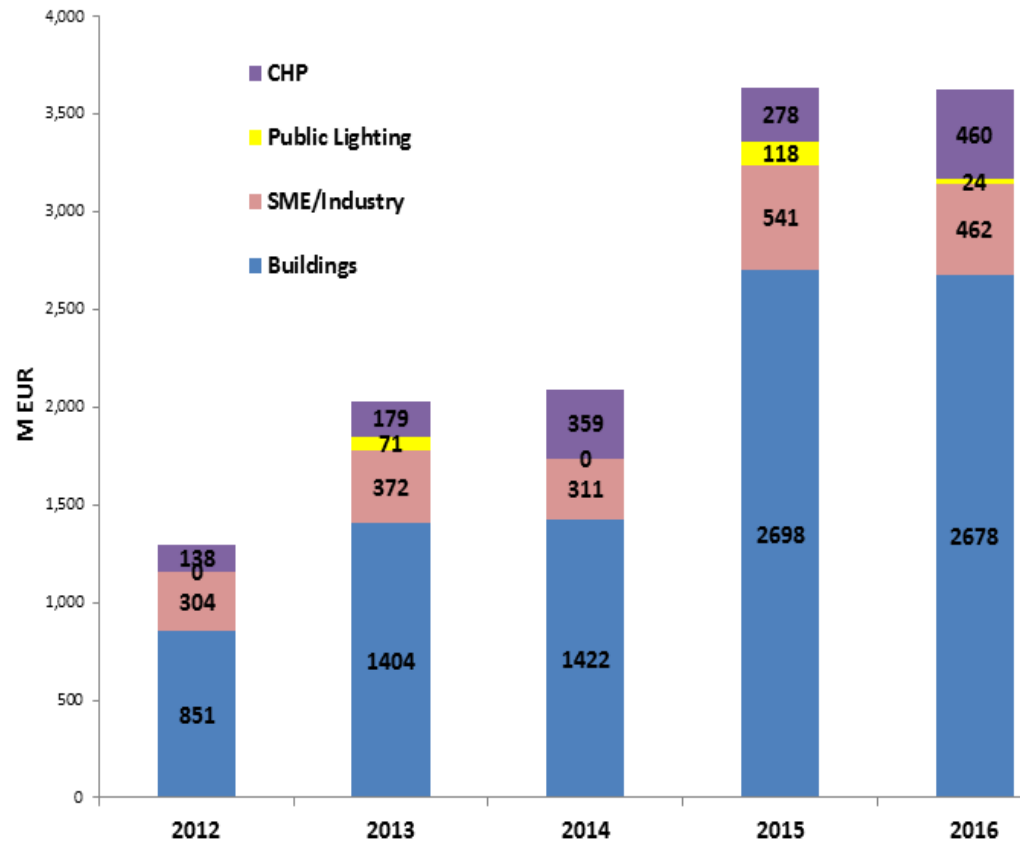
EIB Energy Efficiency Lending 2012-2016

In 2016



Overall EE-lending increased by 3x since 2012

Total EE-lending in 2016 amounted 3.62 b€, of which 74% to buildings



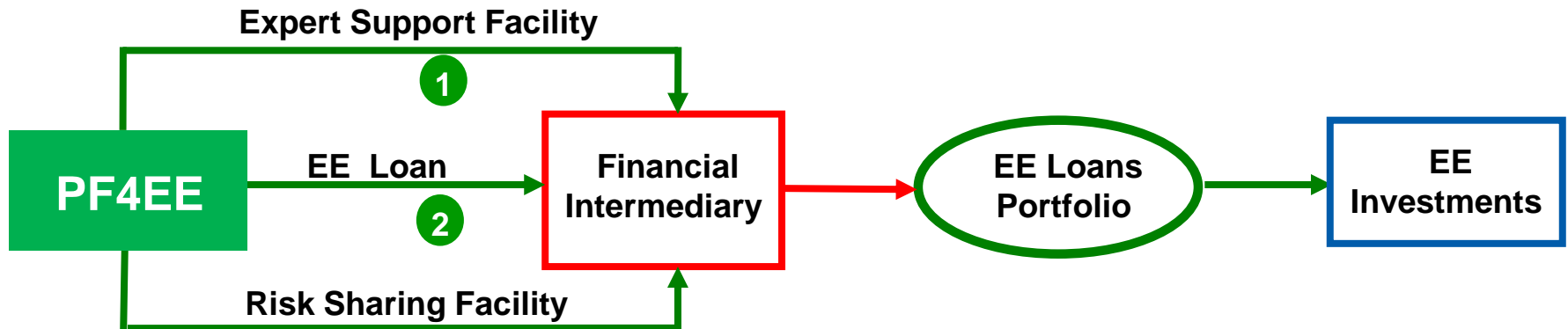


Private Finance for Energy Efficiency (PF4EE)

PF4EE has
three
components

3

- A loan to the financial intermediary to be on-lent for financing of energy efficiency investments (“EE Loan”)
- A risk mitigation mechanism, which covers losses incurred in the portfolio of EE loans granted by the financial intermediary to on-lend the EE Loan (“Risk Sharing Facility”)
- Consultancy services aiming at supporting the financial intermediary to create the abovementioned EE loans portfolio (“Expert Support Facility”)





Private Finance for Energy Efficiency (PF4EE)

Objective: Increase private lending to EE

Financial Intermediaries

- Private sector financial institutions
- Capacity to reach Financial Recipients in line with EE priorities of the MS
- Sound financial standing and acceptable counterpart to EIB
- One financial intermediary per country on “first-come first-served” basis

Investments

- Consistent with NEEAP priorities
- Fulfil EIB EE technical and economic criteria
- Compliant with EU directives
- Capital costs not exceeding EUR 10m

Final Recipients

- Natural persons, home-owner associations, enterprises, public institutions/bodies and any other legal entities undertaking EE Investments

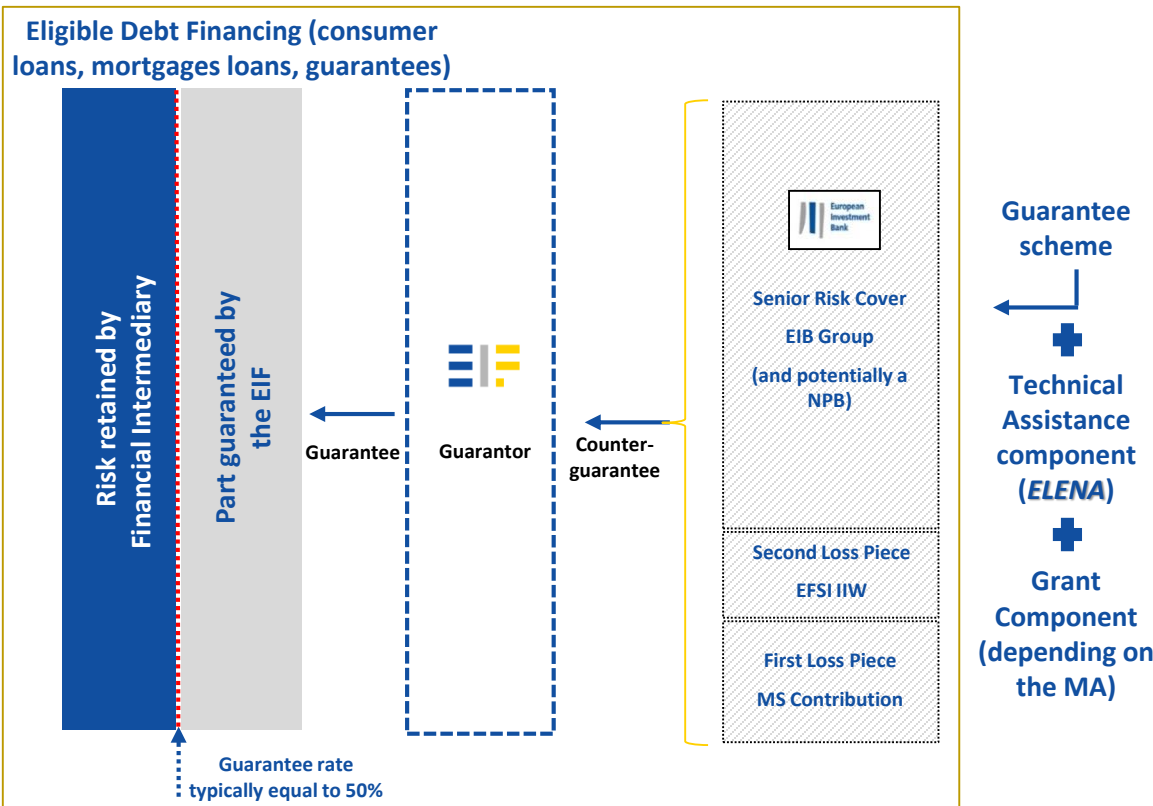
EE Loans

- Maximum amount EUR 5 million (EUR 1.125m for non-SME corporates)
- Tenor between 3 and 20 years
- Dedicated to the financing of an EE investment

Smart Finance for Smart Buildings Initiative

A single financial instrument combining up to 3 components

Background information



- Launched in 2016 by the European Commission in cooperation with EIB Group (EIB/EIF);
- Part of the “Clean Energy for all Europeans” package;
- Aims to unlock EUR 10bn of public and private funds by 2020 for energy efficiency in buildings for households and housing associations;
- Consists mainly in an unfunded credit risk protection fronted by EIB Group (EIF);
- Relies heavily on MS Contribution to the First Loss Piece (most likely ESIF – ERDF);
- Contains reasonable eligibility criteria to ensure consistency with policy objectives;
- May be combined with an EIB Global Loan.

*NPBs: National Promotional Banks

MA: Managing Authority

MS: Member State



ELENA

- Established in 2009 as **European Local ENergy Assistance** – not only local anymore
- Based on an agreement between the EIB and the European Commission
 - managed by the EIB
 - financed by the Horizon 2020 Framework Programme for Research & Innovation
- **Grant for preparation** (not implementation) **of investment programmes**
- **Grant covers up to 90% of costs related to project development support**
- Budget allocation: first come, first served principle; on average EUR15m per year;
- Required level of maturity: preparatory studies carried out and main decisions taken before ELENA support request (ELENA proposal should demonstrate high probability that project will be implemented)
- Obligation of investment implementation - leverage factor required:
 - 20 for sustainable energy projects
- In case the leverage not achieved: grant may be clawed back
- Final beneficiary (applicant) doesn't have to be the one who is implementing the investment
- 3-year implementation period for EE projects



ELENA

Savings Identification



Energy Savings & Reduced CO₂ Emissions

Technical Assistance Support

Eligible Investment Programmes

Eligible Costs
(up to 90%)

Expertise

Energy Efficiency &
Renewable Energy

Urban Transport &
Mobility

- Feasibility & market studies
- Programme structuring
- Business plans
- Energy audits
- Financial structuring
- Tendering procedure
- Contractual arrangement

- Recruit additional staff
- Hire experts and advisors
- Costs of personnel assigned to the project

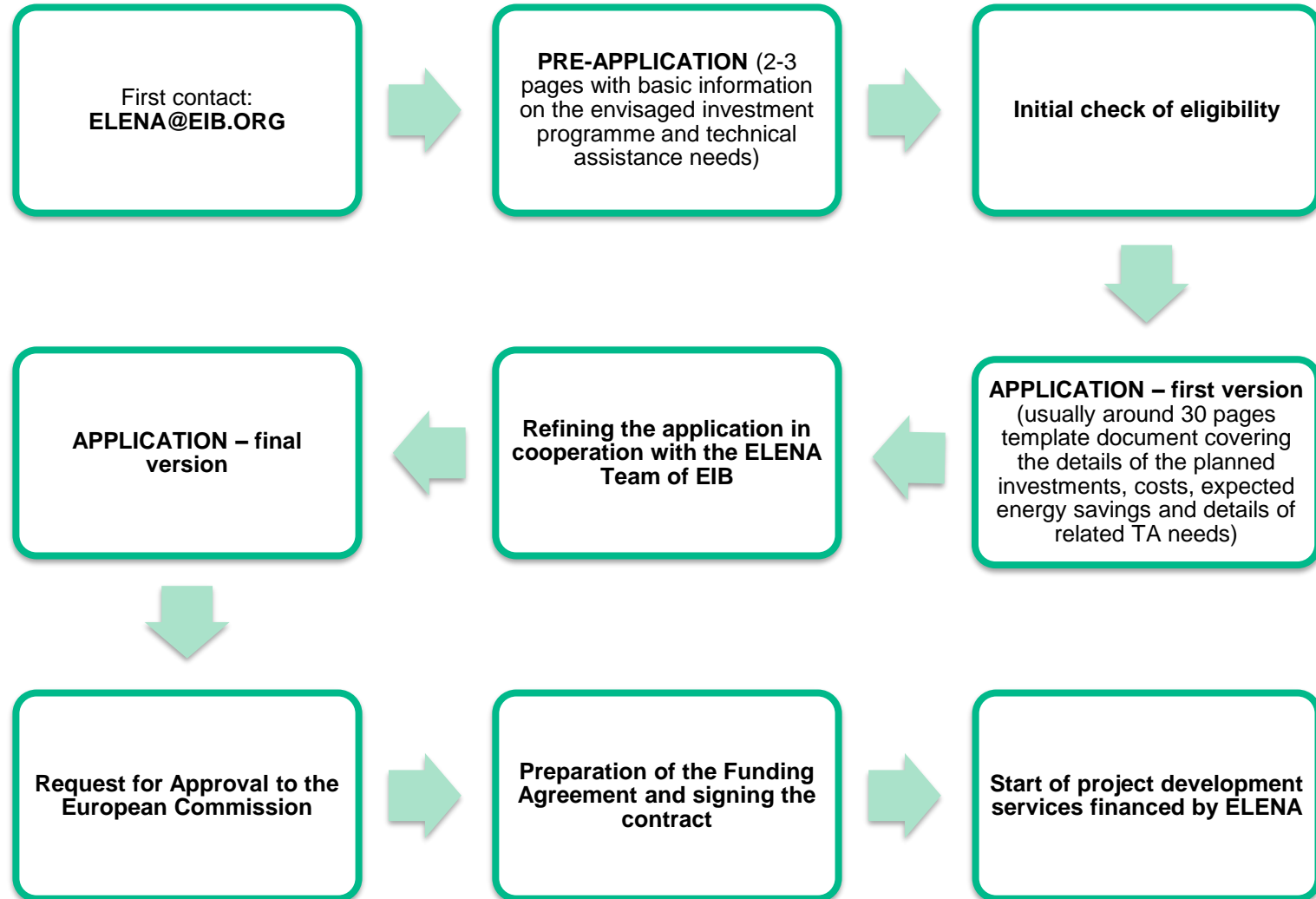
- EE renovations of public and private buildings
- Street and traffic lighting
- Integration of renewable energy sources into the buildings
- Investments in district heating/cooling networks
- Local energy facilities (e.g. smart grids)

- Clean and energy efficient transport vehicles: trams, trolleybuses, metros, trains
- Investment in public transport





ELENA



THANK YOU !

More information at:

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PF4EE

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