Financing your energy transition

EIB Financing and Support for EE

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The EIB - the EU bank

- EU’s bank since 1958
- Promote European economic development and integration
- Around 90% of lending is within the EU
- Shareholders: 28 EU Member States
- Lending volumes 2018: EUR 63bn signed (2017 EUR 69bn)

Investing in Europe’s growth

03/12/2019
4 Public Policy Goals plus 2 cross-cutting objectives

Innovation & Skills
Environment: A safe and healthy environment
Infrastructure
SME finance

EIB Cross-cutting objectives:
Climate Action and Cohesion

03/12/2019
EIB lending to the energy sector

- EUR 13bn per year (2014-2018)
- Energy represented 18% of EFSI lending
- c. 85% of energy lending inside EU

- Driven by EU energy policy
- Focus on RE, EE and networks
- Increase of EE over last years
Increased Climate Ambition: the EU Climate Bank

• Growing sustainable finance from billions to trillions. By working with our public and private partners the EIB Group aims to unlock at least EUR 1 trillion of investment for climate action & environmental sustainability (CA&ES) in the critical decade 2021-30. This will include a marked increase in support for climate adaptation and resilience.

• Increasing EIB’s own financing for climate action and environmental sustainability (CA&ES). EIB to be more ambitious and reach 50% for CA&ES by 2025.

• Aligning all the EIB Group’s financing activities with the principles and goals of the Paris agreement by the end of 2020.
Unlocking energy efficiency

Key priorities:

- Energy efficiency first principle
- Financing up to 75% of costs
- Focus on building rehabilitation
How EIB can assist: Lending, Blending, Advising

Loans/Funds

- Investment Loans (direct)
- Intermediated Loans, Promote Aggregation. Small and medium-scale projects (particularly to SMEs) via national and regional intermediary banks. Lending decision remains with the financial intermediary

- Investment Funds
- European Fund for Strategic Investment (EFSI)
- Dedicated schemes such as Private Finance for Energy Efficiency (PF4EE), Smart Finance for Smart Buildings (SFSB)
- Blending with ESIF

Technical Assistance / Advisory Services typically upstream, with or without links to operations.

- ELENA (European Local Energy Assistance)
- JASPERS (Joint Assistance to Support Projects in European Regions)
- FIA (Financial Instruments Advisory)
- EIAH (European Investment Advisory Hub)
# ELENA

## Savings Identification

### Energy Savings & Reduced CO₂ Emissions

## Technical Assistance Support

### Eligible Investment Programmes

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### Eligible Costs
- (up to 90%)

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

### Energy Efficiency & Renewable Energy
- 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)

### Urban Transport & Mobility
- Clean and energy efficient transport vehicles: trams, trolleybuses, metros, trains
- Investment in public transport
What is the Advisory Hub (EIAH)?

A joint initiative

A single access point to a comprehensive offer of advisory and technical assistance services

An instrument to assess and address unmet needs for advisory support

A cooperation platform to leverage and exchange expertise (National Points of Information, Managing Authorities for structural funds)

A tool to strengthen Europe's investment environment and improve the quality of investment projects
Province of Limburg

**EIB Loan**
- EIB investing EUR 75m in the province Fund (“Duurzaam Thuis”)
- For private citizens who can borrow money for EE measures and PV installations

**ELENA Support**
- Citizens also receive technical advice to increase the EE component of the loans, advice on suppliers and contractors, advice on works and prices etc

- 10-15 year terms
- Loans: Owner up to EUR 35,000 and tenants up to EUR 25,000
- Province Loan Officers can work with the homeowners on personalized energy assessments
Case study: Re:FIT retrofit programme
EIB loan plus ELENA

- Beneficiary: Greater London Authority
- Objective: Carbon reduction targets through a large scale public building retrofit programme—by final report stage almost 1000 buildings were retrofitted or in the retrofit pipeline
- Location: London, United Kingdom
- Actual investment programme cost: 107 MEUR
- ELENA support: 2.9 MEUR
  ELENA support requested:
  ✓ Establishment of technical, financial and contractual framework to guide organizations to deliver projects
  ✓ Identification and development of individual investments (building selection, energy data collection, studies, training etc.)
  ✓ Structuring and planning of operations and setting up financing
  ✓ Implementation of the EE projects through the involvement of ESCO public procurement and contracting
Energy Efficiency in the Province of Milan

Problem
Large EE potential in public buildings but budget constrained municipalities with a lack of technical capacity to develop a flow of projects.

Solution
adopt energy performance contracting
• aggregate projects
• coordinate at Province level, by civil servants;
• standardise EPC contracts

Programme:
Refurbishment of existing school buildings in some 30 to 40 municipalities.

Implementation by ESCOs who pay the investments costs and guarantee energy savings (around 20%); serve debt through energy savings.

Finance provided by local Banks to ESCOs, supported by EIB loan. Technical Assistance provided by the EIB-ELENA facility
Programme EE French Private Housing

- New approach through « Société de Tiers Financement »
- Public or public-private entities, sponsored by French Regional Councils
- Act as a one-stop-shop for EE service supplier for residential buildings:
  - Technical assistance
  - Long term and affordable funding
- Total framework loan amount EUR 400m
Example Intermediated Loan: EE Walloon Social Housing

- EE refurbishment and upgrade of 12,000 - 14,000 flats in social housing in Wallonia BE, including also RE where appropriate Total investment: EUR 400m (EIB co-financing: EUR 200m)

- Partner: regional social housing company supporting local social housing companies

- EE refurbishment level: low energy consumption
Summary

- Energy efficiency related investments are a priority for EIB as part of the increased Climate related focus
- EIB financing is available directly and through intermediaries
- Targeted financial products existing for energy efficiency and under development (e.g. PF4EE, SFSB, EFSI and investment platforms)
- Technical Assistance is available to develop large scale EE programmes (e.g. ELENA and European Investment Advisory Hub)
THANK YOU

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