

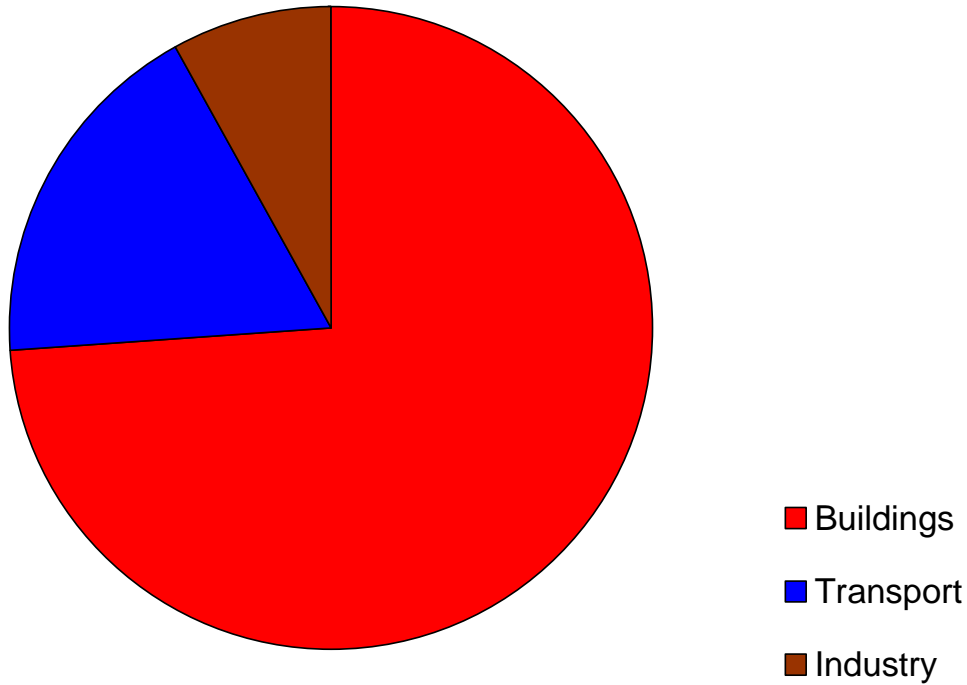
EIB Financing Tools for Energy Efficiency in Buildings

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Renewable Energy & Energy Efficiency Division

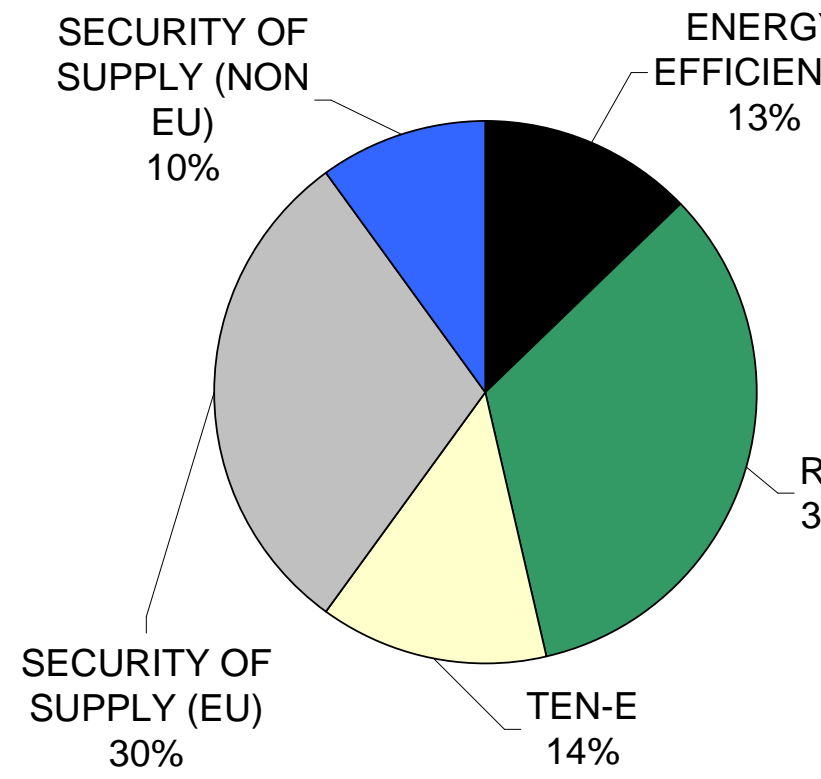
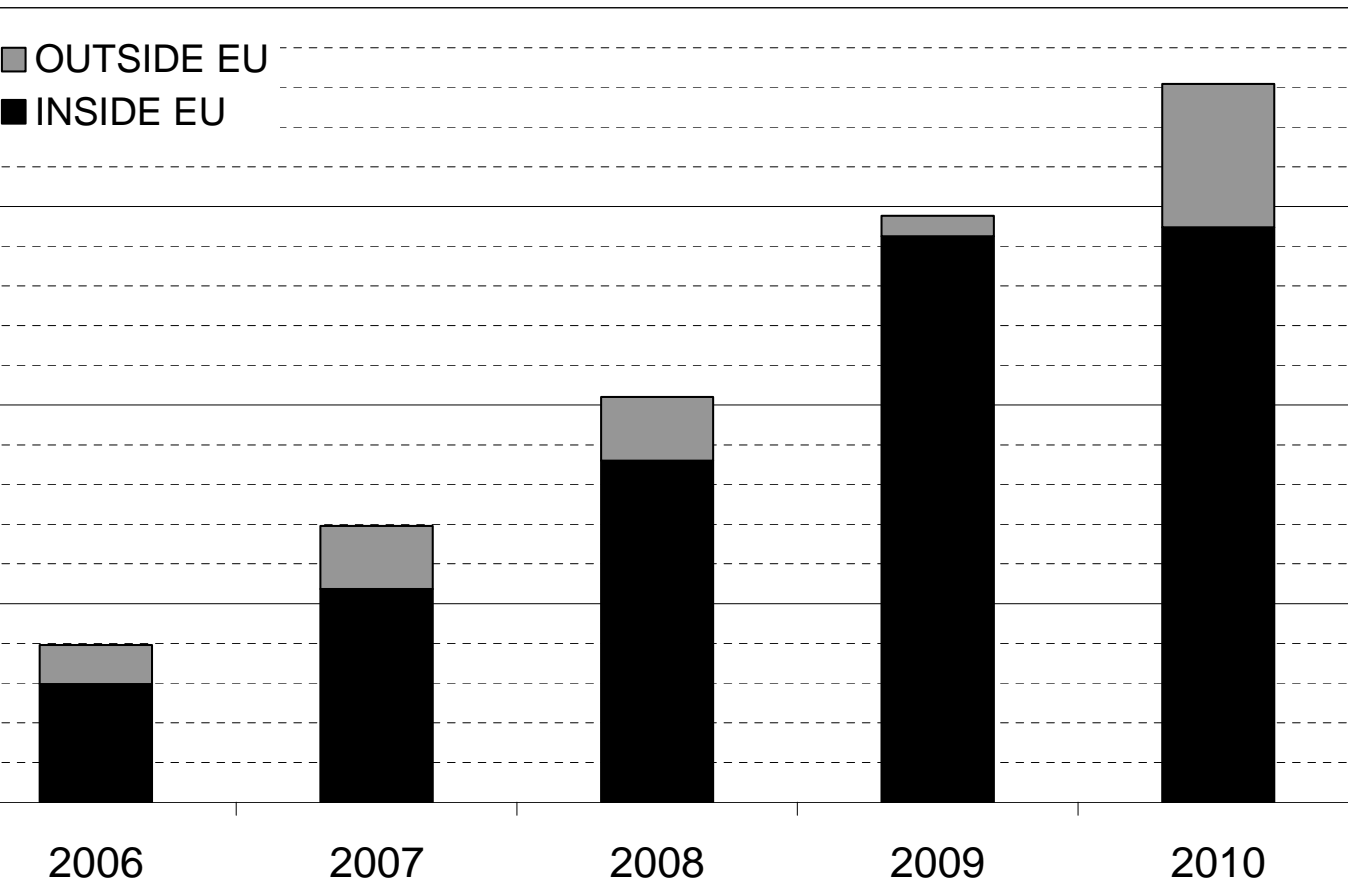
European Investment Bank

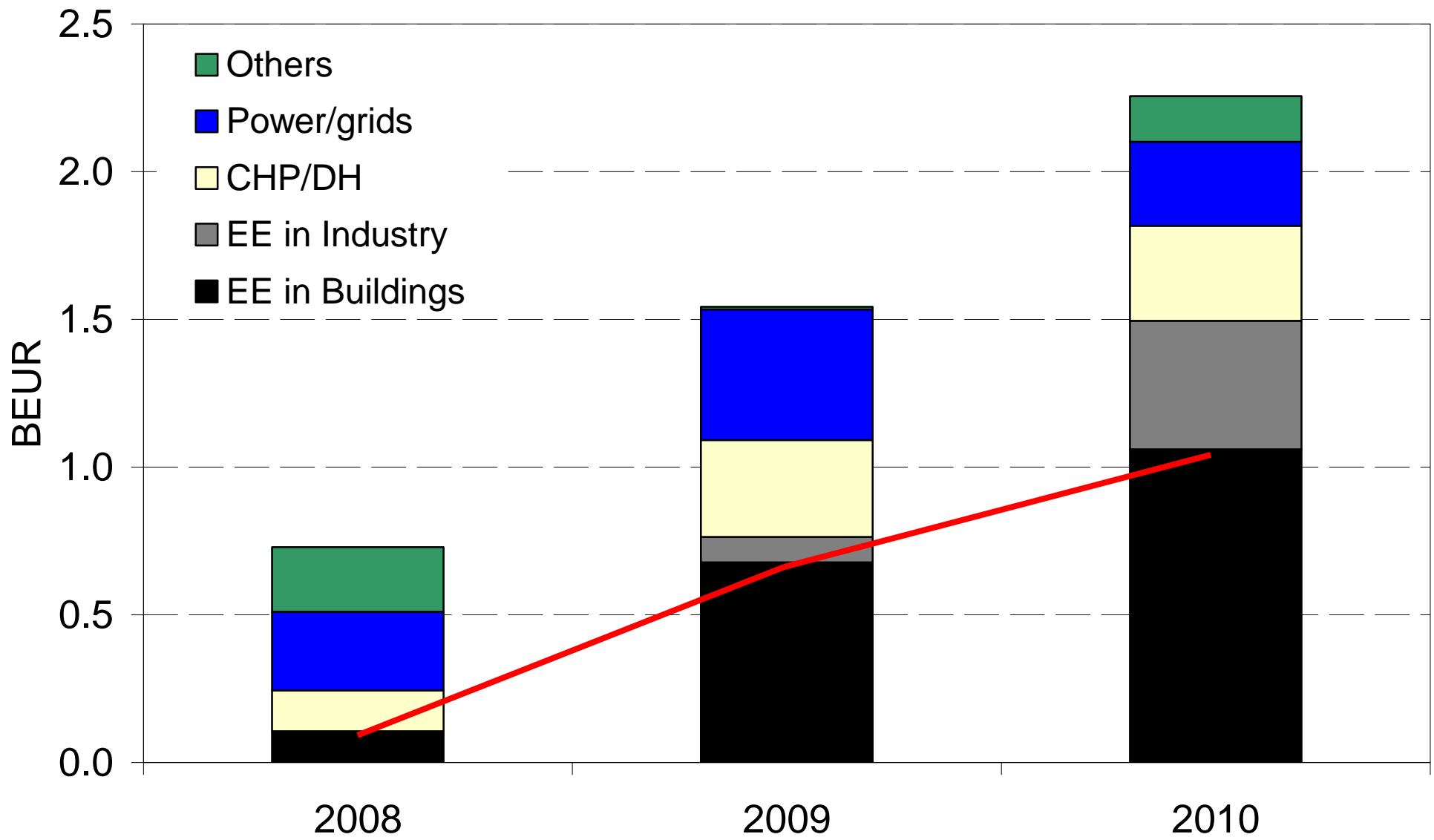
Budapest, 10 March 2011



CO₂ emissions in Brussels

Urban areas are responsible for 70% of energy consumption in EU.
Buildings sector is the main energy consumer in EU.





ELENA (European Local Energy Assistance)

JESSICA (Joint European Support for Sustainable Investments in City Areas)

Lending

Grants to prepare investment programmes covering up to **90% of eligible costs**.

Only Public Bodies from IEE countries can apply.

Area: **RE in the built environment, energy efficiency, district heating transport**.

3 years to implement the programme.

Minimum **leverage factor of 25** (to be verified at the end of the financing period).

Replication potential (innovative solutions, **minimum project size of 50 MEUR**).

ELENA

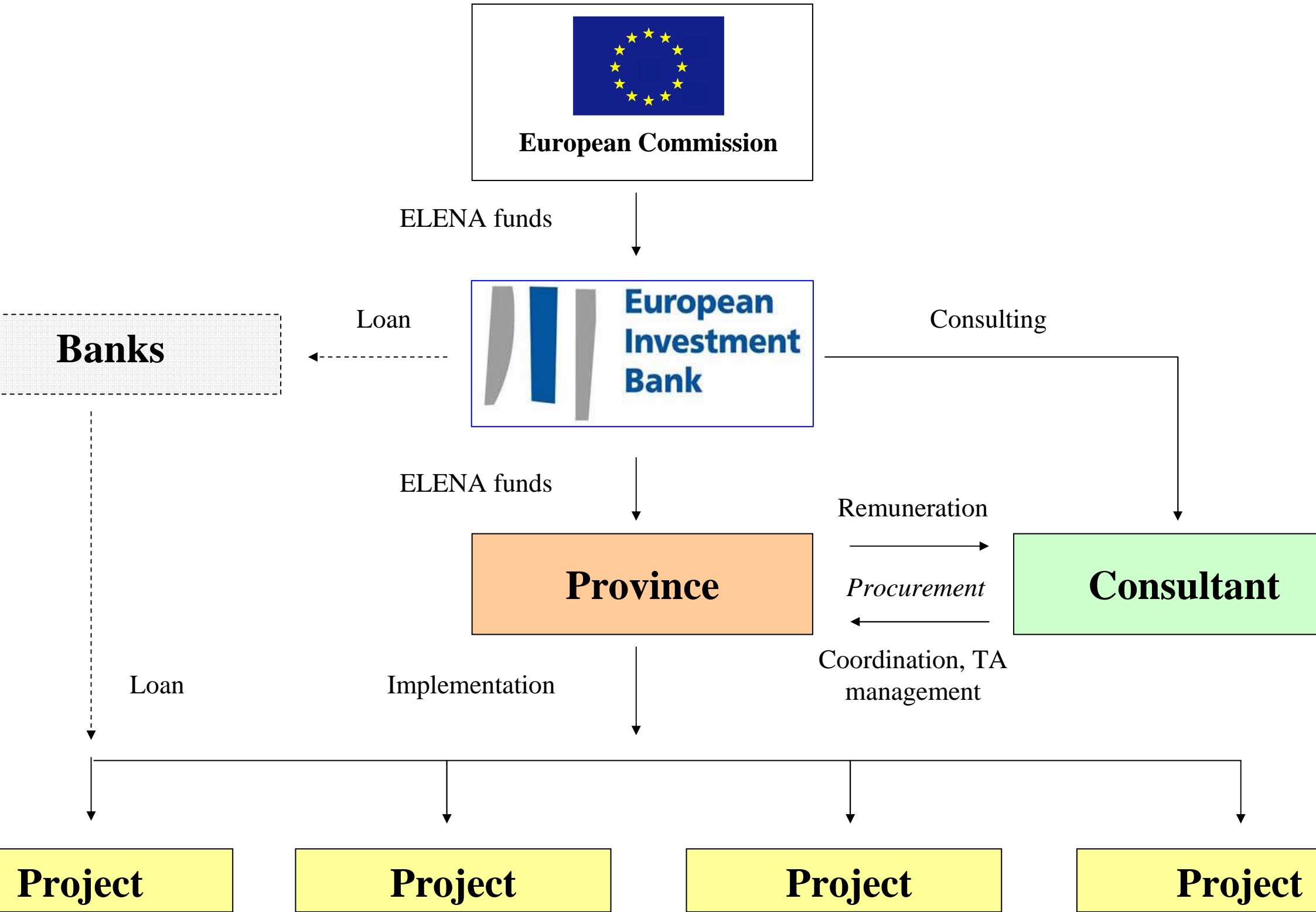
Project Development Services)

Support to Final Beneficiaries with:

• Refine Feasibility studies
• Business Plans
• Technical studies (energy audits)
• Procurement/tendering/contracting
• Additional technical staff
• Financial structuring

INVESTMENT PROGRAMME

- **EE and RES investments** in public and private buildings including social housing and street and traffic lighting
- **DH networks**
- **Decentralised CHP**
- **Urban transport** to support increased energy efficiency and integration of renewable energy sources
- **Local energy infrastructure** to support developments in these sectors



Project Status	Beneficiary	Country	Sector	Total Investment
signed	Prov. of Barcelona	Spain	EE/RES	500,000
signed	Prov. of Milan	Italy	EE	90,000
signed	Stadsverwarming of Purmerend	The Netherlands	DH/CHP	98,000
signed	City of Paris	France	EE	180,000
signed	Fundación Movilidad Madrid	Spain	Electric Vehicles	53,400
approved	Greater London Authority	United Kingdom	EE	94,738
approved	Vila Nova de Gaia	Portugal	EE/ PublicTransport	73,651
approved	DAFNI	Greece	RES	52,820
approved	City of Malmö	Sweden	Public Transport	170,500
approved	Transports Metropolitans de Barcelona	Spain	Public Transport	163,880
EC approval req.	Greater London Authority	United Kingdom	EE	114,950

Total TA of **20 MEUR**

Average TA of **1.8 MEUR/project**

7 more projects in the pipeline

Total CAPEX: **2.8 BEUR**

Overall TA requested: **33 MEUR**

Average Leverage Factor: **83**

Available budget: **30 + 19 MEUR**

Province: 311 municipalities, 5.3 M inhabitants

Strong commitment to climate change: over 80 municipalities have joined the Covenant of Mayors initiative

Using ESCO scheme:

- Building integrated PV
- EE in buildings and street lighting

Expected results: RE - 114 GWh/a, EE – 280 GWh/a, 200 ktCO₂

Investment cost: 500 MEUR

TA requested: 2 MEUR

Leverage factor: 250

European Commission:
Provides TA (ELENA)

Provides financing to
intermediary banks
Provides advice to Diputación
manages TA (ELENA)

Intermediary Banks:
Perform credit assessment of final
counterparties
Provide financing of projects (including
on-lending of EIB funds)

TA (ELENA):
Provides support to
Diputación

**Barcelona provincial council
(Diputación de Barcelona):**

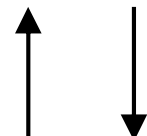
- Creation of responsible entity
- Structuring the operation (package)
- Preparing/organising call for tenders
- Managing TA and assisting municipalities
- Awarding contracts (when delegation from municipalities)

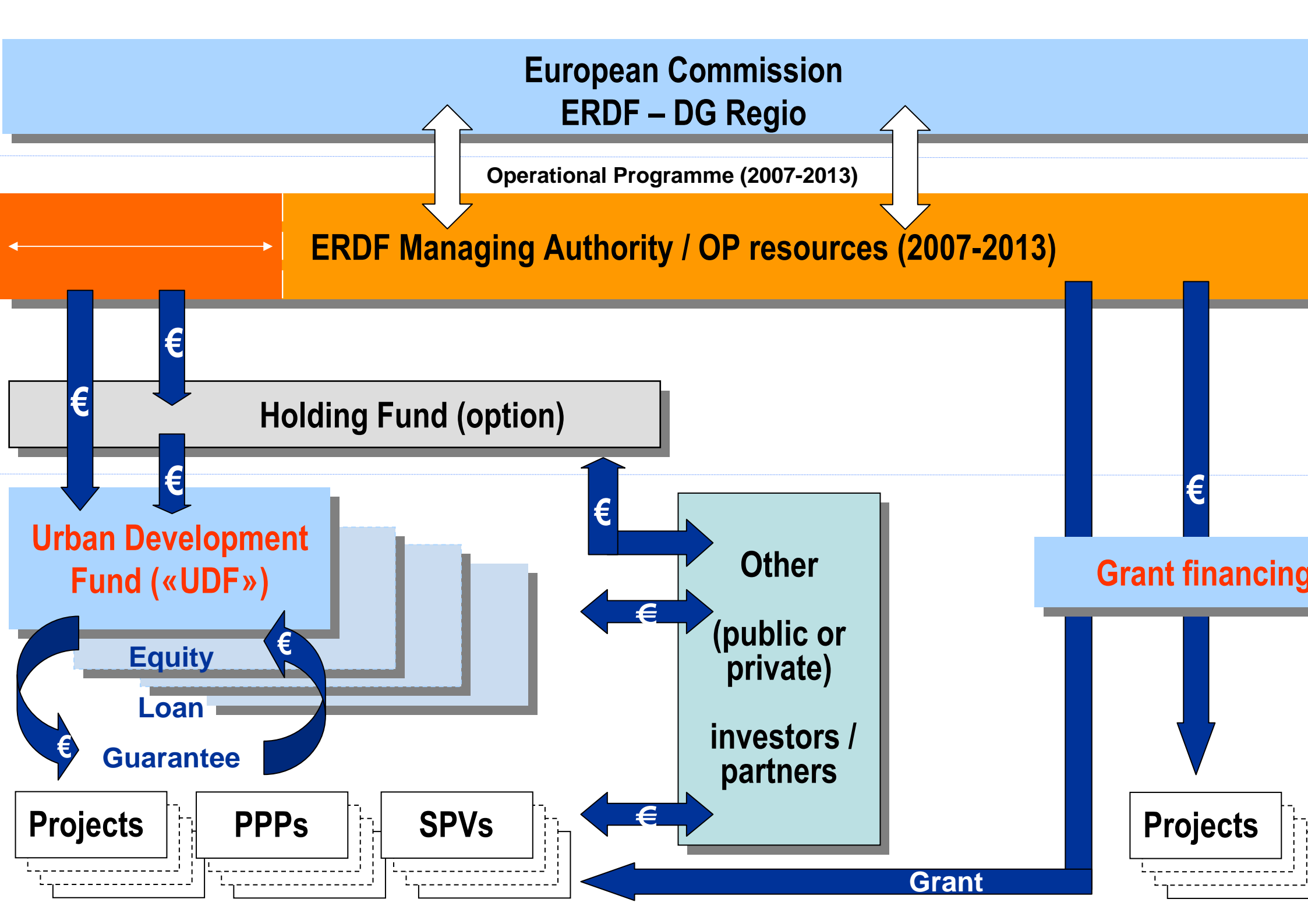
**Private companies / Investors /
ESCOs:**

- Bid for projects
- Implement projects
- Provide equity to projects
- Remunerate municipalities in PV projects or receive remuneration in EE projects

**Municipalities of the Province
Barcelona:**

- Provide projects
- May delegate administrative management to Diputación (awards, etc)
- Receive remuneration from private companies in PV projects or remunerate private companies in EE projects.





**European Commission
ERDF – DG Regio**

Operational Programme (2007-2013)

ERDF Managing Authority / OP resources (2007-2013)

Holding Fund (option)

**Urban Development
Fund («UDF»)**

Equity

Loan

Guarantee

Projects

PPPs

SPVs

Other

(public or
private)

investors /
partners

Grant financing

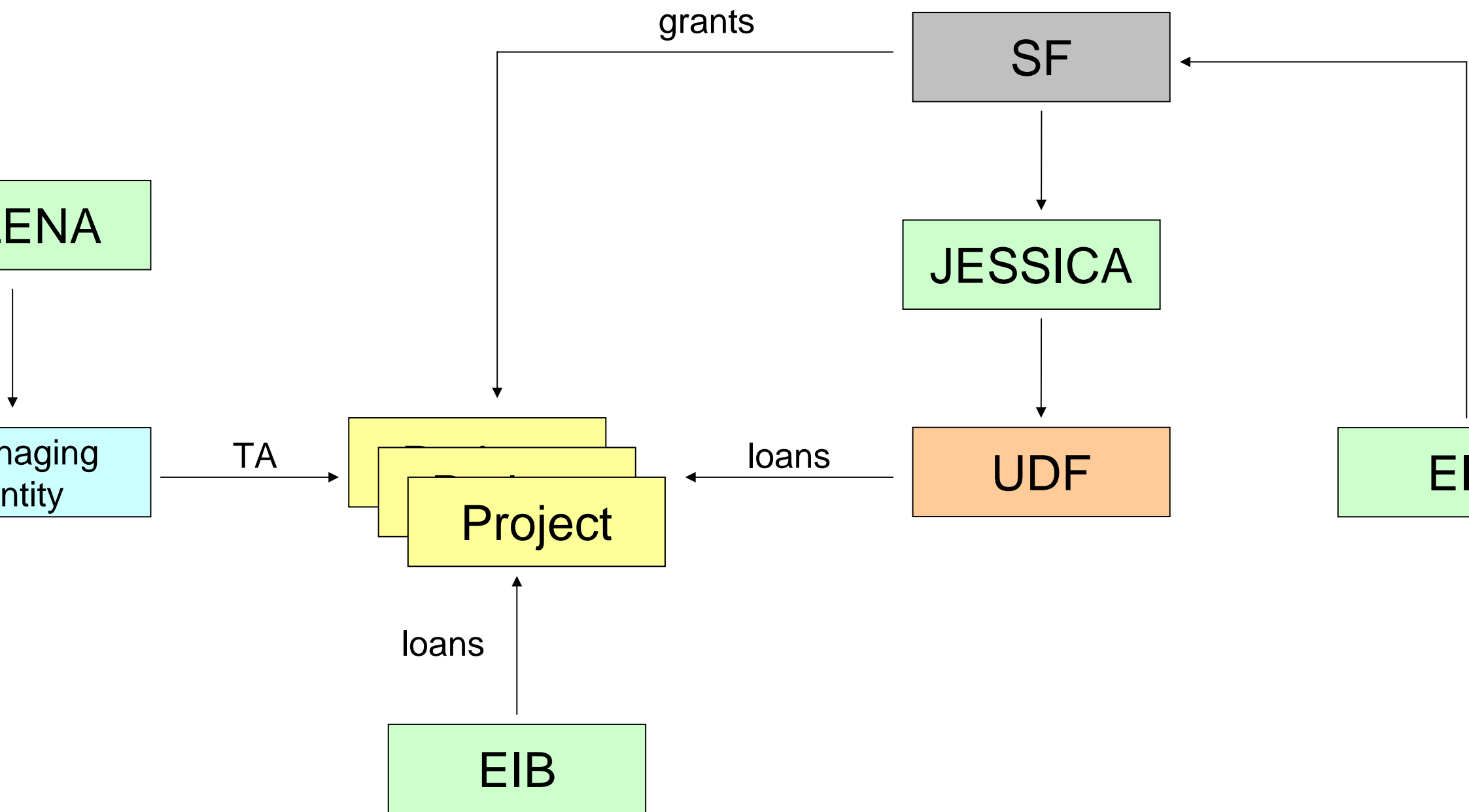
Projects

Grant

Fund mandate			Implementation progress						
Priority	Volume (EUR m)	HF FA	0	1	2	3	4	5	6
Poland (PL)	67	II/09							
Spain (ES)	86	II/09							
Lithuania (LT)	227	II/09							
Portugal (PT)	130	III/09							
Poland (PL)	33	III/09							
UK	110	IV/09							
Great Britain (UK)	110	IV/09							
	148	IV/09							
Czechia (CZ)	20	I/10							
Italy (IT)	100	I/10							
UK	55	II/10							
Romania (R)	258	III/10							
Poland (PL)	60	III/10							
Poland (PL)	57	III/10							
Bulgaria (BG)	33	III/10							
2010	1,494								
Spain (ES)	142	I/11							
Spain (ES)	15	I/11							
Czechia (CZ)	20	II/11							
Poland (PL)	40	II/11							
Poland (PL)	30	III/11							
Italy (IT)	25	III/11							
Operational Fund (CZ)	40	III/11							
Hungary (HU)	80	III/11							

Key implementation stages	
0	Pre-negotiation Stage/ HF Agreement to be signed in 2010
1	HF Agreement signed/ Investment strategy/ Investment board
2	Call(s) for Expression of Interest in preparation
3	Call(s) for Expression of Interest launched
4	Call(s) for Expression of Interest closed
5	UDF(s) selected
	Operational

EE and RE in Barcelona	250 MEUR
EE Milan Covenant of Mayors	45 MEUR
Midi-Pyrenees Energies Renouvelables	350 MEUR
Bucharest S6 Thermal Rehabilitation	70 MEUR
NFOSIGW Green Investment Scheme	50 MEUR
Urban Regeneration Loans	
Structured Programme Loans (e.g. Lithuania, Poland, Greece, Portugal)	



Large investment programmes are needed to meet energy and climate change goals

EE in buildings is one of the EIB's lending objectives

For **thorough EE renovations** substantial **grants** are needed

There is relevant energy savings potential in **cost effective measures** (need for **TA** to set up large investment programmes)

TA needs to be linked to implementation to be effective



Thank you for your attention

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