Private Finance for Energy Efficiency
PF\textsubscript{4}EE

JASPERS Networking Platform workshop on Energy Efficiency in SMEs and Industry
1. PF4EE objectives
2. PF4EE structure
3. Main achievements
1. PF4EE objectives
1.1 PF4EE objectives

- Make energy efficiency lending a more sustainable activity across European financial institutions (FIs);
- Encourage private commercial banks and other financial intermediaries to address the energy efficiency sector as a distinct market segment;
- Increase lending for energy efficiency in response to priorities identified by Member States’ National Energy Efficiency Action Plans.
2. PF4EE structure
2.1 PF4EE Structure

PF4EE comprises three components:

1. A loan to the financial intermediary to be on-lent for financing of energy efficiency investments ("EE Loan")
2. 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")
3. Consultancy services aiming at supporting the financial intermediary to create the abovementioned EE loans portfolio ("Expert Support Facility")
2.2 Risk Sharing Facility

- Risk Sharing Facility provides “cash-collateral” to financial intermediaries to cover losses incurred in relation to the EE loan portfolio.
- It covers up to 80% (“Collateral Rate”) of losses on a “loan-by-loan” basis, up to a maximum amount (“Collateral Cap Amount”).
- Funds will be deposited in the “Collateral Accounts” proportionally to the build-up of the EE Loan Portfolios.

- **FI’s potential loss** - 20% of any first loss and 100% once the “Collateral Cap Amount” is reached.
- Maximum loss for the Risk Sharing Facility (“Collateral Cap Amount”) capped to 16% of EE loan portfolio size (Estimated expected losses (20%) x Collateral Rate (80%)).
2.3 Eligibility Criteria

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

Investments
- Consistent with NEEAP priorities and EU Directives
- Normally within the context of an EE national programme
- Fulfils EE technical and economic criteria of the Bank.
- 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 1.2m for corporates non-SMEs)
- Tenor between 3 and 20 years
- Dedicated to the financing of an EE investment
3. Main achievements
3.1 Progress to date

- Large number of information contacts, directly and through EIB financial intermediaries network
- Several active discussions with intermediaries that have expressed interest
- 9 operations signed already and 2-3 additional are targeted for 2019
3.2 Outlook

- The remaining PF4EE funds are expected to be allocated to (2-3) new operations within the year.

- At year-end 2019, EU Contribution allocated to operations is expected to be fully utilized and EIB financing to reach EUR 650-750m.

- Due to excess demand, the second Phase of PF4EE will be launched soon.
Q & A

Webpage:  [www.eib.org/pf4ee](http://www.eib.org/pf4ee)

Email:  pf4ee_instrument@eib.org
More Information

For info or further questions on this presentation please contact the JASPERS Networking and Competence Centre:

[jaspersnetwork@eib.org]

JASPERS Networking Platform:

[www.jaspersnetwork.org]

JASPERS Website:

[jaspers.eib.org]