Support to energy efficiency projects: financing and TA opportunities

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The EIB: the EU bank

- Established 1958.
- Shareholders: 28 MS.
- Largest unilateral financial institution.
- Lending volume: EUR 55.6 bn.
- 90% of lending within the EU.
## EIB products

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<td>Support for projects and investments</td>
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<td>- Direct</td>
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<td>Enhance use of EU funds</td>
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1. Lending – energy efficiency

- Investment loans
  - Direct
  - Intermediated
- Guarantees
- Equity participation
1. Lending – clean energy

**EIB Clean Energy Lending 2013-2018**

- **Energy Efficiency**
- **Renewable Energy**

<table>
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<tr>
<th>Year</th>
<th>Energy Efficiency</th>
<th>Renewable Energy</th>
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<tr>
<td>2013</td>
<td>4.0</td>
<td>2.0</td>
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<td>2014</td>
<td>4.0</td>
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<td>2016</td>
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<td>2017</td>
<td>6.0</td>
<td>3.0</td>
</tr>
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<td>2018</td>
<td>4.0</td>
<td>2.0</td>
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1. Lending – energy efficiency
1. Lending - energy

Around 70% of Energy Efficiency lending dedicated to Buildings
Lending – case study

- Pardubice Smart Urban Development
- Municipal Framework Loan
- EUR 50 m EIB loan
- City of Pardubice
- Includes investments aiming at improving EE of public infrastructure
2. Blending – ESIF in CEE

• EUR 14.4 billion is available in 11 new MS in Central and Eastern Europe for support to energy efficiency projects.
• Most of the fund go to EE in public infrastructure and housing.
• CEE region is the main beneficiary of EU support for EE.
2. Blending – ESIF in CEE

Breakdown of resources available by country

Breakdown of resources available by theme

- BG
- CZ
- EE
- HR
- HU
- LT
- LV
- PL POIiS
- PL RPO
- RO
- SI
- SK

- 13
- 14
- 16
- 68
- 70
2. Blending – instruments

- ESIF FI
- PF4EE
- EFSI
ESIF Decentralised FI

European Commission
European Structural and Investment Funds

Member State
acting via MA

Fund of Funds
(EIB)

Financial Intermediaries

EIB/Banks

Investments
Final Beneficiaries
ESIF DFI – Poland

Kuj-Pomorskie – 60m EUR
- RE
- EE in housing
- EE in SME

Śląskie – 178m EUR
- EE in SME
- Urban regeneration
- Social cohesion

Pomorskie – 57m EUR
- RE
- EE in housing
- Urban regeneration

Mazowieckie – 52m EUR
- RE
- EE in housing
- Urban regeneration
PF4EE (LIFE)

PF4EE comprises three components

1. EE Loan
2. Risk Sharing Facility
3. Expert Support Facility

- 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")
PF4EE – case study

• Komercni Banka EuroEnergie Loan:
  • EUR 150 m facility including EUR 75 m EIB loan
  • RSF (EUR 6 m) - 80% guarantee on First Loss Piece (20%).
  • ESF – advisory team
  • Low-interest loan
  • SME, Midcaps, large companies
EFSI - European Fund for Strategic Investments €33.5bn

EU Guarantee €26bn

EIB €7.5bn

Infrastructure and Innovation Window

SME Window

Deployed by EIB

Deployed by EIF

Financing: €~100bn

Final investments: €500bn
EFSI – case studies

• Vonovia, Germany – EUR 300 m loan to a real estate management company.
• SPEE en Picardie, France – EUR 35 m loan to Regie Regionale.
• Budapest District Heating Strategic Investments – EUR 10 m loan to a DH company.

_EFSI guarantee allows EIB to take more risk, increase scale of its operations and mobilise additional investments._
3. Advising

- JASPERS
- ELENA
- FI Advisory
- EIAH
- EPEC
ELENA

• Grants to prepare investment programmes covering up to 90% of eligible costs
• For Public and Private Bodies from eligible countries
• Area: Renewable Energy, Energy Efficiency and Sustainable Transport
• Sector: buildings, transport, urban infrastructure
• 3 years (4 for transport projects) to implement the programme
• Minimum leverage factor of 20 (10 for transport projects)
• Minimum project size of 30 MEUR
JASPERS

• Joint Assistance to Support Projects in European Regions

• Partnership between the EC, EIB and the EBRD

• Established in 2006 to provide independent advice to beneficiary countries to help prepare high quality major projects to be co-financed by ESIF

• Fully funded by its partners, so free of charge for the beneficiaries

• Active in 20 MS and 4 Accession countries
FI Advisory

1 Comprehensive support for financial instruments implementation

Throughout the entire financial instruments’ life cycle, via a customised approach that meets public institutions’ specific needs.

- **We offer:** assistance through feasibility studies, set-up, structuring and implementation of financial instruments, financial innovation, market analysis, governance and state aid advice, fund management due diligence and contracting, etc.

2 Cross-sectoral financial instruments expertise

Bringing together EIB wide in-depth knowledge and expertise to our local, regional and national clients across all EU and accession countries.

- **We offer:** advisory support in the areas of sustainable urban development, energy efficiency and low carbon, SME access to finance, agriculture, RDI and other thematic objectives.

3 Bespoke investment strategy guidance

Based on rigorous *ad hoc* market assessments of financial instruments.

- **We offer support with:** assessing the financing demand and supply in strategic sectors; quantifying existing investment gaps; highlighting the added-value achieved through ESIF; identifying the potential leverage effect of financial instruments; appraising various investment platforms.
EIAH

• Linked to ESIF.

• Support to identify, prepare and develop investment projects.
  • Project Development Support
  • Financial advice
  • Guidance and training

• Public sector – free of charge.

• Collaboration with NPB.
EPEC

• Sharing good practice
• Assisting policy development
• Supporting PPP project preparation
4. What is coming?

• Invest EU.
• Energy Transition Package.
• European Initiative for Building Renovation.
InvestEU

• Builds on the success of European Fund for Strategic Investments.
• EUR 38 bn guarantee from the EU budget.
• Mobilising EUR 650 bn of investment.
• EIB will implement 75% of InvestEU.
• EIB will provide technical support under the InvestEU Advisory Hub.
Energy Transition Package

• Just Transition Fund (EUR 4.8 bn):
  • Coal Regions in Transition:
    • Karlovy Vary Region,
    • Usti nad Labem Region,
    • Moravian-Silesian Region.

• Modernisation Fund (EUR 1.2 bn):
  • 70% for investments in priority areas:
    • renewable sources,
    • the improvement of energy efficiency,
    • energy storage and the modernisation of energy networks,
    • just transition in carbon-dependent regions.
  • 30% for other investments aligned with:
    • EU Energy Policy 2030,
    • Paris Agreement.
• Cooperation with the EC.
• Tailored financial support.
• New sources of finance.
• Loans up to 75%.
• Technical Assistance.
Summary

• Annual EIB lending to EE stands at EUR 3-5 bn; 70% accounts for buildings.
• EE relevant blending instruments: ESIF FI, EFSI, PF4EE.
• EIB advisory services comprehensively address project development needs.
• New support instruments will be available under the next perspective.
Thank you for your attention
More Information

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

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