



Private Finance for Energy Efficiency

PF4EE

Boosting energy efficiency in Croatia

LIFE CONFERENCE - ZAGREB

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CONTENTS

1. CONTEXT

2. PF4EE STRUCTURE

3. STATE OF PLAY



1.1 LIFE Programme

- The LIFE programme is the EU's funding instrument for the environment and climate action, for the period 2014-2020;
- The general objective is to contribute to the shift towards a resource-efficient, low-carbon and climate-resilient economy, to the protection and improvement of the quality of the environment and to halting and reversing biodiversity loss;
- The overall financial envelope for LIFE Programme is **€ 3,457 billion**, where 75% is allocated to LIFE Environment and **25% to LIFE Climate Action.**

1.2 LIFE Financial Instruments



Natural Capital Financing Facility (NCFF)

- Financing opportunities in the form of loans and investments in funds to support projects promoting the preservation of natural capital, including climate change adaptation projects, in Member States.
- Endowed with € 75M, NCFF will provide finance of € 100-125 million between 2015 and 2017.

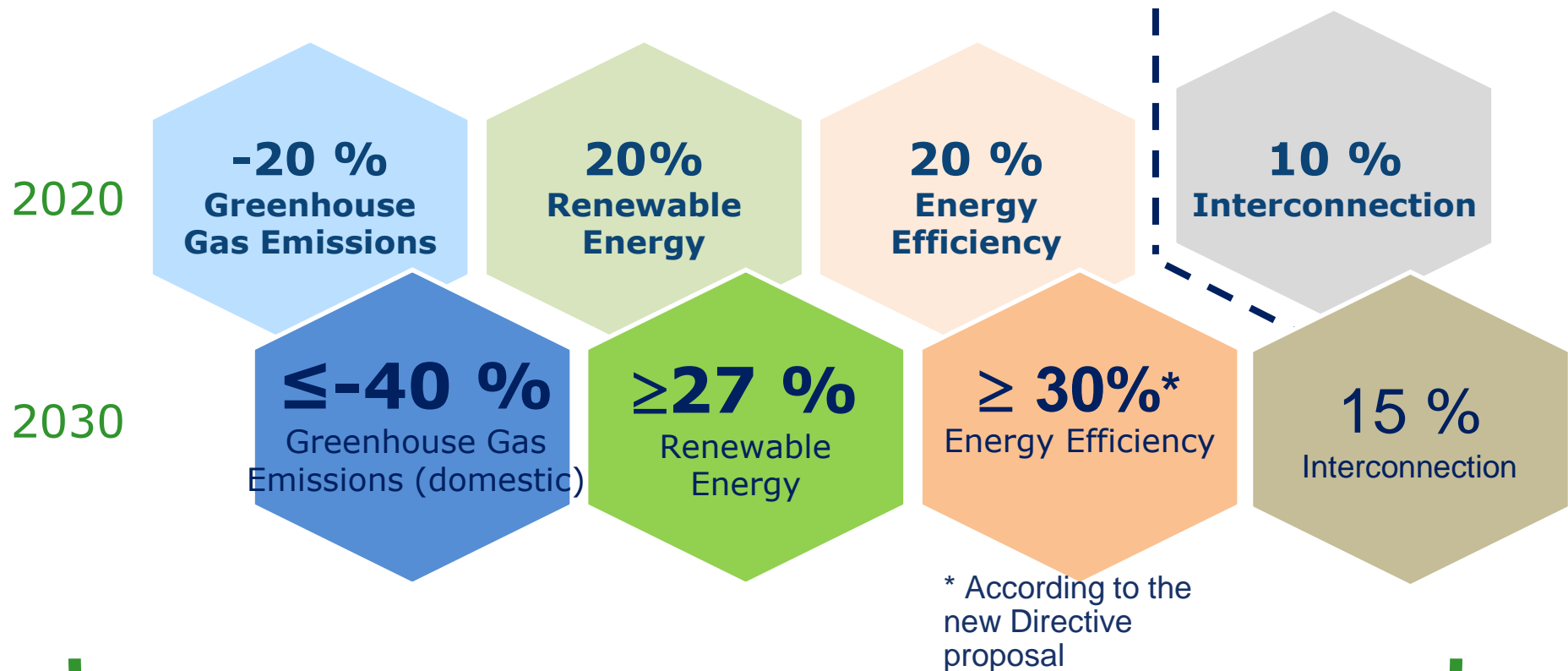
Private Finance for Energy Efficiency instruments (PF4EE)

- New financial instrument funded by the EC through the LIFE programme and the European Investment Bank.
- Endowed with € 80M, PF4EE will provide finance of at least € 480 million between 2014 and 2017.



1.3 Energy Efficiency as a EU priority

October 2014: **European Council** agreed headline targets of the 2030 climate and energy framework



2.1 PF4EE objectives and markets

Objectives

- **€80M from 2014 to 2017 in order to:**
 - increase the availability of debt financing to energy efficiency investments
 - support Member States in reaching their climate & energy targets

Sectors

- Buildings
- Production facilities
- Co-generation
- District heating & Public lighting

Final recipients

- Housing associations
- Corporates & SMEs
- Energy Services Companies (ESCOs)
- Private Individuals



1. Expert support facility (ESF)

- Consultancy services to financial intermediaries (FIs)
- Helps FIs to create tailored products to their clients
- €3.2M available



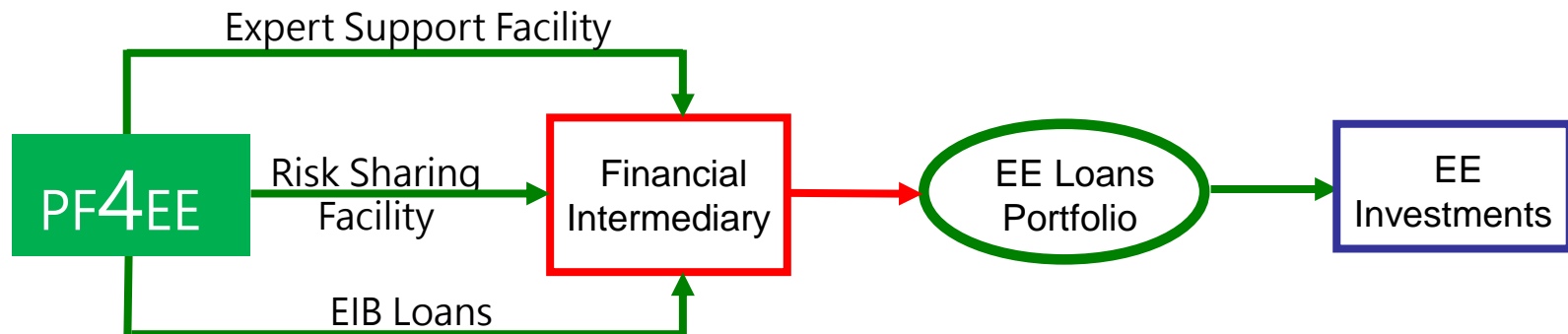
2. Risk-Sharing facility (RSF)

- First-Loss guarantee to covers losses incurred in the portfolio of EE loans
- Covers up to 80% per loan, capped at 20% of the portfolio
- Max. share of 15% / country (€10.8M)



3. EIB Loans

- Up to 75% financing (min. 25% from FIs)
- Tenor: from 3 up to 20 years
- Max. €5M per loan (€1.125 for non-SMEs corporates)





3.1: State of play



Bank	Final recipients segments	Portfolio Targeted	Cash Collateral committed	Energy savings)	CO2 savings
		(in EUR m)	(in EUR m)	(MWh/year	(Tons/Year)
Komerční Banka, Czech republic	Corporates & production facility.	75	6	126,000	68,531
Banco Santander, Spain	Hotels rehabilitation.	50	3.6	24,000	8,017
Credit Cooperatif, France	Buildings renovation & production facility.	75	4.5	94,750	7,837
Belfius ,Belgium	Focus on ESCO financing for Buildings, CHP and Production facilities.	75	4.8	75,900	3,031
BPER, Italy	Production facilities for Midcap (ceramic and automotive sector) and ESCO financing.	50	6	n.a.	n.a.
Banco BPI S.A., Portugal	Private sector entities with focus on building renovation.	50	4	35,531	14,174
ZABA, Croatia	Building renovation and marginally Production facility for SMEs and corporates	40	6,4	26,300	8,979
Piraeus Bank, Greece	Production facilities for Midcap (ceramic and automotive) and ESCO financing.	100*	10,8	Under appraisal	Under appraisal
CCB, Cyprus	Private sector entities with focus on building renovation.	25*	2,4	Under appraisal	Under appraisal
	TOTAL	540	max EUR 72m		



3.2 PF4EE in Croatia



Targeted investments:

- Building renovation and marginally Production facility for SMEs and corporates

Financial Intermediary

- Zagrebacka Banka

EE Programme:

- Croatia's draft National Energy Efficiency Action Plan (NEEAP) foresees seven main areas of intervention: Horizontal measures, Buildings, Public bodies, Industry, Transport, Heating and cooling, Energy

Overview:

- Size: EUR 40m
- Committed collateral: EUR 6.4m
- Signing period: 12/2017 – 12/2019
- Leverage effect of the cash collateral over 6.25x on EE loans and 8.3x on EE investments.

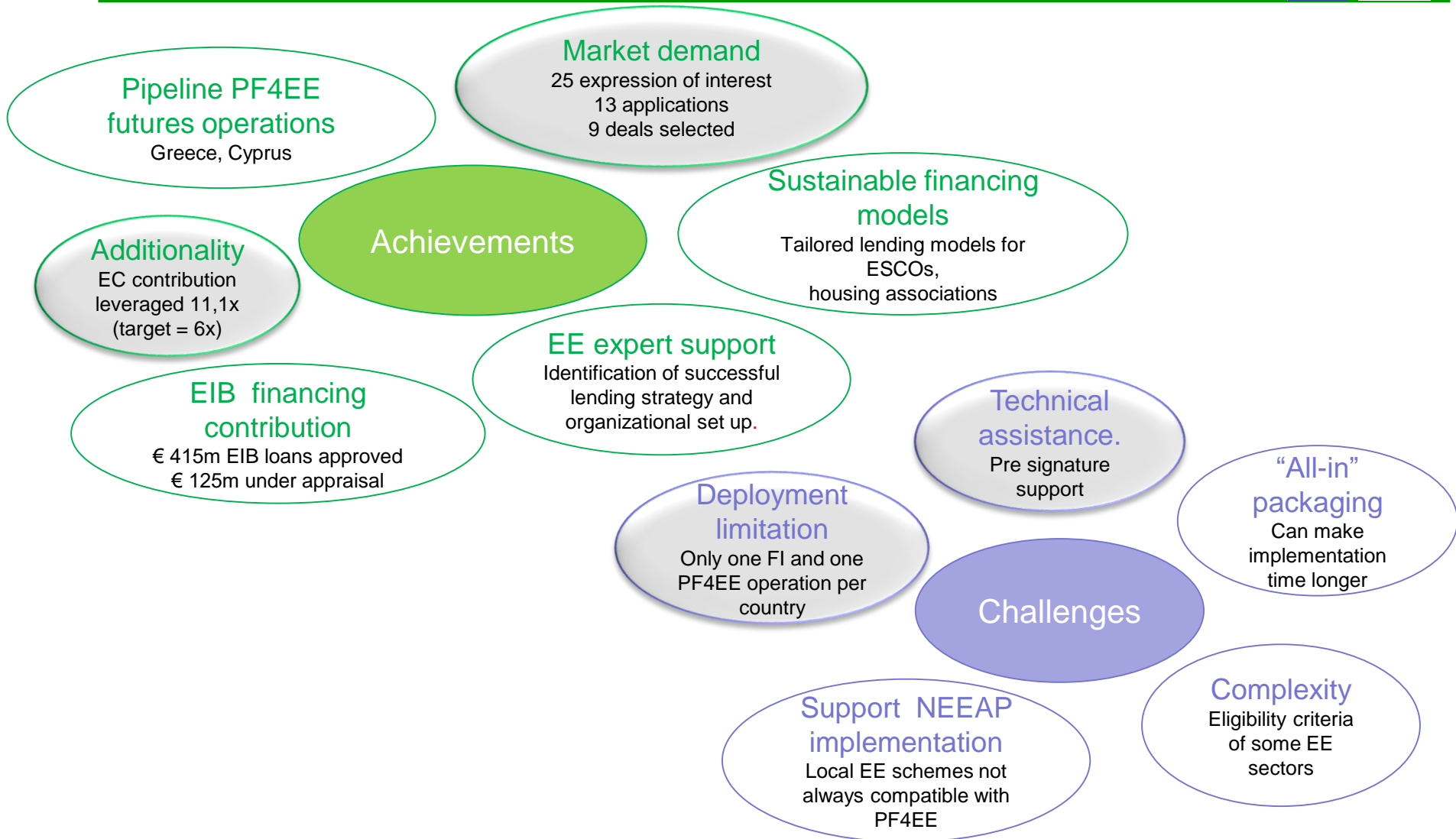
Final Recipients:

- Corporate sector (Small businesses, SMEs and Large Corp)

To be done:

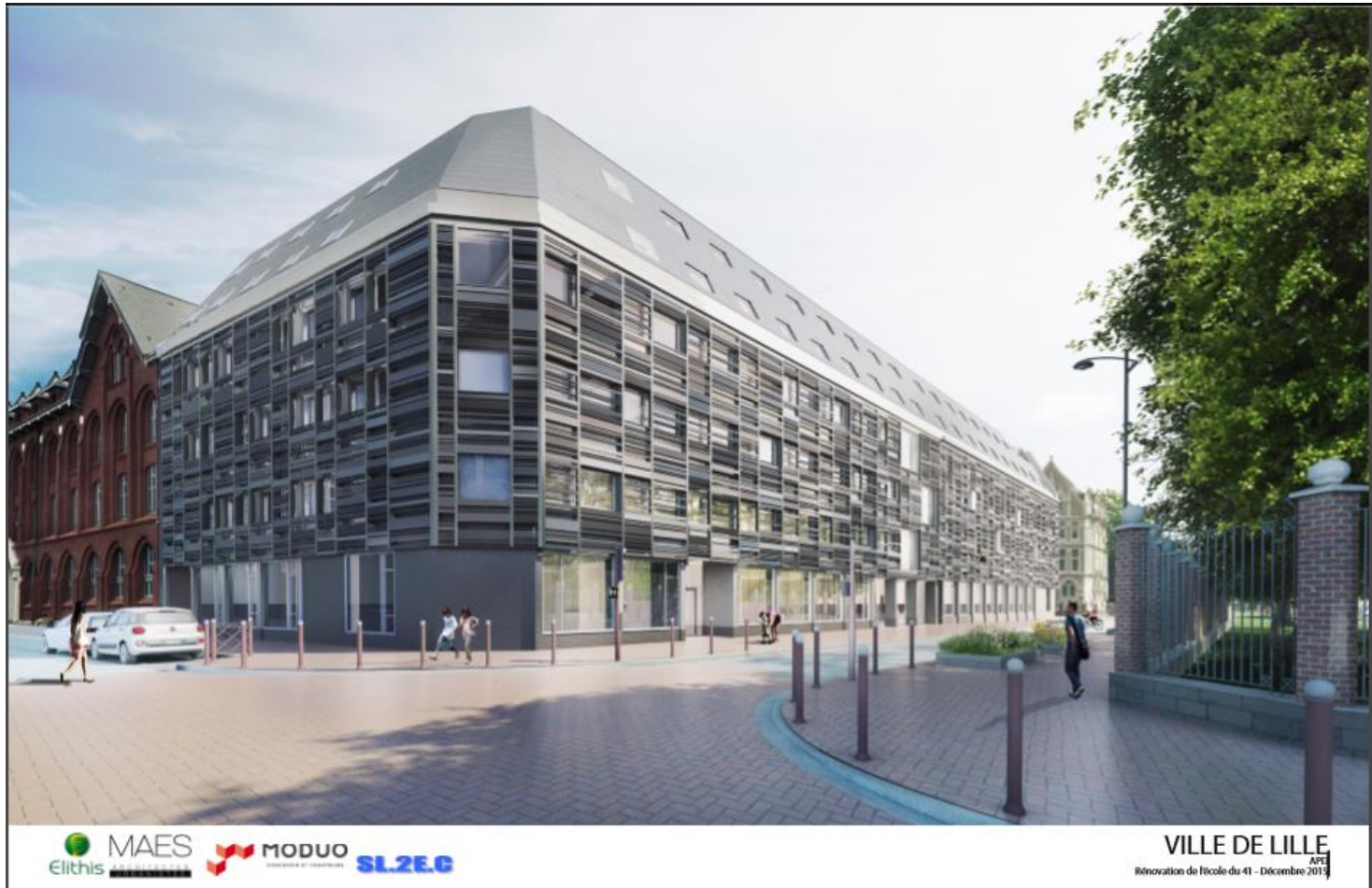
- Follow-up the communication and marketing measures dedicated to PF4EE.

3.3 Achievements/challenges





3.3 An example of what can be achieved...



3.4 Next Steps

PF4EE I

- € 23,5M to be committed
- New call of Expression of interest in 2018
- Implementation period until end-2019

PF4EE II

- Agreement during last LIFE Steering Committee in Nov.
- **€75M covering 2018-2020**
- Increased support to ESF
- **Possibility of more than 1 FI / MS**

SFSB

- *Smart Finance for Smart Buildings*
- Launching expected in 2018
- Priority target: private households
- Complementarity with PF4EE (but not part of LIFE)