



European City Facility

Bridging the gap between cities and finance

***Concerted Action for the Energy Efficiency Directive
6/7th Plenary Meeting, 15 October 2020***

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EU Climate and Energy Targets 2030



Minimum **40%** cut in greenhouse gas (GHG) emissions compared to 1990 levels



At least a **32%** share of renewables in final energy consumption



At least **32,5%** energy savings compared with the business-as-usual scenario

Public money

Annual investment gap:
€ 150 to 200 billion

Private capital

European Green Deal

- GHG reduction **target 2030: 55%**
- **Climate-neutrality by 2050**
- Alignment with **Paris Agreement**

Private finance
leveraged by
public funds

More effective use of public funds

Attracting private finance via:

- **Financial instruments,**
- Innovative **business models** and
- Innovative **financing schemes**



Assistance and aggregation

Supporting the **project pipeline** at EU and local level

Scale by **bundling & replication**

"One-stop-shops"

Project Development Assistance facilities



De-risking

Understanding the risks and benefits for financiers and investors

Risk mitigation

De-risking Energy Efficiency Platform (DEEP)

Commonly accepted **underwriting framework**



Investment programmes driven by cities/municipalities/regions

- Tremendous potential for building **substantial pipelines of investment projects** across Europe
- Key role in **aggregating** of smaller projects into sizeable packages
- Mobilisation of **significant amount of finance** needed

CROATIA

Pooling of EUR 23 million of investments for deep retrofitting of 48 public buildings in the capital city and creation of further pipelines beyond project timeline

FRANCE

Deployment of 'one-stop-shop' solution to initiate the energy renovation of thousands of private housing units in the North of France



ITALY

EUR 12.5 million triggered, pooling and bundling investments in buildings from diverse municipalities in the Piedmont region

Barriers for tapping full potential

- **Lack of sufficiently mature “investment concepts”** to enable access to financing



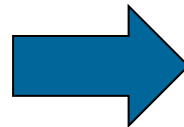
- **Missing capacity** of public authorities to transform long-term strategies (e.g. SEAPs)
- **Limited resources** to access (financial and legal) expertise

'European City Facility': overcoming barriers

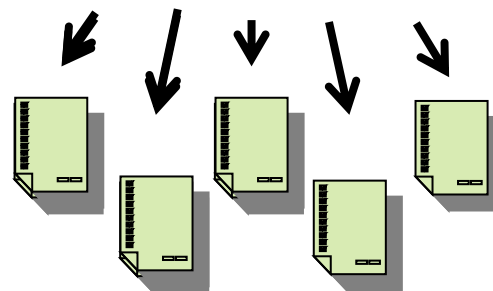
"European City Facility" *(consortium led by Energy Cities)*

Financial support and services
to large number of
cities/municipalities/regions

Fast-track, tailor-made,
simplified **lump sums**
(EUR 60,000)



Develop solid and innovative
investment concepts



Mobilisation of investments
*(incl. combination with EFSI, ESIF,
PDA/ELENA, investment platforms)*

What is an investment concept?

➤ Clear identification of potential project pipeline

- (Local) market/barrier analysis
- Sample energy audits etc.

➤ Analysis of local stakeholders controlling the project pipeline

- Commitments (by asset owners)
- Engagement strategy etc.

➤ Legal analysis (regional, national, internat.)

- Available investment types and framework conditions
- Actual investment approach
- Structuring/timeline of investment steps (incl. e.g. public procurement or debt accounting rules etc.)

➤ (Pre-feasibility) analysis of available financing solutions

- Basic modelling of investment costs, transaction costs, expected (cost) savings, other revenues etc.

➤ Roadmap: basic process to launch investments

- Work planning
- Resource allocation etc.

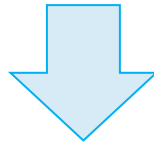


Development

Implementation

Finance

Long term objectives
SEAP/SECAP or equivalent



« Investment Concepts »

ESCOs, EPC

One-stop-shops
(home renovation services etc.)

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ELENA – PDA
EU Technical Assistance for innovative projects

Retail banks,
National Promotional Banks,
Investment Funds

Financing Platforms

EU and other public funds

1st Call:

2 October 2020

2nd – 4th Call:

until mid-2022



- **> 200 Investment Concepts**
- **Wide geographical coverage** (regional Calls)
- **Standardization and aggregation**
- **Trust/acceptance by financing institutions**



Significant, real investments

THANK YOU VERY MUCH!

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