



The Smart Finance for Smart Buildings (SF SB) Initiative and Innovative Financing Schemes

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Climate and Energy Framework

Climate-Energy Framework 2030

- 40% GHG reductions
- 32% Renewable Energy
- 32.5% Improving energy efficiency

2030

2050

Climate-Energy Framework 2020

[COM(2010)639]

- 20% GHG reductions
- 20% Renewable Energy
- 20% Improving energy efficiency

2020

A Clean Planet for all

A European strategic
long term vision for a
prosperous, modern,
competitive and
climate neutral
economy



2050 vision and finance mobilisation

Our Vision for a Clean Planet by 2050:

- The Paris Agreement objective: keep temperature increase to well below 2°C and to pursue efforts to limit it to 1.5°C
- IPCC report confirms the need to limit climate change to 1.5°C
- For the EU to lead the world in climate action, it means achieving net-zero greenhouse gas emissions by 2050

Long-term renovation strategies (Article 2a EPBD) :

1. *'near zero energy' 2050 vision for renovation strategies*
2. *mobilise investments for renovating existing buildings into a highly energy efficient and decarbonised building stock by 2050*

=> Significant investment and financing needs

2030 targets and investment needs



Minimum 40% cut in greenhouse gas 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 

About €400bn of yearly investment needed (overall)

 Private money

The EU spends already 20% of its total budget on climate (25% foreseen for InvestEU Plan).

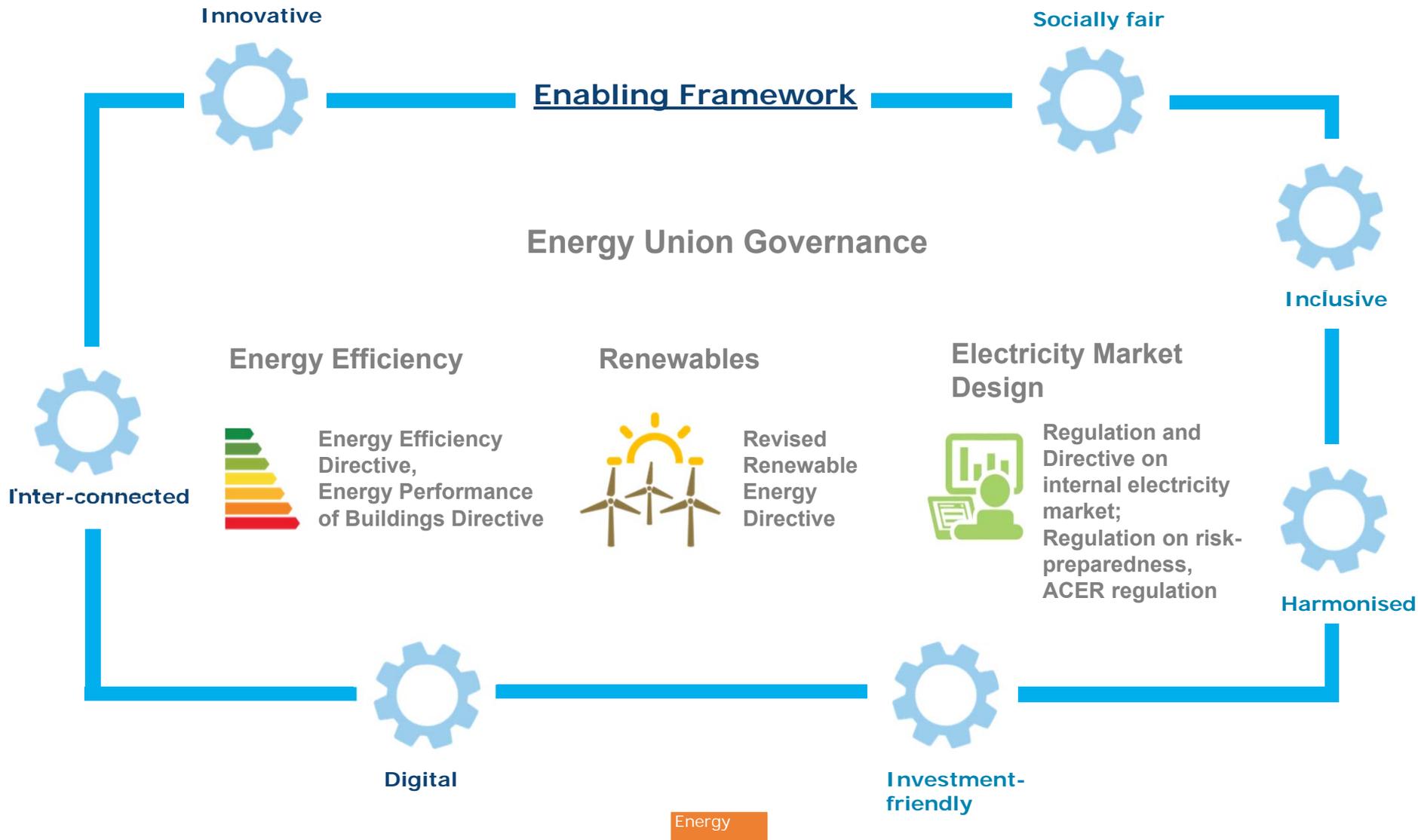
*With **€100tn in assets**, financial markets provide a huge potential to invest.*

What can be done?

- Provide a **clear and stable regulatory framework**
- Use **financial instruments** for more **leverage** (e.g. loans, guarantee facilities)
- Provide **project development assistance** to help overcome market barriers
- **Aggregate** projects, and aggregate services
- Find **innovative ways to finance** energy efficiency investments, to overcome the market barriers and target a much larger public.



European Commission





THE "SMART FINANCE FOR SMART BUILDINGS" INITIATIVE

More effective use of public funds

- Deploy **financial instruments** and flexible financing platforms for energy efficiency and on-site renewable



Assistance and aggregation

Support building the project pipeline at EU and local level



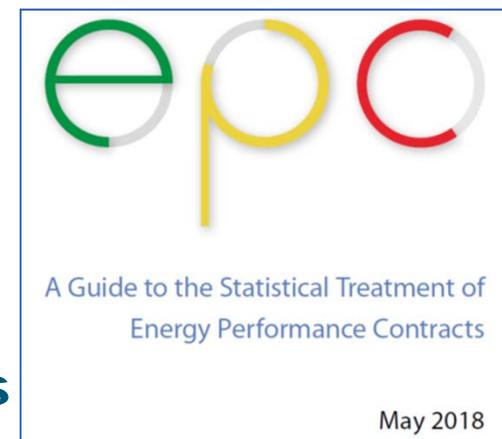
De-risking

Better understand and learn to assess the risks and benefits of energy efficiency investments



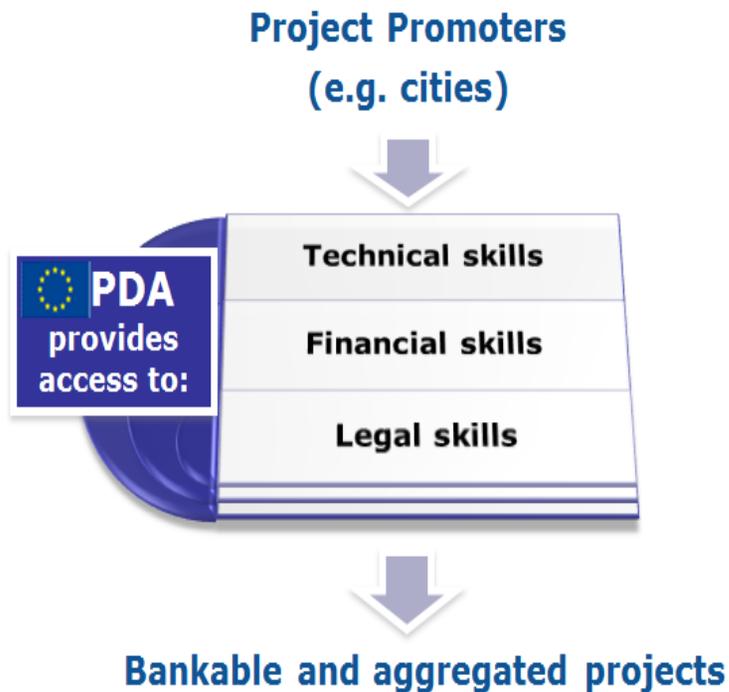
More effective use of public funds

- **Increase the use of financial instruments**, to achieve higher leverage ratios
- **Develop flexible financing platforms at national level**, mixing different strands of public financing (**ESIF, EFSI**)
- Gather **information on the main energy efficiency support schemes**, to understand how the public funds are used to support energy efficiency.
- Make **the use of Energy Performance Contracts** more accessible to the public sector
- **Sustainable Energy Investment Forums**

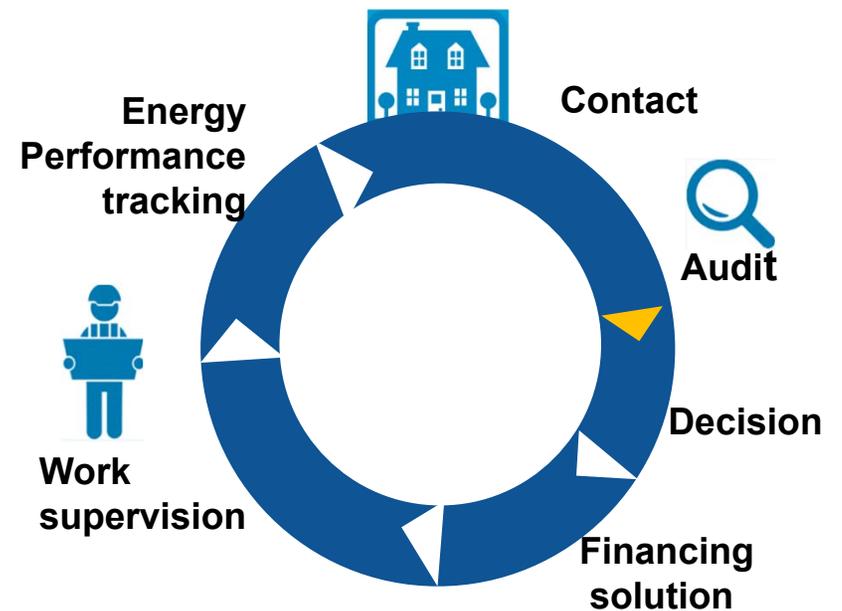


Aggregation services and PDA

- **EU Project Development Assistance (PDA)**



- Encourage local/ regional one-stop-shops





De-risking energy efficiency investments

*Change the risks perception related to energy efficiency investments - in collaboration with the **Energy Efficiency Financial Institutions Group (EEFIG)**:*

The De-risking Energy Efficiency Platform (DEEP), an open source database containing real performance data of energy efficiency projects (> 10.000 energy efficiency projects).

<http://deep.eefig.eu>

An Underwriting toolkit on the value and risk appraisal of energy efficiency investments

<http://valueandrisk.eefig.eu>



EEFIG UNDERWRITING TOOLKIT

Value and risk appraisal for energy efficiency financing

June 2017



European
Commission

**Thank you
for your attention!**