



PRESENTATION SMAFIN - 15 APRIL 2021

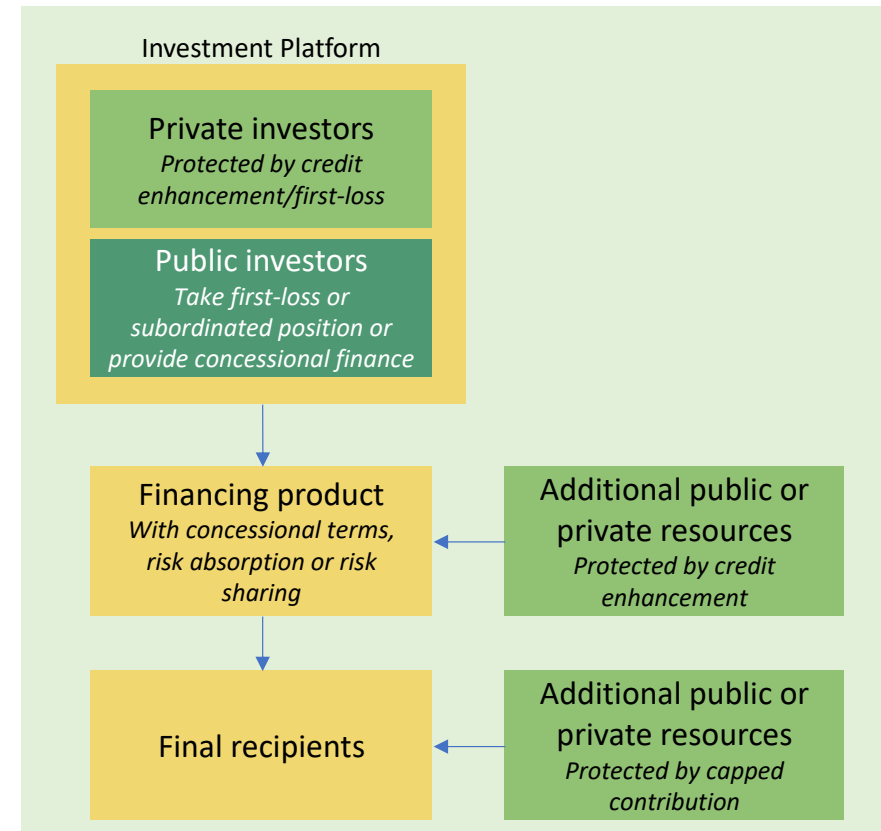
Public-backed investment platforms and citizen financing schemes to scale up investments for energy efficiency in the building sector



MAIN CHARACTERISTICS OF A PUBLIC-BACKED INVESTMENT PLATFORM

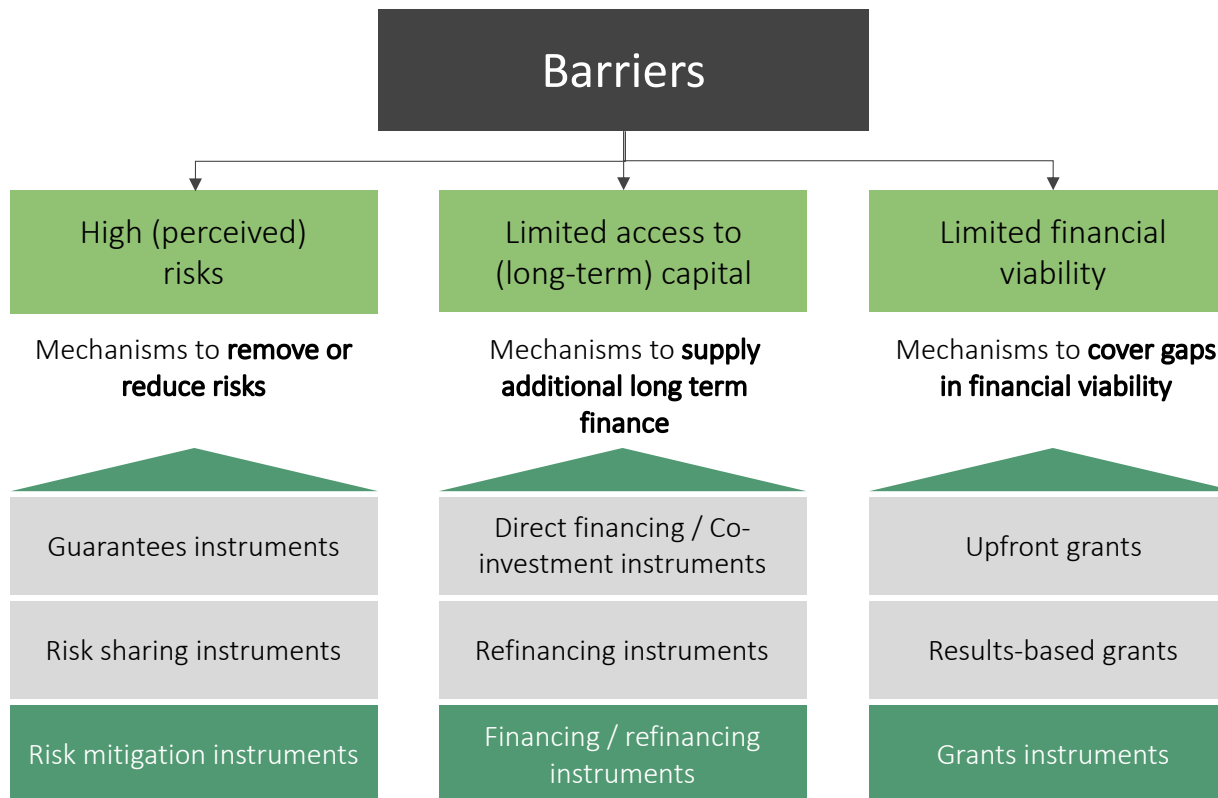
Using the leverage power of public funds

- Financing structure to overcome market failures and suboptimal investment situations (investment projects that are not financed on market-based conditions due to financing barriers such as risk perception, limited access to capital or limited viability).
- Where first loss and concessional public funds are used to blend/crowd-in private and additional public funds (leverage effect thanks to the capital and/or risk relief).
- With appropriate public financing instruments (risk mitigation instruments, co-financing and refinancing instruments, grants instruments), aimed at removing barriers leading to the suboptimal investment situations.
- In order to aggregate and pool smaller and/or riskier projects with a focus on geographic and/or sectoral/thematic scope (e.g. building renovation).



MAIN CHARACTERISTICS OF A PUBLIC-BACKED INVESTMENT PLATFORM

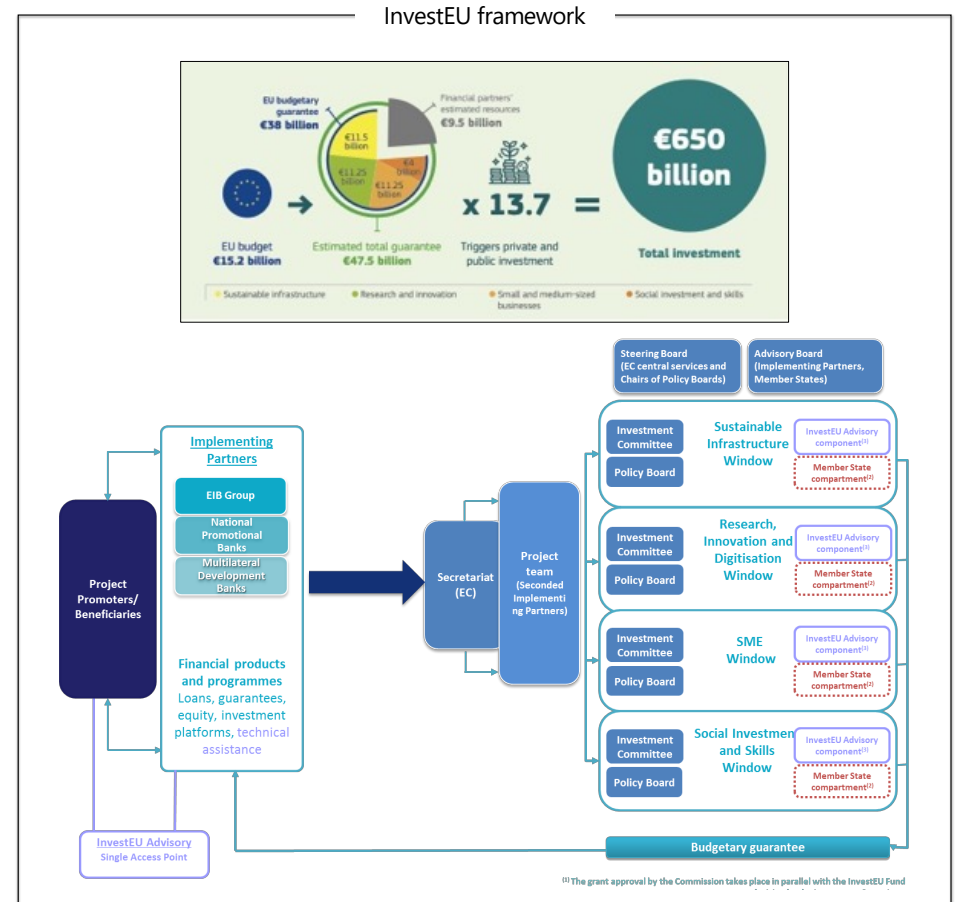
To remove barriers with appropriate public financing instruments



MAIN CHARACTERISTICS OF A PUBLIC-BACKED INVESTMENT PLATFORM

Sources of first loss and/or concessional public finance

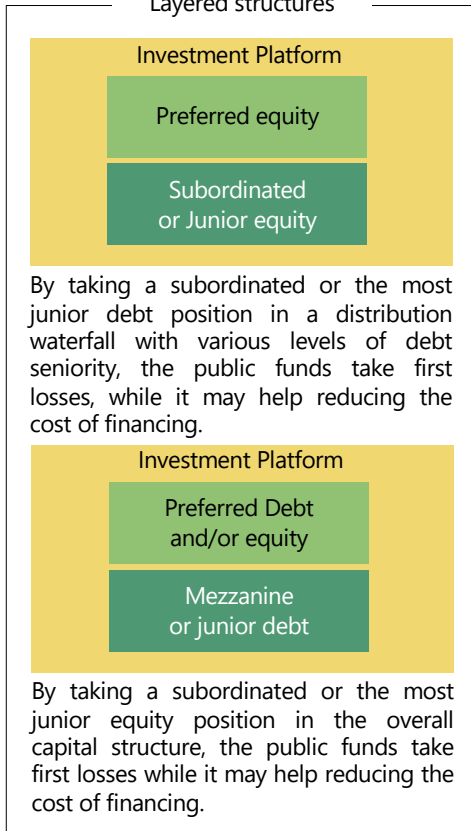
Sources of funding	Equity or junior equity	Mezzanine or junior debt	Senior debt	Guarantee	Grants
International Financing Institutions (e.g. EIB or EBRD)	✓	✓	✓	✓	✓
European Structural Funds (via Member State Managing Authority)	✓	✓	✓	✓	✓
National, regional and local public funds	✓	✓	✓	✓	✓
National Promotional Banks and Institutions	✓	✓	✓	✓	
Public institutional investors	✓	✓	✓	✓	



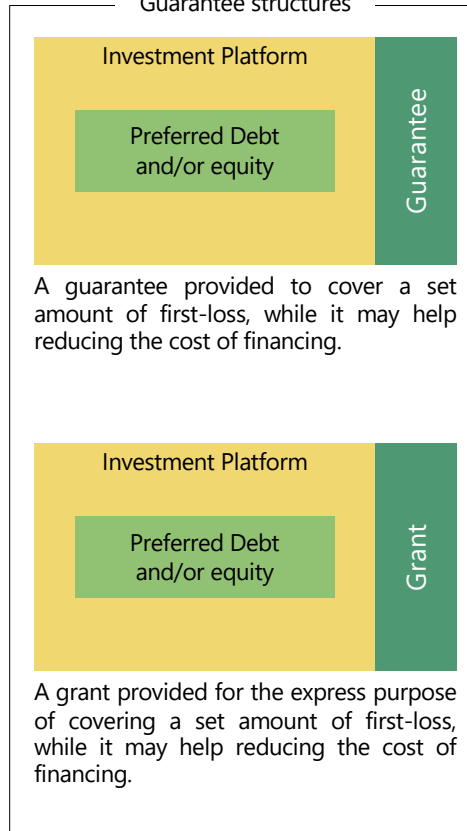
MAIN CHARACTERISTICS OF A PUBLIC-BACKED INVESTMENT PLATFORM

Typical funding structures using first loss and/or concessional public finance

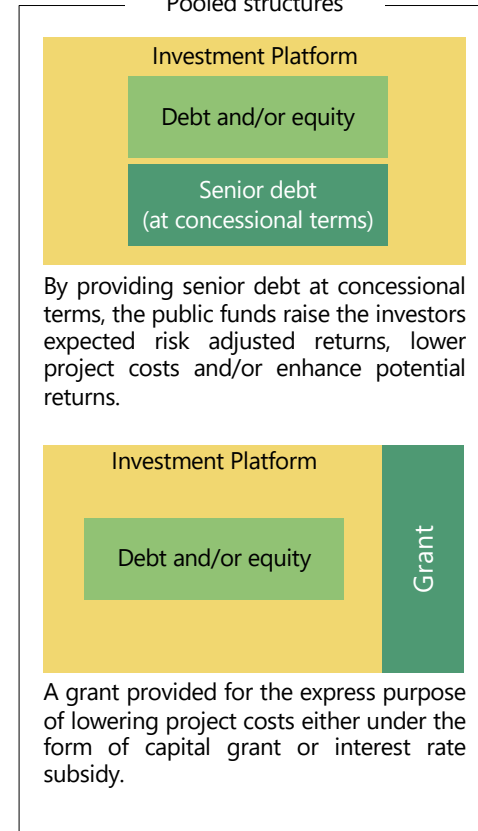
Layered structures



Guarantee structures



Pooled structures



Private investors Public investors

Citizen Financing Schemes funded by public-backed investment platforms

CitizEE's objectives?

- Creating national or regional Investment Platforms backed by European Fund for Strategic Investments or Invest EU fund.
- Supporting the integration of tailored and widely adopted citizen financing schemes, cooperative and/or crowdfunding models, with adequate available or to be developed Public Financing Instruments (PFIs).
- Enabling the set-up of large-scale community energy efficiency programs that attract private investments while strengthening know-how of regional/national stakeholders.

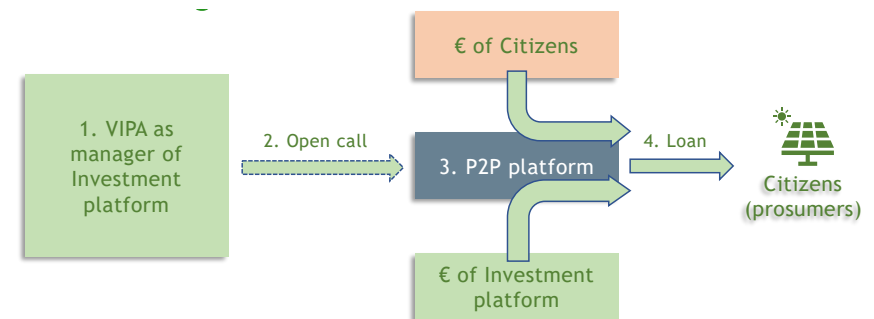
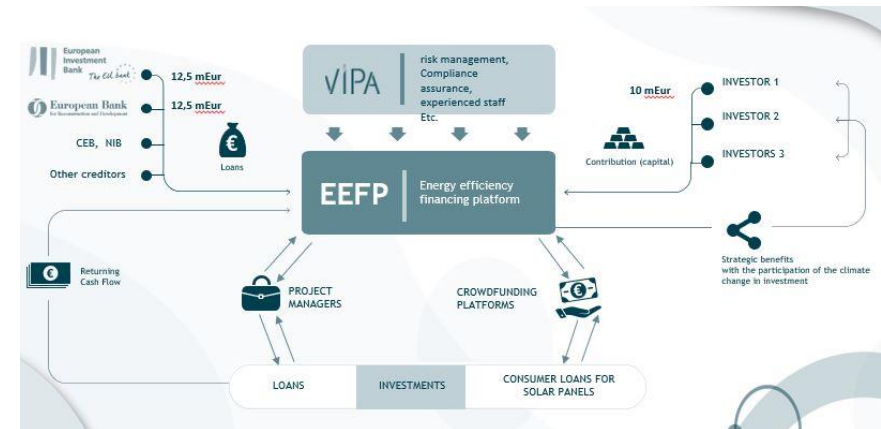
How to integrate citizen funding within an IP?

- As co-investor at IP level: Citizens can invest at the IP level through retail bonds or co-financing by cooperatives and/or crowdfunding platforms. Strong impact on the structuring of the IP!
- As financial intermediary for the IP: Cooperatives and/or crowdfunding platforms can act as financial intermediary for the IP providing IP funding alongside citizen funding. Strong impact on the structuring of the IP!
- As co-investors at project level: Citizens can invest at the project level (project by project) through co-financing by cooperatives and/or crowdfunding platforms. No impact on the structuring of the IP!

CITIZEE H2020 PROJECT: LITHUANIAN PILOT PROJECT EXAMPLE

CFs4EE Financing scheme to boost prosumers investments through P2P

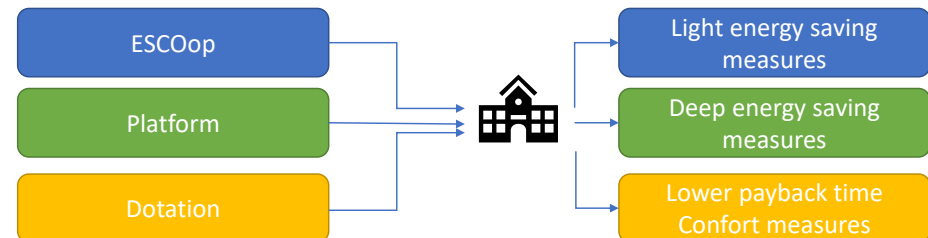
- VIPA (Lithuanian National Promotional Institution) has set up and operate an EU-backed investment platform under the form of a debt fund to provide preferential loans with a maturity up to 10 years.
- IP provides direct loans to legal bodies:
 - Direct loans for energy efficiency measures to public/private bodies and/or ESCOs
 - Direct loans for RES developers dedicated for remote prosumers who can buy or lease part of the power plant, built by project developer
 - Direct loans for shallow renovation focusing on heating systems (loans for condominium administrators)
- IP provides intermediated loans to citizen prosumers through P2P crowdfunding platforms
- Prosumer loan will consist of three components:
 - Intermediated loan from the IP (required ROI lower than the market's)
 - Investments from the citizens (market ROI)
 - Investment from P2P operators (ROI under negotiation)



CITIZEE H2020 PROJECT: BELGIAN PILOT PROJECT EXAMPLE

CFs4EE Financing scheme to finance deep retrofit EPCs with ESCOs/ESCOops

- VEB (Flemish Energy Agency) will drive the process to set up a fully public investment platform under the form of a dedicated credit line from the Flemish Government to provide concessional loans to public entities with a maturity up to 40 years.
- VEB will launch a large tendering program for deep retrofit of public buildings in Flanders based on Energy Performance Contracting (EPC) with ESCOs/ESCOops as co-investors at project level.
- Financing scheme will consist of three components:
 - Light energy saving measures financed by the ESCOs/ESCOops under third party investment (with Eurostat SEC-neutrality)
 - Deep energy savings measures financed by the Investment Platform under soft loans (30 to 40 years)
 - Lower payback time comfort measures financed by the project beneficiaries on budget dotation





EMAIL

jfmarchand@energinvest.be



PHONE

+32 472 675 427



WEBSITE

www.energinvest.be

energinvest
