



Funded by the
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Mitigation Enabling Energy Transition in the MEDiterranean region – Phase II



The experience of SEI Forums in Europe

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The ENERGY EFFICIENCY FINANCIAL INSTITUTIONS GROUP (EEFIG)



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 **EEFIG**
ENERGY EFFICIENCY
FINANCIAL INSTITUTIONS GROUP

“Public funding cannot achieve our energy and climate goals alone. We need at least an additional EUR 150 billion in energy efficiency investment per year; a strong case for private financing.”



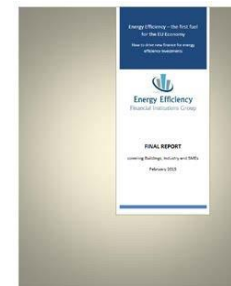


Working together to bridge the energy efficiency financing gap

- established in 2013 by the *European Commission Directorate-General for Energy* and the *United Nations Environment Programme Finance Initiative* (UNEP FI)
- providing a significant contribution in **accelerating private finance** to energy efficiency
- **addressing barriers** to energy efficiency financing through both **policy design** and **market-based solutions** to increase the scale of energy efficiency investments across Europe
- composed of 500 representatives, EEFIG's strength are its members - spanning public and private **financial institutions**, **industry representatives** and **sector experts**
- EEFIG works through working groups that target specific themes. Through a **multi-level stakeholder dialogue**, working groups identify opportunities and barriers in the long-term financing for energy efficiency, and propose policy and market solutions.

Relevant EFIG's achievements 2013 - 2023

1. **Final report 2015** with recommendations, mainly still valid with some progress, for example on energy performance contracts (i.e. Eurostat guidance on the public accounting treatment of EPCs)



2. EFIG Tools

- ❑ The delivery of **DEEP – De-Risking Energy Efficiency Platform** - Europe's largest energy efficiency project database

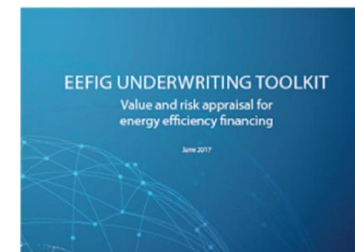
<https://deep.ec.europa.eu/>

- ❑ The EFIG **Underwriting Toolkit** - designed to assist financial institutions to scale up the deployment of capital into energy efficiency <https://valueandrisk.eefig.eu/>



DE-RISKING ENERGY
EFFICIENCY PLATFORM
(DEEP)

3. **EFIG Experts Working Groups**, working in areas of key investment challenges for Europe, such as energy efficiency investment criteria, the evolution of financing practices, links between energy efficiency and lending default, and others.



4. **Sustainable Energy Investment Forums** initiative

1. Reports and recommendations – 2015 and 2021

Whilst there is greater supply of finance, barriers remain

Main barriers identified in 2015 **remain critical**:

- **High investment costs** (as energy efficiency solutions are more capital intensive than less efficient solutions and often have longer pay-backs)
- **High transaction costs** - as energy efficiency investments are generally small
- Some energy efficiency projects have **poorly known risk characteristics**
- Some market segments have **difficult access to finance** (low incomes households and SMEs)



*The limited availability of **reliable information, real energy efficiency performance data** is a growing issue for financial institutions.*

Access the 2015 Landmark Report EEFIG [here](#)

EEFIG's 2021 General Recommendations to Policy makers and to Financial Institutions

2. EEFIG Tools

DEEP – De-Risking Energy Efficiency Platform <https://deep.ec.europa.eu/>

De-risking Energy Efficiency Platform (DEEP)

Home

DE-RISKING ENERGY
EFFICIENCY PLATFORM
(DEEP)

An EEFIG open-source initiative to up-scale energy efficiency investments in Europe through the improved sharing and transparent analysis of existing projects in buildings and industry

View charts

Our Vision

**37,000+
EE projects**



Buildings

20144



Median Payback time -
Buildings

5,9



Median Avoidance cost -
Buildings

1,9



Industry

17688



Median Payback time -
Industry

2,9



Median Avoidance cost -
Industry

2,1

2. EEFIG Tools

Underwriting Toolkit <https://valueandrisk.eefig.eu/>



Introduction



Financial Institutions
and Energy Efficiency



Financing Energy
Efficiency



The Project Life Cycle



Value and Risk
Appraisal



Resources



“

I strongly recommend this toolkit to project promoters, banks, financial institutions and anyone else interested in financing energy efficiency.

Foreword by Maroš Šefčovič, European Commission VP



“

I recommend this toolkit to any policy maker, investor, business, developer or citizen seeking a more inclusive, green economy.

Foreword by Erik Solheim, UN Environment

3. EFIG Experts Working Groups

https://eefig.ec.europa.eu/going-activities_en

- What should the EU energy efficiency investment and finance data collection strategy be?
- Is there a material and statistically significant correlation between credit risk and energy performance in lending?
- How do we value the multiple benefits of energy efficiency?
- How do we accelerate energy efficiency investments in industry?
- Are energy efficient buildings worth more?
- What energy efficiency investment data is available today and is this sufficient?
- How should financial institutions implement the energy efficiency first principle?
- What are the drivers of consumer demand for energy efficiency and how can they be promoted?

Activities of the Working Groups https://eefig.ec.europa.eu/going-activities_en



Evolution of financing practices

Evolution of financing practices for energy efficiency in buildings, SMEs and in industry



Risk assessment

The EEFIG Working Group on Risk assessment



Multiple Benefits of Energy Efficiency

Working Group - Multiple Benefits of Energy Efficiency



Stimulate consumers' demand

Working Group - Stimulate consumers' demand for energy efficiency investments



Energy efficiency in industry

Working Group - Energy efficiency in industry



Energy Efficiency First Principle

Working Group – Applying the Energy Efficiency First Principle in Sustainable Finance



Collecting and monitoring of data

Working Group - Collecting and monitoring of data on energy efficiency investments and financing



Multiannual Financial Framework (MFF)

Working Group - Multiannual Financial Framework (MFF)



EEFIG Working Group Reports 2022

On Financing Practices for Energy Efficiency

Energy efficiency investments must more than double to meet EU's climate and energy targets. This EEFIG report takes a deep dive into the current status and identifies necessary actions to scale up energy efficiency investments in buildings, SMEs and industry. Driving demand for energy efficiency remains the most imminent challenge and will require a combination of the right financial offer, financial incentives to reduce up-front payments, and reduced transaction costs through standardisation.

On Financial Performance of Energy Renovation Loans

Are green loans less risky, and can better energy performance increase the property value? This report looks at the relationship between the energy performance of buildings, credit risk, and asset values. Based on evidence from nearly a million mortgages in Europe it concludes that there is a statistically relevant correlation between the energy performance of building collateral and mortgage credit performance and identifies recommendations for further work in this area.

On Multiple Benefits of Energy Efficiency Projects

The multiple benefits of energy efficiency investments such as improved indoor air quality, job-creation, energy poverty alleviation, and environmental sustainability are increasingly considered by policymakers. However, these benefits are not yet fully part of the financing and investment decision making routines of asset owners and financial institutions. The report explores ways to monetise the multiple benefits and to integrate them in investment decision-making and financing procedures.

On Energy Efficiency in Industry and SMEs

European industry is key to job creation and growth – and at the same time key to decarbonisation of the European economy. In this context energy efficiency is an important and cost-efficient tool. The EEFIG Working Group on Industry assessed the main obstacles and drivers for improved energy efficiency in industry, identified best practices, and developed recommendations for industry, financial institutions and policy makers.



EEFIG Working Group Reports 2023

On Energy Efficiency Financing under the EU Budget

EU and national public funds can act as a catalyst for private finance for energy efficiency, but the risk of crowding out should be minimized. This calls for increased use of blending of private commercial loans with public grants, public guarantee facilities, and public funds for enabling activities including facilitation and advisory. At the same time, increased focus is needed on the actual preparation of project pipelines, investor commitments and implementation at Member State level.

On Monitoring Data on Energy Efficiency Investments

Data on actual and planned energy efficiency investment and financing levels across EU Member States and key sectors (buildings, industry, SMEs) is essential to make the best possible use of available public funds, stimulate and mobilise additional private investment. The report identifies the relevant datasets to monitor energy efficiency investments and financing and provides advice on the best method to capture, process, and organize data on energy efficiency investments and financing.

On Applying the Energy Efficiency First Principle

Energy Efficiency First is a central principle of European energy policy. However, its adoption within the finance sector is still limited. Every day many investment and lending decisions are taken which ignore profitable energy efficiency opportunities, locking in wasteful energy use and emissions for the lifetime of the underlying asset. The report provides guidance for financial institutions on operationalising energy efficiency first and recommendations for the EC on supporting measures.

On Demand Activation for Energy Efficiency Investments

Energy efficiency is socio-economic optimal and a rational decision from the individual point of view, but the demand for energy efficiency investments is still too low to meet the EU climate targets. The report assesses barriers and drivers to the demands for energy efficiency investments, identifies best practices for addressing the barriers, and provides recommendations on effective tools and policy instruments for increasing consumers and final users demand for energy efficiency investments.

4. The Sustainable Energy Investment Forums initiative

Working together to bridge the energy efficiency financing gap

EU Commission's (DG ENER – CINEA) initiative **since 2016**, 40 events so far across the EU

- **Aim**: creating **dialogue** and enhancing the **capacity** of and **co-operation** between public and private stakeholders including finance sector; **narrowing investment gap** in sustainable energy
- **Form**: a series of **public conferences** (e.g. annual Covenant of Mayors Investment Forum – Energy Efficiency Finance Market Place), **national roundtable** discussions and **webinars**
- **Outcomes**: **good practices** shared and **dialogue** between financial sector, public authorities, energy services and other stakeholders involved in delivering investments in sustainable energy at EU, national, and local levels.
 - Contribution to the Recovery and Resilience Plans, National Energy and Climate Plans, Long-term Renovation Strategies, and implementation of new EU funding programmes and financing initiative, creation of **long-standing cooperation platforms** between stakeholders

Moving forward

2023 - 10 years of working towards energy efficiency financing and the conclusion of the EEFIG as it was conceived 10 years ago.

EEFIG identified and acknowledged the key issues driving and preventing energy efficiency investments, it has produced tools to support investors and banks identify and put energy efficiency first, and it has fully answered all the Commission's questions about the role of and potential for financial institutions in energy efficiency.

The new **European Energy Efficiency Financing Coalition** offers a framework for dialogue and action between the European Commission, **EU countries**, and stakeholders in the energy efficiency financing sector.

This new coalition will be built on the EEFIG's legacy and technical work to further **increase the effectiveness and efficiency of EU funding**, and implement **new public-private energy efficiency financial instruments**.

The European Energy Efficiency Financing Coalition

The objective of the Coalition is to create a favourable market environment for energy efficiency investments and to facilitate the mobilisation of private financing for energy efficiency in support of the 2030 and 2050 EU energy and climate targets. Its work includes:

- to facilitate the implementation of **energy efficiency financial instruments and schemes** under EU funding programmes
- promote that these programmes **foster or facilitate further private investment** in energy efficiency projects

The Coalition will align its work with the ambition of the **Energy Efficiency Directive** and the **Energy Performance of Buildings Directive**, thus helping EU countries to implement these directives at the national level.

شكرا على مشاركتكم وحسن انتباهكم

Merci pour votre attention

Thank you for your attention

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MEDENER

Secretary General

<http://www.medener.org/en/>

