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Mitigation Enabling Energy Transition in the MEDiterranean region – Phase II



# MED Sustainable Energy Investment Forum National Roundtable Morocco

*Rabat, 18 October 2022*

*The experience of SEI Forums in Europe*

**Roberta Boniotti**

**Secretary General MEDENER,**

**the Mediterranean Association of National Energy Agencies**

# The ENERGY EFFICIENCY FINANCIAL INSTITUTIONS GROUP (EEFIG)



Ditte Juul Jørgensen  
Director-General for Energy

 **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.”



The image features a circular portrait of Ditte Juul Jørgensen on the left. To her right is the EEFIG logo and name. Below the portrait is her name and title. A large quote is centered on the right side. At the bottom right are the logos for the European Commission and the UN Environment Programme Finance Initiative.

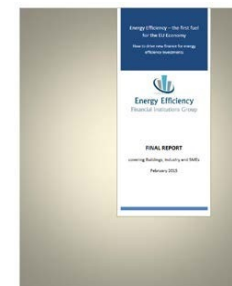


## Working together to bridge the energy efficiency financing gap

- 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 over 300 representatives from more than 200 organisations, 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 EEFIG's achievements

- ✓ [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)
- ✓ The delivery of **DEEP – De-Risking Energy Efficiency Platform** - Europe's largest energy efficiency project database <https://deep.eefig.eu/>
- ✓ The **EEFIG Underwriting Toolkit** - designed to assist financial institutions to scale up their deployment of capital into energy efficiency <https://valueandrisk.eefig.eu/>
- ✓ the **Sustainable Energy Investment Forums** initiative
- ✓ Several **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.



DE-RISKING ENERGY  
EFFICIENCY PLATFORM  
(DEEP)



## 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)



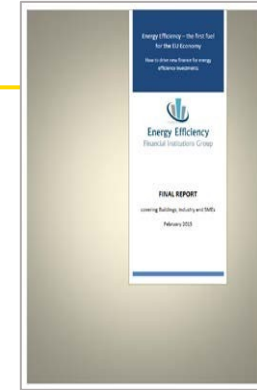
***The limited availability of reliable information, real energy efficiency performance data is a growing issue for financial institutions.***

**EEFIG's 2021 General Recommendations to the EU Commission and to Financial Institutions**

# Overview of EEFIG's 2021 General Recommendations to the EU Commission (#1)



- Ensure an adequate and rapid implementation of the policies proposed by the EU Commission in recent years related to EE. This should include the EEFIG 2015 recommendations as most are only partially implemented.
- Develop large EE programmes by segment to facilitate the growth of energy performance contracting and ESCOs, notably for public and commercial buildings and energy-intensive SMEs.
- Ensure that the European Semester evaluates the EE investment levels and activities, at the MS level to provide feedback on the next policy cycle and the effectiveness of national policies.
- The EC should promote that public procurement rules include the EE first principle and incentivise the use of low carbon technologies, including EE. All projects financed by EU funds should be procured applying these rules.
- Facilitate the development of new low-carbon heat networks and the modernisation of existing ones, so that they are Paris aligned.



# Overview of EEFIG's 2021 General Recommendations to the EU Commission (#2)



- Improve the use of EU funds (ERDF, LIFE, H2020, etc) in EE. This funding should only be used to support EE investments that deliver a significant contribution according to the EU Taxonomy aligned.
  - Grants should only be used when it can be demonstrated that other alternatives are not feasible, such as a public-backed financial instrument.
  - Reporting requirements for small EE investments can be streamlined.
- The development of large-scale financial instruments can be encouraged, in collaboration with distribution partners to reach millions of corporate and buildings related customers in order to mobilise larger amounts of investment with the grants available.
- Improve annual reporting on EE investments in each MS by sector across the EU, in particular for existing buildings and industry.
  - Systematic reporting to central databases like DEEP should be mandatory for public funded projects.



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# 2021 EFIG Recommendations for financial institutions (#1)

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- Develop de-risking tools such as guarantees from Governments:
  - (i) to mitigate credit risks related to financing EE, especially for low-income households or SMEs or other companies with weak credit ratings;
  - (ii) to reduce risks with innovative technologies or technologies in the early market penetration phase; and
  - (iii) to adequately cover long term risks related to long tenor products.
- Promote the development of scalable innovative financial instruments to finance EE investments, including on-bill repayments, on-tax financing, green mortgages and renovation loans.
- Standardise investment assessment processes, contract terms and investment structures to support better aggregation of projects. This is very relevant for home renovation, small commercial and SMEs.





# 2021 EEFIG Recommendations for financial institutions (#2)

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- Develop more specialised financial instruments for individual segments of the market and in conjunction with those market operators (energy service companies, heat networks, mortgage lenders, start-ups, etc).
- Retail lenders should engage on energy performance for all registered mortgage lenders and implement mortgage portfolio standards that deliver improved portfolio collateral energy performance in line with national Paris-aligned decarbonisation pathways.
- Blend grants with loans in single delivered packages with easy to apply processes (for both at once) for households and SMEs with lower access to finance.
  - TA to develop and market new financial instruments can be considered on a case by case basis.
- Develop a secondary market for EE. This will become necessary when the energy efficiency market has achieved a certain scale



# DEEP – De-Risking Energy Efficiency Platform

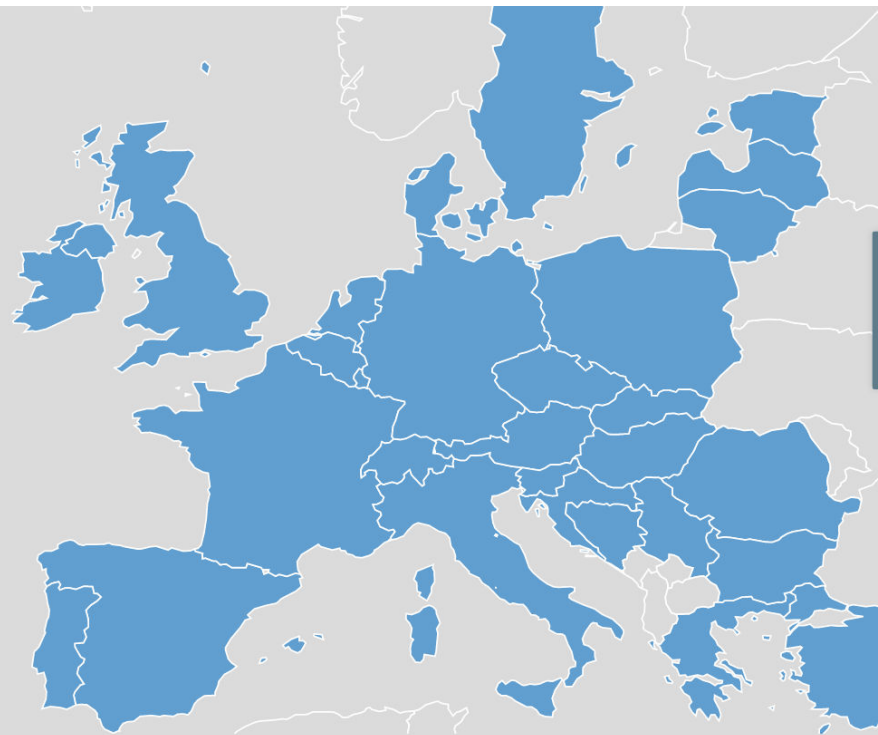


## DE-RISKING ENERGY EFFICIENCY PLATFORM (DEEP)

An 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](#)



### Buildings

11521

Projects



### Median Payback time - Buildings

4,3

Years



### Median Avoidance cost - Buildings

2,6

Eurocent/kWh



### Industry

12474

Projects



### Median Payback time - Industry

2,8

Years



### Median Avoidance cost - Industry

1,9

Eurocent/kWh

## 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

## The National Roundtables – SEI Forums

Large amounts of **public funds** are available in Europe through the EU Recovery Package and the Multiannual Financial Framework (MFF) for 2021-2027: EU funds are assigned to **climate action, doubling its resources** compared to the 2014-2020 period.

Nevertheless, **public funds are not enough**, additional funds are still needed, and public funding should become a **catalyst for private financing**.



Need for attracting private investments and green financing, and for **exchange forums/national roundtables** to discuss green loans and mortgage financing, investment de-risking, the introduction of deep renovation standards, the mobilisation of technical assistance and capacity building.



## Key feedback from 40 events in 16 Countries

- A **dialogue** between finance, industry and policy, **unique model** with all stakeholders on an equal footing
- Impactful **capitalization of knowledge**: successful financing solutions across regions and across borders
- Allow kick-starting **new policies and investment programmes** in EU Member States
  - ✓ Revise regulations, e.g. **renovation strategies**
  - ✓ Adopt **funding programmes** and develop **new financial instruments** with the private sector
  - ✓ Create **long-standing cooperation platforms** between stakeholders

Link to the SEI Forums events:

[https://ec.europa.eu/info/events/sustainable-energy-investment-forums\\_en](https://ec.europa.eu/info/events/sustainable-energy-investment-forums_en)

## Some EU experiences

### ➤ Belgium:

- A series of 4 online workshops focused on public and home building renovation, one-stop-shop, financing instruments
- Ongoing: creation of a layered fund to finance EPC on public buildings, one-stop-shop approach at the regional level

### ➤ Spain:

- Public event led by the National Energy Agency
- A dedicated project AUNA (led by Green Building Council Spain) with strong involvement of the financial sector, with focus on home renovation and roadmap for long-term national renovation strategy

## SEI Forum events in Italy and follow-up



[Financing energy efficiency in Italy, Croatia and Slovenia](#)

16 November 2017, Milan (Italy)



[Roundtable on Finance for Energy Efficiency in Italy](#)

24 May 2018, Rome (Italy)



[Second Roundtable on Finance for Energy Efficiency](#)

5 February 2019, Rome (Italy)



[Financing Energy Efficiency in Malta and Italy](#)

22 November 2018, St. Julians (Malta)



Institutional working group promoted by ABI - Italian Banking Association, to accelerate the rate of energy renovations of buildings, first meeting in November 2019



1 September 2021, Horizon 2020 Project [GREENROAD](#)

GRowing Energy Efficiency through National ROundtables ADresses

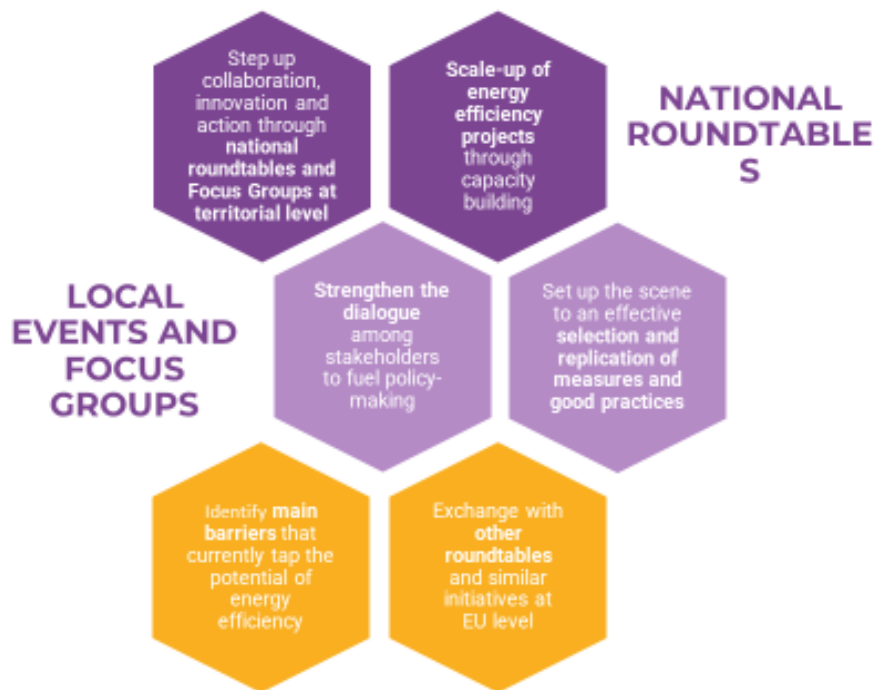
## SEI Forum events in Italy and follow-up



Partners:



Goals:





شكرا على مشاركتكم وحسن انتباهكم  
*Merci pour votre attention*  
*Thank you for your attention*

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