

CA-RES/CA EED/CA EPBD Joint Workshop, 30th - 31st January 2020, Barcelona

Session 10 - Innovative Financing Solutions to Bridge the Investment Gap for 2030



**Energy Efficiency**  
Financial Institutions Group

**Energy Efficiency Financial Institutions Group (EEFIG)**  
*— Boosting investments for sustainable energy use*

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# 1. EEFIG



## EEFIG's Purpose and Participants

- Up-scaling energy efficiency investments is critical and will have multiple benefits for Europe.
- Energy efficiency investments increase security of supply reducing Europe's reliance on imported energy, enhance the competitiveness of Europe's industry, and reduce global as well as local environmental emissions.
- The Energy Efficiency Financial Institutions Group (EEFIG) was established in 2013 by DG Energy and UNEP FI.
- It is a working forum for public and private financial institutions, industry representatives and sector experts with a common interest in overcoming the challenges of obtaining long-term financing for energy efficiency.
- Find more information on [www.eefig.eu](http://www.eefig.eu)

### The EEFIG members

- Public and private financial institutions (banks, investors, insurers etc.)
- Banking associations and investor groups
- Industry representatives and associations
- Energy efficiency industry experts
- Energy efficiency services representatives
- SME associations and expert representatives
- Civil society experts representing diverse energy efficiency stakeholder groups
- International Energy Agency (IEA)
- European Commission
- UNEP FI

# **2. THE LANDMARK EEFIG 2015 REPORT — “A DIAGNOSIS”**

# Energy Efficiency – the first fuel for the EU Economy

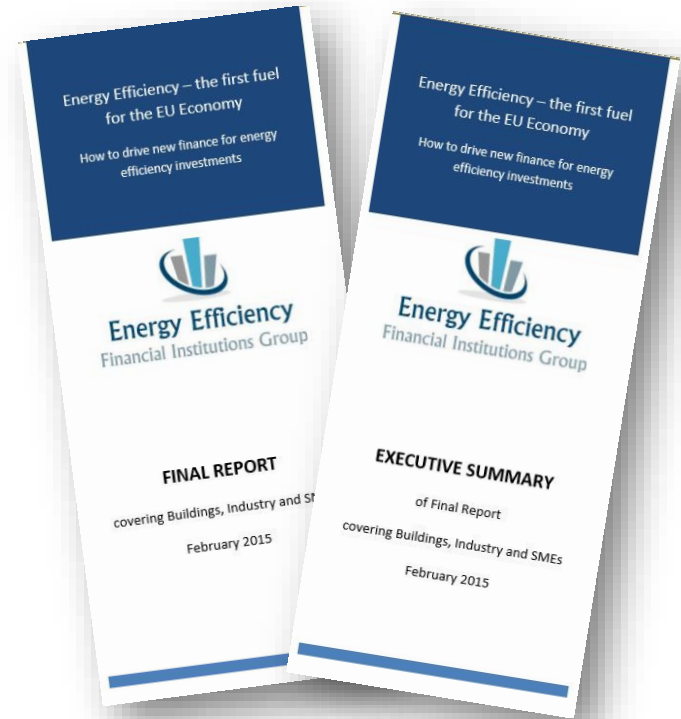
## How to drive new finance for energy efficiency investments

The EEFIG 2015 Report highlighted that:

- Energy Efficiency Investment is Strategically Important for the European Union
- A Historic level of Public-private Collaboration is Required
- Lack of evidence on the performance of energy efficiency investments makes the benefits and the financial risk harder to assess
- Lack of commonly agreed procedures and standards for energy efficiency investment underwriting increase transaction costs

Against this background EEFIG provided a series of recommendations for market and policy-led actions.

These recommendations have been formative for the continued work of EEFIG and a key source of inspiration for EU policy in the area.



# **3. IMPLEMENTING EEFIG RECOMMENDATIONS**

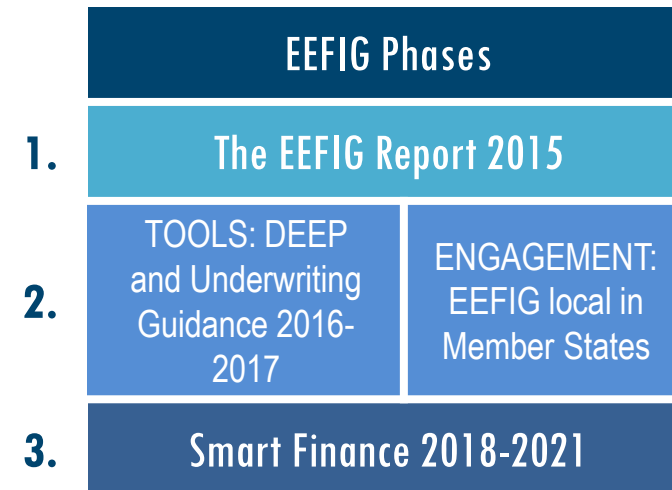
## The EEFIG Phases

To implement and deepen the EEFIG 2015 findings, the EEFIG de-risking project and EEFIG local projects were run during 2016-17 and focused upon tools and MS-level engagement to address the fundamentals of energy efficiency investments in the buildings and corporate sectors.

EEFIG Tools include:

- Creation of an open source database for energy efficiency investments performance monitoring and benchmarking (the EEFIG De-risking Energy Efficiency Platform or 'DEEP')
- Development of common, accepted and standardized underwriting and investment framework for energy efficiency investing (the EEFIG Underwriting Guidance - Value and risk appraisal framework for energy efficiency finance and investments)

Since 2018, EEFIG has broadened its scope and it is now establishing a number of Working Groups to update, deepen and focus EEFIG's thinking with thematic areas within Energy Efficiency Finance and Investment.



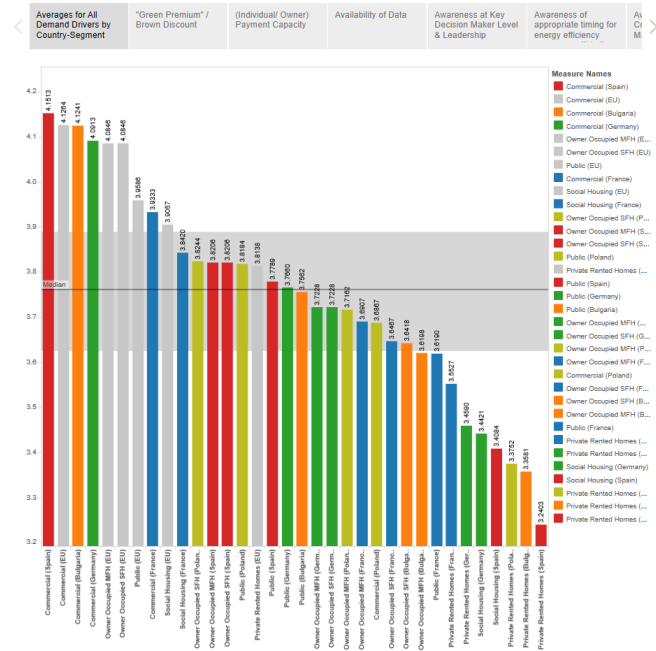


# 4. THE EEFIG “LOCAL” PROCESS

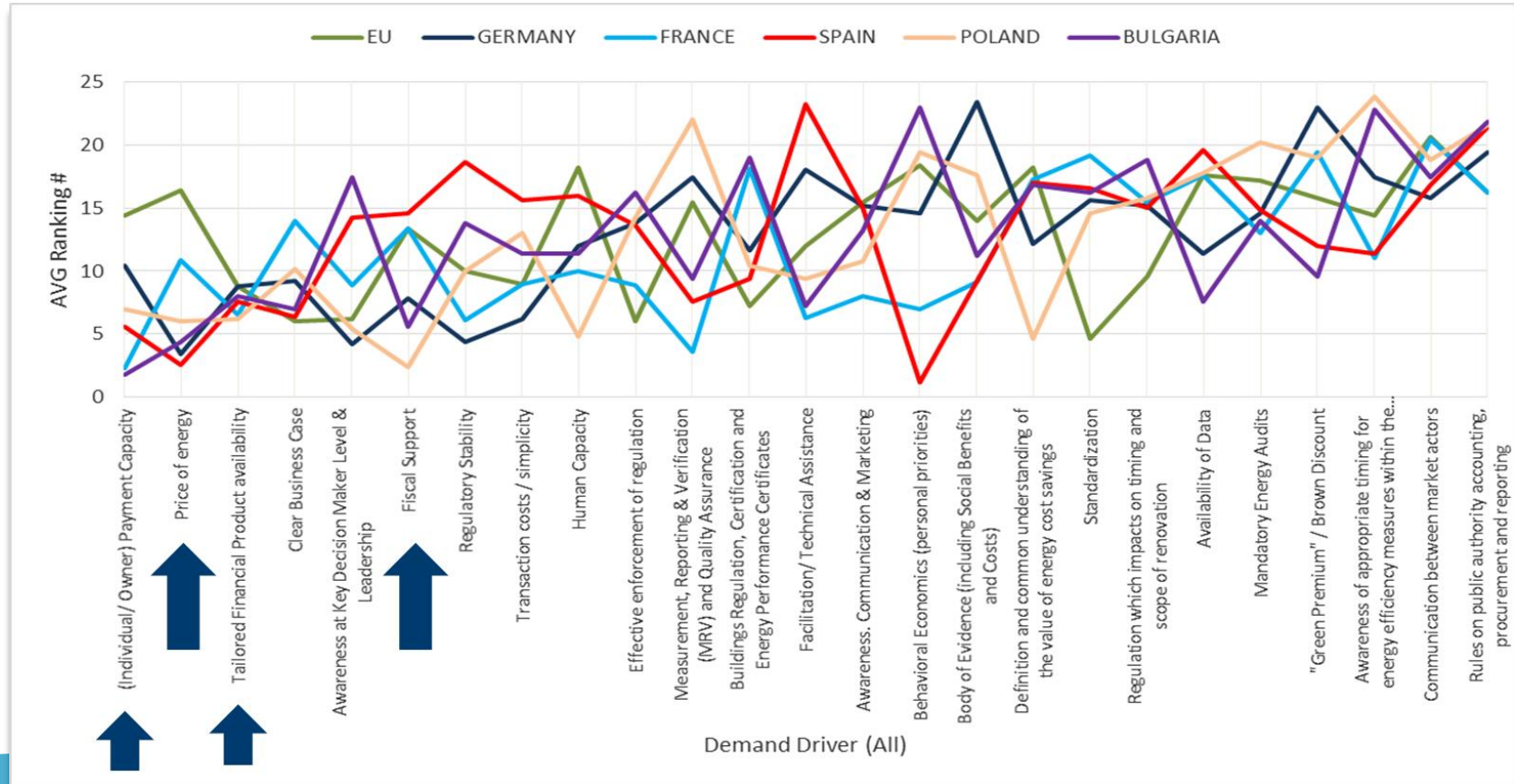


# National EFIG processes were replicated in Germany, France, Spain, Poland and Bulgaria

- Following the success of the launch of the EFIG report in February 2015, Climate Strategy, ECF and its local partners in five EU Member States replicated the original EFIG diagnosis process with local finance experts, and to promote collaboration and use of the tools created by EFIG in the national context.
- The EFIG National processes provided a platform to gather, interpret, present, analyse and exchange key data with key national stakeholders through a structured process to align, compare and focus their efforts to increase EE investments.
- EFIG National used the standardized EFIG diagnosis method and process to engage with key expert stakeholders in Spain, France, Germany, Poland and Bulgaria between July 2015 and June 2016.
- The interactive results were published on [www.eefig.eu](http://www.eefig.eu)



# The National EFIG processes revealed broad alignment, but important local differences...

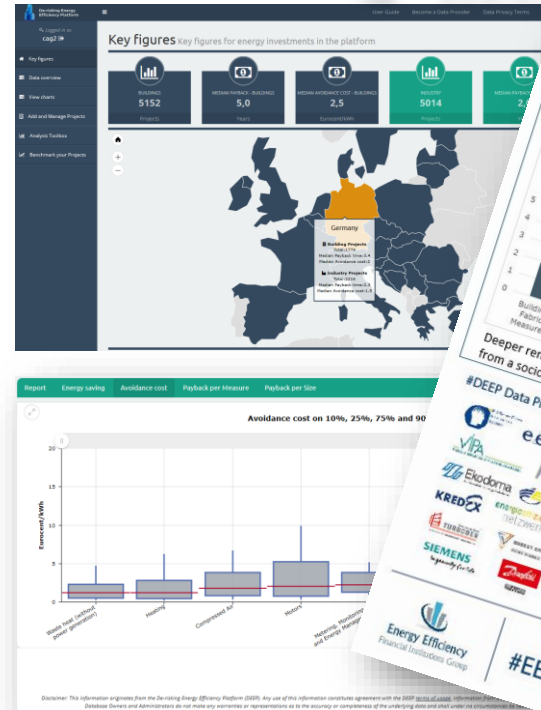




# 5. THE DE-RISKING ENERGY EFFICIENCY PLATFORM (DEEP)

# The De-risking Energy Efficiency Platform

- DEEP is an open source database for energy efficiency investments performance monitoring and benchmarking.
- DEEP provides an improved understanding of the real risks and benefits of energy efficiency investments by providing market evidence and investment track records.
- The database includes over 10,000 energy efficiency projects in buildings and industry from 25 data providers.
- New data and improved functionality is added regularly.
- DEEP can be accessed at [deep.eefig.eu](https://deep.eefig.eu)



# 6. THE EEFIG UNDERWRITING GUIDE

# The EEFIG Underwriting Guide

The EEFIG Underwriting Guide aims to assist financial institutions to scale up their deployment of capital into energy efficiency. It has several purposes:

- to help originators, analysts and risk departments within financial institutions better understand the nature of energy efficiency investments and therefore better evaluate both their value and the risks.
- to provide a common framework for underwriting energy efficiency investments that will allow training and capacity building around standardised processes and understanding.
- to help developers and owners seeking to attract external capital for energy efficiency projects to develop projects in a way that better addresses the needs of financial institutions.
- to foster a common language between project developers, project owners and financial institutions.

The Toolkit is accessible online through [valueandrisk.eeig.eu](http://valueandrisk.eeig.eu)



#### Recommendations from the European Commission and UN Environment:

- "I strongly recommend this toolkit to project promoters, banks, financial institutions and anyone else interested in financing energy efficiency", Maroš Šefčovič, Vice-President, Energy Union, European Commission
- "I recommend this toolkit to any policy maker, investor, business, developer or citizen seeking a more inclusive, green economy", Erik Solheim, Executive Director, UN Environment



# **7. EEFIG PHASE 3: WORKING GROUPS AND ACTIVITIES**

## Working Groups

- Taxonomy and tagging
- Evolution of financing practices
- Quantitative relationship between energy efficiency improvements, the probability of default of associated loans, and the value of the underlying assets
- Multiple benefits of energy efficiency
- Further improvements of energy efficiency in industry
- Energy efficiency financing in the framework of the next MFF

## Other activities

- Improving and expanding the De-risking Energy Efficiency Platform (DEEP)
- EFIG dissemination activities and stakeholder activation (Plenary, website, keynotes etc.)
- Increased Communication activity





Viegand Maagøe



COWI



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