



Model financial instrument with a grant component to support energy efficiency (EEFI)

A fi-compass model

Aron Kerpel-Fronius, Policy officer, Unit B3, DG REGIO, European Commission

 #ficompass
#ERDF20212027



Energy Efficiency Investments



- 40% of energy consumption and 36% of CO2 emissions in EU currently come from buildings
- Over 75% of building stock is energy inefficient – renovation rates are low (0.4-1.2%)
- Energy savings are the **quickest and cheapest way** to address the current energy crisis, and reduce bills
- REPowerEU proposes an **increase from 9% to 13% of the binding Energy Efficiency Target**

Energy Efficiency typical market failures

- EE investments are usually structured in such a way that the **cost of the works** can be at least partially **covered by savings** on energy expenses.
- However, grants are needed to help overcome major EE investment barriers:
 - Significant need for **technical support**: audit, project design, launch, monitoring and commissioning
 - Project promoters **lack incentives** to prioritize / carry out EE investments, in particular deeper renovations
 - EE projects report a **long payback time / limited financial return**
 - Final recipients may have a **limited financial capacity / social issues**
 - **Unadequate market finance supply**: limited tailored products, high perceived risk



EEFI model



advancing with EU shared management financial instruments

Model for a financial instrument with a grant component to support energy efficiency
a fi-compass model

May 2022

European Commission

European Investment Bank
The EIB Bank

- Potential model for financial instruments to support energy efficiency projects **that combine grants with loans in a single financial instrument operation**
- Building on the flexibility of Art. 58 CPR
- Provides examples of how the programming, design and implementation requirements can be applied to deliver market oriented financial instruments
- MAs can shape on application to their own specific circumstances

Eligible buildings



The investment shall relate to the improvement of energy performance of one of the following existing buildings:

- **residential buildings**;
- buildings dedicated to the provision of education or social services;
- buildings dedicated to activities related to **public administration** or to justice, law enforcement or fire-fighting and civil protection services;
- buildings referred to in the previous points and in which activities other than those mentioned above occupy no more than 50% of the internal floor area;
- **commercial** buildings.

Some eligible measures

- **Building envelope EE**
 - Insulation
 - Windows, doors, other eligible measures
- **Building system EE**
 - Space heating (incl. boiler replacement, heat pumps)
 - Domestic hot water
 - Ventilation systems
 - Heating, Cooling
 - Lighting
 - Building automation and control
 - Connection to energy supplies
 - Other costs directly related to investments in energy efficiency
- **Renewable Energy**
 - Decentralized renewable energy production (e.g.: solar panels)
 - Installation of EV charging stations inside or attached to buildings
 - Other investments related to RE, also those not connected to buildings
- **Climate Adaptation**
 - Green roofs, dry proofing, other measures





Thank you!

www.fi-compass.eu

Follow us:



fi-compass is provided by the European Commission in partnership with the European Investment Bank
Copyright © European Investment Bank 2022
events@fi-compass.eu | www.fi-compass.eu

