



GNE FINANCE
High Impact Investments

EuroPACE: Unlocking the Market for Eco-Sustainable Renovation

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 #ficompass



GNE FINANCE

High Impact Investments

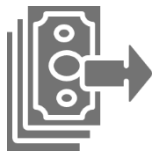
Trusted partner of local and regional public authorities looking to set up effective, citizen-centric home renovation programs

Extensive expertise in developing and managing holistic technical and financial service offerings for EU citizens looking to renovate



Based in Barcelona, Bilbao, and Amsterdam

We collaborate with cities and regions to design, set-up and manage sustainable home renovation programs.



FINANCIAL
EXPERTISE



TECHNICAL
KNOWLEDGE



LEGAL
DESIGN



ADMIN AND
MARKETING SET UP

OUR VISION

Contributing to the creation of sustainable, healthy, future-proof cities for all Europeans.

OUR MISSION

Making eco-sustainable home and building renovation simple, affordable and reliable.



8 Projects in 4 Countries

GNE Finance is a trusted partner in designing and developing the technical and financial aspects of the following successful home renovation projects



Horizon 2020 funded projects



EUROPACE - SPAIN



OPENGELA
OPENGELA - SPAIN



ORFEE - FRANCE



THE WORLD BANK
SUSTAINABLE FINANCE -
CHILE



EENVEST - ITALY, SPAIN



SAVETHEHOMES -
NETHERLANDS, SPAIN



FITHOME - NETHERLANDS



EU-PACE - NORWAY,
SWITZERLAND



REGENERATE - BALEARIC ISLANDS:
PALMA, MENORCA, IBIZA



SER - ITALY, BULGARIA, FRANCE,
SLOVAKIA, POLAND, CZECH
REPUBLIC AND GERMANY

Effective Home Renovation Formula



01

Technical Assistance

Coordination and advice to support customers throughout the renovation journey, including contractor training and verification.



02

Affordable Financing

Affordable, long-term financing, integrating subsidies and rebates to make it accessible to all citizens.



03

Smart Funding

Creating a risk-sharing facility to enable vulnerable groups to access long-term financing, thus facilitating equitable energy transition.



Trust to Renovate

- **One-Stop-Shop co-designed with a public authority**

- Public-private partnership
- Economically self-sustainable
- Laser-focused on sales and project uptake

- **Innovation in financing**

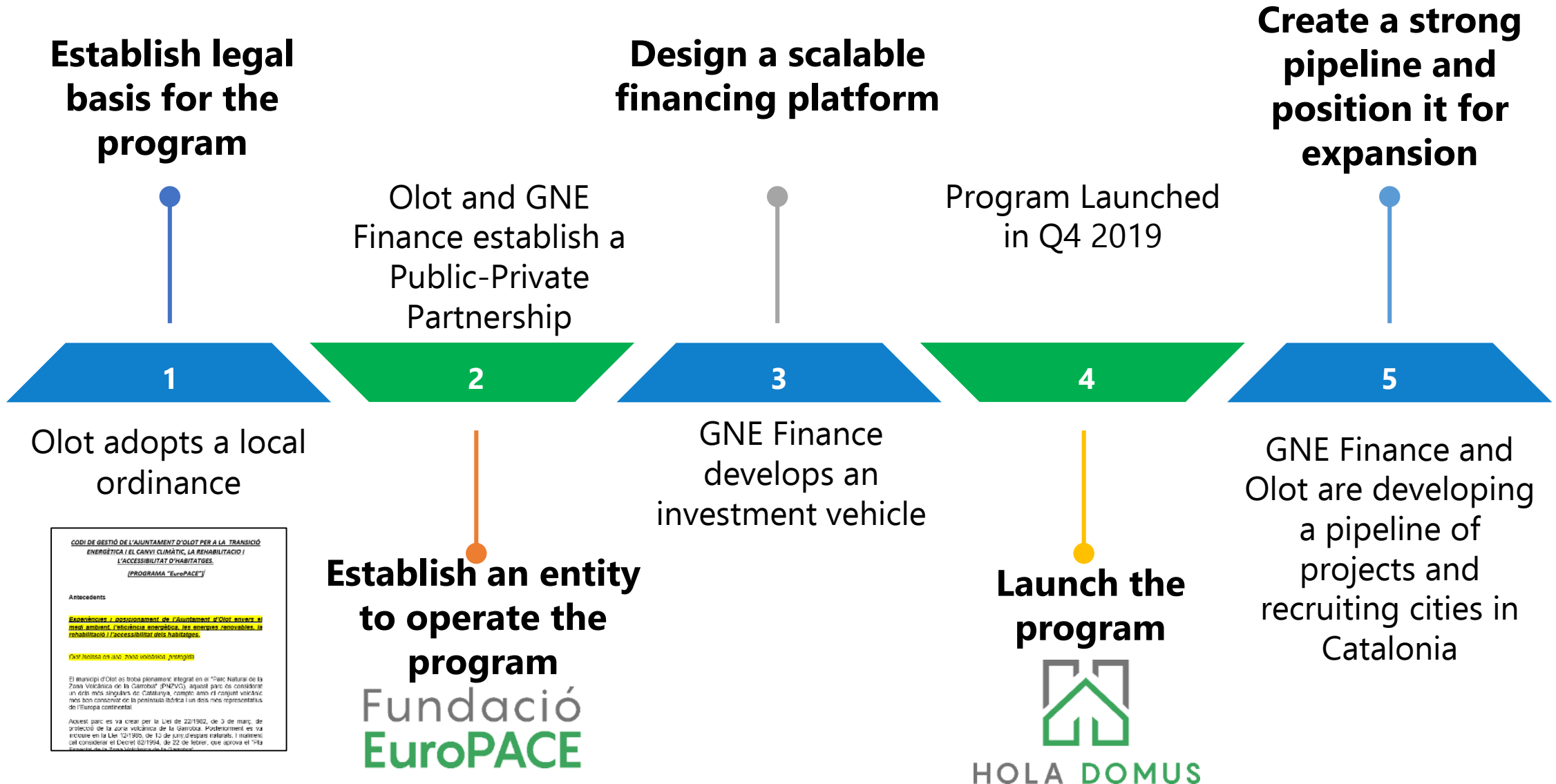
- Affordable and long terms financing
- Explore home-based financing - attached to a property and not an individual
- Social Guarantee Fund

8 partners from 4 countries:

GNE FINANCE



The role of the public authority



Home renovation pilot in Catalonia, Spain



HOLA DOMUS



TECHNICAL SUPPORT

Ensures lower project risk



TRUSTED CONTRACTORS

Verified and trained by the program



CUSTOMER SUPPORT

Advice throughout the renovation journey



AFFORDABLE FINANCING

Combined with subsidies and grants



6 Simple Steps



1

Initial assessment

Energy diagnosis and preliminary proposal

2

Technical solution

Contractor selection and project proposal review

3

Financing

Tailored financing offer, including subsidy advice

4

Project execution

Work performed by validated contractors

5

Verification

Project verification by the program

6

Repayment

Monthly repayment to the financing provider



Affordable and Accessible Financing

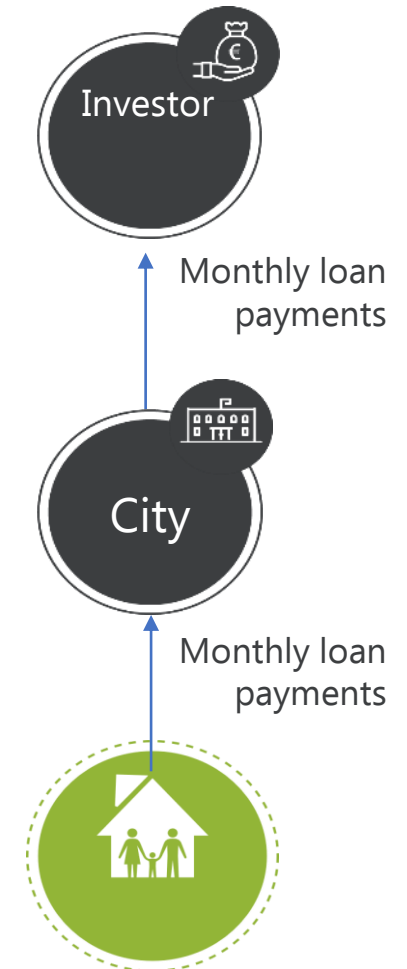
- **Type of Loan:** Home renovation loan recorded in the property registry
- **Loan size:** €5 – 100K in residential properties, 100% up front
- **Average size:** €20K for multi-family and 30K for single family
- **Duration:** from 5 to 15 years
- **Payment terms:** affordable financing, depending on credit assessment and term.
- **Monthly installment:** Starting at € 39
- **Support for vulnerable groups:** Public funds used as a guarantee Fund to create a higher leverage

Provide a **safe conduit**

- A city can provide a 'safe conduit' by having an active role remitting the loan repayments to private investors.
- Cities can enforce the collection and therefore bestow security to the investor.
- Such safe conduit mechanism decreases the risk of payment default, thus attracting cheaper private funding.

conduit (n.)

from Latin conducere "to lead or bring together; contribute, serve."



EuroPACE Amendment under Climate Change Law

PROPUESTA DE ENMIENDA AL PROYECTO DE LEY DE MEDIDAS URGENTES PARA LA TRANSICIÓN ENERGÉTICA Y LA PROTECCIÓN DE LOS CONSUMIDORES (PROCEDENTE DEL RDL 15/2018, DE 5 DE OCTUBRE)

ESTABLECIMIENTO DE UNA PRESTACIÓN PATRIMONIAL DE CARÁCTER PÚBLICO NO TRIBUTARIA CON RÉGIMEN DE COBRO Y DE GARANTÍAS PROPIO PARA PROGRAMAS DE MEJORA DE LA EFICIENCIA ENERGÉTICA, DE SUPRESIÓN DE BARRERAS ARQUITECTÓNICAS EN INMUEBLES, Y DE MEJORA DE LAS CONDICIONES DE HABITABILIDAD EN VIVIENDAS ANTIGUAS.

El preámbulo del RDL considera que, para los hogares y las familias, la energía es un bien imprescindible para satisfacer las necesidades básicas y explica que el sistema energético ha iniciado un proceso de transición hacia un nuevo paradigma caracterizado por la descarbonización, la descentralización de la generación, la electrificación de la economía, la participación más activa de los consumidores y un uso más sostenible de los recursos.

Sin lugar a dudas las características energéticas de las viviendas concitan varios de los anteriores elementos. Adecuar los edificios residenciales de manera que resulten más eficientes o que introduzcan sistemas de autoconsumo requiere un gran esfuerzo inversor y de gestión. Son muchos los municipios españoles que han acometido políticas públicas con el objetivo de potenciar la rehabilitación del parque residencial, articulando operaciones en las cuales se procede a la remodelación de los edificios en una triple vertiente, su adecuación a la plena accesibilidad, la mejora de su eficiencia energética y de las condiciones de habitabilidad de las viviendas.

A pesar del esfuerzo de las administraciones públicas, resulta complejo atender la magnitud de la problemática que afecta a un porcentaje elevado de las viviendas en buena parte de las ciudades del país. Las iniciativas de los ciudadanos chocan con graves dificultades a la hora de conseguir la financiación necesaria para las actuaciones de rehabilitación. En la actualidad, los particulares que se plantean realizar estas obras o bien no pueden acceder a préstamos –dados sus perfiles de solvencia–, o bien, pudiendo acceder al crédito, en las condiciones que se les ofrecen (garantías personales, tipo de interés, plazos breves de devolución), hacen que sean reticentes a recurrir al crédito para emprender estas obras.

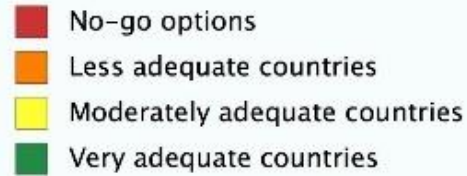
Valid
Public
Purpose

- Establish a public-private partnership between program entity and public authorities

Special
Conduit

- Enable local governments to intervene in the payment recovery process = 'credit enhancement that will attract private capital'

Non-fiscal measure leverages on an existing mechanism - the “Prestaciones Patrimoniales Publicas de carácter no Tributario”

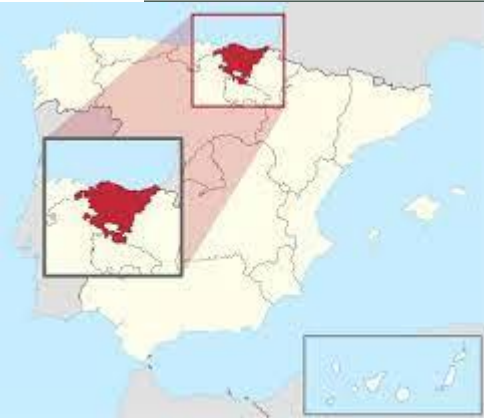


Market Readiness Assessment

1. Analyse the **legal and fiscal conditions** in each EU28 member state
2. Rank each of the EU28 member state and produce a **readiness map**
3. **Select 7 countries most suitable for EuroPACE**
4. Analyse market suitability of the seven countries to further narrow it down to **4 countries**.



Scaling EuroPACE



- Public-private partnership with the Basque Government
- **Innovative financing model** combining public and private funds to support **vulnerable groups via local offices.**
- Project pipeline of **€ 22 million** across Eibar, Durango, Lasarte, and Otxarkoaga

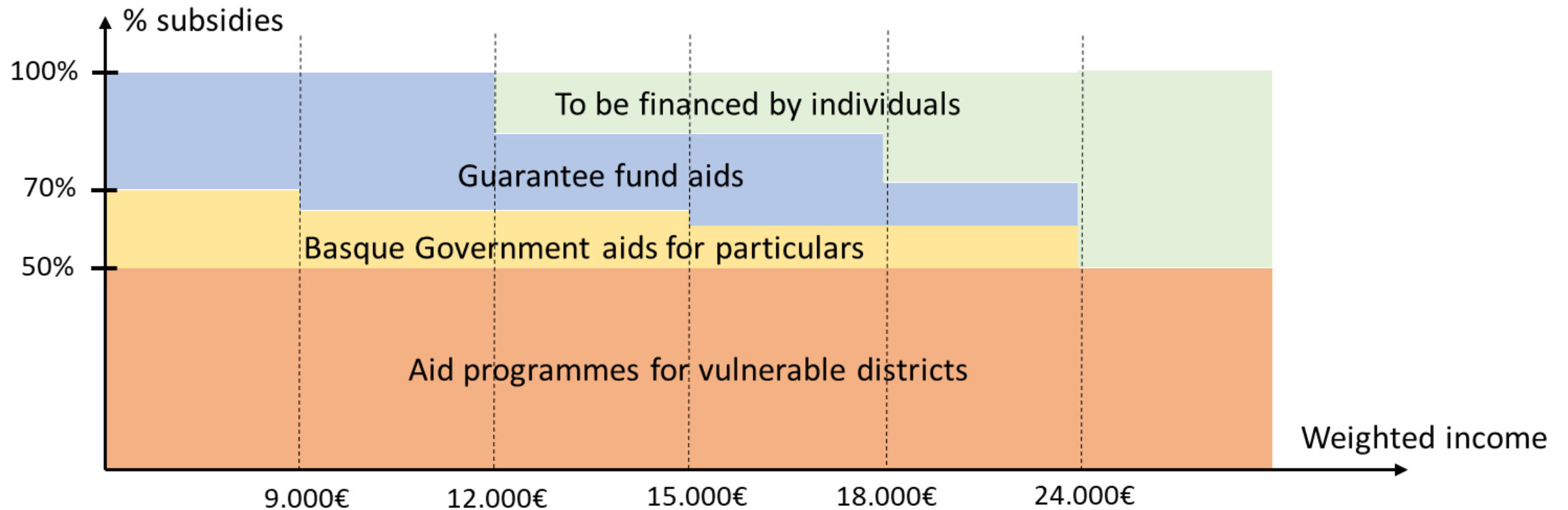


- Public-private partnership with the **Palma de Mallorca, Menorca and Ibiza.**
- **Affordable financing** is combined with **technical assistance** in a OSS with local offices.
- Identified a project pipeline of **€ 44 million** or 3,000+ homes.

Established a Managing Entity – Opengela Foundation – to coordinate the program and operate district offices.



Combining public funds (grants and subsidies) with private funds



Lessons Learnt



- A combination of grants, subsidies and loans is key
- Financing is “sold” as part of the holistic solution
- A well structured PPP helps grow the market and make renovation accessible for all.
- Local offices play a key role in galvanizing impact

Recommendations for the use of ERDF

- 1. Provide flexibility to use ERDF with private parties to stimulate projects uptake and lending**
 - Today, ERDF is aimed at Public administrations; participation of private entities is not stimulated
- 2. Promote the use of ERDF as loans and guarantees**
 - First loss tranche guarantee
 - Subsidize the interest rates to drive down the cost of financing
- 3. Provide guidance and best practices to regional authorities on the effective use of funds**
 - EuroPACE can be included as a best practice for regional governments to follow





The Clean Energy Transition Starts at Home



Thank you!

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