INSPIRATIONAL FINANCING SCHEMES
Food for Thought for Covenant Signatories
DO NOT MISS ANY FUNDING OPPORTUNITY...

1. LOCAL AUTHORITY’S OWN RESOURCES
2. PUBLIC–PRIVATE PARTNERSHIPS
3. MOBILISING LOCAL PARTNERS’ RESOURCES
   VIA MUNICIPAL AND REGIONAL SUBSIDIES
4. NATIONAL FUNDS AND PROGRAMMES
5. EUROPEAN FUNDS AND PROGRAMMES

... TO FINANCE THE VARIOUS MEASURES INCLUDED
IN YOUR SUSTAINABLE ENERGY ACTION PLAN:
Buildings, Equipment / Facilities, Industries
Transport
Local Electricity Production
Local District Heating / Cooling, Combined Heat and Power
Land Use Planning
Public Procurement of Products and Services
Working with Citizens and Stakeholders
Other Sectors

The funding opportunities presented in the following pages have a strong replication potential and could very well inspire Covenant signatories seeking innovative means to finance their Sustainable Energy Action Plans.
Covenant signatories, committed to meeting and exceeding the EU target of 20% CO₂ emissions reduction by 2020, are on the lookout for funding opportunities, crucial to develop their Sustainable Energy Action Plans and finance the actions featured in it.

In cooperation with their local partners, banks, private companies and civil society, they invent innovative financial schemes which give a decisive kick off to foreseen investments. Such pioneering ideas and methods increase the efficiency of public finance management and have a significant leverage effect.

The European Commission, for its part, adapts and develops specific financial tools and programmes (e.g. Structural and Cohesion Funds, ELENA, JESSICA, Smart Cities, etc.) financed from the European budget to support local authorities in fulfilling their commitments and to mainstream the EU energy and climate policy to the local level.

EU Member States independently decide to what extent they prioritize and empower their local authorities to boost local, sustainable energy solutions. National support varies from one country to another; however, issues such as energy efficiency or renewable energy rarely feature high on the political agenda. The lack of energy priorities is reflected in the allocation of Structural and Cohesion Funds which are managed at national and regional level.

Negotiations are under way to determine the future EU budget for the programming period 2014-2020. It should not be forgotten that, worth about €130 billion annually, it represents only 1.13% of the EU-27 Gross National Income. Therefore, efficient and innovative management of local public finances, alongside mobilisation of funding from public-private partnerships and from national or regional budget, will prove even more crucial in achieving the Covenant objectives.

Complemented by EU funding clearly earmarked for local sustainable energy actions, these local, regional and national resources constitute a sound financial basis, instrumental in accelerating the transition towards low energy cities, creating local jobs and ensuring high quality of life for all.

Actions speak louder than words. In this spirit, the present publication seeks to provide the reader with a collection of concrete, replicable financing schemes implemented by Covenant signatories, rather than a full blown description of the EU financial landscape.

Hopefully, it will inspire local authorities and regions with investment plans on “stand-by” to build on these examples and start implementing their projects.

Likewise, it seeks to encourage public institutions at all levels to create or support schemes that have already proved successful; provide further impetus to technical assistance and foster the development of innovative financial engineering.
An increasing number of local and regional authorities earmarks permanent budget lines or revenues from specific local taxes to finance energy saving measures. Carbon fund in Hannover, revolving fund in Stuttgart, congestion charges tax in London and other innovative measures showcase the mobilisation of cities’ own resources for this particular purpose. Provided there is a firm political commitment, these are among the most accessible and sustainable financial sources available at local level.

HANNOVER (GERMANY): “Proklima - Enercity Fund”

OBJECTIVE
Setting up of a dedicated fund financing climate protection measures that go beyond the minimum legal requirements or the usual practice.

PROJECT IN A NUTSHELL
A fund of about € 5 million is available annually to support climate protection measures in private households, businesses and public institutions. Local partners contribute to the fund as follows:

- Stadtwerke Hannover AG – public utilities company (ca. 77 % of the fund assets): sales proceeds from gas sold to residential customers and part of the profits generated by the Stadtwerke.
- City of Hannover (ca. 20 % of the fund-assets): 3.25 % of the Stadtwerke profits are remitted to the Public holding for energy supply and transport (VW GmbH).
- Towns of Hemmingen, Laatzen, Langenhagen, Ronnenberg and Seelze (ca. 3 % of the fund-assets): 2.5 % of the license fees allocated to electricity and/or gas.
- Stadtwerke Hannover AG – public utilities company (ca. 77 % of the fund assets): sales proceeds from gas sold to residential customers and part of the profits generated by the Stadtwerke.

RESULTS
Approved funding in 1998-2010: more than € 45 million.

ProKlima funding policy is forward-looking and provides impetus for innovation.

More info (DE): www.proklima-hannover.de

LONDON (UNITED KINGDOM): The congestion charging

OBJECTIVE
Cutting traffic levels and congestion in London by charging a fee for road use.

PROJECT IN A NUTSHELL
A payment of £ 10 (£ 12 if paid by midnight the next charging day) is required each day for all vehicles, which travel within the zone between 7:00 am and 6:00 pm (Monday-Friday only).

A fine of £ 120 (reduced to £ 60 if paid within 14 days) is levied for non-payment (rising to £ 180 if not paid within 28 days).

By law, all net revenue raised by the charge (£ 158.1m in financial year 2009-10) has to be invested in improving transport in London.

A number of improvements to the scheme have been implemented recently: an automated payment system, a new Greener Vehicle Discount for “Euro 5” cars that emit max. 100g/km of CO\textsubscript{2} or less and a 100 % discount for electric vehicles.

RESULTS
One of the largest schemes of its kind in the world - it has cut traffic levels, enabled better transport services and safer roads.

In the latter months of 2008 and during 2009 congestion in Central London appeared to have reduced slightly compared to the earlier surveys in equivalent months.

STUTTGART (GERMANY): “Intracting” – city internal contracting

OBJECTIVE
Creating a financing system for the short-term implementation of cost-effective energy conservation measures.

PROJECT IN A NUTSHELL
The Stuttgart Environmental Protection Department in close cooperation with the Financial Department developed the “internal contracting” method for financing energy saving projects.

- The method is based on the idea of energy performance contracting but operates entirely within the city administration. The Environment Department grants an earmarked, interest-free loan to the host department or city-owned enterprises.
- The amount of the loan depends - as in conventional contracting - on the energy and cost saving potential of the implemented measures.
- The costs saved through these measures flow back to a special budget line - a revolving fund - until the investments have been paid off.

RESULTS
- Fund value: €8.8 million
- 273 contracts awarded
- Average pay-back time: 7.2 years
- The intracting has become a model for a great number of local authorities in Germany and Austria

More info (DE, EN, FR, HU, PL, SK):

BENEFITS
- Municipality’s negotiating power enhanced, notably through economies of scale.
- No additional, risk-related costs. No interest charged on the invested capital.
- Substantial reduction of transaction and administrative costs associated with contract management.
- Opportunity to finance small-scale projects, which would not have been attractive to external contractors
- Possibility for partial financing of projects.
- Minimised preparation period: energy saving measures can be implemented in a shorter time.

DIJON & BREST (FRANCE): Joint public procurement

OBJECTIVE
Reducing investment costs through the joint public procurement of tramway trains.

PROJECT IN A NUTSHELL
The grouped order of 52 tramway trains for an amount of €106 million allowed to rationalise the investment and mutualise the needs.

RESULTS
- Financial savings: 24%
- Brest: 14.3 km of tramway lines, 20 trains
- Dijon: 18.9 km of tramway lines, 32 trains

More info (EN):
www.energy-cities.eu/db/Brest_tramway_2009_en.pdf

BENEFITS
- Municipality’s negotiating power enhanced, notably through economies of scale.
- Public tendering shared and reduced

More info (DE, EN, FR, HU, PL, SK):
www.energy-cities.eu/db/Brest_tramway_2009_en.pdf
PARDUBICE REGION [CZECH REPUBLIC]: Energy Performance Contracting

OBJECTIVE
Reducing energy consumption in 51 public buildings - schools, hospitals, social and healthcare centres.

PROJECT IN A NUTSHELL
Pardubice Region selection criteria:
- Reconstruction of heating systems
- Improvement of thermal comfort in public buildings
- No investment from the region’s own financial resources
- Long-term energy management

Contract:
- 13 years: 1 year installation (in 2007 in 3 phases) & 12 years of return on investment
- Investment costs: €5.4 million
- Guaranteed annual savings (operational costs): €714,000
- Services delivered: concept and project proposal, financing, delivery and implementation, training for building users, energy management and guarantee

RESULTS
- Energy savings: 24 %
- CO₂ reduction: 23 %
- Operational costs savings: €755,000
- “Excess” savings - after deduction of the company’s fee allocated to the client


BERLIN (GERMANY): Solar energy generation through third party financing

OBJECTIVE
Renting municipal building roofs to private investors and increasing local renewable energy production within the city.

PROJECT IN A NUTSHELL
In 2002, ‘Solardachbörse’, the Solar Roof Exchange project, was launched to encourage the construction of solar power plants by private investors.

By 2009, 5,000 roofs (schools, administrative buildings, sport complexes) were rented by the city to 25 investors.

By using a third party financing scheme, the municipality was able to transfer the financing of the solar technologies and technical knowledge to private investors. Since January 2004, Germany has raised feed-in tariffs for renewable energies. This made electricity generated by solar power plants more economically viable and has led to an increased interest from private investors.

RESULTS
- 64 installations of a total capacity of 4 MWp deployed in 10 districts by 2009.
- Self-financing project - entirely relying on private investors (including citizens) which benefit from feed-in tariffs.
- Net benefit for the municipality – after deduction of roofs rental fee.

More info (DE): www.berlin.de/seen/umwelt/klimaschutz/solardachboerse/

WHAT IS ENERGY PERFORMANCE CONTRACTING?
Energy Performance Contracting (EPC) is a type of long-term contractual agreement where the customer benefits from new or upgraded energy equipment and the Energy Service Company (ESCO) remuneration is directly tied to the savings achieved by the reduced energy consumption. The cost of investment is paid back from the savings, and in case the ESCO fails to achieve that, they must cover the difference between the actual and the guaranteed costs.


PUBLIC-PRIVATE PARTNERSHIPS

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PUBLIC-PRIVATE PARTNERSHIPS
DELFT (NETHERLANDS): Cooperation with local energy utility

OBJECTIVE
Meeting ambitious climate goals through the establishment of a new local district heating network.

PROJECT IN A NUTSHELL
The District Heating Company - Eneco Delft Ltd., is a new special-purpose company that has built, run and maintained the new district heating system initiated by the Municipality of Delft.

This company supplies an estimated 20,000 homes with space heating and hot tap water. Heat is produced by means of cogeneration and the use of low-temperature industrial residual heat.

The energy utility Eneco New Energy is the mother company of the District Heating Company, owning 97% of the shares. Eneco will build and operate the system.

Shareholders owning 3% of priority shares include: Municipality of Delft, Municipality of Midden Delfland, Eneco and three housing associations.

RESULTS
Investment costs: about €120 million (production and distribution).

Expected CO₂ emissions reduction compared to 2008 levels: min. 18,500 t.

Return on investment for the District Heating Company: min. 7.4% including tax measures and a national grant for the residual heat pump station.

The project was implemented in the framework of the European SESAC project and co-financed by the CONCERTO programme.

More info (EN): www.concerto-sesac.eu

WHAT IS A FEED-IN TARIFF?
A feed-in tariff (FIT) is a policy instrument that makes it mandatory for energy companies or “utilities” responsible for operating the national grid to purchase electricity from renewable energy sources at a pre-determined price that is sufficiently attractive to stimulate new investment in the renewables sector. This, in turn, ensures that those who produce electricity from identified renewable energy sources such as solar, wind and other renewable sources have a guaranteed market and an attractive return on investment for the electricity they produce. Aspects of an FIT include access to the grid, long-term power purchase agreements and a set price per kilowatt hour (kWh).

Photo: Municipality of Delft
MOBILISING LOCAL PARTNERS’ RESOURCES VIA MUNICIPAL & REGIONAL SUBSIDIES

COMMUNAUTÉ URBAINE DE DUNKERQUE (FRANCE): Municipal subsidies triggering citizens’ investments

OBJECTIVE

Energy-efficient retrofitting of residential buildings and increased use of renewable energy.

PROJECT IN A NUTSHELL

A special fund of €1.1 million for the period 2006-2009 has been set up by the city in cooperation with the biggest electricity supplier “Electricité de France”, whose contribution totaled €46,516. Budget foreseen for the period 2010-2014: €2.5 million.

Municipality provides direct subsidies to households: roof insulation (10-12 €/m²), walls insulation (6-8 €/m²), combined solar heating system (€1400), individual solar water heating system (€400), and individual condensing boiler (€350-1,000). The sum granted to a household depends on its revenues.

RESULTS

1. 1,541 persons met energy consultants
2. 1,063 demands accepted (296 for insulation work, 23 for solar panels, 703 for individual condensing boilers)
3. 372 financial subsidies provided (77 for insulation work, 8 for solar panels, 280 for condensing boilers)
4. Two energy managers and one project coordinator employed


Covenant of Mayors signatories voluntarily commit to reduce CO₂ emissions on their territories, addressing both the public and private sectors. The motivation and active involvement of local stakeholders and citizens is therefore crucial for the achievement of the Covenant objectives. Local actors have their own visions and strategies. Every day they take decisions and make investments. Households invest in dwelling insulation or purchase vehicles; private companies invest in buildings, equipment or processes... It is of utmost importance to align these actions so that they contribute to local Covenant objectives. Local authorities and regions are in a strong and unique position to change behaviours and mobilise significantly their human and financial resources through various incentives, such as subsidies.

COMMUNAUTÉ URBAINE DE DUNKERQUE (FRANCE): Municipal subsidies triggering citizens’ investments

Municipality carries out an aerial thermography of all buildings in the municipality: results published on the municipality’s website.

Municipality sets up a free “green number” (telephone line) for households that wish to consult the results of the thermography related to energy efficiency of their house.

Free consultancy services provided to all households on:
• energy saving measures appropriate for their house
• info on how to receive the municipal subsidy

Municipality publishes a list of certified companies carrying out the energy saving measures in the households.

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**PROVINCE OF LIMBURG (BELGIUM): Providing technical and financial support to municipalities**

**OBJECTIVE**
Involving local authorities in the Covenant of Mayors and becoming climate neutral by 2020.

**PROJECT IN A NUTSHELL**
Involvement of key local partners:
- **Dubolimburg**: Support centre for sustainable buildings; employed two full-time experts to provide technical support for drafting local action plans. These are financed through Limburg Sterk Merk – a specific grant for initiatives in Limburg.
- **Infrax**: Distribution network operator: provides financial support for ESCO contracts, free-of-charge energy audits for municipal buildings, grants for energy saving investments to residents and municipalities (2-4€/m² of thermic insulation), monitoring system for energy consumption in buildings. Experts are co-financed by the Intelligent Energy Europe programme within the framework of the Come2CoM project.
- **BBL**: Flemish umbrella organisation representing about 140 local environmental movements in Flanders: promotes the Covenant, organises awareness-raising campaigns with stakeholders and provides technical support.

**RESULTS**
- In 2011, all municipalities are about to make a political commitment to adopt a climate policy.

**PROVINCIAL GOVERNMENT**
- Provides grants for small-scale sustainable projects (€50,000 per year) and examines the possibility of creating a ‘climate fund’ to finance larger renewable energy projects.

**More info (NL,EN):** www.limburg.be/gemeentenmina

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**PICARDIE REGION (FRANCE): Regional subsidies mean ‘zero-interest bank loans’**

**OBJECTIVE**
- Providing a zero-interest loan to 25,000 households during a period of over five years (started in 2006) and achieve energy savings totaling €20 million.
- Re-launching the insulation market in Picardie by generating a work volume for craftsmen and building companies worth €100 million and representing 1,500 jobs in a five-year timespan.
- Involving the banking and financing sector in financing energy efficiency investments.

**PROJECT IN A NUTSHELL**
Partners: Picardie region, GDF Suez, Solfiea Bank, EDF, Domofinance, and Crédit Agricole.
- Up to €15,000 is allocated to thermic renewable technologies (heat pumps, wood, solar) and refundable within up to ten years.

**RESULTS**
- More than 10,000 requests treated within 3 years.
- In 2006-2008: 2,250 insulation works financed (about €8,000 per case).
- In 2009: 8,000 insulation works and renewable technologies were co-financed (€10 million of regional co-financing).
- Amount of construction work generated: €100 million, with a leverage effect of 10.


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The private individual sends the loan application to the bank, with the seal of the building professional that will complete the work. The bank replies within 48 hours.

The bank pays the building professional directly upon completion of the work and after reception of the work certificate signed by both the customer and the company.

The private individual pays no interest to the bank. The interest is paid by the Picardie Region.
**OBJECTIVE**

Allowing citizens to purchase green electricity and contributing to the financing of photovoltaic (PV) power plants.

**PROJECT IN A NUTSHELL**

- A marketing research on ecological charges was realized in 1999 by the City of Lausanne.
- Electricity consumers were willing to pay a higher price per kWh for power generated from renewable energy sources.
- The price was set at CHF 0.90 (€ 0.57) per kWh which corresponds to the costs for a photovoltaic installation, based on an annuity calculated over a 20-year lifetime.
- Renewable electricity producers finance, design and install photovoltaic units on private buildings.
- Lausanne’s Utility Company negotiates agreements with the producers to purchase their entire solar power production over a 20-year period, also at a price of CHF 0.90 (€ 0.57) a kWh.

**RESULTS**

- **3,000 customers** representing about 4 % of the company’s electricity customers have subscribed to a total of 257,900 kWh being produced by PV stations between 2001-2010.
- In January 2011, the Solar Exchange Programme was transformed into ‘Nativa Plus’ – a product certified by the WWF. The utility company now supplies 100% renewable energy to all its clients by default – and rates haven’t increased since 2010.

**BIELSKO-BIALA (POLAND): Grants for citizens**

**OBJECTIVE**

Encouraging citizens to replace coal-fired boilers with more ecological ones.

**PROJECT IN A NUTSHELL**

- Financial incentives are provided in the form of grants for the replacement of heating installations. The rates of the grants varied in the subsequent years of the programme and ranged from 65 to 72.5 %.

**RESULTS**

- Replacement of some 450 coal-fired boilers
- Reduction of CO₂ emissions in Bielsko-Biała by more than 2,500 t/year
- Reduction of gas and dust pollution by more than 350 t/year

**More info (FR):** www.lausanne.ch/view.asp?DocId=34459

**More info (EN):** www.energy-cities.eu/db/bielsko_582_en.pdf
CZECH REPUBLIC: Green Savings Programme

OBJECTIVE

Triggering investments from the public sector and citizens in energy efficiency and renewable energy technologies.

PROJECT IN A NUTSHELL

- Programme budget worth €1 billion gained from emissions trading with Japan.
- Fund distributed in the form of direct subsidies to eligible beneficiaries - households, associations of dwelling unit owners, housing cooperatives, municipalities (including municipal districts), business entities, and other legal entities.
- Citizens apply for a grant at one of the Programme regional offices (“INFO centres”) and/or in local branches of 9 associated commercial banks.
- Project approval depends on energy performance before/after the refurbishment.
- Fast procedure: 10 weeks from application submission to contract signing.

Support for project development: up to €800

A list of certified designers/construction companies is provided to the applicants.

Possibility to change conditions of the programme if there is a real interest for beneficiaries

RESULTS

- Quality insulation in family houses and non-panel multiple-dwelling houses.
- Replacement of environment-unfriendly heating systems with low-emission biomass-fired boilers and efficient heat pumps in new low-energy buildings.
- Construction of new houses according to passive energy standards.
- Deployment of renewable energy technologies (e.g. solar panels).


EU MEMBER STATES & REGIONS DECIDE ON THE USE OF:

- STRUCTURAL FUNDS & COHESION FUND
- JESSICA TECHNICAL ASSISTANCE
- JASPERS TECHNICAL ASSISTANCE
- COOPERATION PROGRAMMES INTERREG IV A & INTERREG IV B

EUROPEAN FUNDS MANAGED CENTRALLY BY THE EUROPEAN COMMISSION

- COOPERATION PROGRAMMES INTERREG IV C & URBBACT
- INTELLIGENT ENERGY EUROPE PROGRAMME (IEE)
- ELENA FACILITY (FINANCED BY THE IEE)
- SMART CITIES

An estimated 36% of the EU budget for the programming period 2007-2013 is allocated to the Structural and Cohesion funds, managed by national or regional Managing Authorities appointed by the Member States. Roughly 22% of the EU budget contributes to programmes centrally managed by the European Commission. Examples in the field of energy include the Intelligent Energy Europe programme.
CITY OF KAUNAS (LITHUANIA):
Modernisation of district heating

**PROJECT IN A NUTSHELL**
Modernisation of Kaunas district heat supply networks through the use of modern technologies.

**OPERATIONAL PROGRAMME**
Development of social and economic infrastructure

**FUND**
European Regional Development Fund (ERDF)

**TOTAL COSTS**
€2,196,400

**ERDF CO-FINANCING**
70%


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KARLOVARSKY REGION (CZECH REPUBLIC):
Professional training for solar panels installers

**PROJECT IN A NUTSHELL**
Solarter - professional training for installers of renewable energy technologies

**OPERATIONAL PROGRAMME**
Human Resources Development

**FUND**
European Social Fund (ESF)

**TOTAL COSTS**
€191,400

**ESF CO-FINANCING**
80%

More info (CS, DE): www.solarter.isste.cz

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FRANCHE-COMTÉ REGION (FRANCE):
Low energy social housing

**PROJECT IN A NUTSHELL**
Refurbishment of 36 social housing units in the municipality of Dole.

**OPERATIONAL PROGRAMME**
Region Franche-Comté

**FUND**
European Regional Development Fund (ERDF)

**TOTAL COSTS**
€973,920

**FINANCING**
→ ERDF co-financing: 14%
→ Self-financing: 82%
→ Bonus for improvement of rental properties: 4%

More info (FR): www.buildup.eu/system/files/content/Mission%20Dépotes%20CAS%20Énergie-150ppi_0.pdf

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EUROPEAN REGIONAL DEVELOPMENT FUND (ERDF) for energy efficiency improvements & use of renewable energy in existing housing

- In each Member State, expenditure on energy efficiency improvements and on the use of renewable energy in existing housing shall be eligible up to an amount of 4% of the total ERDF allocation.*
- Member States need to amend existing priorities to reallocate received funds (ERDF) towards energy-saving measures in existing housing.
- No formal approvals of the Operational Programmes by the European Commission are needed.
- Member States do not need to wait until the end of 2013 to implement the necessary changes.

LITHUANIA: Holding Fund improving energy efficiency in multi-apartment buildings

**OBJECTIVE**
Improving energy efficiency in multi-apartment buildings through advantageous loans provided to owners.

**PROJECT IN A NUTSHELL**
- A €227 million holding fund was established by the Ministry of Finance & the Ministry of Environment of Lithuania in June of 2009 and is managed by the European Investment Bank (BEI).
- Loan agreements signed between the BEI, as manager of the JESSICA holding fund in Lithuania, the “Šiaulių bank” and “Swedbank”.
- Both banks will provide modernisation loans for energy efficiency for a total amount of €12 million to individual apartment owners. These owners can apply for 20-year loans with low and stable interest rates which must be used for energy efficiency investments, enabling considerable savings on energy bills.

LONDON (UNITED KINGDOM): A £100 million JESSICA fund to finance sustainable energy projects

**PROJECT IN A NUTSHELL**
- London Jessica Fund is made up of £50 million from the European Regional Development Fund, £32 million from the London Development Agency and £18 million from the London Waste and Recycling Board.
- Financed projects: decentralised energy infrastructure with more efficient electricity and heat production located closer to the consumer (reducing transmission loss); waste infrastructure with increased recycling capacity; use of ‘waste to energy’ facilities and production of renewable energy which reduces landfill and stimulates investment in the environmental sector. Project funding will be concentrated in regeneration areas with substantial deprivation.

**BENEFITS OF USING JESSICA FUNDS**
- Recycling of funds: Funds invested in eligible projects can be reused for new investments, significantly enhancing their effectiveness.
- Leverage: JESSICA funds can engage the private sector, leveraging further investments and benefiting from outside competence in project management.
- Flexibility: JESSICA provides a more flexible approach, by offering equity, debt or guarantees for more investment in sustainable urban development.
- Expertise: Member States, cities and regional authorities benefit from expertise from the banking and private sector.

More info on JESSICA and existing funds created: www.eib.org/products/technical_assistance/jessica/

More Jessica funds were created in: Italy, Moravia-Silesia Region (Czech Republic), Andalusia (Spain), Greece, Portugal, Wielkopolska Region (Poland) and other countries & regions.
JASPERS TECHNICAL ASSISTANCE

JASPERS: Joint Assistance to Support Projects in European Regions

Jaspers assists the 12 Central and Eastern EU Member States in the preparation of major projects to be submitted for grant financing under the Structural and Cohesion Funds. The aim is to increase the quantity and quality of projects to be sent for approval to the services of the Commission. JASPERS’ assistance, which is provided free of charge, is geared towards accelerating the absorption of the available funds.

EXAMPLES OF SUPPORTED PROJECTS

- Geo-thermal heating source in Litomerice (Czech Republic)
- Modernisation of railway line between Nove Mesto and Zlatovce (Slovakia)
- Purchase of modern low-floor tram fleet in Poznan (Poland)


COOPERATION PROGRAMME INTERREG IV A & INTERREG IV B


A FRANCE-SWITZERLAND PROJECT: “Rêve d’Avenir”

OBJECTIVE
Developing ‘territories-laboratories’ which commit to go beyond the 2020 European energy and climate objectives.

PROJECT IN A NUTSHELL
- 27 local authorities - Covenant signatories representing 3.5 million inhabitants - test different tools and methods that encourage citizens and actors to contribute to the common Covenant objective.

EXPECTED RESULTS
- All climate-friendly actions implemented by local partners (SMEs, associations, citizens, etc.) - such as bike riding to work, installation of low-energy light bulbs or energy efficient boilers - will be displayed on a web portal. This “3x20 platform” linked to Google Maps calculates energy and CO₂ savings achieved by individual actions, localises them on a map and allows for exchange of ideas within the community.

The Platform will be open to all local authorities in Europe in 2012.

More info (FR): www.3x20.org

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A CENTRAL BALTIC PROJECT: “COMBAT”

OBJECTIVE

By joining forces and exchanging experiences and ideas, the four Baltic capitals - Stockholm, Helsinki, Tallinn and Riga - support each other in meeting the Covenant objectives.

EXPECTED RESULTS

- Tailor-made sustainable energy action plans
- Wide stakeholders’ networks
- Energy days
- Joint guidelines on the implementation of the Covenant of Mayors

More info (EN): www.projectcombat.eu

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INTERREG IV C & URBACT

Interreg IV C & URBACT: Inter-regional cooperation

COOPERATION PROGRAMMES

INTERREG IV C & URBACT

EXPECTED RESULTS

- Tailor-made sustainable energy action plans
- Wide stakeholders’ networks
- Energy days
- Joint guidelines on the implementation of the Covenant of Mayors

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INTelligent ENERGY EUROPE ProgramME (IEE)

OBJECTIVE

Mobilising cities’ municipal departments, stakeholders and citizens to jointly contribute to the Covenant of Mayors objectives at local level.

EXPECTED RESULTS

- Efficient, participative communication campaign implemented in all cities.
- Publicly visible posters displaying engagements of at least 3,300 stakeholders and citizens to carry out climate friendly actions.

More info on IEE programme and co-financed projects (EN): http://ec.europa.eu/energy/intelligent/index_en.html

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Project “ENGAGE”

OBJECTIVE

Mobilising cities’ municipal departments, stakeholders and citizens to jointly contribute to the Covenant of Mayors objectives at local level.

EXPECTED RESULTS

- Efficient, participative communication campaign implemented in all cities.
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More info (EN): www.citiesengage.eu

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"On-line poster development tool open and free to all municipalities.
- CO2 and energy savings calculation tool.

More info (EN): www.citiesengage.eu
• ELENA FACILITY – EUROPEAN LOCAL ENERGY ASSISTANCE

The ELENA facility provides grants for technical assistance. The wide range of measures eligible for such financial support include: feasibility & market studies; structuring of investment programmes; business plans; energy audits; preparation of tendering procedures & contractual arrangements and allocation of investment programme management to newly recruited staff. The aim is to bundle dispersed local projects into systemic investments and make them bankable.

The actions featured in the municipalities’ action plans and investment programmes must be financed through other means, such as loans, ESCOs or Structural Funds.


PROVINCE OF MILANO (ITALY): Refurbishment of school buildings in 40 municipalities

- OBJECTIVE
  
  Overcoming individual municipalities’ budget constraints and lack of technical capacity to refurbish the schools on their territories.

- PROJECT IN A NUTSHELL
  
  → Projects of 40 municipalities in the Province of Milano were aggregated and coordinated at provincial level.
  
  → Contracts and energy cost baseline were standardised and Energy Performance Contracting method applied.
  
  → Local banks were supported by the European Investment Bank loan and an interest rate subsidy was provided by the Province, which stimulated local ESCO market and financial intermediaries.

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PROVINCE OF BARCELONA (SPAIN): Providing financial, technical, legal & contractual assistance to 146 Covenant signatories

PROJECT IN A NUTSHELL
ELENA allowed the Province to:

- Carry out 55 feasibility studies to assess the potential investment costs of sustainable energy projects in municipalities – outcome: €3 billion
- Recruit new staff within the Province administration and external experts to provide technical, legal and contractual support to municipalities
- Foresee the creation of 5,000 jobs in the near future

VILA NOVA DE GAIA (PORTUGAL): Qualified team of experts set up within the municipality

PROJECT IN A NUTSHELL
ELENA allowed the municipality to:

- Carry out several feasibility studies to evaluate the technical and economic viability of different technological solutions in sustainable energy projects
- Set up a qualified ‘ELENA team’ within the municipality and sub-contract external experts to provide technical, legal and contractual support (preparation of the tendering procedures, contractual agreements and investment programme implementation)

PROVINCE OF BARCELONA’S ACHIEVEMENTS AS A COVENANT SUPPORTING STRUCTURE

- 146 out of 311 municipalities on the territory signed up to the Covenant of Mayors
- Province financed the development of municipalities’ action plans (€1.2 million)
- Province applied successfully for ELENA technical assistance

VILA NOVA DE GAIA (288,749 INHABITANTS)

- Signed up to the Covenant in 2009
- Set up the objective of at least 25% CO$_2$ emissions reduction by 2020, taking 2005 as a baseline year
- Prepared an action plan with priority measures to be carried out in the field of urban transport (promotion, electric vehicles), public lighting and buildings (public, private, social housing)

<table>
<thead>
<tr>
<th>Requested funding from ELENA</th>
<th>75%</th>
<th>1,999,925 €</th>
</tr>
</thead>
<tbody>
<tr>
<td>Own funding</td>
<td>25%</td>
<td>666,642 €</td>
</tr>
<tr>
<td>TOTAL</td>
<td>100%</td>
<td>2,666,567 €</td>
</tr>
<tr>
<td>Direct staff costs</td>
<td></td>
<td>449,067 €</td>
</tr>
<tr>
<td>External experts, subcontracts</td>
<td></td>
<td>2,217,500 €</td>
</tr>
<tr>
<td>Total eligible costs</td>
<td></td>
<td>2,666,567 €</td>
</tr>
</tbody>
</table>

| TOTAL                      | 75%        | 1,999,925 € |
| Own funding                | 25%        | 666,642 €   |
| Direct staff costs          |            | 449,067 €   |
| External experts, subcontracts |       | 2,217,500 € |
| Total eligible costs        |            | 2,666,567 € |

Photo: Municipality of Vila Nova de Gaia

Photo: Municipality of the Province of Barcelona
More contracts are currently under preparation. They will represent about €8.5 million in ELENA grants, mobilizing about €500 million in investments.

**ELENA BENEFICIARIES**

<table>
<thead>
<tr>
<th>Project name</th>
<th>Applicant</th>
<th>Status</th>
<th>Estimated investment project volume</th>
<th>ELENA contribution</th>
<th>Estimated leverage factor</th>
</tr>
</thead>
<tbody>
<tr>
<td>REBIDA</td>
<td>Diputació de Barcelona</td>
<td>Signed contract 4 May 2010</td>
<td>500,000,000 €</td>
<td>1,999,925 €</td>
<td>250</td>
</tr>
<tr>
<td>CHP/ District Heating</td>
<td>Stadsverwarming Purmerend (NL)</td>
<td>Signed contract 30 Sept 2010</td>
<td>98,000,000 €</td>
<td>1,791,900 €</td>
<td>55</td>
</tr>
<tr>
<td>Energy Efficiency Milan Covenant of Mayors</td>
<td>Province of Milan (I)</td>
<td>Signed contract 26 Oct. 2010</td>
<td>90,000,000 €</td>
<td>1,944,900 €</td>
<td>46</td>
</tr>
<tr>
<td>MADEV</td>
<td>Fundacion Movilidad / Madrid</td>
<td>Signed contract 25 Nov. 2010</td>
<td>53,400,000 €</td>
<td>1,148,083 €</td>
<td>47</td>
</tr>
<tr>
<td>Efficacité Énergétique Écoles Paris</td>
<td>City of Paris (F)</td>
<td>Signed contract 15 Dec. 2010</td>
<td>180,000,000 €</td>
<td>1,377,000 €</td>
<td>131</td>
</tr>
<tr>
<td>Vila Nova de Gaia Sustainable programme</td>
<td>Vila Nova de Gaia municipality (P)</td>
<td>Signed contract 26 Jan. 2011</td>
<td>73,051,000 €</td>
<td>920,315 €</td>
<td>80</td>
</tr>
</tbody>
</table>

**7TH RESEARCH FRAMEWORK PROGRAMME – SMART CITIES**

The Smart Cities initiative will support a limited number of fairly large cities and regions taking pioneering measures to progress towards ambitious climate goals through sustainable use and production of energy. This will require systemic approaches and organisational innovation, encompassing energy efficiency, low carbon technologies and the smart management of supply and demand. In particular, measures in the fields of buildings, local energy networks and transport will constitute the main components of the Initiative.

It will draw upon the other Strategic Energy Technology Plan (SET-Plan) initiatives, in particular the Solar Europe Initiative and European Electricity Grid Initiative, as well as on the EU public-private partnership for Buildings and Green Cars, established under the European Economic Plan for Recovery. The local authorities involved in the Covenant of Mayors will be mobilised around this initiative to multiply its impact.

More info (EN): [www.eumayors.eu](http://www.eumayors.eu)

**FINANCING OPPORTUNITIES TO COME IN THE NEAR FUTURE!**

**ELENA: Future planned developments**

In 2011, The Commission plans to extend the scope of the ELENA Facility, providing technical assistance grants for projects below €50 million. Two new ELENA compartments are planned for medium-sized investment projects managed by cities and regions seeking financial support. These new mechanisms will aim at combining sustainable energy measures with carbon crediting and investments in the social housing field.

More info (EN): [www.eumayors.eu](http://www.eumayors.eu)

**New Energy Efficiency Fund**

A new European investment fund for sustainable energy projects will be launched in 2011. This fund will use the unspent €146 million from the European Economic Recovery Programme, supplemented by co-funding from the EIB, in order to provide equity, guarantees and debt products for public authorities and entities acting on their behalf. The fund will focus on investments in buildings, local energy infrastructure, distributed renewable installations and urban mobility.

More info (EN): [www.eumayors.eu](http://www.eumayors.eu)