



Private Financing for Energy Efficiency Financial instrument

PF4EE

LIFE Committee meeting on 21 April 2015
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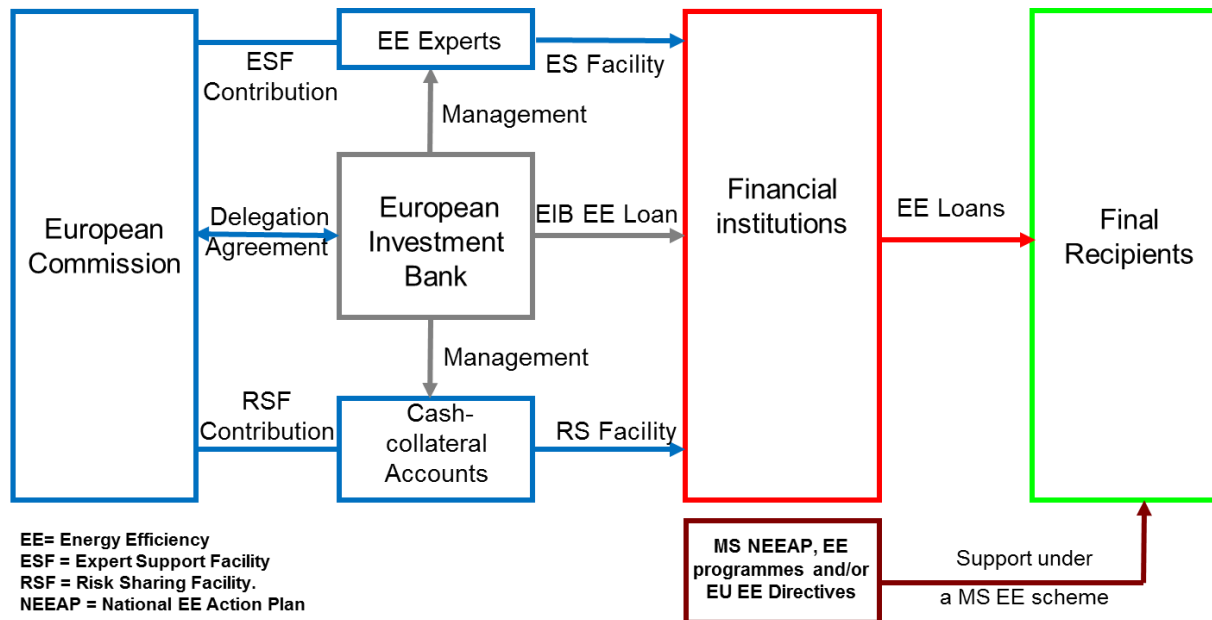


PF4EE: Objectives

1. To make energy efficiency lending a more sustainable activity across European financial institutions (FIs);
2. To encourage private commercial banks and other financial intermediaries to address the energy efficiency sector as a distinct market segment;
3. To increase lending for energy efficiency in response to priorities identified by Member States' National Energy Efficiency Action Plans.



PF4EE: Structure





PF4EE: Delegation Agreement

- DA signed in December 2015 between EIB and Commission for 80M for the period 2015-2017
- Up to 10 agreements with Financial Intermediaries comprising up to three components:
 - Risk Sharing Facility by means of a cash collateral for each agreement (max. 15% cap and 80% collateral rate)
 - EIB Loan for Energy Efficiency: 6-fold long-term financing (up to 20 years) of € 480M
 - Expert Support Facility to financial intermediaries to build up market knowledge, if needed



PF4EE: Eligibility Criteria for Banks

Type of FI: Restricted to private sector financial institutions and public sector financial institutions that operate in the market in a manner comparable to a private sector financial institution

Minimum requirement:

- i) Authorised to carry out lending or leasing activities according to the applicable legislation and be established and operating in a Member State
- ii) Demonstrate operational capacity to manage the PF4EE instrument
- iii) Demonstrate capacity to reach recipients targeted the relevant NEEAP and/or EE support scheme and/or EU Directive on EE
- iv) Sound financial standing with a stable long-term outlook
- v) Sound credit risk assessment and rating policies, procedures and systems
- vi) Acceptable as an EIB counterpart in accordance with EIB internal policy
- vii) Comply with relevant standards and applicable legislation on prevention of money laundering, fight against terrorism and tax fraud
- viii) Not entities incorporated in any Non-Cooperating Jurisdiction



PF4EE: Application Procedure

- An interested FI shall submit an application to the EIB by 30 June 2017 the latest
- FIs may group together and submit a joint application
- Application must include four aspects that EIB can assess:
 - Financial strength, performance and risk assessment capacity of the applicant
 - Experience and capacity of the Applicant to implement and EU FI
 - Quality and plausibility of the proposal
 - Achievement of the objectives of the PF4EE
- Potential applicants may send questions to EIB web-address



PF4EE: Selection Procedure I

- 1) Quality of application in line with the criteria:
 - 1) Financial strength and operating performance of the applicant
 - 2) Experience in EE financing, the implementation of EU financial instruments and/or EIB intermediated financing
 - 3) Soundness of risk management systems and capacity to manage risks associated to the targeted portfolio
 - 4) Capacity to reach the targeted EE investments, recipients and to achieve the Portfolio Targeted Size
 - 5) Concreteness and timeframe of strategy and/or plan for implementation
 - 6) Capacity to comply with monitoring and reporting requirements
 - 7) Commitment in terms of dedicated resources and senior management support for the implementation



PF4EE: Selection Procedure II

1. The expected impact in accordance with criteria:
 - 1) Relevance of the targeted EE investments and recipients in the context of the EE related Directives, NEEAPs and EE programme of the concerned Member State
 - 2) Relevance of the proposed financing activity within the context of financial market of the concerned Member State
 - 3) Commitment to provide better financing conditions to recipients
 - 4) Sustainability of the lending activity towards EE investments



PF4EE: Selection Procedure III

- 1) Actual allocation will be demand-driven
- 2) Maximum one deal per Member State
- 3) Priority will be given to applicants proposing to operating in MS were
 - 1) Distance to the country's EE target is the greatest and
 - 2) Development in the use of loan finance for EE and/or the capacity to take up EE loans is deemed to be especially low.
- 4) Applicants will be assessed on first-come first-served basis according to date of receipt of Application
- 5) Submission by e-mail and registered mail



PF4EE: Visibility

Financial Intermediaries will be contractually required to:

- 1) Product labelling: clearly point to PF4EE instrument
- 2) Promote PF4EE through their website
- 3) Include in all documents a statement mentioning that the EE Loans are supported by EU through LIFE and the EIB. Appropriate text, logos and guidelines will be provided to the FI.
- 4) Publish a list of recipients who have received an EE Loan for an amount of at least EUR 500.000.



PF4EE on EIB webpage:

www.eib.org/pf4ee

The EIB will announce on its PF4EE webpage the Financial Intermediaries that have been selected and the Member State concerned, so no further applicants can be accepted from that country

PF4EE on Commission webpages:

http://ec.europa.eu/clima/news/articles/news_2014120901_en.htm

http://ec.europa.eu/clima/policies/budget/life/instruments/index_en.htm

<http://www.eib.org/products/pf4ee/index.htm>