Experiences of the EUCF under H2020

LIFE-2021-CET-EUCF Info Session 13 December 2021

Michele SANSONI - Project Manager
LIFE Energy + Climate Unit, CINEA
Cities and municipalities – key driver for the energy transition

- Tremendous potential for building substantial pipeline of investment projects across Europe
- Key role in aggregating smaller projects into sizeable packages
- Capacity to mobilise significant amount of finance needed
Barriers for tapping full potential

• Missing capacity of public authorities to transform long-term strategies (e.g. SECAPs)
• Limited resources to access (financial and legal) expertise
• Lack of sufficiently mature “investment concepts” to enable access to financing
A City Facility to bridge the gap

LOCAL long-term energy & climate STRATEGIES (SECAPs and similar)

EUCF (investment concepts)

ESCOs, EPC

One-stop-shops

ELENA – PDA

Technical Assistance

(or others)

Banks (incl. National Promotional Banks)

Investment Funds

Financing Platforms

EU and other public funds

Development - - - - - - - - Implementation and Finance
Investment concepts

Prerequisite to access different funding sources and mobilise real investments

- Potential project pipeline
- Market/barrier analysis
- Analysis of the local actors
- Legal analysis
- Financing strategies
- Investment process
- ...

LOCAL STRATEGIES

FINANCE

IMPLEMENTATION

REAL INVESTMENTS
The current initiative under H2020

• H2020 “European City Facility” 2019-2024 (54 months)

• Financial support
  • Lump sums (60 000 EUR) to develop investment concepts
  • Regular calls for application
  • Quick and easy application and evaluation process
  • Efficient and sound contracting of selected cities/municipalities/groupings

• Services
Achievements so far

- Started in August 2019 – now halfway
- 2 calls closed, 1 call ongoing, 1 scheduled
- +470 applications from all EU countries, 99 applications selected and funded
- Significant investment sizes and energy savings expected
- Focus in the second half: development of investment concepts, implementation of investments.
Snapshots: the 1st call

- 257 applications submitted
- 30 selected for funding

Courtesy of the EUCF consortium www.eucityfacility.eu
Snapshots: the 2nd call

- 221 applications submitted
- 69 selected for funding
Overall objectives

+ 200 investment concepts developed
Wide geographical coverage and outreach
Standardisation and aggregation
Trust and acceptance by financing institutions

SIGNIFICANT and REAL INVESTMENTS
Call - LIFE-2021-CET-EUCF – European City Facility

Call details and FAQ: LIFE-2021-CET-EUCF – European City Facility

Budget: ≤ EUR 16 million (EU contribution)

Deadline: 3 March 2022

General questions: CINEA-LIFE-CET@ec.europa.eu
Thank you very much!


@CleanEnergy_EU, @LIFEprogramme

European Climate, Infrastructure and Environment Executive Agency

LIFE youtube channel
LIFE-2021-CET-EUCF
European City Facility

Info Session - 13 December 2021

Björn ZAPFEL
Senior Project Expert
CINEA - LIFE Energy & Climate Unit
Objective

- Need for significantly enhanced investments
- Sustainable energy and, in particular, energy efficiency
- Focus on private finance

EU climate & energy targets 2030 & 2050
Climate Target Plan
European Green Deal
Renovation Wave

European City Facility under LIFE CET

Cities and Municipalities

- Pipeline creation
- Aggregation
- Finance mobilization
- Capacity to transform long-term strategies in financial terms
- Financial, technical and legal expertise
- Mature “investment concepts”
Scope – EUCF under LIFE CET

European City Facility (EUCF) under LIFE CET

- Taking into account experiences regarding Horizon 2020 EUCF: www.eucityfacility.eu
- Envisaging appropriate follow-up / upscale of fundamental approach(es)
Scope – LIFE EUCF focus

Development of investment concepts by European cities/municipalities:

- Within **limited period of time**
- Covering:
  - Clear identification of **potential project pipeline**
  - Legal analysis
  - Governance analysis
  - Finance strategy
  - Design of **investment process/roadmap**

➤ For **sustainable energy investments**, with dedicated focus on **energy efficiency**

**Investment mobilisation**
- Direct approach of investors and/or financiers
- Combination/blending with other EU financing streams and services
Scope – LIFE EUCF pillars

1. Financial support to European cities/municipalities

- Financial support to third parties (grants including ‘lump sums’)
- Development of investment concepts
- Max. EUR 60,000 per third party
- Around 70-75% of the budget
- Clear specification/listing of:
  - Reasons for need of financial support to third parties
  - Management of financial support to third parties
  - Different types of activities covered
  - Results to be obtained

- Conformity with EU standards:
  - Transparency
  - Equal treatment
  - Conflict of interest
  - Confidentiality
Scope – LIFE EUCF pillars (cont.)

2. Services to cities/municipalities at the national/regional level
   - Application phase
   - Investment concept development phase
   - Investment implementation phase

3. Replication & best practice exchange among cities/municipalities
   - Enabling uptake and efficient operationalization of fundamental approaches of scheme at the national/regional level

4. Framework for monitoring, analysis and capitalization of results
   - Leverage factor by EUCF financial support regarding envisaged investment concepts
   - Related source(s) of funding
Scope – Consortium / ‘Intermediary Managing Entity’

- Profound understanding of strategic nature of initiative, e.g. challenges of:
  - Upscaling finance for sustainable energy investments
  - Mobilising private financing sources

- Deep rooting in:
  - Municipal sustainable energy/climate planning
  - Financial engineering of sustainable energy, in particular energy efficiency investments

- Sound, inclusive outreach strategy to cities/municipalities across Europe

- Capacity/ability to:
  - Mobilise critical mass of cities/municipalities (or groupings)
  - Run large-scale financial support scheme in accordance with LIFE CET standards
  - Select most cost-efficient and appropriate applications

(taking into account, inter alia, the scale of the potential investment and energy savings, as well as the number of inhabitants covered in the specific context targeted)
Scope – City/municipality applications

- Proof of political commitment
- Clarification of existing planning processes and resources
- Ambitious scale of potential investment(s) and level of energy savings in the specific context targeted based on politically approved SECAPs or plans of similar ambition
- Investment sectors targeted
- Type of financial solutions envisaged
- Governance to develop investment concept
- Convincing plan on the engagement of key stakeholders in the relevant (technical and financial) segments (including citizens)
- Plan for long-term capacity building within the public administration
- Commitment for monitoring for 2 years
Expected impact

✓ Increased leveraging of (private) finance:
  - Into sustainable energy and, in particular, energy efficiency investments
  - By public authorities
  - Well-demonstrated and documented

✓ Number of investment concepts
  (overall and transformed into ambitious tangible investments)

✓ Investments in sustainable energy triggered (cumulative, in million Euro)

✓ Primary energy savings / renewable energy generation triggered (in GWh/year)

✓ Public authority staff with increased capacity for developing investible sustainable energy and, in particular, energy efficiency projects

✓ Uptake by potential replicators on the national/regional level

✓ Reduction of GHG emissions (in tCO₂e/year)
Call - LIFE-2021-CET-EUCF – European City Facility

Call details and FAQ: LIFE-2021-CET-EUCF – European City Facility

Budget: ≤ EUR 16 million (EU contribution)

Deadline: 3 March 2022

General questions: CINEA-LIFE-CET@ec.europa.eu
Thank you very much!


@CleanEnergy_EU, @LIFEprogramme

European Climate, Infrastructure and Environment Executive Agency

LIFE youtube channel