

# InoFin WP3: Financing Schemes

## InoFin Project meeting

Nils Daugaard & Nick Andersen,  
Energy Consulting Network

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# Content

- ☐ Main Drivers & Barriers (WP2)
- ☐ Building refurbishment landscape
- ☐ Case: Poland
- ☐ Risk mitigation & Risk sharing
- ☐ Grants and grant level
- ☐ Elements for tailored financing schemes
- ☐ Tailored financing Schemes - Methodology
- ☐ Deliverables D6 & D7 (Reports)

## Main drivers and barriers for investing in building refurbishment (from WP2)

### Drivers

**High prices on energy**

**Ageing Housing Stock**

### Barriers

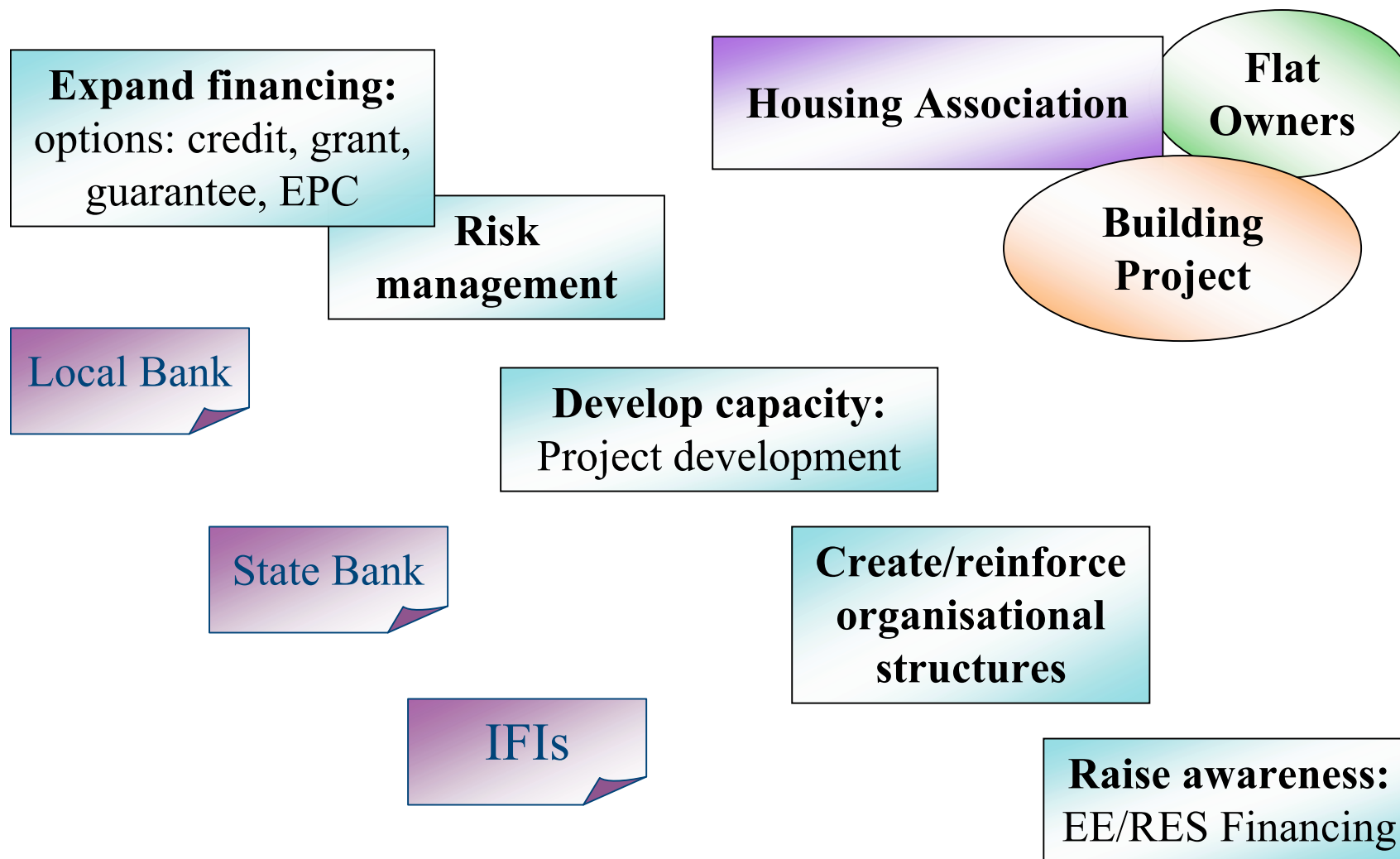
**Ownership and decision making**

**Affordability – rent increase**

**Lack of suitable financing mechanisms**

**Awareness on refurbishment options**

## Elements of tailored financing schemes



# Tailored financing schemes - methodology

## Scope of interventions

- ☐ Define scope of interventions

## Consultation with stakeholders

- ☐ Preparing consultation (materials etc.)
- ☐ Consultation meeting
- ☐ Recommendations for Action Plan

## TFS Set-up

- ☐ Stakeholder involvement: EU, State, Municipalities, IFIs, Local banks, Social housing organisations, etc.

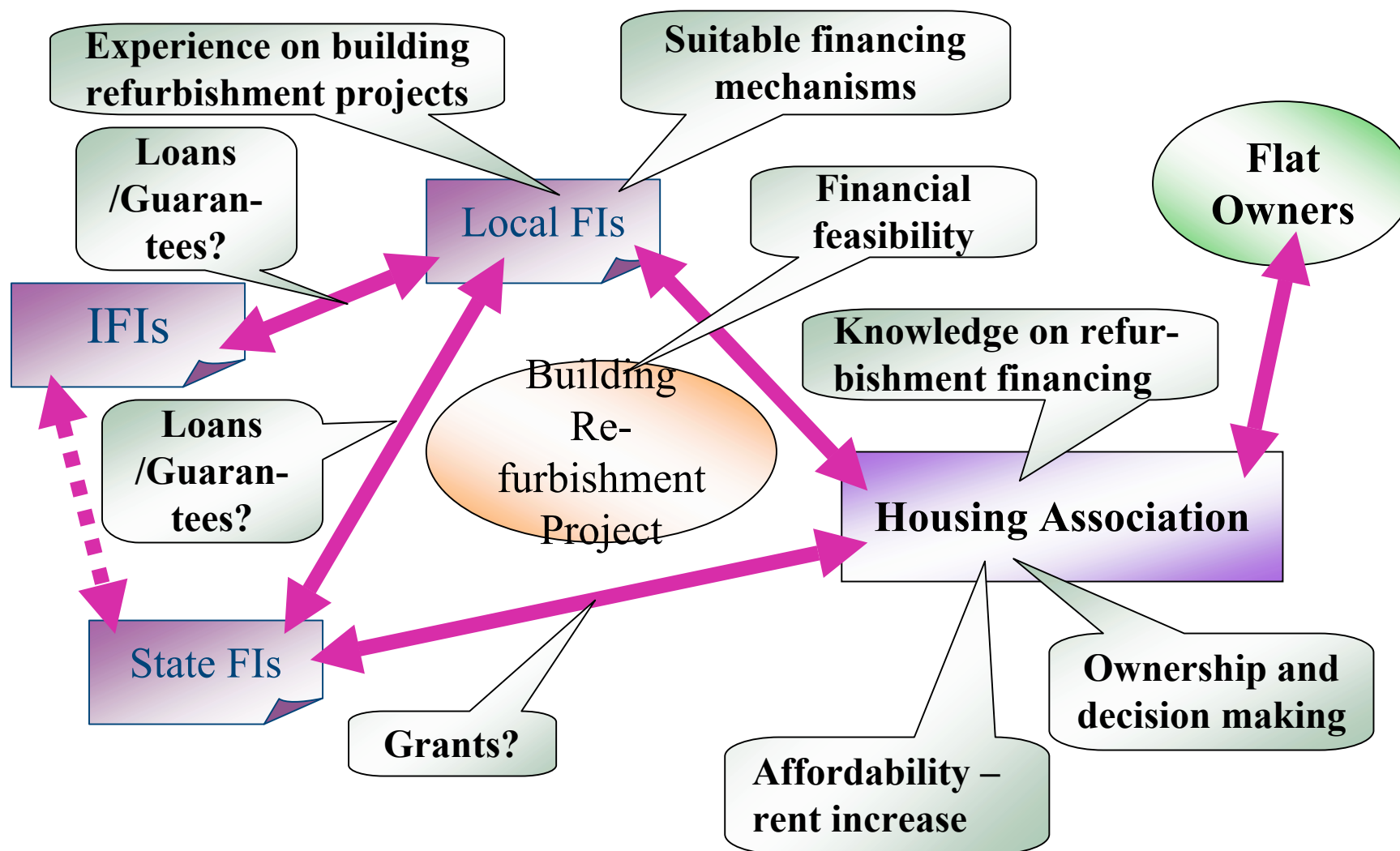
### ☐ Supplementary elements:

- a) Awareness rising: Energy saving measures;  
Financing mechanisms
- b) Develop Capability to: Identify, analyse, implement  
and operate measures
- c) Improve possibilities for managing of risks: E.g.  
through administration of credit guarantees
- d) Create appropriate organisational structures

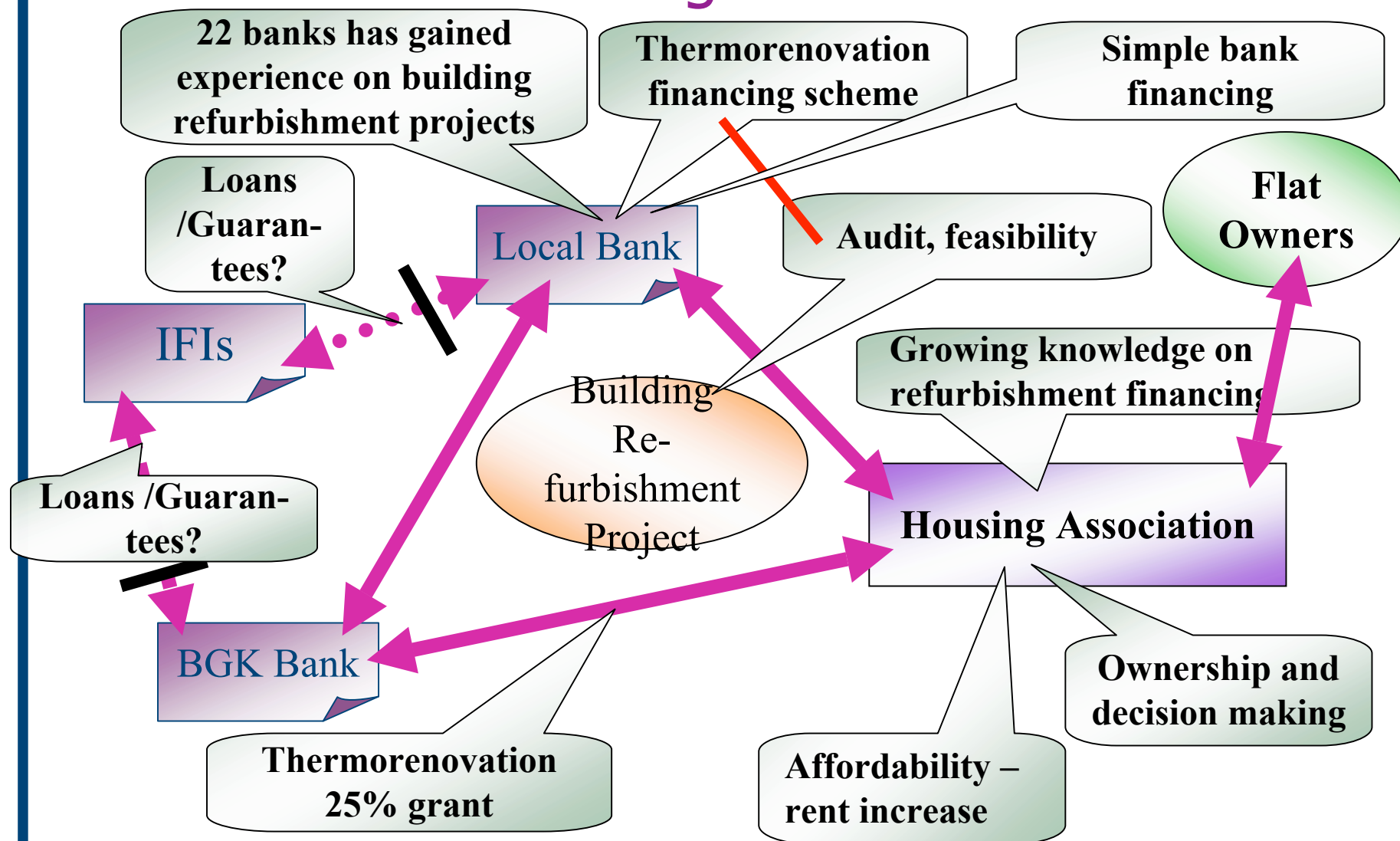
## Interventions and action plan

- ☐ Defining intervention (Background, scheme etc)
- ☐ Objectives (impact contra 'business as usual')
- ☐ Content (Description of actions and measures)
- ☐ Testing of selected scheme (provisions for WP4)

## Building Refurbishment Barriers' Landscape



## Case: Poland - Building Refurbishment



## Risk mitigation (1)

Seek to reduce the overall project cycle financing costs:

**>> *reduce the overall risks***



Reduces costs

Risk mitigation:

**>> *Make risks transparent (feasibility study etc.)***

**>> *Place risks at the stakeholder(s) having the best insight knowledge regarding the specific risk***



## Risk mitigation (2)

Means of risk mitigation:



**Reduces costs**

- ☐ Project risk >> feasibility study, project clearing institution, national policy&instruments
- ☐ Debtor risk >> flat owners association (eligible legal entity), mortgage schemes (property as security)

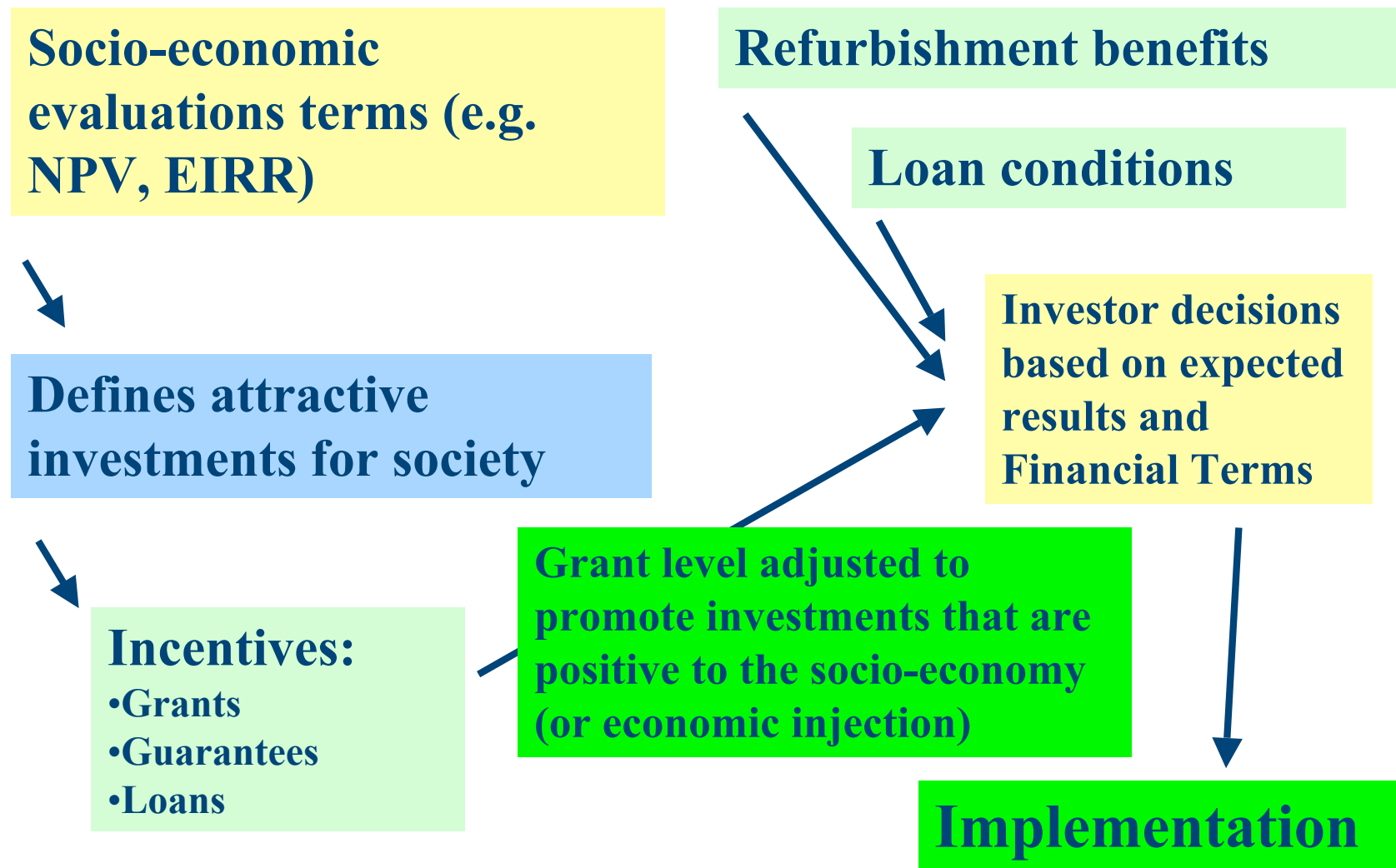
## Risk sharing

Adequate risk sharing:

- |   |   |
|---|---|
| <input type="checkbox"/> Project hosts: | project risk  |
| <input type="checkbox"/> Local bank:    | debtor risk   |
| <input type="checkbox"/> State FI:      | project risk, debtor risk,<br>currency risk, country risk |
| <input type="checkbox"/> IFI:           | country risk, currency risk                               |

**Reduces costs**

## Grants and grant level



## 2.3 Assessing typical social housing company situation

Classification of barriers as well as good & bad characteristics

- Organisational structures
- Internal economic situation
- Conditions for financing energy retrofitting
- Awareness

## 2.4 Assessing pros and cons

Assessing pros and cons of relevant schemes  
(‘Assessing Pros and Cons Methodology’)

The assessment will comprise a mix of existing,  
planned and potential schemes  
(how many, creativity ?)

Summary table:

<b>Scheme/</b>	<b>Pros *)</b>	<b>Cons *)</b>	<b>Recommen dation **)</b>

## 2.5-2.6 Identification of suitable schemes & combination

‘Scientific selection’

Selection of TFS based on the given criteria

- High capability of overcoming investment barriers
- Good prospects for raising investment volume

A simple factor for (anticipated) increased investment volume versus needed effort/input of resources may be applied to evaluate schemes

## Work Plan – Steps to be taken

3.1 Assessing Pros and Cons:	Deadlines
- Guidelines (ECNet)	01. Sep 2006
- Assessments	01. Dec 2006
- Summary	01. Jan 2007
3.2 Selection of Schemes (ECNet)	15. Jan 2007
3.3-3.4 Designing of Schemes	01. Feb 2007
3.5 Discussion with Stakeholders	01. Mar 2007
3.6 Action Plan	01. April 2007

## Deliverable D6

# Social Housing Energy Retrofitting Financing Schemes

## Assessment Report

### ***WP3: Financing Schemes***

#### Summary

#### 1 Introduction

#### 2 Country reviews

##### 2.1 Germany

##### 2.2 Czech Republic

##### 2.3 Slovakia

##### 2.4 Poland

##### 2.5 Latvia

##### 2.6 Bulgaria

#### 3 Social housing energy retrofitting financing

##### 3.1 Social housing energy retrofitting financing - highlights

##### 3.2 Comparison of barriers and drivers

#### 4 Stakeholders' situation

##### 4.1 Tenants / Flat Owners

##### 4.2 Housing Communities/Housing Associations

##### 4.3 Housing maintenance companies

##### 4.4 Local Banks

##### 4.5 State banks

##### 4.6 IFIs

##### 4.7 Consultants/Contractors

#### 5 Existing financing schemes - comparison

##### 5.1 Categorisation and overview

##### 5.2 Impact of existing schemes

##### 5.3 Political context and opportunities

##### 5.4 Existing Innovative Schemes

##### 5.5 Energy Performance Contracting (EPC) and ESCOs

##### 5.6 Combining promising schemes

#### 6 Precursors for Tailored Financing Schemes (TFS)



## Deliverable D7

# Social Housing Energy Retrofitting Financing Schemes

## Tailored Financing Schemes

### ***WP3: Financing Schemes***

#### Summary

- 1 Introduction
- 2 General approach
- 3 Identification of Tailored Financing Schemes
  - 3.1 Germany
  - 3.2 Czech Republic
  - 3.3 Slovakia
  - 3.4 Poland
  - 3.5 Latvia
  - 3.6 Bulgaria
  - 3.7 Summary
- 4 InoFin Interventions - Germany
  - 4.1 Overall scope of interventions
  - 4.2 Stakeholder consultations
  - 4.3 Project set-up and involved stakeholders
  - 4.4 Interventions and action plan
- 5 InoFin Interventions - Czech Republic
- 6 InoFin Interventions - Slovakia
- 7 InoFin Interventions - Poland
- 8 InoFin Interventions - Latvia
- 9 InoFin Interventions - Bulgaria
- 10 Summary on InoFin Interventions

*Thank you*