Financing smart cities investments

EIP Smart Cities and Communities Marketplace
June 20th, 2017
Added value of the European Energy Efficiency Fund

If you are a Public Entity
- ...alike to City of Venlo (Netherlands), CHAP Social Housing Association (UK)

If you are a Private company liaising with a public entity
- ...alike to Manutencop (Italy), Enertika (Spain), Bolloré (France), EDF Group (France), Johnson Controls (Germany)

If you are a Financial Institution financing the above
- ...alike to Banca Transilvania (Romania)

Developing a project of Renewable Energy
- As we have done with: City of Orléans (France), City of Rennes (France), CHAP Social Housing Ass. (UK)

Developing a project of Energy Efficiency
- As we have done with: City of Venlo (Netherlands), Region Rhône Alpes (France), Sant’Orsola Hospital (Italy), Universidad Politecnica de Madrid (Spain), Banca Transilvania (Romania), Jewish Museum of Berlin (Germany), Munich University (Germany), CHAP Social Housing Ass. (UK)

Developing a project of Clean Urban Transport
- As we have done with: Bolloré – Paris, Lyon, Bordeaux (France)

With these features
- Avoiding CO2e emissions at least for 20% of the baseline
- Looking for funding in a (flexible) range between 5 and 25 €m
- In one of the 28 EU countries

eeef can support your project providing

Tailor made funding
- Debt
  - e.g. City of Venlo (Netherlands), Bolloré (France), Region Rhône-Alpes (France), CHAP Social Housing Ass. (UK), Sant’Orsola Hospital (Italy)
- Equity
  - e.g. City of Rennes (France), City of Orléans (France)
- Mezzanine
  - e.g. Banca Transilvania (Romania)
- Forfaiting structures
  - e.g. Universidad Politecnica (Spain)

Technical Assistance

eeef founder investors
Smart cities: challenges and enablers from an investor perspective

**Blocking factors demand-wise**

- Demand is still scarce and fragmented
- Long public procurement processes, subject to several uncertainties
- Funding considered as the last step

**Enablers**

- **Make available project facilitators**
  - Introducing public communities to what smart cities are in practice and creating consensus
  - Increasing economic and financial appeal of smart city measures
  - Assisting cities to go through the development and tender processes
  - In general specialized funding comes for multimillion investment size, this frequently implies pooling several technical measures and/or public entities

- **Promote an open discussion among cities** to share experiences, best practices and challenges to avoid mistakes, which results in project success
- **Political support**, firm and stable over the project development and implementation timeframe
- **Adopt standard protocols** for measurement and verification, contractual basis and qualifying contractors

- **Funding is key for ideas to become reality**
  - Certain requirements need to be addressed together with the project scope and before structuring any call for tender and concession documentation (e.g. minimum investment size, blending options, financial maturity function of implemented measures)

- **Incentivize and aggregate**
- **Learning by sharing and standardization**
- **Involve possible investors and funding resources from the concept phase**
New Technical Assistance facility for a higher success rate of projects

*EEEF coordination & monitoring activities and bankability-oriented TA enhance the implementation rate of projects*

**How TA works**

I. eeef selected consultants

II. eeef to match consultant with municipality

III. Joint definition of project scope

IV. Progresses monthly monitored by eeef

V. Bankability built all along the development process. eeef participating to project funding otherwise reimbursement of costs

**Current status:** selected municipalities of Gijón (Spain) and Ferrara (Italy).

Further funding available

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**TA boundaries**

All activities necessary to prepare investments - feasibility studies, energy audits, assessment of economic viability of investments, legal support etc.

No reimbursement required if the agreed conditions are met e.g. timeframe, leverage factor, eeef (co-)funding

**Background experience**

COM TA: 16 TA projects in 8 countries, a total project volume of €155m facilitated

**How to apply as beneficiary**

Remaining funding available on a first-come-first-serve basis

Application to submit to technical_assistance@eeef.eu

All info at [http://www.eeef.eu/eeef-ta-facility.html](http://www.eeef.eu/eeef-ta-facility.html)
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