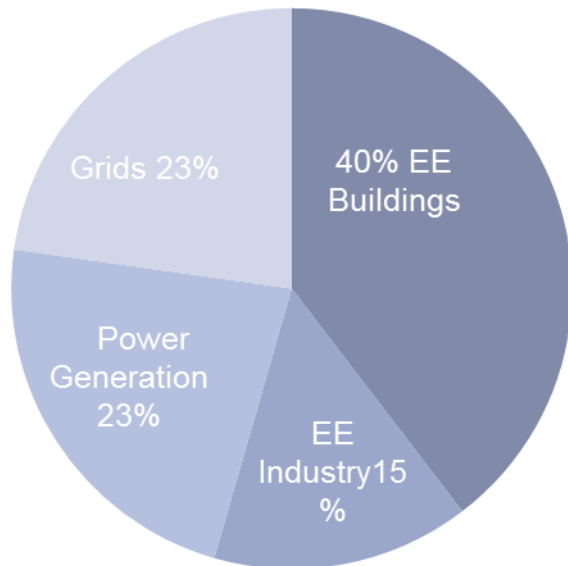


# Future of financing solutions for energy related innovation in the EU

*C. Kuhn, Director, Mandate Management*  
*20 January 2017*

EU 2030 Climate & Energy Framework

GHG reduction by 40% in 2030 represents the NDC of the EU



Total needs to implement EU 2030 Climate & Energy framework (2021-30):  
**~EUR 209bn p.a.**

- Large low carbon investment required to implement 2020 and 2030 targets
- Different needs across Europe (e.g. higher needs for lower income MS)
- Largest investment needs in energy efficiency in the building sector
- Modernisation of the power sector (power generation and grids) remains a key
- New technologies need to be developed/made commercial. Need to step-up efforts related to innovation
- Short-term challenge: identifying investment opportunities and investment certainty
- Long-term challenge: new financing sources will be required

# Possible financial support according to risks/bankability

Grants



Investment grants, operating grants

Repayable grants, subsidised interest rates

EIB/EC Financial instruments with high risk coverage by EU (InnovFin – EDP)

Platforms combining EFSI or CEF with strong FLP, managed by EIB/EC

EFSI Investment Platforms attracting investors with an EFSI layer and a small FLP, managed by a fund manager

EFSI loans or equity

EIB own risk lending

Possible synergies with NER300 funds / Innovation Fund



Revenues cannot support initial investment costs/debt

Too risky to attract financing at acceptable terms without high risk coverage

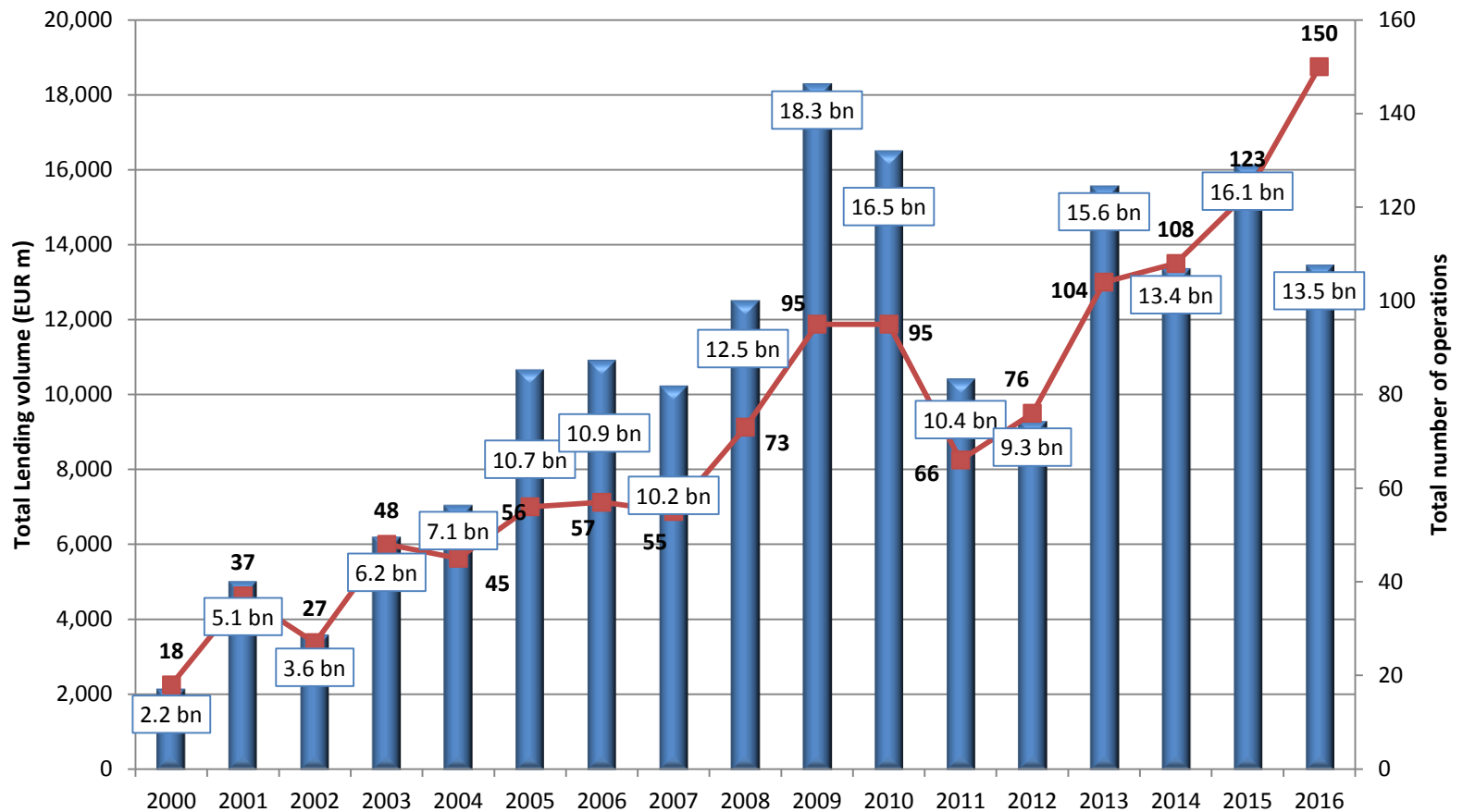
Bankability – higher risks

Bankability – limited risks

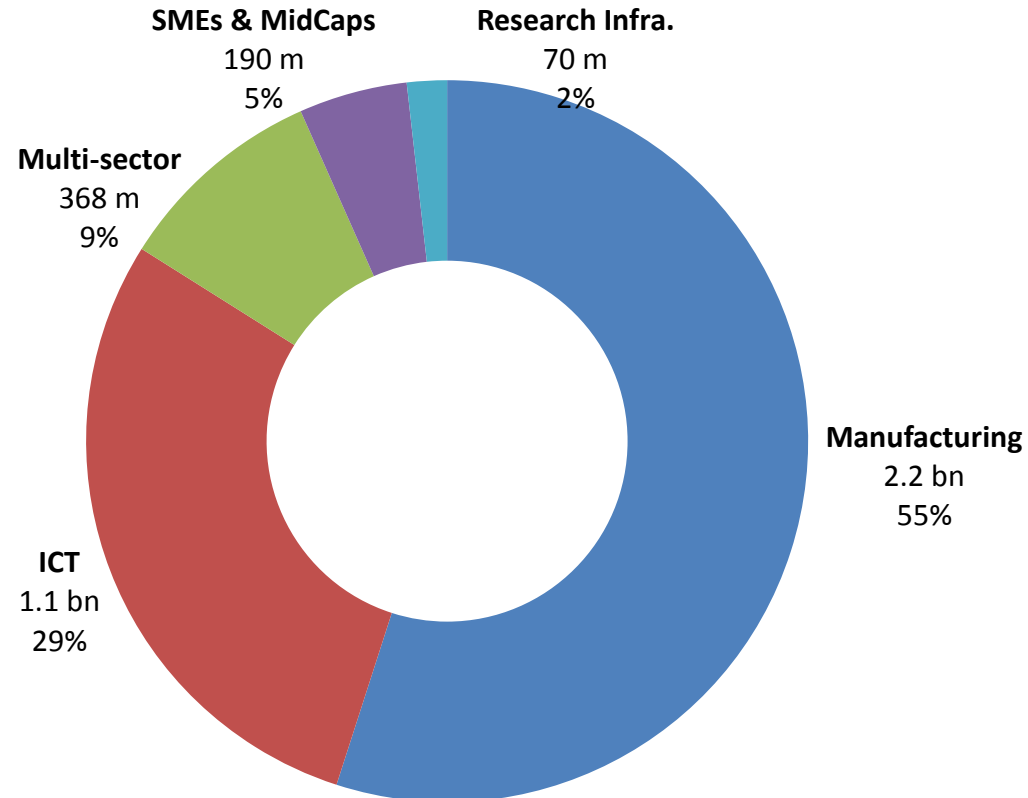
# Historical Lending 2000-2016



**Total Lending 2000-2016: EUR 182 bn**



# Innovation & EFSI



As of  
31.12.2016

**Total EFSI in Innovation 2016: EUR 3.9 bn**