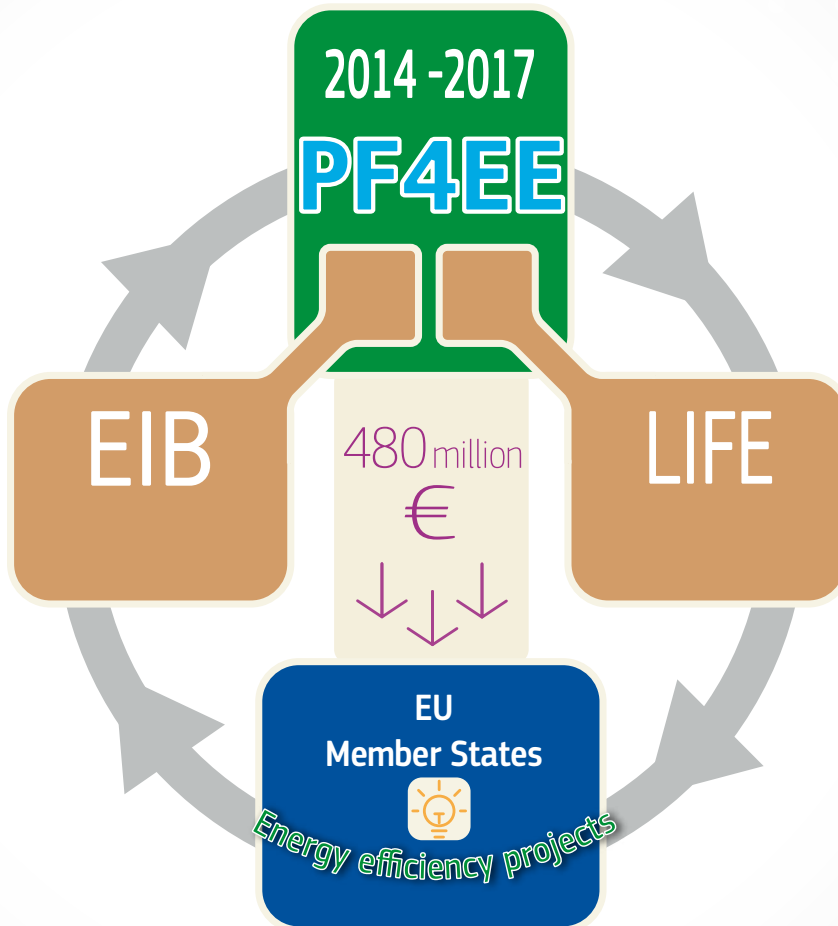




European
Commission



Private Finance for Energy Efficiency

The **Private Finance for Energy Efficiency (PF4EE)** is a new financial instrument funded by the European Commission through the LIFE programme and the European Investment Bank (EIB). It will provide loans, risk-sharing and expert support to financial intermediaries for increasing investments in energy efficiency projects in EU Member States. The PF4EE will provide finance of at least EUR 480 million between 2014 and 2017.

About the PF4EE

Boosting energy efficiency investment is a key element for achieving the EU targets of reducing greenhouse gas emissions by at least 40% and increasing energy efficiency by at least 27% by 2030.

The PF4EE instrument aims to increase access to adequate and affordable commercial financing by making lending for

energy efficiency projects a more sustainable activity for European financial institutions. This includes encouraging them to address the energy efficiency sector as a distinct market segment.

With the commitment of EUR 80 million under the EU LIFE programme, the EIB will leverage at least EUR 480 million of private finance for energy efficiency investments between 2014-2017 in the EU Member States.

Types of PF4EE support

Through financial intermediaries such as commercial banks, the PF4EE will finance energy efficiency projects from private investors, including small and medium-sized enterprises (SMEs) and private individuals, and from municipalities or other public sector bodies. The PF4EE instrument includes 3 elements:

- **Risk Sharing Facility** that allows lower pricing, longer maturities and lighter securities requirements;
- **Long-term loans from EIB for energy efficiency**, which financial intermediaries on-lend to final recipients in order to further improve their financing conditions;
- **Expert Support Facility** to help financial intermediaries effectively assess energy efficiency projects.



How does it work?

The PF4EE operates by facilitating bank lending for energy efficiency projects. Final recipients of PF4EE financing need to apply for loans from the selected bank that implements PF4EE in their country.

A maximum of one financial intermediary will distribute the PF4EE instrument per Member State, with priority given to financial intermediaries proposing to operate where energy efficiency investment needs are the greatest and/or the use of loan finance for energy efficiency is underdeveloped and/or the capacity to take up loans by final recipients is deemed low.

Funds available

The PF4EE loans will typically range from EUR 40 000 to EUR 5 million (and in exceptional cases up to EUR 15 million). Around 6 to 10 operations are expected to be signed with financial intermediaries between 2014 and 2017.



Objective

Projects funded under the PF4EE will:

- **Promote energy efficiency** in line with the priorities of National Energy Efficiency Action Plan and/or energy efficiency support scheme and/or EU Directives relating to energy efficiency within the Member State concerned;
- **Contribute to the objectives of the EU LIFE programme**, especially for climate change mitigation;
- **Contribute to the achievement of the Europe 2020 objectives** regarding energy savings and emissions reduction;
- **Build longer term capacity** and support for sustainable low carbon development;
- **Meet the standard criteria set by the EIB for its investments.**

Financial intermediaries will be selected on a “first-come first-served” basis within a given Member State. Expression of interest can be made to the EIB until June 2017, in order to organise initial discussions. Proposals will then be considered for approval by the EIB, and will be evaluated according to precise and specific criteria. This includes experience and resources, capacity, strength and coherence of the business model, contribution to LIFE policy objectives, demonstration of effect and replicability.

(for full list of criteria please visit: www.eib.org/pf4ee).