



Financial Instruments in the Czech Republic -**Programme Energy Savings**

Petr Gross, CMZRB, Czech Republic





Operational Programme Technical Assistance







Programme Energy Savings is implemented within the Operational Programme Enterprise and Innovations for Competitiveness 2014 – 2020 (OP EIC) under the Ministry of Industry and Trade. The Fund Manager is The Czech-Moravian Guarantee and Development Bank (ČMZRB or National Development Bank too)

Objective of the programme:

- Investments in energy efficiency measures in business sector (reducing own consumption)
- Programme allocation for Financial Instrument (FI):
 - EUR 49 000 000

Eligible expenditure:

All kinds of measures incl. modernization of buildings, lights, devices, installation of renewable sources, co-generation for own consumption, acqusition or renovation of tangible and intangible assets

> Final recipients:

SME's and large companies



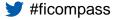




Form of support :

- Preferential loans (interest rate free) with a grace period up to 4 years
 Loan might cover up to 70 % of expected eligible costs with the maximum amount of EUR 1 200 000
- Interest rate subsidy (of commercial co-loan) with the maximum amount of EUR 58 000
- Grant for technical support (for the energy assessment report) with the maximum amount of EUR 10 000
- Required commercial co-financing (commercial bank loan) covering at least 20 % of the project eligible expenditure
- At the beginning of the implementation Energy Efficiency / Savings Programme, the Managing Authority (MA) decided that the allocation of EUR 49 000 000 would be used in the form of preferential loans on the basis of the concluded funding agreement, signed on June 21, 2017.
- The first tranche of EUR 12 500 000 was transferred to CMZR Bank on June 26, 2017.



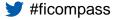






- First call for the loan applications announced on September 9, 2017
- At the beginning of 2018, MA OP EIC reacted to unsatisfactory progress of the FI implementation, when the evaluation and draft of the measures to improve the uptake → in co-operation with ČMZRB the text of call was updated on May 1, 2018 to stimulate the interest of businesses and to mainly simplify the conditions for applicants with following changes:
 - De minimis regime now
 - \blacktriangleright Cancellation of scoring selection criteria \rightarrow replacement of 10% minimum energy saving
 - Reduction of the minimum ČMZRB loan amount to EUR 30 000
- One of the <u>main issues</u> with this financial instrument are the <u>specific project acceptability</u> <u>conditions</u>, which are the same as in the case of the <u>parallel running grant programme</u>.







- In order to further increase the absorption a modification of the call has been again updated with effect from March 1, 2019 \rightarrow inclusion of construction works in eligible expenditure
- Further simplification of conditions for applicants is being prepared for implementation in mid 2019 → in the case of projects amount to EUR 115 000 of total eligible costs will be applied to reduce the applicants' administrative burden (changes in the calculation of energy saving)

Current state as of April 30, 2019:

EUR 2 800 000 in 18 submitted applications EUR 650 000 in 7 projects with Loan Contract signed



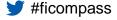




Financial instrument IROP

Supporting energy efficiency in private buildings







FI in Specific objective 2.5 **fills** compass



Overview

- Financial allocation € 77,8 million
- Financial products Loans only
- Final recipients
 - owners and associations of owners of apartment buildings - buildings with 4+ apartments

Types and examples of actions

- Reducing energy consumption by improving thermal performance of buildings
- Technology for heating or hot water
- Transition to economical and eco-friendly resources





Current situation



- The first tender was canceled, because there was no bid submitted to this tender.
- Preliminary consultations with financial institutions and new preparation of public procurement.
- The overall delay is caused by the extension of the preparation of the second tender and its documentation.



