



Financial instruments for Energy Efficiency

Emily Smith

Advisory Services Department, European Investment Bank
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The London Green Fund - Strategy

The London Green Fund (a JESSICA holding fund) established in late 2009 to invest in carbon reduction projects in line with the Climate Change component of the London Plan

Focused on energy efficiency, waste and decentralised energy as the “3 biggest carbon reduction opportunities for London”

Holding fund managed by EIB

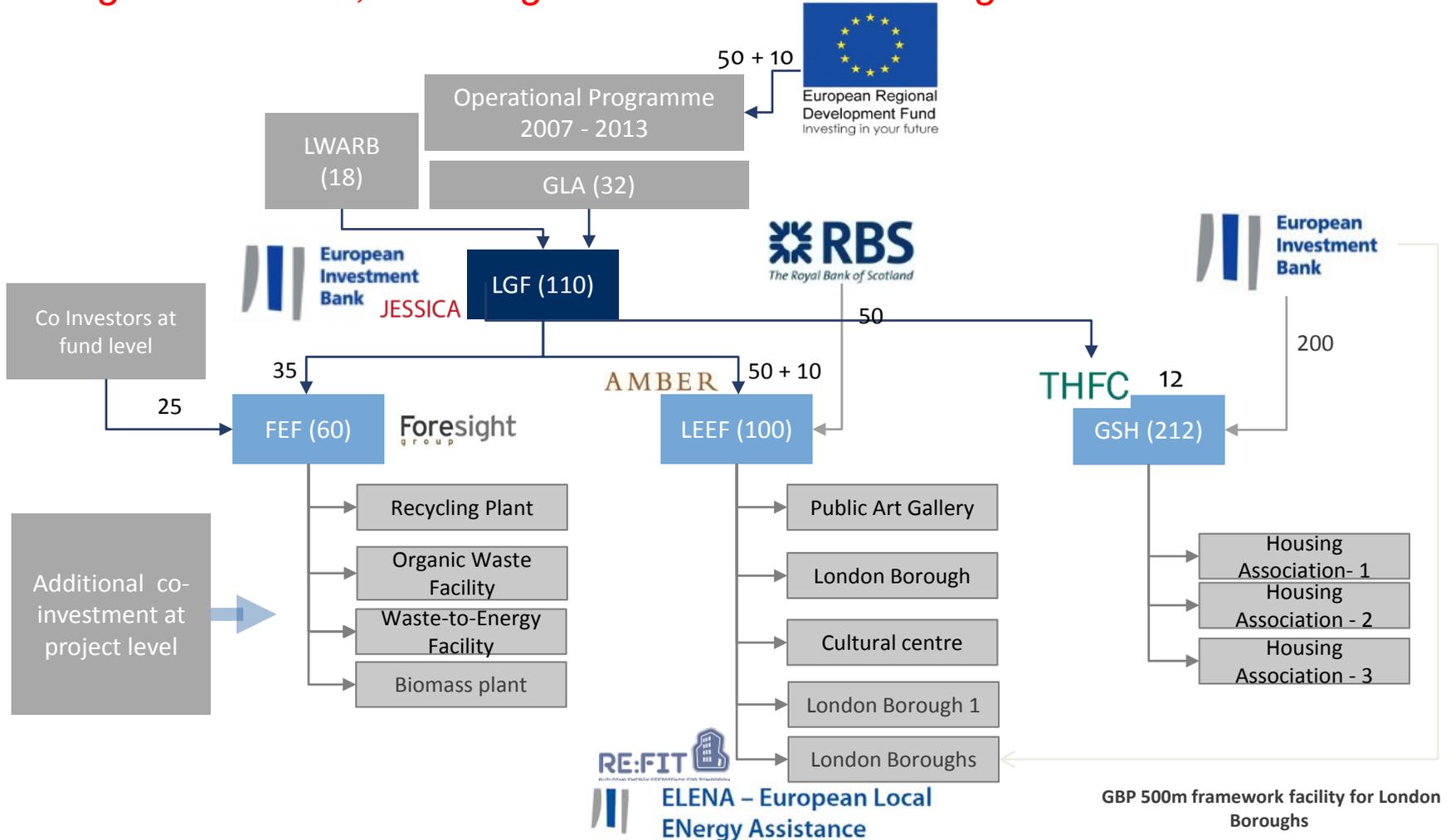
Governed by an Investment Board, chaired by a private sector independent, and with representatives from:

- Greater London Authority (as Managing Authority);
- Environmental Agency; and the
- London Waste and Recycling Board



The London Green Fund

The £110m London Green Fund has committed all of its resources to projects through the 3 UDFs, attracting well over £1bn in leverage.





Greener Social Housing

GSH fund invests in the refurbishment of social housing buildings to make them more environmentally friendly.

GSH

Sector: refurbishment of social housing buildings

Total Commitment: £12m

No. of projects signed: 3

The Housing Finance Corporation (THFC) as a dedicated lender to the regulated UK social housing sector provided funding for:



- ✓ Retrofit of the Parkview Hub and Moorings Estate in South Thamestead (investment of £4m)
- ✓ Support of the external and internal solid wall insulation in 56 properties and installation of condensing boilers in 1,525 properties in London (investment of £4m)
- ✓ Support of boiler replacement programmes, installation of air source heat pumps, external wall insulation and retrofit schemes across London (investment of £4m)





London Energy Efficiency Fund (LEEF)

LEEF, energy efficiency UDF, set up in 2011, with £50m allocated from the LGF and a £50m match funding from the RBS. Based on good performance additional £10m of ERDF allocated in 2014.

LEEF

Sector: refurbishment of social housing buildings

Total Commitment: £50m + £10m

No. of projects signed: 7

LEEF invested *inter alia* in following projects:

- ✓ Hackney – investment to support the London Borough of Hackney’s installation of communal heating system for ten tower blocks (£5m committed)
- ✓ Croydon – a retrofit of over 50 primary schools, 10 civic buildings, 3 libraries, a waste depot and Fairfield Halls art centre (£20m committed)
- ✓ Tate Modern Art Gallery - energy efficiency
- ✓ retrofit works at art gallery (£18m committed)

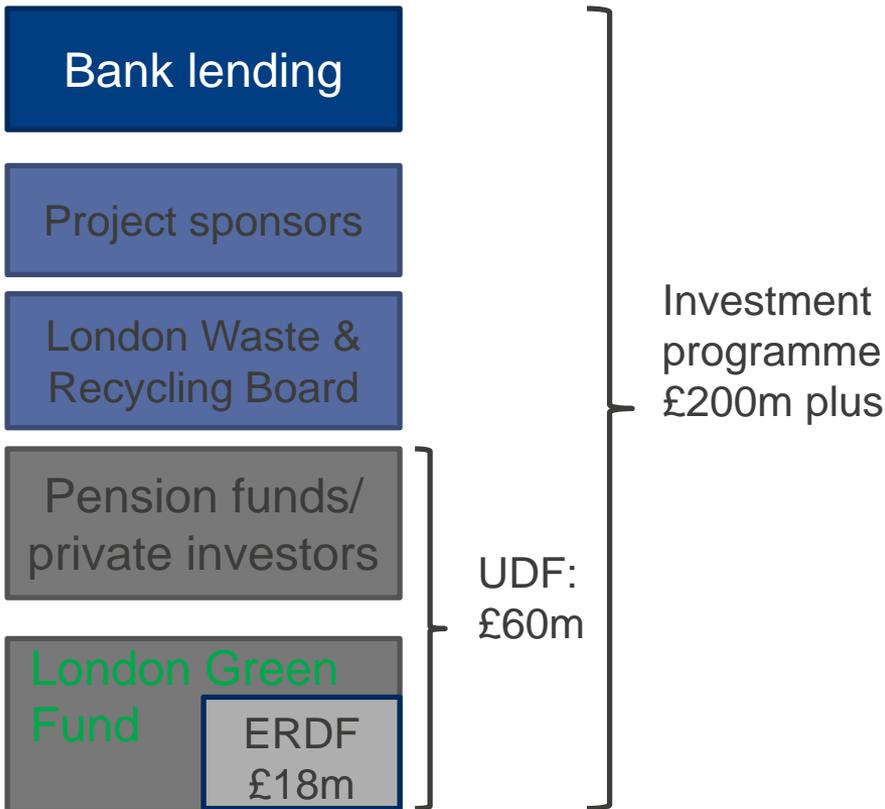


AMBER



Foresight Environmental Fund

In line with the Mayor’s municipal waste strategy, and in close collaboration with the London Waste and Recycling Board...



- the waste UDF is primarily financing, via equity or equity-type investment, the construction or expansion of:
 - Waste to energy/fuel facilities
 - Value added re-use, recycling or reprocessing facilities



Key success factors in designing London Green Fund

- Design it from the ground up
- Combining with grants and project preparation technical assistance





Key success factors in designing London Green Fund

- Appropriate governance structure – driven by the objective of the fund
- Flexibility of investment strategy
- Fund manager selection





financial instruments
 revolving capacity building
 added value **ERDF** funding agreement
 governance **ESF** EU guidance
 ex-ante assessment
 technical support seminars **leverage** financial intermediaries **microfinance**
 co-financing **ESIF** case studies
investments **fi-compass** final recipients
 business plan **Thank you** thematic objectives
 advisory services **guarantees** banks **loans** **EaSI** equity
 life cycle combination of support
EAFRD private investors conferences factsheets
fund of funds **EMFF** investment strategy **CF**
 managing authorities manuals

