

Private residential buildings renovation in the region of Île-de-France

EIB funds – supporting investments in energy efficiency



Fact sheets on funding and financing opportunities

Background

The European Investment Bank is the biggest multilateral financial institution in the world. The EIB is an EU body, accountable to the Member States, and a bank that follows applicable best banking practice in decision-making, management and controls. The EIB invests the money it raises on the financial markets in four main areas: infrastructure, environment, small and medium-sized enterprises and innovation. The Bank's activities have evolved greatly in recent years assuming bigger role in implementing EU policy initiatives. The Bank's work with the European Fund for Strategic Investments to mobilise private financing for key projects together with the focus on executing financing mandates have done nothing less than change the DNA of the EIB Group.

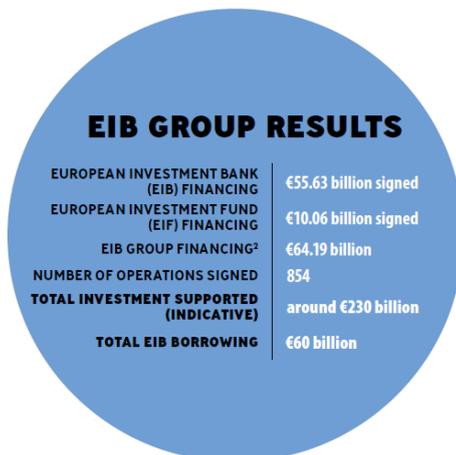


Figure a: EIB Activity Report Highlights, 2018

Objective

Projects financed by EIB typically include retrofitting and expansion of existing social and urban infrastructure and services. This involves district heating and cooling, cogeneration, rehabilitation and modernisation of buildings and improvement of industrial processes, as well as improving and upgrading the energy values of urban transport, waste and water management networks.



Figure b: EIB Project Cycle

Description of the funding opportunity

Cities and regions have a variety of financing needs. When a single large investment project needs long-term funding (such as a metro or a complex urban regeneration project) they typically arrange financing on a project basis. In such cases, the European Investment Bank (EIB) or other banks can provide dedicated project-specific loans – at the EIB, we call them Investment loans since they are used for single investments. Framework loans can be used to finance multiple small and medium sized projects, usually ranging from EUR 1 to 50 million, over a period of normally 3 to 5 years. City or regional Councils typically work with 3

to 5 year capital investment programmes, but only give final approval to investments on an annual basis. There are two key financial thresholds which the EIB applies:

1. EIB's loan cannot finance more than 50% of the overall investment programme;
2. EIB+EU financing cannot together exceed 90% of the total investment programme in transition and less developed regions.

Pros and cons of the EIB funds for energy refurbishment in residential buildings

Main advantages are:

- Increased knowledge on energy issues
- Heating costs blocked/reduced against future increase
- Inform Condominiums about energy performance and energy efficiency applicable solutions
- Innovative contract solutions technically and financially clear and transparent
- Turn-key costs of the works
- Performances expected based on real data and conditions
- Life cycle costs and life expectancy

And main barriers:

- Legal issues can divert time and resources away from outreach work and finalising contracts with condominiums.
- Thermal retrofitting of condominiums is complexity
- Contract development entails high transaction costs (a full contract development cycle for comprehensive thermal retrofitting is a long-term process that requires at least 18 months)
- The long times in this particular market discourage private individuals and their involvement in this market remains low.

Promote, Organize, Support, Imagine the energy Transition in Île-de-France territory (POSIT IF)



Both the ambition and the rate of ongoing energy renovation operations in housing inadequate to achieve

the goal of 38 % reduction in energy consumption by 2020 set by Région Île-de-France. Since direct public funding of projects will not meet the required level of energy efficiency, it is now necessary to consider additional financial instruments. Île-de-France region has launched a public-private venture in order to develop an Energy Service Company (ESCO), offer focusing on low-energy refurbishments for collective housing and public buildings. The venture is set-up as a Semi-Public Company, called

ENERGIES POSIT'IF, with 85% of capital held by the Regional Council and Local authorities and 15% of capital held by Private partner. The project will focus on an extended offer to condominiums, encompassing advising activity towards individual co-owners prior to work programme and follow-up of energy consumption after the refurbishment is completed.

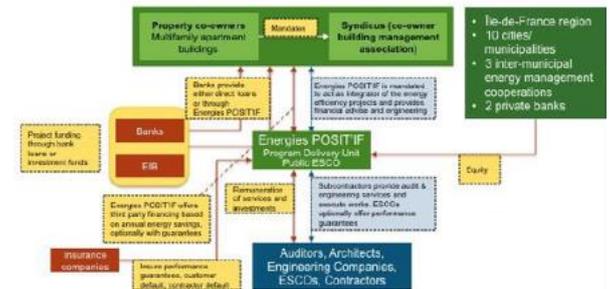


Figure c: Energy Posit'If project scheme

The works consist mainly of improving the insulation of the buildings and windows as well as renovation of the heat generation and distribution system in the buildings, ventilation systems, and electric appliances which are part of the joint tenancy area (lights, pumps, etc.). The use of renewable energies (e.g. biomass or solar thermal collectors) may also be included in the works. Individual metering is foreseen in certain cases, for users to monitor their consumption. The works will lead to a decrease in energy consumption of the buildings. The performance level targeted is the "BBC Éffinergie Rénovation" label requirements which would correspond to a 50-70% reduction of overall energy consumption of the buildings.

Summary Table	
City & country	Île-de-France, France
Investment project	Residential buildings renovation
Sector(s)	Industry - Construction Energy - Electricity, gas, steam and air conditioning supply
Year	2013-2016
Financing opportunity	IEE MLEI-PDA
Energy saving	17,490 MWh
Investments	35,5 million €
Number of Jobs created	592
Impact on the environment	4,560 tCO ₂ /y

Measures implemented

- Investment in renewables
- Investment in energy efficiency

This fact sheet is part of a series on funding opportunities, which can be found here: [html-link](#)

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