Investing in efficient and renewable energy
#investEU

The European Fund for Strategic Investment (EFSI), cornerstone of the Investment Plan for Europe, can support investment in energy infrastructures, energy efficiency and renewable energy.

The transition to a low-carbon economy and the increase of energy efficiency are key dimensions of the Energy Union Strategy. The energy transition requires the mobilisation of significant investment in Europe: in the power sector, in energy efficiency in buildings, and innovation in industry (about 21% in power grids, close to 27% in power generation and around 51% in energy efficiency).

While public funding at EU and national level can play a role, it is clear that the better part of the investment will have to be mobilised through the market. The key challenge is therefore to ensure that energy markets function; the right investment signals are available for companies; and access to financial markets is facilitated.

The energy sector has a great potential for driving jobs and growth in Europe and can positively influence the competitiveness of the European economy in a number of manufacturing and service sectors. This in turn could induce considerable fossil fuel savings and thus reduce the EU's energy import bill.

Opportunities and benefits

Energy stakeholders, both from the public and the private sector, can benefit from the opportunities offered under the Investment Plan by getting **financing** from the European Fund for Strategic Investments (EFSI), **registering a project** to reach potential investors worldwide through the European Investment Project Portal (EIPP), and making use of the **advisory services** of the European Investment Advisory Hub (EIAH). Opportunities under EFSI are integrated into the **European Investment Bank (EIB) Group**. Projects can be directly submitted by promoters to the EIB or to established investment platforms, which can have a sectorial or geographical scope. The openness and flexibility of the EFSI structure makes it particularly attractive for investments in energy.

EFSI can support the development of energy infrastructure (in particular interconnections), renewable energy and energy efficiency. Energy efficiency projects are often fragmented, relatively small-scale and tailor-made. As a result, they generate high transaction costs for lenders, a relatively high risk-perception by financiers and unclear underlying business case for corporates. These factors explain the current under-investment in energy efficiency projects. EFSI aims at making a difference to the availability of long-term financing for energy efficiency projects. It will help de-risk energy efficiency operations, up-scale existing financial instruments or create specific investment vehicles that would enable pooling of capital resources and bundling of investment projects into larger portfolios.

How to access finance

Infrastructure and Innovation projects shall consult the **dedicated Window** deployed through the EIB. Small and medium enterprises shall consult the **SME Window** implemented through the European Investment Fund (EIF).

Examples of projects and activities supported

Galloper offshore wind (UK)
Design, construction and operation of a medium-scale offshore wind farm in the UK, with an EIB financing under EFSI of EUR 314 million.

Capenergie 3 Fund (France)
Investing in small to medium-sized renewable energy projects in France and across the EU, with an EIB financing under EFSI of EUR 50 million.

Nobelwind offshore wind (Belgium)
Implementation of the second phase of Belwind, a large-size offshore windfarm, with an EIB financing under EFSI of EUR 100 million.

More projects
http://ec.europa.eu/priorities/sites/beta-political/files/energy-ip-state-of-play-march-2016_en.pdf

Complementary sources of funding

The opportunities offered under the Investment Plan for Europe complement the grants and financial instruments provided by the European Structural and Investment (ESI) funds. EFSI provides financing instruments that absorb the highest risk in an operation. EFSI and ESI can be combined to mobilise additional investment. This comes in addition to a number of funding sources such as:

- the European Energy Efficiency Fund (EEEF) - an innovative public-private partnership dedicated to mitigating climate change through energy efficiency measures and the use of renewable energy in the EU.

- the Private Finance for Energy Efficiency (PF4EE) - a financial instrument funded by the EU through the LIFE programme and implemented via the EIB.

- NER 300, one of the world's largest funding programmes for innovative low-carbon energy demonstration projects. The programme is conceived as a catalyst for the demonstration of environmentally safe carbon capture and storage (CCS) and innovative renewable energy technologies on a commercial scale within the EU.

Within the Investment Plan, the Commission has set the objective to achieve at least an overall doubling in the use of financial instruments under the ESI funds. This objective (approx. EUR 23 billion) is within reach: based on current estimates, the planned overall allocations in Cohesion policy to financial instruments in 24 Member States are expected to be EUR 20 billion for ERDF only.

More information on Energy at EU level:
http://ec.europa.eu/clima/policies/lowcarbon/ner300/index_en.htm.

European Commission
European Investment Bank The EU bank