“Building blocks” of residential EE

- **Policies** which drive/stimulate demand for EE
- **Residents** aware of EE benefits and technologies
- **Banks** capable to promote/assess EE projects
- **Developed market** for EE technologies and services
Regional Energy Efficiency Programme (REEP+) designed to catalyse residential EE market

**POLICY DIALOGUE**

**REEP Policy support to governments**
for transposition of EPBD, Eco design standards, etc. (€2.5m EU IPA grants)

**Technical Assistance**

**GEFF Technical assistance and awareness raising**
(€1.8m WBIF, €3.3m Austrian Federal Ministry of Finance, other donors)

**Financing**

**GEFF credit lines via PFIs** to residential sector borrowers

**Donor-funded investment incentives** (€17.5m EU IPA grants)
EBRD Green Economy Financing Facilities

- More than 120 financial institutions participated
- Around €4 billion of EBRD finance
- Over 112,000 clients of partner banks benefited from loans and technical assistance
- REDUCED 6 million tonnes of CO2 emissions per year

Know-how in 25 countries across Central and eastern Europe, Central Asia and the Caucasus

Over 10 years of experience and know-hows in green banking
GEFF structure

Investment Incentives:
- Up to 20% for individual Sub-borrowers (Dwelling level projects)
- Up to 35% for Building-level projects
- Zero for Vendors, Producers, white goods

EUR 85m EBRD financing for Residential EE investments:
- Albania, Bosnia and Herzegovina, FYROM, Kosovo, Montenegro and Serbia

Financial Institution

Product & Portfolio Development | Sales Support | Marketing Support

Clients

GEFF Facility Consultant

Green Economy Financing Facility

EBRD & Donors

Implementation Support

Project Assessment & Verification

Supported by:
Eligible Sub-borrowers implementing “dwelling-level” or “building-level” EE projects

- Private individuals
- Groups of individuals
  Loans up to €50,000

- Housing Associations;
- Service Providers
  ✓ Housing Management Companies
  ✓ ESCOs
  ✓ Construction companies
  Loans up to €300,000

Vendors and Producers
  Loans up to €2.5 million
Loans to Vendors and Producers will have to finance either:

- Expansion of sales of eligible technologies
- Production of eligible technologies
Concept of GEF for the residential sector

- Streamlined technology-driven lending approach based on a list of eligible standardised equipment, appliances, materials, and/or engineering systems (the “Technology Selector”)

- Technology Selector is a tool used to communicate to the market a set of available technologies and solutions that have been identified as the ‘best performing’ at reasonable cost, under local market conditions

- The use of technologies results in clear-cut improvements in energy efficiency (cost savings, improved comfort)

- Bank loans are combined with targeted investment incentives and wide-reaching awareness campaign to stimulate the demand for solutions in the Technology Selector

- GEF contributes to improving energy efficiency in the residential sector on the national level
Eligibility check based on Technology Selector

Registered items are:

✓ Automatically eligible for financing

✓ Can be browsed on-line, constantly updated

✓ Allow for swift loan processing

Web-based database of energy efficient equipment, materials and solutions (example of Croatia)
Eligible Investments

- Insulation and windows
- Boilers & heating system, solar energy solutions
- Lighting, air-conditioning and home appliances

- Roof insulation
- Double/triple glazed windows
- Front doors
- Wall insulation
- Floor insulation

- Solar photovoltaic system, Solar water heater
- Efficient lighting
- Ventilation

- Home appliances (e.g. refrigerator, air-conditioner)
- Efficient gas boiler or biomass boiler
- Heating system (e.g. floor heating system, pipelines, radiators, valves)
Benefits of the Technology Selector

For customers:
- Browse on-line catalogue of available products, find vendors
- Featured solutions help reduce utility bills and are eligible for investment grants
- Easy loan application

For producers/Vendors/Service Providers:
- Register to promote products to a wide range of potential customers
- Refer interested clients to a bank for financing/investment grant
- Develop partnerships with banks (working capital financing, consumer loan products, etc.)

For banks:
- Streamlined loan eligibility check based on Technology Selector “certificate”
Incentives structure promoting comprehensive EE retrofit: example of dwelling-level projects

<table>
<thead>
<tr>
<th></th>
<th>Energy efficient windows, doors and glazing</th>
<th>15%</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>Thermal insulation of ceilings</td>
<td>20%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>15%</td>
</tr>
<tr>
<td>2</td>
<td>Thermal insulation of outside walls</td>
<td>20%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>15%</td>
</tr>
<tr>
<td>2</td>
<td>Thermal insulation of ground floor</td>
<td>20%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>15%</td>
</tr>
<tr>
<td>3</td>
<td>Biomass boilers (including relating heating system upgrades)</td>
<td>20%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>20%</td>
</tr>
<tr>
<td>3</td>
<td>High efficiency gas boilers (including relating heating system upgrades)</td>
<td>20%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>20%</td>
</tr>
<tr>
<td>4</td>
<td>Solar thermal systems</td>
<td>20%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>20%</td>
</tr>
<tr>
<td>5</td>
<td>Heat pumps</td>
<td>20%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>20%</td>
</tr>
<tr>
<td>6</td>
<td>Domestic “white goods” not eligible for investment incentives</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Energy efficient windows</td>
<td>15%</td>
</tr>
<tr>
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<td>20%</td>
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<tr>
<td></td>
<td>Heat pumps</td>
<td>20%</td>
</tr>
</tbody>
</table>

* Similar structure for Building-level projects with incentives up to 35%
Verification of project completion

All investments are verified by the Facility Consultant:

- Desk-based on the basis of documentation, or
- On-site (such as for building-level projects)

Investment incentives are payable following a successful verification!
GEFF expected outcomes

- **EUR 85m** on-lent (PFI in each WB country)
- **29,000 households** reached by the programme
- **225 loan officers** trained
- **1,000 items** in the Technology Selector
- Expected final annual energy savings: > 68,000 MWh p.a.
- Expected annual carbon reductions: > 21,250 t CO2 avoided p.a.

REEP+ investments (including GEFF) expected to contribute ca. 4% towards regional cumulative annual NEEAP targets; additional contribution from REEP+ policy reform (e.g. policy contribution under REEP of ca. 9%)
Case study: Bulgarian homeowners reduce heating costs by over 40%

### The Client

<table>
<thead>
<tr>
<th>Sector</th>
<th>Residential buildings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Location</td>
<td>Sofia, Bulgaria</td>
</tr>
<tr>
<td>Description</td>
<td>A Bulgarian homeowners’ association</td>
</tr>
</tbody>
</table>

### Investments

<table>
<thead>
<tr>
<th>Investment cost</th>
<th>€30,536</th>
</tr>
</thead>
</table>
| Investment measures | - Installation of energy efficient windows  
|                    | - Roof and floor insulation  
|                    | - External wall insulation  |
| Reasons for investment | To reduce energy bills, to remove persistent mould across buildings |
| GEFF team services | Assistance in loan application, technical and financial analyses and investment prioritisation advice. |

### Results

| Financial results | • Reduced utility bills: €5,870 per year  
<table>
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<tr>
<th></th>
<th>• Payback: 5.2 years</th>
</tr>
</thead>
</table>
| Operational results | • Energy savings on heating and cooling  
|                    | • Improved living comfort  
|                    | • Enhanced appearance of the building |
Case study: First green residential lending product in BiH

Mislimo zajedno na budućnost!

Jedinstveni kreditni proizvodi na tržištu uz bespovratnu keš uplatu na Vaš tekući račun kao poticaj za realizirani projekt!
Thank you for your attention!