

# CITYinvest: innovative financing for energy efficiency renovation

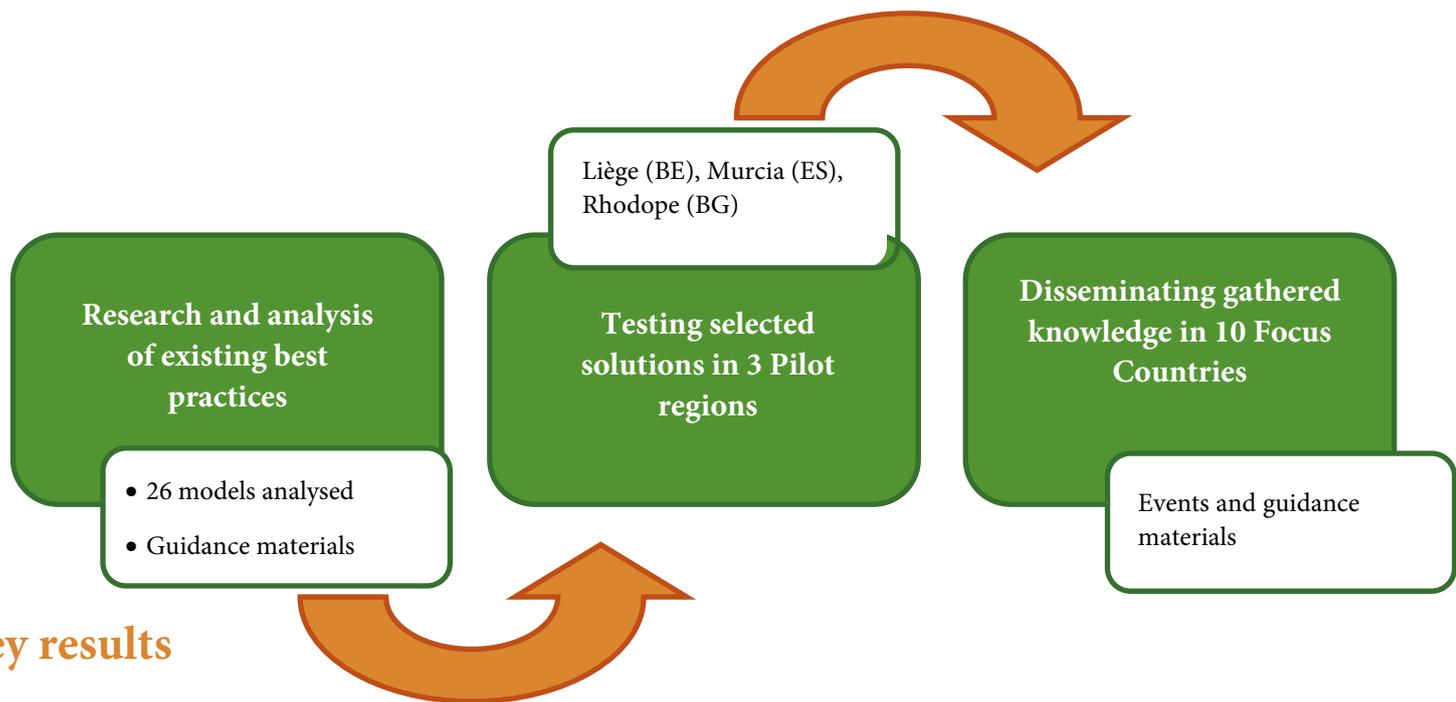
Cities are the places where people move and consume, where buildings lie and most of economy activities take place. With more than half of world population living in cities, urban areas are becoming massive energy eater systems and the primary source of GHG emissions. A constellation of cities, playing as pioneers of the low-carbon transition, have already committed to a more sustainable use of energy, putting the building sector at the core of their strategies. Considering that in the EU 36% of CO<sub>2</sub> emissions and 40% of energy consumption are due to buildings, it is clear that boosting investment for sustainable building renovations in urban areas is vital for achieving a clean energy transition in Europe. Yet, accessing finance is considered by municipalities as one of the main hurdles to move from plans to actions.

CITYinvest acts as a source of practical information on innovative financing models. CITYinvest has supported the implementation of different models such as Energy Performance Contracting, Third Party Financing, revolving funds and cooperative models in 3 pilot regions in Europe. In parallel, it has provided training sessions for local authorities in 10 European countries with the aim of accelerating the energy transition and put cities at the forefront of this transformation process.

A stylized illustration of a green building facade with a grid of windows and a central entrance. A small black silhouette of a cat is sitting on the ground in front of the entrance.

CITYinvest project  
Energy efficiency, a clever investment in your city!

# How does CITYinvest work?



## Key results

A participatory approach has been put in place in 3 EU regions. Through local arenas regional actors have engaged local governments and investors that are now directly involved in the set-up and implementation of ambitious building renovations investment plans.

### Murcia Region

1. Development of a business plan for the energy efficiency renovation of some **400 public buildings**
2. **1.8 M€ investments** triggered for the implementation of the energy efficiency plan for the renovation of the Murcia building stock.
3. **16.906.283 KWh** expected **energy savings** in the 392 buildings included in the Public Buildings Energy Efficiency Plan

### Liège Region

1. 5 Energy Performance Contracts of nearly **60 M€ implemented**, **134 buildings to be renovated** and less **energy consumption of 34%**
2. **Up-scaling of the One Stop Shop RenoWatt to RenoWatt+ with a planned investment volume of 120 M€**
3. Over **45 municipalities** in Liège and other provinces in Wallonia involved in the one stop shop

### Rhodope Region

1. Set up a **One Stop shop** involving 6 municipalities, the Association of Rhodope municipality and Sofia Energy Centre
2. **2 projects pipelines** with total investments expected: **11,5 M€** for 42 public buildings refurbishment + **1,7 M€** for street lighting improvements in 46 settlements
3. Expected **energy savings 8,8 GWh/year**

### Capacity building programme

Over **650 local authorities** and 300 other stakeholders trained in 10 focus countries

## On [www.cityinvest.eu](http://www.cityinvest.eu) information available for local government

- o **Benchmarking** of 26 innovative financing models
- o **Recommendations Matrix** a self-assessment tool for local authorities to choose the most suitable project development unit (PDU) models to carry out large scale energy retrofitting projects in their territory. The matrix is organised around a set of questions addressing three different macro areas:

Macro areas	Recommended models
<b>Operational model</b> Including questions on the type of services offered by the PDU	<b>Facilitation or Integration</b>
<b>Aggregation model</b> An add-on onto the operational model including questions on project aggregation	<b>Bundling and/or pooling</b> of projects and or/beneficiaries
<b>Financing model</b> Including questions on possible financing sources	<b>Beneficiary own funds, financial institutions, ESCO, PDU Financing, investment fund, citizens financing</b>

- o **Guide for the launch of a One Stop Shop** on Energy Retrofitting a practical, step-by-step indications on how to start a project
- o **Action Plan Template** a **structured overview** of steps needed to develop a financing model for energy efficiency. It includes a decision mapping on the steps to be followed to launch the process, such as analysis of the level of ambition (energy saving and emissions reduction), gaining political commitment and choosing the operational and financial models. For each element of the decision mapping, strategic questions are addressed, and a set of practical actions to be undertaken are identified
- o **Barriers Tool** to pro-actively mitigate risks while developing or implementing the project. Barriers can be related to the implementation model, operating service, level of ambition, and the type of funding vehicle. For instance, **CITYinvest regions experienced the barrier related to the operating service**: the size of the projects (in terms of energy consumption, energy savings and/or investment potentials) were too small to be economically viable (e. g. in relation to transaction costs or energy savings levels) or too small to be attractive for the supply market, and or for EU public funding. Using the tool, the regions have been able to take mitigation actions such as projects bundling, allowing the unlock of both private and public funds

### CITYinvest partners

