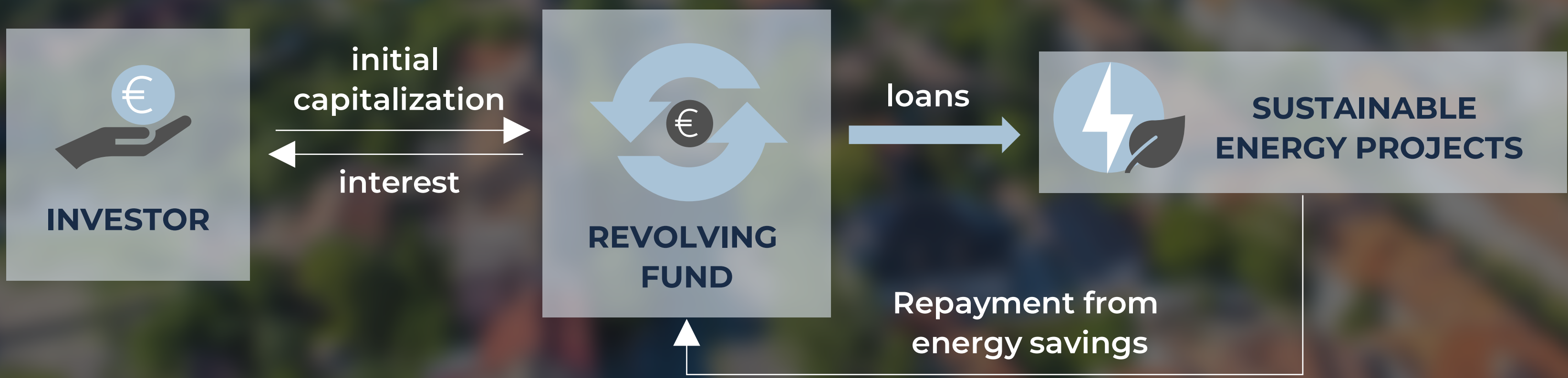
What are **Revolving funds?**

A revolving fund is a pool of capital replenished by the cost-savings from energy efficiency and renewable energy projects or by the interest paid by the sustainability measures financed by the fund.

These cost-savings or interest revenues continuously finance new investments in similar projects, resulting in a sustainable funding cycle.

There are two types of revolving funds: **external revolving funds** are developed and managed by a selected fund manager, utility or specially created organisation; while **internal revolving funds** are developed by a single municipality.

How do Revolving funds work?



What are the advantages?

1. Enabling of recycling of capital for future use
2. More efficient allocation of public funds
3. Long-term sustainability of public investment
4. Direct and clear impact on the financial barriers by creating liquidity
5. Demonstration of commercial viability of EE investments

PROSPECT+

Targeted Sectors

Public Buildings | Private Buildings | Cross Sectoral

Characteristics

- Can assist ESCOs and other segments of the building market, such as fairly large institutions and corporate
- Projects must be economic viable, with feasible investment costs and payback times

Example

Fund of Energy Savings and Renewables,
Litoměřice, Czech Republic

The Fund was established in 2014 as part of the local authority's internal budget with the aim to reduce energy costs of public buildings by implementing energy efficient measures and installing renewable energy sources with a minimum impact on the municipal budget. To maintain a long-term sustainability of the fund, net savings are calculated each year and reinvested in new sustainable energy projects. The project was supported by SEMMO, association of local energy managers.

The PROSPECT+ project has received funding from the European Union's Horizon 2020 research and innovation programme under grant agreement No 101023271.