

PROSPECT+

Capacity building for cities and regions - from learning to action!

WEBINAR:

How can cities & regions finance energy transition when subsidies are limited?

2 March 2023



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



Is reducing dependence on subsidies realistic?



- **Citizens Finance** (crowdfunding and cooperatives)
- **Energy Performance Contracting** (EPC)
- **Internal Contracting**
- **Green Bonds**
- **Guarantee Funds**
- **Soft Loans**
- **Revolving Funds**
- **Third Party Financing**

Energy Performance Contracting (EPC)



What is EPC?

Energy Performance Contracting is an innovative financing scheme for the implementation of sustainable energy projects, in which an Energy Service Company (ESCO) executes all steps of the project while delivering a performance guarantee on energy savings.

In EPC, the ESCO finances energy efficiency improvements based on the guaranteed energy savings that will be generated in the future. In principle, the ESCO will only receive service fees and get return on the investment, once the project delivers energy savings.

How does EPC work?



What are the advantages?

1. Investment risks are transferred to the ESCO
2. Guaranteed energy performance
3. Usually does not require any investment / up-front capital from the client
4. May also include other non-energy solutions



Targeted Sectors



Characteristics

- Usually long-term contracts (8-15 years), but short-term contracts are also possible for lower investments
- ESCO is responsible for operation and maintenance of measures

Examples

[Upper Austria's Energy Contracting Programme](#)

Managed by the regional energy agency ESV the programme has facilitated the refurbishment of street lighting in more than 70 municipalities combining public funding by the regional government and a comprehensive facilitation service by ESV.

[Maribor, Slovenia](#)

With 24 refurbished public buildings the biggest energy renovation project in the region in 2019. Funding was realized through a public-private-partnership by the ESCO and the municipality and co-financed by the Cohesion fund. Support was provided by the energy and climate agency Energap.



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What are Cooperatives?

Cooperatives are autonomous associations with voluntary membership aimed at mutually assisting its members in working towards a common interest.

In the energy sector, a cooperative business model is usually established by a not-for-profit community organisation in which citizens invest through a cooperative body in the implementation and management of energy-related projects.

Cooperatives raise financial support through collective membership fees and take care of all administrative and operational functions related to the implementation of energy projects.

How do Cooperatives work?



What are the advantages?

1. Community-based
2. Increased access to financing and business opportunities
3. Sustainability of the project
4. Democratic governance and empowerment
5. Can include government and donor funding



Targeted Sectors



Cross Sectoral

Characteristics

- Usually employed for long-term initiatives
- Long-term financial overview and mid-to-long term return on investments
- Scale of the project is interesting to multiple private investors

Example

[Cooperative Energy of Mouscron, Belgium](#)

A cooperative jointly owned by the city and the citizens. The cooperative supports households to install rooftop solar PV by subsidizing the upfront costs of the installations and facilitating the technical and administrative processes.

[Rural biomass energy cooperative, Karditsa, Greece](#)

The Energy Cooperative Company of Karditsa (ESEK LLC) is the first organized effort at country level for the exploitation of biomass and especially of agro-biomass. It aims to service local markets' renewable energy needs and implement practical solutions that can lead to energy self-sufficiency.



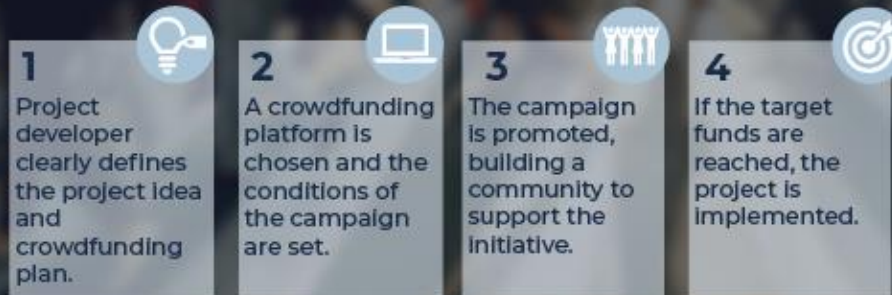
The PROSPECT+ project has received funding from the European Union's Horizon 2020 research and innovation programme under grant agreement No 101023271.

What is **Crowdfunding**?

Crowdfunding can be defined as a voluntary collective effort by individuals, groups, enterprises or organisations to pool money together to support the implementation of an initiative of common interest.

Crowdfunding is a form of citizen financing that has benefited in the last decades from technological advances and the expansion of access to the internet, using digital technology to promote support to the initiatives and gather contributions.

How does **Crowdfunding** work?



What are the advantages?

1. Full transparency and direct communication with stakeholders
2. Possibility of fast and simple implementation of the initiative
3. Improves financial efficiency, reducing the number of intermediaries and agents for project implementation
4. Democratic, allowing for anyone's participation



Targeted Sectors



Cross
Sectoral

Characteristics

- Usually employed for small-scale projects and short-term initiatives.
- Scale of the project is interesting for multiple private investors

Examples

[Green Energy Cooperative](#), Križevci, Croatia

In 2018, the Green Energy Cooperative (ZEZ) launched the first crowdfunding initiative in Croatia. A solar PV system was installed on the rooftop of Križevci's Development Center and Technology Park's administrative building.



Green Bonds

What are Green Bonds?

Green Bonds work like regular bonds, offering a fixed return and a guarantee that proceeds will be exclusively applied for the finance or re-finance of new or already existing green projects that result in environmental benefits.

Green Bonds can be issued by city governments, utility companies, corporations managing green assets, states or development banks.

How do Green Bonds work?



What are the advantages?

1. Improve liquidity
2. Applies to several types of projects
3. Limited need for public funding
4. Attractive to new investors
5. Articulation and enhanced credibility of sustainability strategy

Targeted Sectors



Characteristics

- Green projects that will have positive environmental and social impacts
- Large pools of finance
- Reasonable returns

Examples

Gothenburg Green Bonds, Sweden

Gothenburg was the first city in the world to issue green bonds to fund projects that target climate change mitigation and adaptation and environmental sustainability.

Paris Climate Bond, France

Issued in 2015, the PCB is an innovative tool to finance and re-finance projects in climate mitigation in order to achieve the ambitious targets established in Paris' Climate Action Plan.



Third Party Financing

What is **third-party financing**?

Third-party financing is a form of debt financing which is sourced from third parties, such as investors, banks and financial institutions. In developed EPC markets, third-party financing is the most common financing model for EPC.

In this model, the building owner acquires financing resources from a third party instead of internal funds or from the ESCO. ESCOs offer guaranteed savings to accommodate the repayment of the debt during the entire duration of the contract.

How does third-party financing work?



What are the advantages?

1. Third parties have professional and technical expertise
2. ESCO manages the performance risks
3. Protection from indirect forces which affect energy prices.
4. Minimize risk of repayment to the bank due to saving guarantees

Targeted Sectors



Characteristics

- Guaranteed energy savings offer positive project cash flow
- Interest costs during the period of construction and installation are included in the financing agreement

Example

2020TOGETHER, Turin, Italy

The project aims at implementing measures to improve energy efficiency of buildings and public lighting of the municipalities of the Metropolitan City of Turin through new forms of partnership between public administrations and private investors.

Guarantee Funds

What are **Guarantee funds**?

Guarantee funds are one of the most commonly used financing tools to facilitate private investments in energy efficiency projects.

This financing scheme enables the engagement of financial institutions and allows for sharing credit risks and distributing losses in energy efficiency investments.

With guarantee funds, loans are provided to the debtor by a commercial lender or financier.

Should the loans default or the debtor fail to meet its conditions, another entity – the guarantor – absorbs the risk and/or covers the loss.

How do **Guarantee funds** work?



What are the advantages?

1. Leveraging of public funds
2. Reduction of the risks for financial institutions and perception of better credit performance for energy efficiency projects

Targeted Sectors



Characteristics

- Intended for large infrastructure projects
- Not meant as stand alone solution and not applicable for all market situations
- Typically needed in addition to public support instruments for debt financing

Example

EERSF, Bulgaria

Established through the Energy Efficiency act, the Energy Efficiency and Renewables Source Fund (EERSF) serves multiples roles as lending institution, credit guarantee facility and consulting company. It also offers technical and financial support, such as guarantees, for Bulgarian firms, municipalities and private individuals for the development of energy efficiency projects.

Revolving Funds

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

Targeted Sectors



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.

Soft Loans

What are **soft loans**?

A **soft loan** is a financing scheme for energy efficiency projects that allows to provide loan interest rates below the market interest rate or even zero-interest rates at the beginning of the loan agreement.

Soft loans are commonly offered by governments, both in the form of tenders and direct negotiations, and may also grant concessions, such as longer repayment periods.

Soft loans contribute therefore to improve access to financing sources that fit the needs, investment capacity and ability to perform debt service of borrowers.

How do soft loans work?



What are the advantages?

1. Schemes can be scalable and funds can revolve
2. Usually longer duration than commercial loans
3. Positive impact on public budgets due to leverage effects
4. Address higher investment costs by reducing interest rates or providing better loan terms
5. Large flexibility and easy to roll out

Targeted Sectors



Characteristics

- Serves only creditworthy clients
- Versatile in different types of building projects
- Often combined with other financing schemes, such as grants and subsidies

Example

ECORENO'V Programme, Lyon Métropole, France

In 2015, Greater Lyon, gathering 59 municipalities, launched a comprehensive large-scale energy retrofitting programme aimed at accelerating eco-renovation in private housing. Based on strong and trustful collaboration between complementary public institutions and the commitment of local private actors, the Ecoreno'v service provide advice, tools and financial support.

Intracting

What is **Intracting**?

Internal contracting or “**Intracting**” refers to a financing scheme based on the contracting concept, but entirely financed from municipal budget funds.

Internal contracting allows public authorities to fund energy-saving measures through a revolving fund.

The electricity and heating costs savings achieved with the implementation of energy efficiency measures are booked to a separate savings account and used to reinvest in further measures.

Within this financing scheme, the public authority itself provides zero-interest loans with no interest or banking fees.

How does Intracting work?



What are the advantages?

1. Self-reinforcing financing scheme
2. Saves time as measures can be implemented rapidly
3. No interest or banking fees
4. Efficient use of public funds
5. Can be applied by public authorities with budgetary constraints
6. Expertise stays within the public authority

Targeted Sectors



Characteristics

- Applicable for small-scale projects which are not of interest for ESCOs
- Rapid implementation of energy saving measures
- Public authority controls decision-making without consulting external experts

Example

Stuttgart Intracting Model, Germany

Since 1995, the city of Stuttgart has been using internal contracting models to improve energy efficiency and promote renewable energy in buildings. City departments finance projects with energy savings potential within the city budget.

Albertville intracting model, France

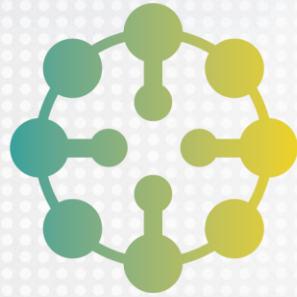
Albertville has refurbished public lighting in various areas of the city with LED lamps and solar technologies. Since this fund works outside of the banking system, the city can maintain its financial autonomy.



How to choose the right one?

Check the regulations and policy incentives in your country

Learn from case studies



PROSPECT+

Capacity building for cities and regions - from learning to action!

How can PROSPECT+ help local and regional authorities mitigate growing energy costs and accelerate achieving climate targets?

Sylwia Slomiak



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Who are we?

❖ Knowledge hubs



❖ Networks of cities and regions



❖ Regional Agencies (Mentors)



- European Federation of Agencies and Regions for Energy and Environment (FEDARENE)
- Eurocities ASBL

Tipperary Energy Agency

Institute for European Energy and Climate Policy Stichting (IEECP)

Adelphi Research Gemeinnutzige GmbH (ADELPHI)

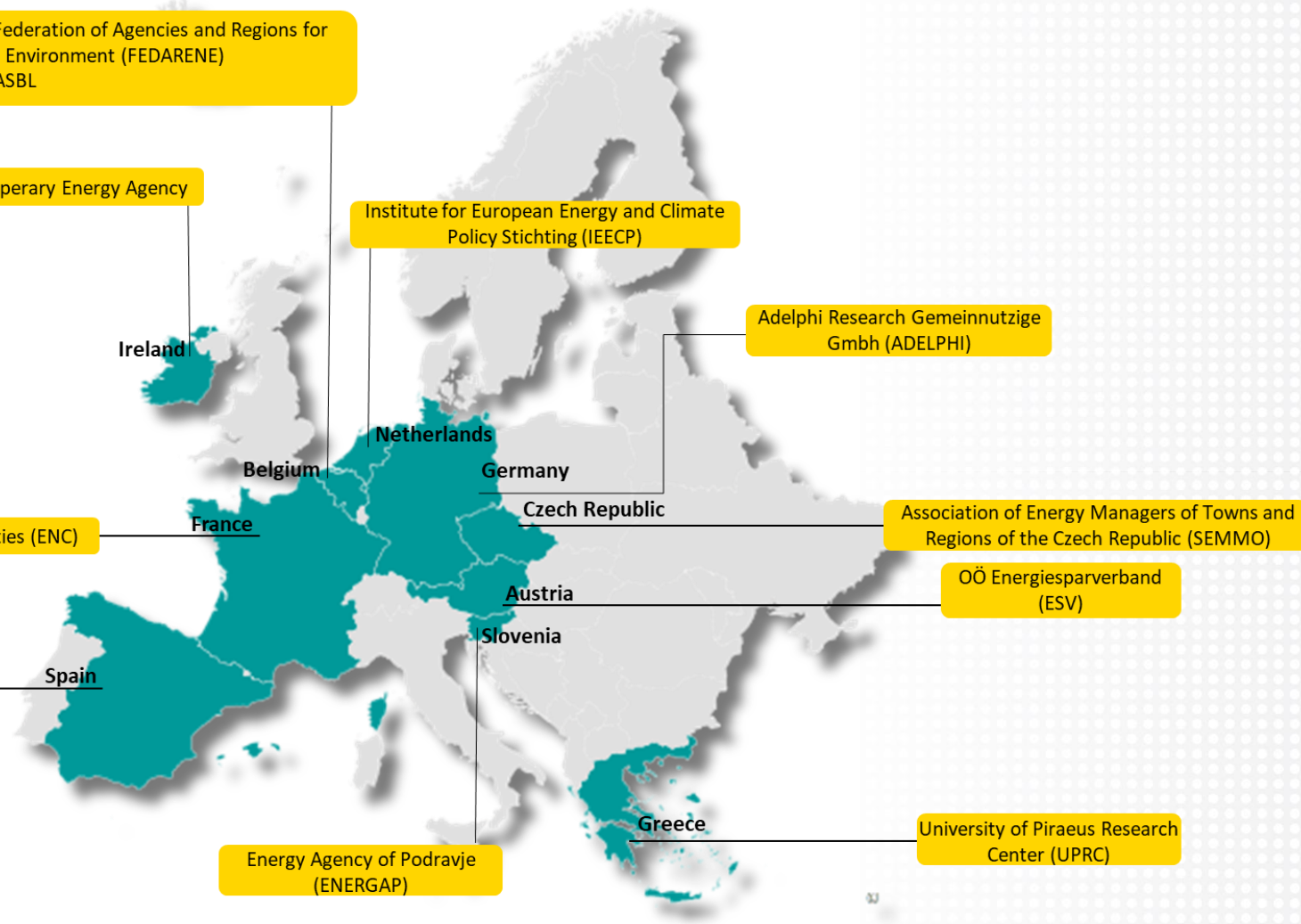
Association of Energy Managers of Towns and Regions of the Czech Republic (SEMMO)

Oö Energiesparverband (ESV)

University of Piraeus Research Center (UPRC)

Ayuntamiento de Valladolid (Innolid)

Energy Agency of Podravje (ENERGAP)



PROSPECT+ Team



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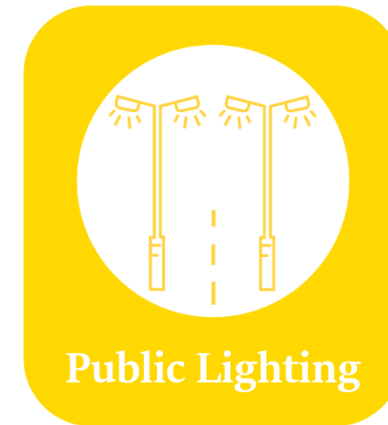


Carolina Borges

Consultant
Adelphi

What projects do we support?

5 THEMATIC AREAS (PROJECTS FOCUSED ON SUSTAINABLE ENERGY AND LOW EMISSION TRANSPORT)



e.g. energy efficiency measures, renewable energy sources, public transport, low-emission mobility, etc.

What is the scale?

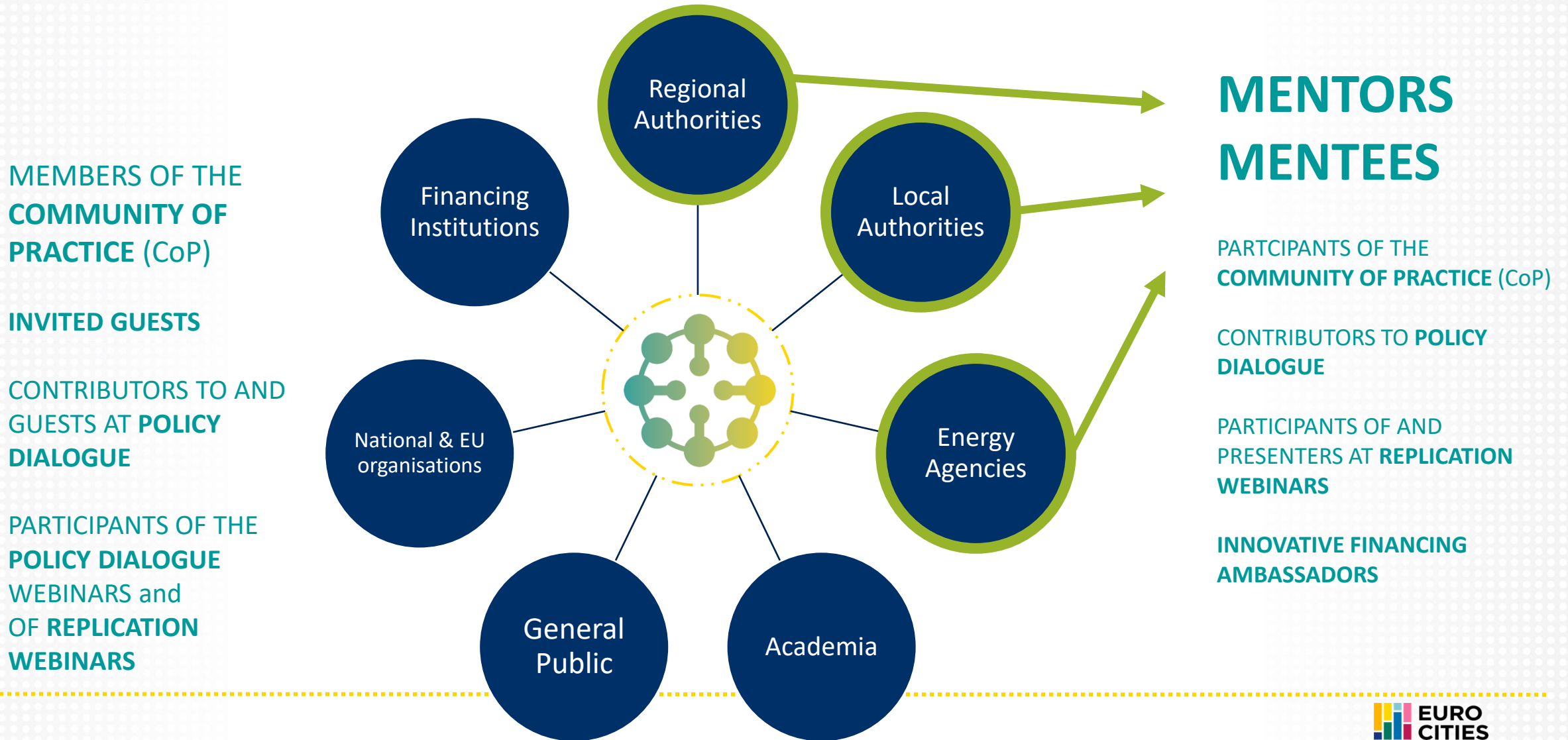


300 public authorities

Almost 500 individuals

including 200 mentors and mentees in 64 groups

Who do we work with?



What do PROSPECT+ participants do?



ONLINE & OFFLINE MEETINGS, DISCUSSIONS, STUDY VISITS, SITE VISITS (plus local groups and CoP)



What can you expect?

LOCAL & REGIONAL AUTHORITIES AND ENERGY AGENCIES CAN JOIN THE FULL CAPACITY BUILDING CYCLE:



Some of PROSPECT+ mentors



Mentor
Vlasta Krmelj | ENERGAP



"It is not difficult to find financing for sustainable energy projects. Good data and documentation give you many different possibilities."

What makes her a great mentor

- Director of the regional energy agency of Podravje in Maribor, Slovenia
- Experience in sustainable development, energy efficiency, energy management and EU projects
- Expert in strategic planning and financing of energy related project
- Accredited European Energy Manager
- Mayor of the small Slovene municipality Selnica ob Dravi.



Mentor
Christiane Egger | OÖ Energiesparverband (ESV)



"Municipalities can benefit from modern and efficient street lighting, energy efficient buildings and clean heating despite tight budgets. EPC can help. We show you how!"

What makes her a great mentor

- Deputy Manager of the OÖ Energiesparverband (ESV), the energy agency of Upper Austria
- Developed and implemented numerous promotional activities for energy efficiency and renewable energy sources
- Development and lead of over 40 EU-funded projects



Mentor
Tereza McLaughlin Váňová | SEMMO



"The principle of dividing the net savings among relevant stakeholders is a very clever motivation element that ensures all stakeholders are involved and interested in achieving best results possible."

What makes her a great mentor

- Project Manager in the Association of Local Energy Managers CZ (SEMMO)
- Involved in internationally-funded projects aimed at assisting municipalities in improving their capacities and implementing climate-energy management
- Experience as principal investigator in Interreg Europe projects, focused on financial instruments, renewables in industry and low-carbon transition
- Coordinated the Energy Efficient Buildings platform (EEB-CZ).



Mentor
Jaroslav Klusák | SEMMO



"Complex approach and combination of mitigation and adaptation measures are needed. Use combination of different financing sources to implement your projects."

What makes him a great mentor

- Energy Manager for the City of Prague and Director of Prague Renewable Energy Community
- Active in municipal sustainable energy since 2004
- Member of the Committee on Sustainable Energy at the Government Council for Sustainable Development and Chairman of the Association of Local Energy Managers.



Mentor
Angela Rivada Rodriguez | INNOLID



"Reaching ambitious climate targets requires innovative financing schemes. From a clear strategy for stakeholder's engagement to incentive structure, we will show you the pathway to make your sustainable projects successful."

What makes her a great mentor

- 20+ years of experience in project management focused on innovation and technology
- Responsible for coordinating Smart City Projects at Valladolid City Council
- Participates in the design, analysis and coordination of initiatives focused on innovation applied to cities (sustainable mobility, energy efficiency and ICT implemented with innovative financing schemes).

Meet the Mentors | PROSPECT+ (h2020prospect.eu)

Applying Energy Performance Contracting and soft loans in cities!

Mentor from the first learning cycle.

Miguel Á. García-Fuentes (CARTIF Technology Center, Spain)

Learn more about the PROSPECT+ Capacity Building Programme here!

PROSPECT+ www.h2020prospect.eu

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Applying Energy Performance Contracting in cities!

Mentor from the first learning cycle.

Robert Vodopic (City of Karlovac, Croatia)

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Applying Energy Performance Contracting and third party financing in cities!

Mentor from the first learning cycle.

Ina Karova (Energy Agency of Plovdiv, Bulgaria)

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Interested in learning how to start and run an intracting fund in your municipality?

Join the PROSPECT+ Capacity Building Programme as a mentee!

Learn from your future mentor: Sandrine Deternay, (City of Albertville, France)

PROSPECT+ www.h2020prospect.eu

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

Mobilize citizen finance for your energy community!

Join the PROSPECT+ Capacity Building Programme as a mentee!

Learn from your future mentor: Sanela Mikulčić Šantić, (KLIK, energy cooperative, Croatia)

PROSPECT+ www.h2020prospect.eu

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Interested in Energy Performance Contracting for your public lighting?

Join the PROSPECT+ Capacity Building Programme as a mentee!

Learn from your future mentor: Rogério Ivan, (Oeste Sustentável, Portugal)

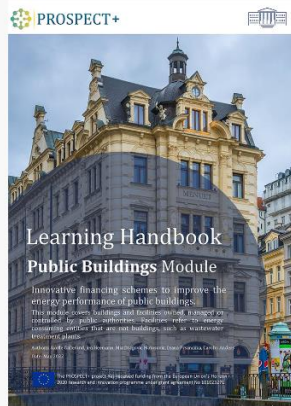
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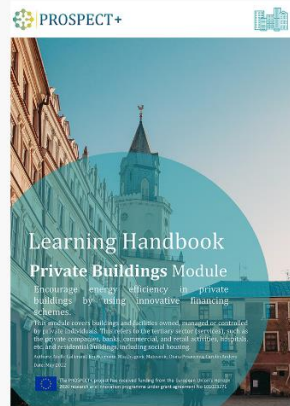
How can you learn more?



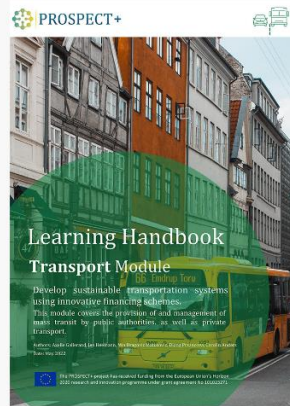
Public Buildings



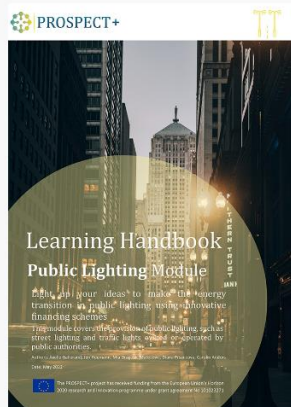
Private Buildings



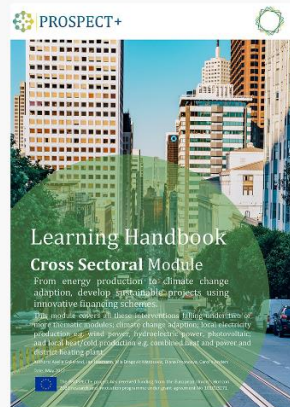
Transport



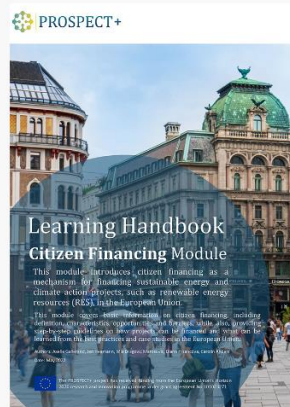
Public Lighting



Cross Sectoral



Citizen Finance



Typical Projects

Typical projects under the sector of public buildings, can be drawn from the [PROSPECT+ Reliable Practices](#) and the following examples:

Table 1: Example of projects under public buildings

Action	CO2-saving potential	Estimated costs for the municipality	Cost-benefit ratio	Implementation time frame	Target group	Key actors
Energy management for municipal buildings	Medium	Savings about expenses	Very high	2-3 years	Municipality	The municipality, External experts
Energy-saving contracting	High	Very little to none or negative cost	High	1 year, the contract will last for 7-20 years	Municipality	Municipality and ESCO (contractor)
Improvement of municipal indoor lighting	High	Medium	High	1 month	Municipality	Municipality and ESCOs specialising in lighting
Energy check for municipal buildings	Medium	1000 euros (average per building)	High	1 month	Municipality	The municipality, Energy expert
Building standards in new construction of municipal buildings	Medium	About 10-15% higher than conventional buildings	Medium	1-2 years	Municipality	The municipality, External experts
Implementation of renewable energy sources in municipal buildings	Medium	<10 cents /kWh	Medium	3 months	Municipality	The municipality, External experts

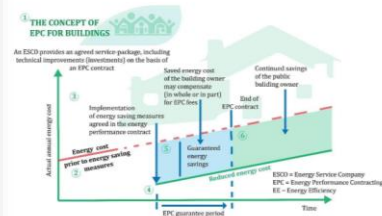
Adapted from the [SRAP ALPS Project](#)

Energy management for municipal buildings

Energy management for municipal buildings helps municipalities towards the transition to sustainable fuels. It requires four actions to be implemented:

- Energy accounting (a monthly monitoring of electricity, heat and water consumption)
- Education of caretakers
- Regular adjustments to existing technical facilities such as heating, cooling and ventilation systems
- Annual report

Source: Solar Power Europe 2016



Source: GZ in EnPC - INTRANS (2015)

Figure 2: EPC in Summary

What are the advantages of EPC?

- The investment risks are transferred from the public building owner to the ESCO
- Usually no investment or up-front capital required from the business owner
- ESCO provides the required energy services which the public building owner benefits from
- ESCO guarantees EE improvements which serve as the basis for their payments
- Maintenance costs are transferred from the building owner to ESCO during the contract duration
- The value and productivity of public buildings are optimized through ESCO's professional services

What are the common incentives for EPC?

The development of EPC is facilitated by the following:

- EPC guidelines, tools, and sample contracts available in the country (or under preparation)
- National or regional databases of ESCOs and facilitators
- National and regional competence centres promoting EPC
- Promotion of inter-municipal cooperation and/or pooling of public buildings in EPC projects
- Trade associations of ESCOs promoting EPC as a business model


[Learning Handbooks](#) | [PROSPECT+ \(h2020prospect.eu\)](#)

What else have we prepared for you?




Choose a thematic area to explore relevant replicable practices documentation.


Discover [here](#) the meaning behind the different badges in the replicable practices.




Public Buildings




Private Buildings



Transport



Public Lighting



Cross Sectoral



Replicable Practices
The Green PB: Lisbon,
PORTUGAL

Bike lanes through a participatory budget

The city of Lisbon launched The Lisbon Climate Citizen Commitment, a local government-led initiative that put together climate projects into its Participatory Budget via a "Green Seal". The Green Seal was a platform that made Lisbon's Commitment for Resilience to Climate Change material and attracted new private funding sources.

In order to implement commitments, Lisbon launched its Green Participatory Budget (PB), a new variant on its traditional PB, doubling its value from 2.5 million in 2019 to 5 million in 2020. The Green PB follows the same civil society engagement process as the traditional PB, with the main difference that, throughout its annual cycle, participants can present projects which have measurable and achievable climate mitigation and/or adaptation goals and targets. All the selected projects related to environment and climate change were awarded Lisbon's "Green Seal", including two projects related to mobility with bike lanes and green spaces.

Results

- A "Green Corridor" in Monsanto Parque Eduardo VII. Total investment: EUR 1 million
- Bike lanes and a city-wide "Green Plan" to connect urban green spaces. Total investment: EUR 2.8 million

More information on Lisbon
<https://cl.southpole.com/solutions/libsonGreenPB>

PROSPECT+ fosters capacity building in regional and local authorities in



Replicable Practices
LEMON Project: ITALY

Fighting energy poverty with EPCs

The LEMON project was developed to reduce greenhouse gas emissions and fight energy poverty through the energy conversion of existing social housing. It focuses on increasing the energy efficiency of buildings while looking to improve housing quality. LEMON works on a portion of the social housing building stock of the Emilia-Romagna region, with the ambition to become a replicable best case for the entire region and other European countries.

Energy audits of the social building stock for the project revealed that **622 houses were highly inefficient** (averaging a G rating according to the EU energy labelling scheme). LEMON aims to bring these dwellings up to a C rating by different actions: insulation, building automation and control, and integration between building and equipment.

The objectives of the contract are therefore the redevelopment of the existing building stock, the improvement of living comfort and the achievement of a guaranteed level of energy efficiency of the buildings of at least **40%**.

More information on LEMON
<https://www.managenergy.eu/node/743>

LEMON's Financing approach

The Energy Performance Contract (EPC) is an agreement between beneficiary and supplier guaranteeing the latter to be repaid through the savings generated by increased energy efficiency of the housing.

The ECP was an already existing instrument, but hardly used due to the poor regulation and the difficulty of applying it for local authorities. LEMON helped it spread through public events and workshops.

The second instrument, the Energy Performance Tenancy Agreement (EPTA) is a lease with the rent reflecting the improvements made to the housing and the consequent reduction in energy costs. This contract allows the tenant and owner to share the benefits from efficiency gains. While the tenant benefits from a cost reduction of **10% to 30%**, the owner benefits from the additional savings generated by the retrofitting intervention.

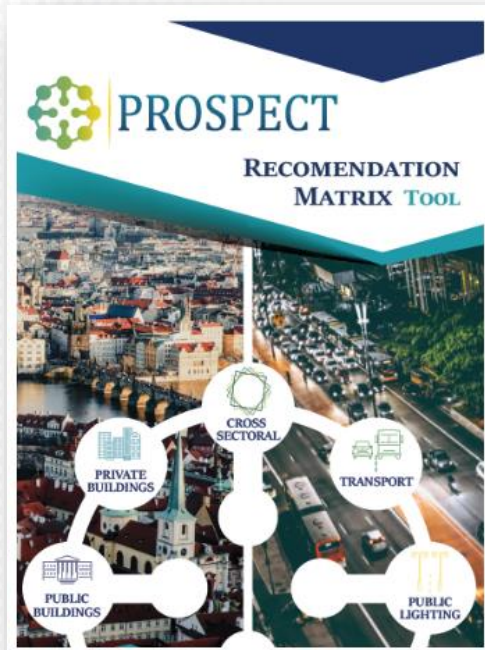
Tenants play a crucial role in the sustainability and the results of the project. LEMON has provided training and awareness campaigns to help future tenants to understand their energy consumption.

- 193 retrofitted dwellings in the provinces of Reggio Emilia and Parma
- 247 t CO₂/year emission reduction
- 1,106 MWh/year energy saving

PROSPECT+ fosters capacity building in regional and local authorities in

Replicable Practices | PROSPECT+ (h2020prospect.eu)

How to choose the right instrument?



AutoSave Off | PROSPECT Recommendations-Decision Matrix - Read-Only | Search | Sylwia Słomiak

File Home Insert Page Layout Formulas Data Review View Automate Help

B10 Does the city have a history on default on debt?

		Recommendations Matrix		
		Own funds	EPC	Revolving Funds
Questions		Please use the drop-down list to provide your answers for each scheme of your preference		
		Answer	Answer	Answer
3	Do ownership issues with regard to city's assets facilitate the implementation of SECAP related investments in these assets?			
4	Is the process to gain a construction/renovation permit fast and efficient?			
5	Are Budgetary Rules for public and regional authorities revised to exclude financing schemes (e.g. EPC) from debt quota?			
6	Does the city have a history on default on debt?			
7	Is the typical nominal bank lending rate relatively low(e.g. equal or below 4-5%)?			
8	Are there any other legal constraints/issues hindering the implementation of sustainable energy related projects (e.g. lack of national regulatory framework for utilization of third party financing)?			
9	Does the public stance support SECAP related investments?			
10	Are city's SECAP related projects and initiatives adequately disseminated to prospect investors and actors?			
11	Is the city's own budgetary sources sufficient to cover the transaction costs and implement the financing scheme? (e.g. ...)			
12	Is the city's cooperation and communication with public actors for SECAP or other investment projects adequate so as to ...			
13	Is the city's cooperation and communication with traditional private actors for SECAP or other investment projects (e.g. ...)			
14	Is the city's cooperation and communication with non-traditional investment actors (e.g. ESCOs) sufficient to implement the ...			
15	Is the city's personnel for project underwriting & evaluation sufficient to support the implementation of the respective ...			
16	Is the city's personnel for administration, co-ordination and monitoring adequate to support the implementation of the ...			
17	Is there city personnel available to conduct business development activities among which investigating alternative funding ...			
Ease of implementation rate (%)		0%	0%	0%
Press the button below to see your overall results!				
		Overall Results		

User Guide | Public Buildings | **Public Lighting** | Private Buildings | Cross sectoral | Overall Result ...

How can you learn more?

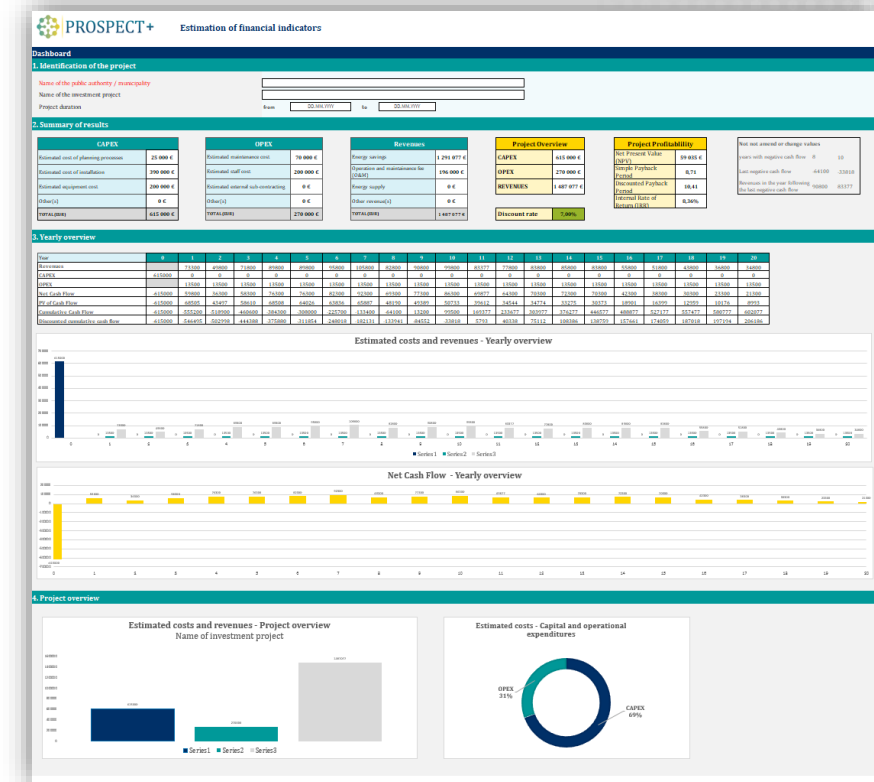


ABCDEFGHIJKLMNOPQRSTUVWXYZ

- ^ Asset
- ^ Bankability
- ^ Bond
- ^ Capital Expenditures (CAPEX)
- ^ Cash flow
- ^ Citizen Finance
- ^ Commercial loan

[Glossary of Financial Terms | PROSPECT+ \(h2020prospect.eu\)](https://h2020prospect.eu)

Template for calculating financial indicators



[Financial Indicators Calculator | PROSPECT+ \(h2020prospect.eu\)](https://h2020prospect.eu)

Finance-readiness check tool



(Available to CBP and CoP participants)

2. Fiduciary Information

1. Have you prepared the **municipal budgets from the past 3 years?**
Municipal budgets and financial statements inform investors about the public authority's cash flow and debt obligations. A good cash flow demonstrates a sustainable operation of the municipal budget and contributes to increase confidence of investors in the development and implementation of the project by the public authority.

2. Have the city's **revenues been stable** over the past 3 years?
Revenues should be stable and predictable so that municipalities can budget and plan for future expenditures. Stable revenues are also an indicator for creditworthiness. Regular tax payments for example are a form of stable and predictable revenue streams.

3. Can you provide some proof of **creditworthiness?**
The creditworthiness of a city is a vital component of its ability to finance low-carbon, climate-resilient projects, particularly in terms of attracting investment and issuing bonds. The creditworthiness of a local government measures both quantitatively and qualitatively its ability to repay debt. This covers (i) a thorough analysis of the local governments' financial position, (ii) an assessment of the local economy in which the municipality operates (e.g. economic and political context) and (iii) an evaluation of the national macroeconomic environment. The depth of such analysis differs across financial institutions, depending on the degree of specialization and knowledge on/ of the local governments' segment. Local governments should perform a self-assessment of their creditworthiness prior to approaching financial institutions to roughly determine how much money they can borrow without impairing their financial stability. Further ways to ensure creditworthiness can include setting up local budgets so that income exceeds expenses. If new expenses are introduced during the budget year, the decision must also contain details of how the expenditure is to be funded.

4. Can you provide information on **internal or external financial audits?**

5. Have you outlined the formal **procurement and tendering standards** that apply to your local authority?

6. Are you able to provide information on **disclosure of conflict of interests?**

Please select.
Select the most accurate answer.

2. Have you created an **outline** for the information listed below?
This is summary of your project should be as concise and to the point as possible to give potential investors or financing institutions a clear understanding of your project. It should include:
•Detailed project/programme description;
•Project background, context and rationale;
•Location of planned investment;
•Sectors involved;
•Stakeholders of the project; and
•Main goals and objectives of the project/programme; and
•Planned measures for implementation of the project/programme.

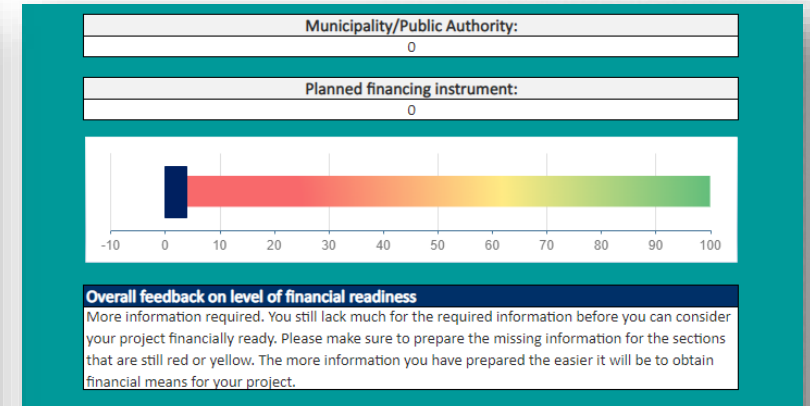
3. Has a baseline **energy consumption** been determined?
In order to calculate the impacts of your project, you need to know your baseline energy consumption before the implementation of any measures.

4. Was the baseline energy consumption determined through an **energy audit** or do you plan to do this through an auditor?
Determining the baseline energy consumption is best done through an energy audit by an official auditor.

5. Have you determined the **impacts of your project** in terms of **energy savings and/or renewable energy production?**
In order to calculate the revenues of your project you need to have a clear understanding of your impacts in terms of energy savings and/or renewable energy produced.

6. Have you determined **additional impacts** such as CO₂ emissions avoided or further positive impacts for stakeholders?
In addition, you may also state further impacts such as avoided CO₂ emissions or other improvements for local stakeholders such as job creation, improved living standard, adaptation to climate change, improved energy security, reduced energy prices, etc.

7. Have you estimated the **expected lifetime of the measures** to be implemented?
In order to set up a cash flow plan you need to have an estimated life time of



Feedback per section

- 1. General Information & Background**
More information required. Please make sure to provide the missing information about your local authority so that potential investors know with whom they are dealing with. Among information about the size of the municipality this includes also the governance structure of your local authority. If you have implemented similar projects it is worth mentioning this to show that you have experiences.
- 2. Fiduciary Information**
More information required. Please make sure to provide the missing information about your local authority's financial status and budgets so that potential investors get a better understanding of your creditworthiness. The information in this section is required to better assess the risk potential investors are taking. It is also very important to show investors that you have policies in place that protect them from losing their investments.
- 3. Scope of Proposal**
More information required. Please make sure to provide all the relevant information about your planned project so that investors can quickly and easily understand what the project is about. Without this information investors cannot make an investment decision and will turn your proposal down. Your project's financial information is the most essential part. Please be thorough when determining or calculating these indicators.
- 4. Project Management**

P+ Community of Practice: meet, learn and mingle online

What are the options to participate in our Community of Practice?



Active

for those members who would like to take an active part in discussions, share their organisation's experience and provide input to policy feedback.



Observer

for those who would like to participate in webinars and receive information on best-practices.



Expert

for those who would like to provide expert input on the application of innovative financing instruments or policy context.

Interested in joining our Community of Practice?

Everyone who would like to learn more about the innovative financing instruments and examples of successful projects at their own pace can join our Community of Practice!

More information on www.h2020prospect.eu/community-practice

JOIN



Everyone who would like to learn more about the innovative financing instruments and examples of successful projects at their own pace can [join our Community of Practice!](#)

Members of the Community of Practice (CoP) will be invited to join various online meetings and webinars where they will be able to hear and talk about the most interesting examples of best practices from PROSPECT+ mentors and mentees. They will also have an opportunity to contribute to the policy feedback, in order to bring attention to the difficulties and needs affecting public authorities when they select innovative financing instruments for their projects.

What is the PROSPECT+ Community of Practice?

We are setting up the Community of Practice (CoP) to establish a community of like-minded local and



COOPERATE: CoP Collaboration Space



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+ New Page details Analytics

Our Community of Practice

PROSPECT+

- Webinars
- Online Meetings
- Collaboration Space
- Policy Dialogue

NEXT CoP MEETINGS

+ Add event

DEC 14 How can energy cooperatives reduce dependence on subsidies? | CoP Meeting 1 Wed, Dec 14, 11:00 AM

NEXT MEETINGS: what are your priorities?
[Click here to vote](#)

Innovative financing instruments: what are they?
[Click here to find out](#)

NEWS FOR CoP MEMBERS

+ Add

Our Community of Practice

Register: How can energy cooperatives reduce dependence on subsidies? | CoP Meeting
PROSPECT+ Community of Practice meets online for the 1st time o...

14 December, 11:00-11:30 CEST
How can energy cooperatives help you reduce dependence on subsidies? Join the first meeting for PROSPECT+ CoP members and receive one of our expert-led priority advice. Reach your 100% goal with share the post to others and keep up to date.

Sylwia Stomiak 5 days ago

Learning handbooks on financially sound investment projects
The PROSPECT+ team developed Learning Handbooks about the

Shortcuts:

- PROSPECT+ Resources for CoP members
- Recordings of meetings for CoP members
- CoP | Files shared by Members
- PROSPECT+ official website
- CoP: Registration form to join the Community of Practice (share it with your colleagues)

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Building on the success and the many lessons learned from the EU-funded PROSPECT peer-learning programme, as part of which almost 200 local and regional authorities shared knowledge and experience on innovative financing schemes for their sustainable energy and climate actions, PROSPECT+ ("From learning to action!") offers a new Capacity-Building Programme (CBP) for even more public authorities.

By innovative financing schemes, PROSPECT+ refers to non-traditional ways of raising funds and facilitating sustainable energy and climate investments by mixing different sources (own funds, public and private funds) or engaging different partners (e.g., citizens, private sector). These innovative financing schemes include:

- Citizens Finance (crowdfunding and cooperatives)
- Energy Performance Contracting (EPC)
- Internal Contracting (intra-corp)
- Green Bonds (local government - or their agencies - can issue green bonds to fund their sustainable energy and climate actions)
- Guarantee Funds (can guarantee avoided to lenders which serve as buffers against first losses of non-payment by the borrower)
- Soft Loans (loans below market rates and with longer graceback periods derived from public funding to facilitate investments)
- Revolving Funds (dedicated to finance a continuous cycle of investments through initial amount received from the beneficiaries)
- Third Party Financing (loan financing where project financing comes from a third party, e.g. ESCO which is not user or customer)

PROSPECT+ Community of Practice

The Members of the PROSPECT+ CoP meet to share their experience with using innovative financing instruments for implementing climate and energy action plans with reduced dependence on subsidies. The focus of the online meetings reflect Members' profiles and priorities so that they are as useful and interesting as possible (if you haven't done so yet, please indicate your priorities [here](#)). If you would like to present your projects and experience at one of our meetings, please let us know.

The Members also feed into policy dialogue webinars, which will address the potential and the barriers for broader use of innovative financing instruments by public authorities across the EU. Your feedback and suggestions will help us prepare recommendations to improve the availability of attractive financing schemes and policy incentives.

Local and regional authorities or their energy/climate agencies, local and regional organizations (e.g., development agencies, municipal companies, energy cooperatives) and external consultants working for local or regional public authorities can apply to participate in one of the four learning cycles, either as a mentor or a mentee.

Visit <https://n2020prospect.eu/get-involved> to learn more about the current opportunities to join the remaining Learning Cycles in 2023 and 2024.

Remember that: even if we do not currently have an open call, you can send us an [Expression of Interest](#) and we will let you know as soon as a relevant opportunity arises.

Also, we are always on the lookout for best practice examples that can be shared with PROSPECT+ mentee cities.

Get Involved | PROSPECT+
n2020prospect.eu
Local and regional authorities or their energy/climate agencies, local and regional organizations (e.g., development agencies, municipal company, energy cooperatives) and external consultants working for a local or regional public authority from all...

Questions?
[Contact your Pt+ CoP coordinator or send us an email through the contact form!](#)

Like 19 Views Save for later

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Collaboration > Files shared by Members

Name	News & Doc Type	File Size	Modified
Additional resources		0 items	4 days ago
Citizen finance		0 items	4 days ago
Energy Performance Contracting - ESCOs		0 items	4 days ago
Green Bonds		0 items	4 days ago
Guarantee Funds		0 items	4 days ago
Intra-corp		0 items	4 days ago
LOOKING FOR PARTNERS - project concepts		0 items	7 hours ago
Revolving Funds		0 items	4 days ago
Technical Assistance		0 items	4 days ago
Third Party Financing		0 items	4 days ago

How can you join the project?



In parallel to the PROSPECT+ Community of Practice, we run a Capacity Building Programme (during 4 Learning Cycles, 64 groups (200 participants) will go through peer-learning activities)

Peer mentoring
(1 mentor + 1 mentee)



Study visit
(1 mentor + 3-5 mentee)



Local mentoring
(1 mentor + 3-5 mentee + interpreter)



February
2022



Start and end of Cycle

1

September
2022



November
2022



Start and end of Cycle

2

June
2023



August
2023



Start and end of Cycle 3

March
2024



May
2024



Start and end of Cycle 4

December
2024





PROSPECT+

Thank you!

Sylwia Slomiak



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

 h2020prospect.eu

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