



# MAYORS IN ACTION

FOR A SUSTAINABLE FUTURE



## Mayors in Action Publication Report on selected SEAP-actions

D3.4. Report on selection and  
implementation of financial tools

CB08 Interleuven

Deliverable No.	D3.4. Report on selection and implementation of financial tools
Work Package	3 - Implementation of SEAP's
Dissemination Level	PU
Author(s)	Stefan Kempeneers, Interleuven
Co-author(s)	Sus Bergmans, Interleuven
Date	25 February 2017
File Name	D3.4._Financial tools_CB08_2017-02-25

This report has been prepared in the framework of the European project MAYORS in ACTION - Empowering Covenant of Mayors Coordinators and Supporters to assist municipalities in implementing and monitoring their Sustainable Energy Action Plan” (Grant agreement no. IEE/13/S44/S12.676042) - co-financed by the European Commission in the “Intelligent Energy – Europe” (IEE) Programme.

## CONTACT:

Email: [mayorsinaction@iclei.org](mailto:mayorsinaction@iclei.org)

Website: [www.mayorsinaction.eu](http://www.mayorsinaction.eu)

Facebook and Twitter: @MayorsInAction



Co-funded by the Intelligent Energy Europe Programme of the European Union

The sole responsibility for the content of this publication lies with the authors. It does not necessarily represent the opinion of the European Union. Neither the EASME nor the European Commission are responsible for any use that may be made of the information contained therein.

# Selection and implementation of financial tools

## Introduction – the Mayors in Action project and C&S structures

**Around 80% of European citizens live in an urban environment.** This means that most of the energy consumption happens in cities and towns, with a high potential to improve energy conservation, use energy more efficiently and use renewable energy sources as clean, sustainable solutions.

The main need is to impact on CO<sub>2</sub> emissions caused by the human use of energy which significantly contributes to global climate change. This kind of emissions need to be urgently reduced, with only a small window of time open for action, as stated by the Intergovernmental Panel on Climate Change. Recent experiences have shown that local communities can go beyond the 20-20-20 objectives and the EU is ready to scale up the reduction of overall emissions to as much as 30% within year 2020.

The European Union, in its global fight against climate change is leading the run and is involving European towns and cities in signing the Covenant of Mayors (CoM) and committing to go beyond the 20% CO<sub>2</sub> emissions reduction by 2020. We are talking about a huge action with a geographical dimension that potentially involves in the continent more **than 115.000 local governments** which have the possibility to intervene at local level and lighten the impact of human activities in their territory. This **action at local level** requires hard work and experience, human and financial resources, know-how and technical expertise, governance with a bottom-up approach and a strong communication strategy to involve all key actors and the whole community in a common effort, as top-down energy planning has shown to be scarcely effective.

It is mainly small towns (below 50.000 inhabitants) that face the highest difficulties because of their lack of skills and/or resources. In Europe there are almost 1.000 cities counting populations above 50.000, which leaves **more than 114.000 local governments in need for support** (of which about 5.000 towns with populations between 5.000 and 50.000 inhabitants).

By November 2013, 5.388 Municipalities (or Local Authorities, LAs) had signed the Covenant of Mayors, representing a total of 176 million inhabitants, and **3226 have submitted their Sustainable Energy Action Plan** all over Europe. This means that there is a robust willingness in small Municipalities to participate in the accomplishment of the EU 20-20-20 objectives by improving their Energy Efficiency (EE) and increasing their share of energy production through Renewable Energy Sources (RES) and thus by implementing their SEAPs. It is clear that the political visibility that engaging in the Covenant gives to small and medium towns is very much appreciated. These actors, small in dimension but large in number, have naturally some technical, political and financial difficulties to comply with the actions foreseen in their SEAPs, especially in these times of economic and institutional crisis, and therefore are often followed by accredited **Supporting Structures** which are either Coordinators or Supporters of the CoM (**Covenant Coordinators and Covenant Supporters - C&S**) and can provide technical backing for the formulation and implementation of SEAPs. In Belgium, Croatia, Greece, Italy, Poland and Spain, the countries working in the Mayors in

Action project, 2890 Municipalities, which represent the 65% of the total signatories in these countries, are backed up by C&S. These C&S can be different bodies: Provinces (NUTS III level administrations), national Networks and Associations of Municipalities, Regional of National Energy Agencies, large Cities. The **MAYORS in ACTION** project starts from the consideration that C&S are very much necessary for a successful development of the CoM initiative and that they need to improve their capacities and prepare instruments for consolidating their role of efficient and effective support to small towns in the concrete realization phase.

## Finding financial resources to implement local actions

Each trainee Local Government (LG) in the Mayors in Action project committed to realise at least 3 actions planned in the SEAP that will lead to CO<sub>2</sub> reduction, energy savings and the use of renewable energy sources. LGs, working together with colleagues and C&S in tutoring and peer-review schemes, will select the actions and the most viable financing tool to trigger the investment, and will engage into its realisation. Participation of stakeholders, such as financial institutions, citizens and companies, will be sought and encouraged.

The objective was to find financial sources that can be used by the municipalities and other stakeholders for financing the implementation of the identified specific actions in their SEAP.

The partners have exploit the results of previous IEE-projects such as PROMO-SCENE, Energy4Cohesion, Energy4Mayors (focused specifically on the role of Supporting Structures), Conurbant, Meshartility, COOPENERGY and SMILEGOV.

Bankability assessment is conducted in order to examine action's main components, assess their level of risk and therefore prepare and present a management and business plan, considering risk assessment in order to addresses technical and financial issues, level of policy commitment, past experience etc.

Different types of Financing were assessed:

- Public
- Private
- Public-Private Partnerships – PPP

Potential forms of Financing were assessed:

- Debt Financing (Bonds, Bank loans, Private loans, Convertible bonds)
- Equity Financing (Raising money by selling common or preferred stock to private or institutional investors)
- Third Party Financing

EU funding opportunities were considered and applied if conditions and timing were favourable. Credit institutes were contacted for the funding opportunity assessment.

During and in coordination with the feasibility assessment a **business plan** is developed for every single action.

## Financial schemes used by LGs in the Mayors in Action project

Partner	Type of actions	Financing sources
Citta Metropolitana Genova (CMGE)	Public lighting	ELENA (European Investment Bank)
CMGE	EE (energy efficiency)/RE (renewable energy) in public buildings	ELENA
CMGE	Information desks	Own resources
CMGE	GenovaMetropoliFIT (preparation of energy saving actions in cooperation with private sector - ESCO)	Own resources
CMGE	Information campaign for schools	Own resources
Province of Barcelona (DIBA)	Biomass installation for municipal building	ESCO (energy service company) - third parties
DIBA	Public lighting	ESCO - third parties
DIBA	EE in public buildings	ESCO - third parties
DIBA	Purchase of e-bikes	Own resources
DIBA	PV panels on public buildings	Own resources + ERDF (European Regional Development Fund)
DIBA	Energy map of the city	Own resources
DIBA	Biomass installation of sports facility	ERDF
DIBA	Energy assesment visits in fuel poverty risk households	Own resources
City of Zagreb (CGZ)	All actions (soft actions and investments)	Own resources and subsidy
CRES (Greece)	Promotion campaign	ERDF
CRES	EE/RE in public buildings	ERDF
CRES	EE/RE in public buildings	Private companies
CRES	Awareness campaigns	Own resources

CRES	EE/Re in public buildings	Own resources
CRES	Conversion from fuel-oil to natural gas for heating private and municipal houses/buildings	Own resources + private
PNEC (Poland)	Thermal retrofitting of public buildings	Own resources + ERDF
PNEC	Other EE/RE investment projects (PV panels, thermomodernisation, insulation, ...)	Own resources + Swiss Fund or Norwegian Fund
PNEC	Improvement of energy management and air quality	Own resources + LIFE
VENETO Region	Public lighting	Private
VENETO	Implementations of soft actions (promotion, awareness campaign) or small investment actions (Pedibus, tree planting, ...)	Own resources
VENETO	Biomass district heating	Public + private
VENETO	e-bike sharing among municipalities	ERDF
Cogesca	Soft actions (adaptation of regulations, promotion, collective purchase of green electricity, ...)	Own resources (+ companies + volunteering)
Cogesca	Investments (district heating system, EE/RE in public buildings, ...)	ERDF (+ ELENA)
Cogesca	Improvement of urban sustainable mobility	Private
Interleuven	Soft actions (thermographic aerial pictures, energy scan of ranches, short chain farm products, ...)	Own resources (+ sometimes European subsidy)
Interleuven	Investments (EE/RE buildings, biomass heating, ...)	Own resources (+ sometimes provincial subsidy)
Interleuven	(Group) Purchase of CNG vehicles, PV panels, e-bikes, ...	Own resources (+ benefits of group purchase)

## Conclusions

In general soft actions (awareness raising, promotion, information desks, ...) are funded by own sources of the LGs (Local Governments). Sometimes for those actions additional European sources are delivered by Structural Funds (mostly the European Regional Development Fund - ERDF). The latter is particularly the case in Greece, but sometimes also in other partner countries. In other countries additional ERDF-money is especially used for investments (retrofitting of public lighting, EE/RE actions in buildings, installation of biomass heating, ...). Also here ERDF is the most important additional financial source in the majority of the partner countries (Poland, Spain, Italy, Belgium).

ELENA is a very specific financial instrument of the European Investment Bank but can be extremely interesting for the preparation of SEAP-actions. Only the Italian partner CMGE makes use of this instrument for the actions involved in the Mayors in Action project, but the Spanish partner DIBA is equally experienced with this instrument.

Private funding is in general oriented to investments (district heating, biomass unit for heating, EE/RE actions in buildings, conversion to natural gas, public lighting, ...). Many times the private engagement is in the form of an ESCO - Energy Service Company, what means that the private partner invests his money to realise savings on the energy bill and is paid by the reduction of energy costs.

Very exceptional other financial sources were available for the SEAP-actions in the Mayors in Action project like the European LIFE fund and Swiss Fund or Norwegian Fund, but only the Local Governments in Poland made use of those sources.

Annexes:

Update of local actions and LGs – situation 25/02/2017

MIA partner	LG	RESTING ACTIONS 25/02/2017
CMGE	Campo Ligure - Valli SOL	Energy saving actions for public lighting Energy saving & renewable energies actions for public buildings Implementation of local information desks GenovaMetropoliFIT
	Masone - Valli SOL	Energy saving actions for public lighting Implementation of local information desks Information campaign for schools GenovaMetropoliFIT
	Mele - Valli SOL	Energy saving actions for public lighting Implementation of local information desks GenovaMetropoliFIT
	Rossiglione - Valli SOL	Energy saving actions for public lighting Implementation of local information desks GenovaMetropoliFIT
	Tiglieto - Valli SOL	Implementation of local information desks GenovaMetropoliFIT
	Davagna	Implementation of local information desks Information campaign for schools GenovametropoliFIT
	Moconesi	Implementation of local information desks GenovaMetropoliFIT
	Sestri Levante	Implementation of local information desks GenovaMetropoliFIT
	Calella	Public lighting improvement
	Calella	PV installation for self consumption in a municipal building
	Collsuspina	Energy assessment visits in the residential sector
	Cornellà del Llobregat	Energy assessment visits in fuel poverty risk homes
	Santa Coloma de Cervelló	Public lighting improvement
Santa Coloma de Cervelló	PV installation for self consumption in a municipal building	
Viladecans	Public lighting improvement	
Viladecans	Energy map of the city	
Manresa	Biomass installation in a sports facility	
Manresa	PV installation for self consumption in a municipal building	
Manlleu	Electrical bicycles for municipal staff	



	Manlleu	Energy assessment visits in households in risk of fuel poverty
	Sabadell	Energy assessment visits in households in risk of fuel poverty
	San Fruitós del Bages	Biomass installation in municipal facilities
	San Fruitós del Bages	Public lighting improvement
	San Fruitós del Bages	Energy efficiency in municipal buildings
	Sant Julià de Vilatorça	Biomass installation in a municipal facility
CZC	Bjelovar	Thermal insulation of the outer shell and the roof of 15 city buildings - Energy reconstruction of IV. Elementary School
	Bjelovar	Modernization of public lighting
	Bjelovar	Modernization of boiler room in IV. Elementary School
	Gospic	Education and promotion of energy efficiency for citizens
		Implementation of the filling station for electrical vehicles
	Gospic	The introduction of the automatic payment for parking in the City
	Karlovac	Refurbishment of public buildings - kindergarten Rakovac
	Karlovac	Refurbishment of public buildings - primary school Dubovac
	Karlovac	Encouraging installation of heat cost allocators and thermostatic valves in the central heating system of the City of Karlovac
	Krizevci	Modernization of spotlighting of monuments and architectural heritage
	Krizevci	Energy reconstruction and usage of RES in the primary school "Vladimir Nazor"
	Krizevci	Energy advisers for the energy-poor households
	Slunj	Energy efficient measures on the local government building (City office)
	Slunj	Modernization of the lighting system in the central area of the City of Slunj
	Slunj	Modernization of the lighting system in watermill village Rastoke
	Sveta Nedjelja	Energy retrofitting of the cultural heritage of Mitnica
	Sveta Nedjelja	Energy retrofitting of the community building in Strmec
	Sveta Nedjelja	Purchase of one electrical car for public needs of the Sveta Nedjelja
	Velika Gorica	Energy conference
		Energy and qualitative reconstruction of a part of the public lighting system

		Installation an integrated photovoltaic power plant
CRES	Farsala	Campaign for promoting sustainable energy measures targeted to schools and citizens, development of web page
	Farsala	Energy retrofiting in six municipal buildings
		Energy retrofiting of an indoor hall to be constructed by private business – ZEB
	Likovrisi-Pefki	Awareness campaign targeted to municipality staff, schools and citizens
	Likovrisi-Pefki	Energy efficiency improvement in 3 schools and 1 municipality building
	Likovrisi-Pefki	Energy retrofiting of a school building funded by Building Infrastructures SA
	Tripolis	Public lighting of streets and squares
	Tripolis	Transformation of 2 buildings in energy model buildings
	Tripolis	Energy awareness campaigns and creation of an electronic information platform
	Vrilissia	Conversion from fuel-oil to natural gas for heating private and municipal buildings
	Vrilissia	Upgrading of the urban lighting system and replacement of all lighting fixtures with modern, high energy efficient luminaires
	Vrilissia	Public awareness about the importance of their participation in the reduction of carbon footprint
	Agios Dimitrios	Energy consumption electronic recording in municipal buildings - Smart Meters
	Agios Dimitrios	Installation of a remote fleet management system suitable for enhancing ecodriving principles and minimizing mechanical failures.
Agios Dimitrios	Procurement of 3 new CNG garbage trucks	
PNEC	Bielsko-Biala	Thermal retrofiting of 8 municipal educational centers (3 kindergartens, 2 primary schools, 1 secondary school and 2 school complexes)
	Bielsko-Biala	Educational campaign "Each Watt for the weight of gold" in schools
	Bielsko-Biala	Expansion and modernisation of the municipal district heating system
	Chorzele	Modernization of street lighting (installation of LED lamps)
	Chorzele	Construction of PV plant supplying selected buildings with solar energy
	Chorzele	Thermomodernisation of the city hall
	Czestochowa	Thermal retrofiting of selected schools
	Czestochowa	Introduction of environmentally friendly vehicles in public transport
Czestochowa	Expansion of the municipal district heating system to connect new buildings to the heating grid	

	Dabrowa Gónicza	Energy monitoring of public buildings	
	Dabrowa Gónicza	Optimisation of energy consumption connected with thermal retrofitting works in selected schools	
	Dabrowa Gónicza	Installation of RES with elements improving energy efficiency in selected municipal buildings	
	Koscierzyna	Thermal retrofitting of selected multi-family residential buildings connected with educational campaign	
	Koscierzyna	Thermal retrofitting of selected public use buildings	
	Koscierzyna	Educational campaign for improving air quality in Koscierzyna and surrounding areas	
	Niepolomice	Construction of Environmentally Friendly Administration Center	
	Niepolomice	Thermal retrofitting of selected public buildings (cultural sites + schools)	
	Niepolomice	Modernisation and installation of solar thermal installations on the sports facility "Puszcza"	
	Raciechowice	Modernization of street lighting	
	Raciechowice	Installation of PV cells on selected public buildings and households	
	Raciechowice	Improvement of energy management and air quality	
	VENETO	Affi	Public lighting
		Affi	Installation of PV canopies
		Affi	Certification ISO 50001 of the Municipality
Bagnolo di Po		House of water	
Bagnolo di Po		Information campaigns: ENERGICamente	
Bagnolo di Po		Lighting of the cemetery	
Gavello		Smart metering in public buildings	
Gavello		Information campaigns: ENERGICamente	
Gavello		Purchase of certified green energy and promotion of RES	
Lendinara		House of water	
Lendinara		Information campaigns: ENERGICamente	
Lendinara		Energy helpdesk	
Mareno di Piave		Public lighting	
Mareno di Piave		Audits, metering and energy monitoring	
Mareno di Piave		Information campaigns on renewable energy sources, energy savings	
San Donà di Piave	Public lighting		
San Donà di Piave	Smart metering in public buildings		
San Donà di Piave	Implementation of Pedibus		
Joint SEAP: Farra di Soligo, Sernaglia della Battaglia	Tree planting		
Joint SEAP: Farra di Soligo, Sernaglia della Battaglia	Public lighting		
Joint SEAP: Farra di Soligo, Sernaglia della Battaglia	Biomass district heating		

	Joint SEAP: Cappella Maggiore, Sarmede Fregona,	Info Campaigns: Energy day at school
	Joint SEAP: Cappella Maggiore, Sarmede Fregona,	Electric bike sharing among Municipalities
	Joint SEAP: Cappella Maggiore, Sarmede Fregona,	Involvement of a third party: supply of biomass for district heating of 3 Municipalities
SOGESCA	Este	Sustainable Criteria in Municipal Regulations
	Este	Green electricity purchasing group
	Este	Extension of District Heating Grid
	Rubano	PV on private/company buildings
	Rubano	Refurbishment of public buildings
	Rubano	Internal lighting systems of industrial sector
	Santorso	Energy Purchasing Groups
	Santorso	Energy Counter
	Santorso	Sustainable Criteria in Municipal Regulations
	Santorso	Refurbishment of public buildings
	Schio	Promotion of sustainable transport
	Schio	Support at companies for energy performance improvement
	Schio	Energy Audits for condominiums
	Schio	Energy Counter
	Duino Aurisina	Waste Separate Collection
	Duino Aurisina	Improvement of Urban Sustainable mobility
INTERLEUVEN	Bekkevoort	New building child day care (passive building)
	Boortmeerbeek	Thermographic scans private houses and municipal buildings
	Haacht	Purchase of CNG vehicles for municipal use (group purchase of the grid operator)
	Haacht	Thermographic aerial picture of the municipality
	Herent	Energy scans of agricultural companies
	Herent	Rural projects: Short circuit farm and regional products
	Keerbergen	Group purchase electric bikes for citizens
	Keerbergen	Thermographic aerial picture of the municipality
	Landen	Energy scans of agricultural companies
	Linter	Heating by local wood chips in municipal buildings
	Lubbeek	Group purchase electric bikes for citizens
	Opwijk	Purchase of CNG vehicles for municipal use
	Rotselaar	Purchase of CNG vehicles for municipal use
	Tervuren	Group purchase electric bikes for citizens
Tervuren	Turn off and dimming public lighting	
Tervuren	Thermographic aerial picture of the municipality	

	Tremelo	Subsidy for households for advice sustainable building
	Tremelo	Save@work: energy saving in public buildings
ICLEI	n.a.	

## CONSORTIUM:

METROPOLITAN CITY OF GENOVA (Coordinator) - [www.cittametropolitana.genova.it](http://www.cittametropolitana.genova.it)

PROVINCE OF BARCELONA - [www.diba.cat](http://www.diba.cat)

CRES - [www.cres.gr](http://www.cres.gr)

CITY OF ZAGREB - [www.zagreb.hr](http://www.zagreb.hr)

PNEC - [www.pnec.org.pl](http://www.pnec.org.pl)

VENETO Region - [www.regione.veneto.it](http://www.regione.veneto.it)

SOGESCA - [www.sogesca.it](http://www.sogesca.it)

INTERLEUVEN - [www.interleuven.be](http://www.interleuven.be)

ICLEI EUROPE - [www.iclei-europe.org](http://www.iclei-europe.org)



Disclaimer: The sole responsibility for the content lies with the authors. It does not necessarily reflect the opinion of the European Union. Neither the EASME nor the European Commission are responsible for any use that may be made of the information contained therein.