

# ClearSupport: WP3 Financing Schemes for Building Renovation

Clearinghouse Support  
Gdansk  
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ClearSupport

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Bridging RUE in Building  
Project and Financing

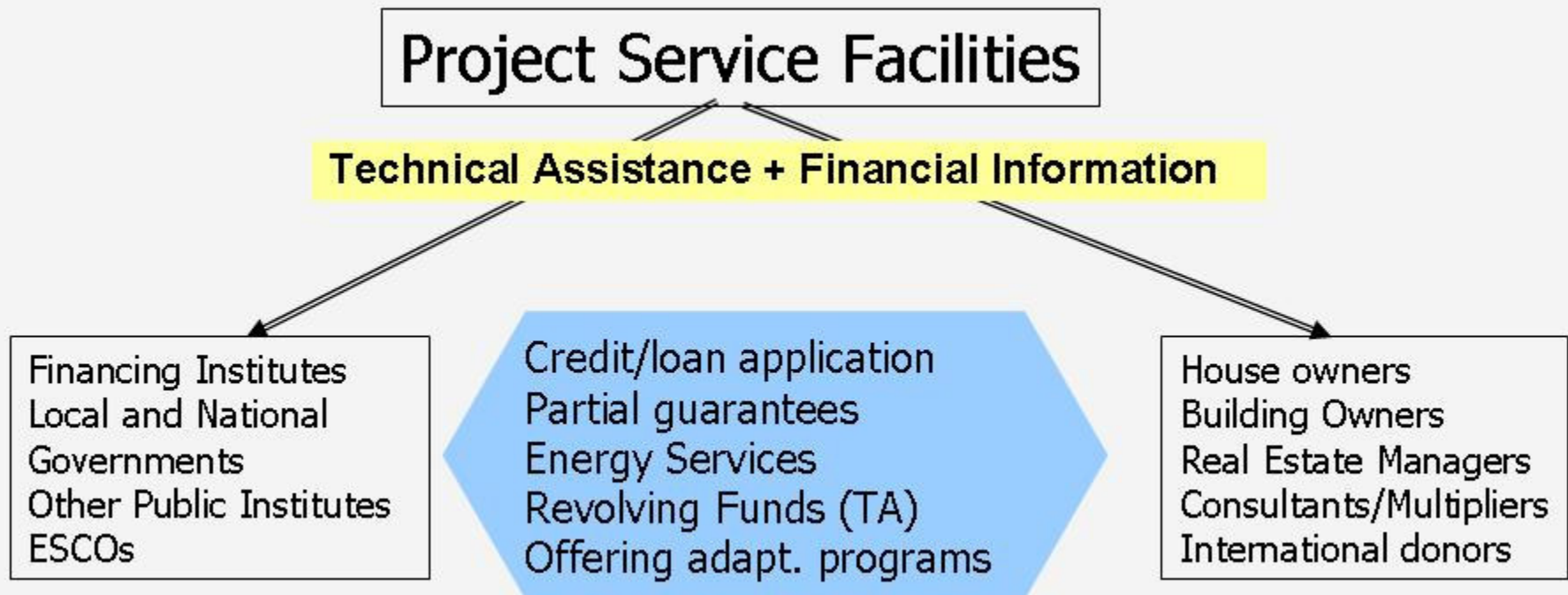
## Agenda

- ❑ Challenges for Financing Building Refurbishment and Role of PSFs
  
- ❑ Financing Approaches
  - Traditional financing instruments (Loans, Credits)
  - Public-Private-Partnership Financing (Revolving Funds, Energy Services)
  
- ❑ Contribution of PSFs to Financing of Building Refurbishment

## Challenges for Current Financing of Building Refurbishment Investments

- ❑ Long payback periods based on low savings, duration of loans shorter than life cycle of investment goods
- ❑ Challenge to secure loans (e.g. insurance, land property rights)
- ❑ Lack of comprehensive support schemes / concept for complete refurbishment
  - Financing sources are fragmented and not targeted towards building en.eff.
  - Available financing often does not match with target group/highest saving potentials
- ❑ Contradictory subsidies and programmes
- ❑ Conditions for ESCOs /ESCO projects: ESCOs need to see market, legislation needs to be cleared up (ESD)

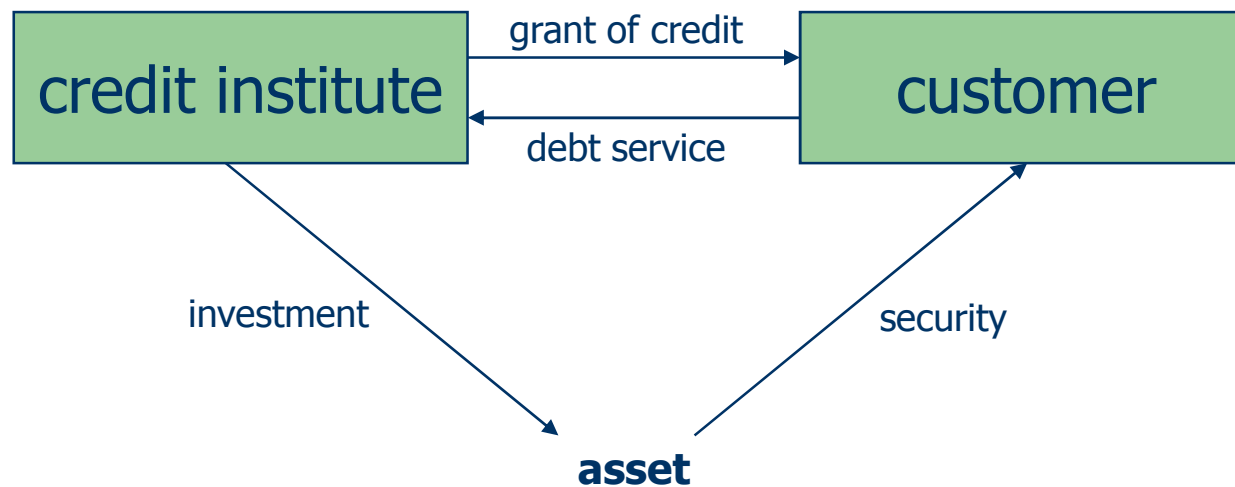
## PSF and Financing Building Refurbishment



## Traditional financing instruments

### ❑ Credit / Loan Financing

- Negotiated between credit institute and customer



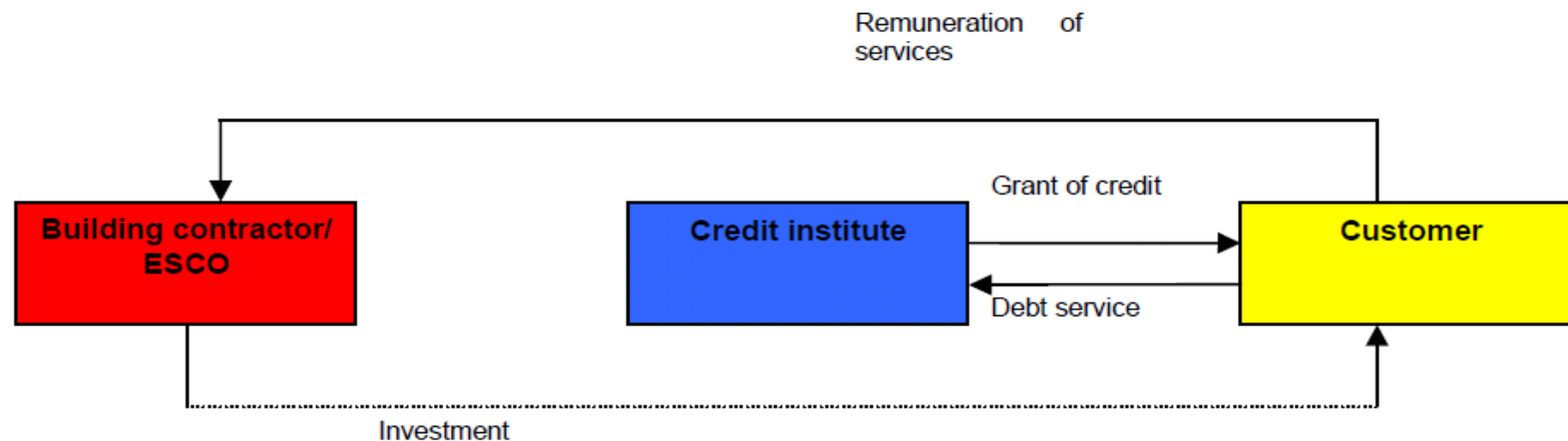
## Traditional financing instruments

### ❑ Credit / Loan Financing

- Negotiated between building contractor / ESCO and customer
- Credit for refinancing the investment



- Negotiated between building contractor / ESCO and customer

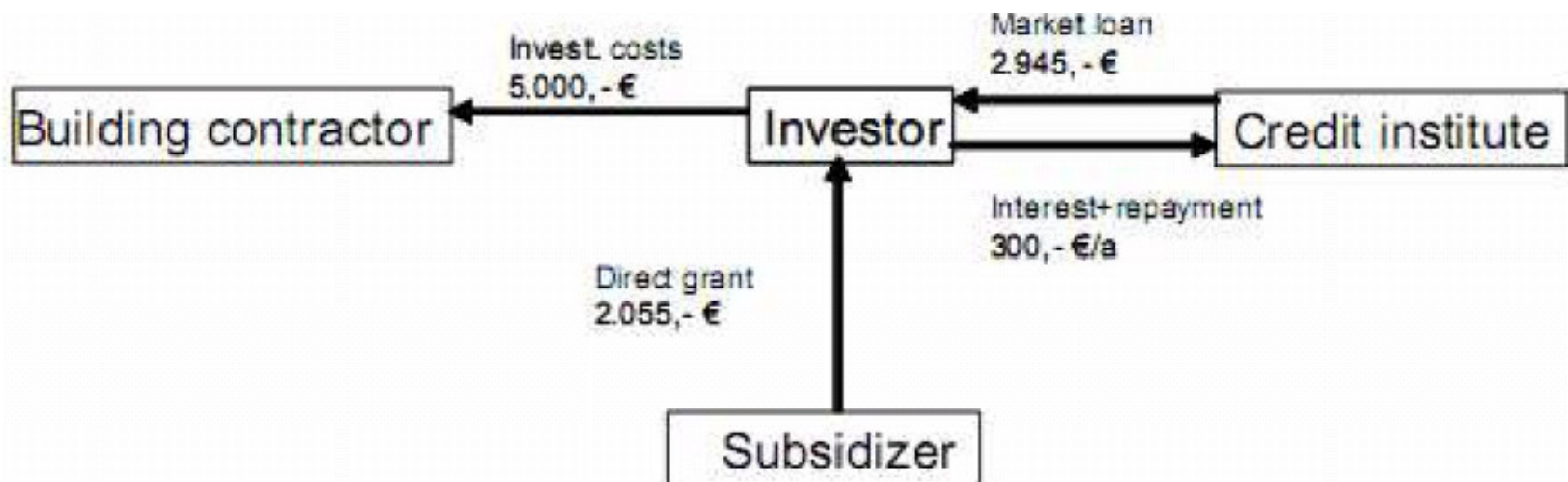


## Traditional financing instruments

### □ Grants

#### ➤ Direct grant

- Repayment is not required
- Reduces total costs of investment

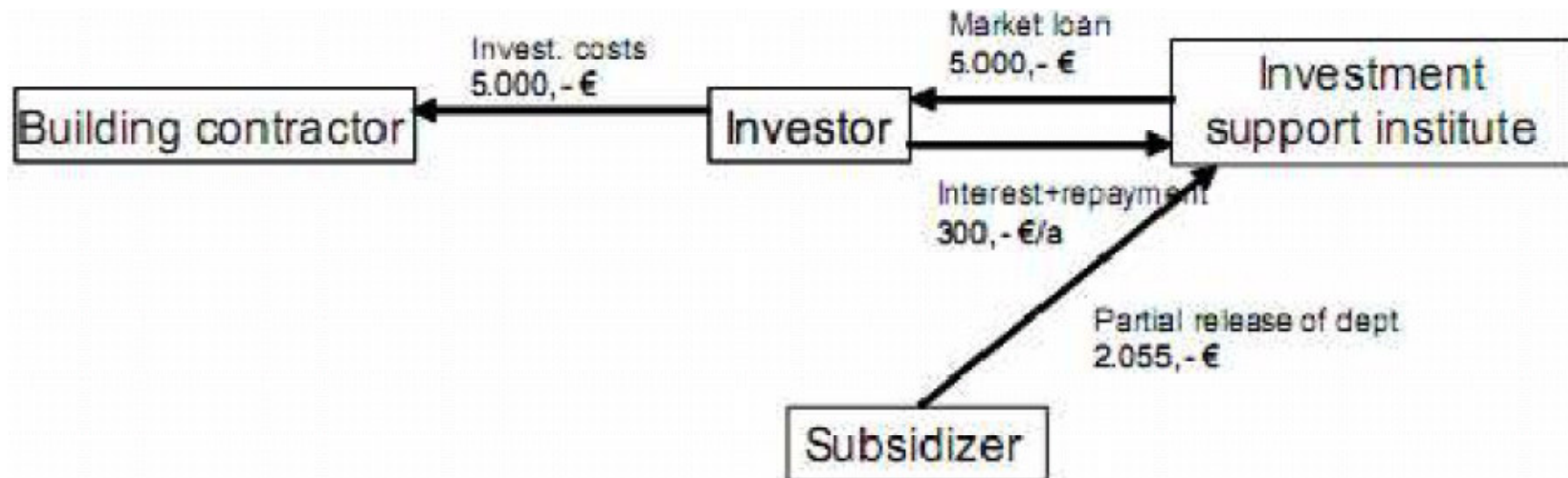


## Traditional financing instruments

### □ Grants

#### ➤ Partial grant

- Partial release of debt
- Financing institute renounces a part of the repayment



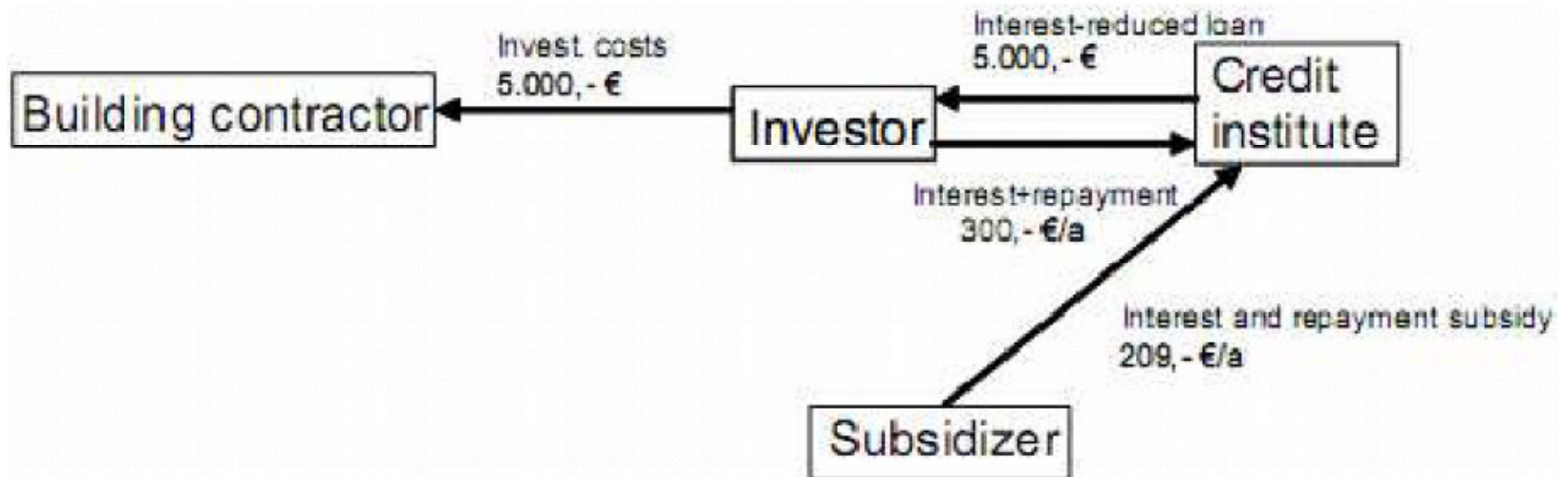


## Traditional financing instruments

### □ Grants

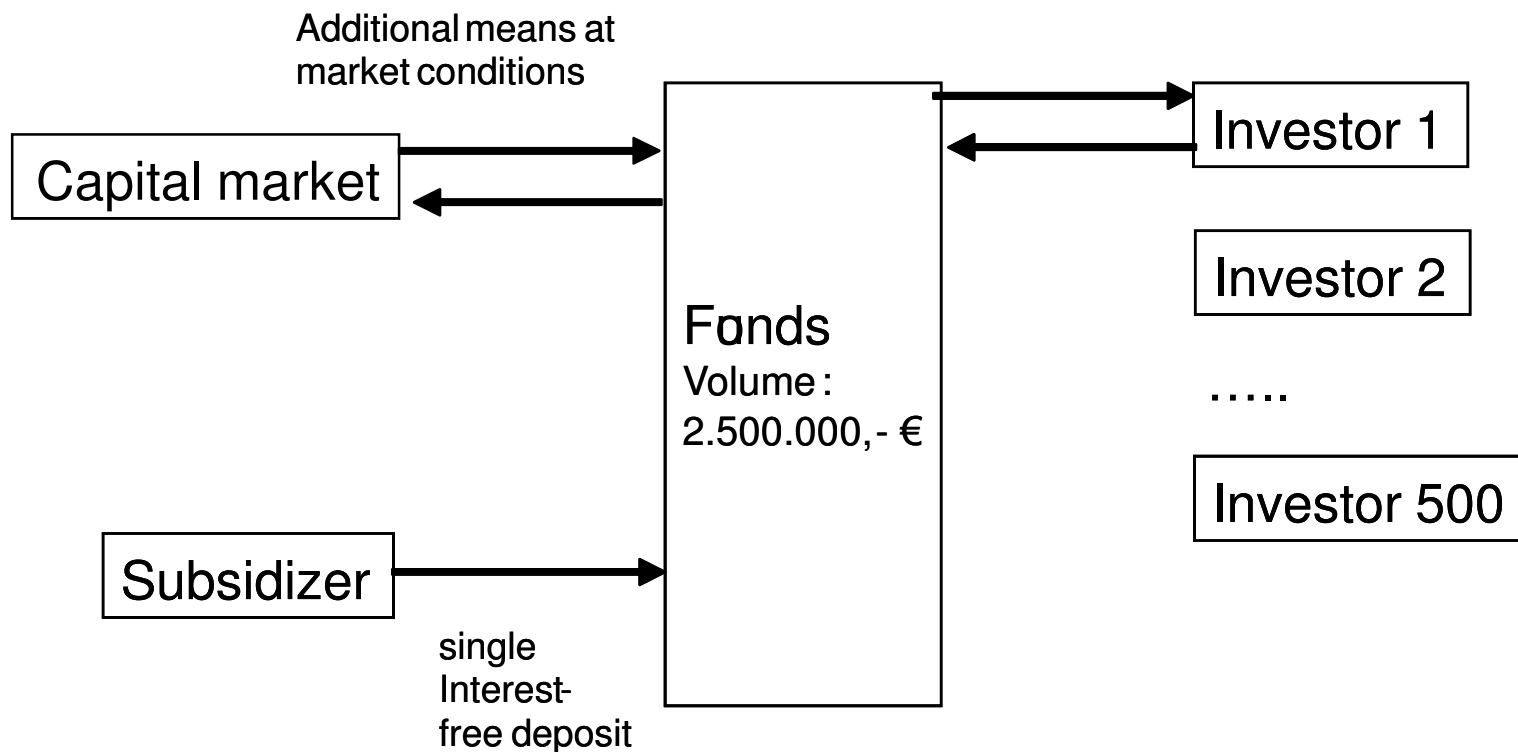
#### ➤ Interest subsidy

- Subsidy payments are distributed over complete financing period



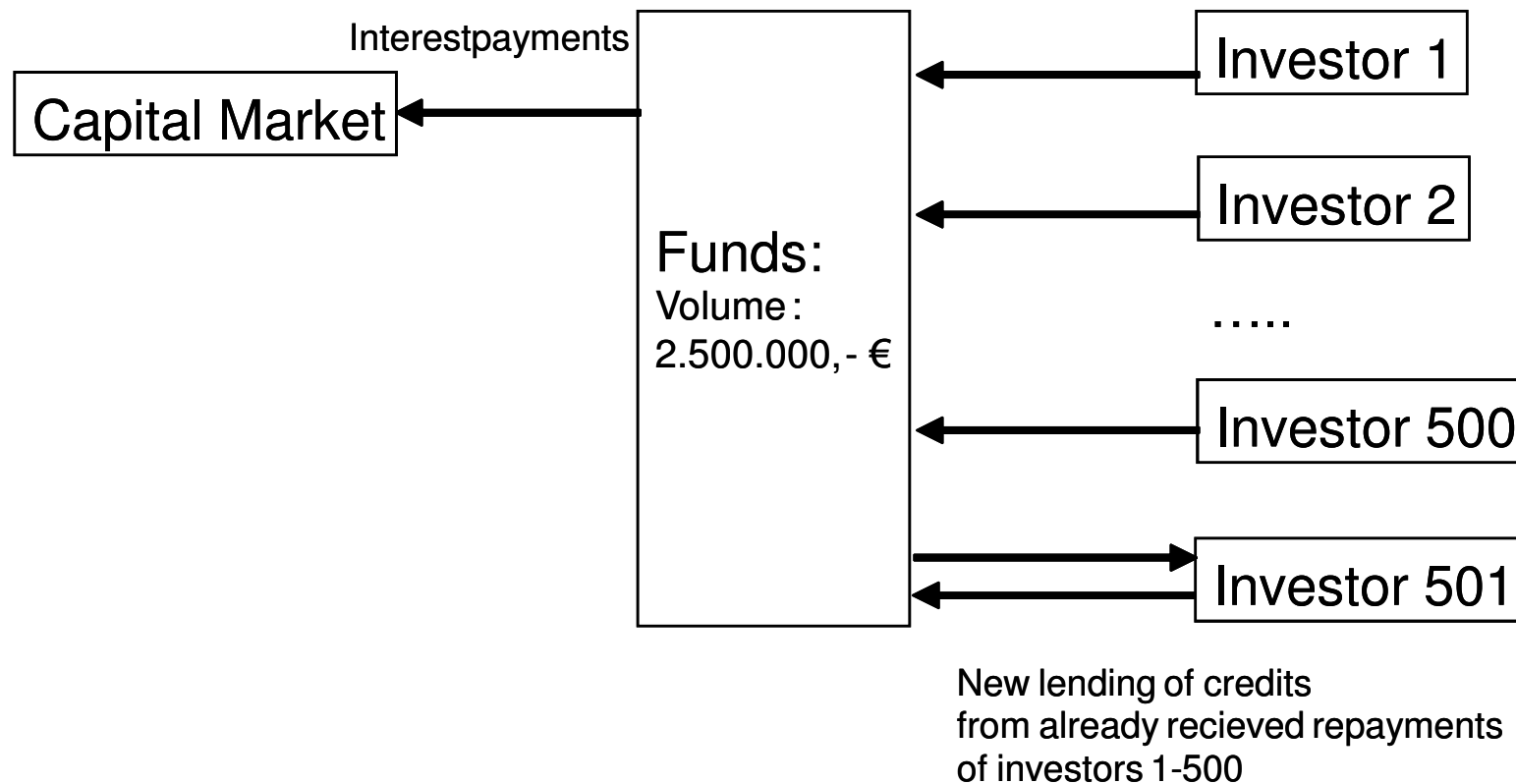
## Public-Private-Partnership Financing

- Revolving funds (interest reduced loans from a fund)
  - Combination of subsidy and loans from capital market



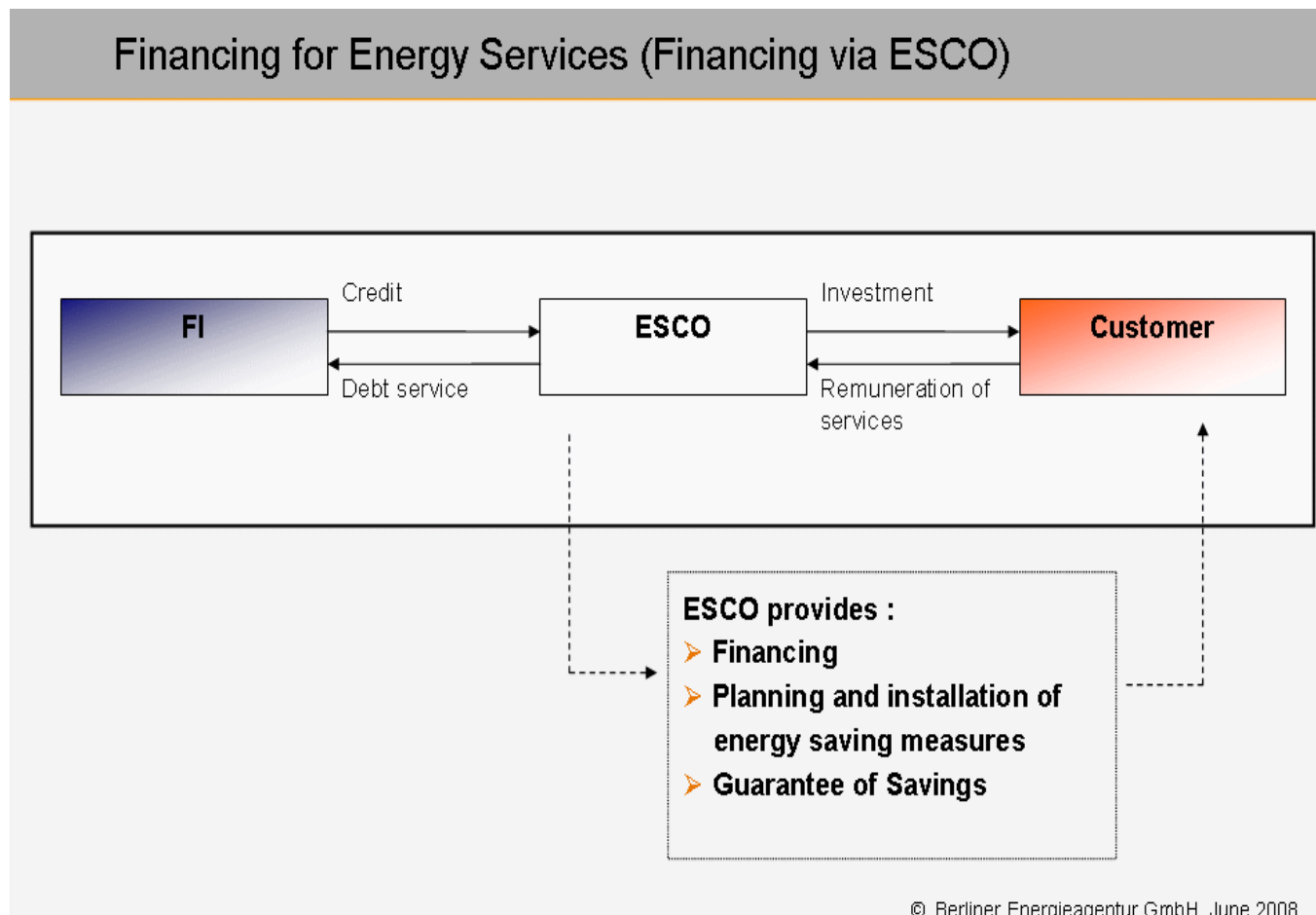
## Public-Private-Partnership Financing

- ❑ Revolving funds (interest reduced loans from a fund)



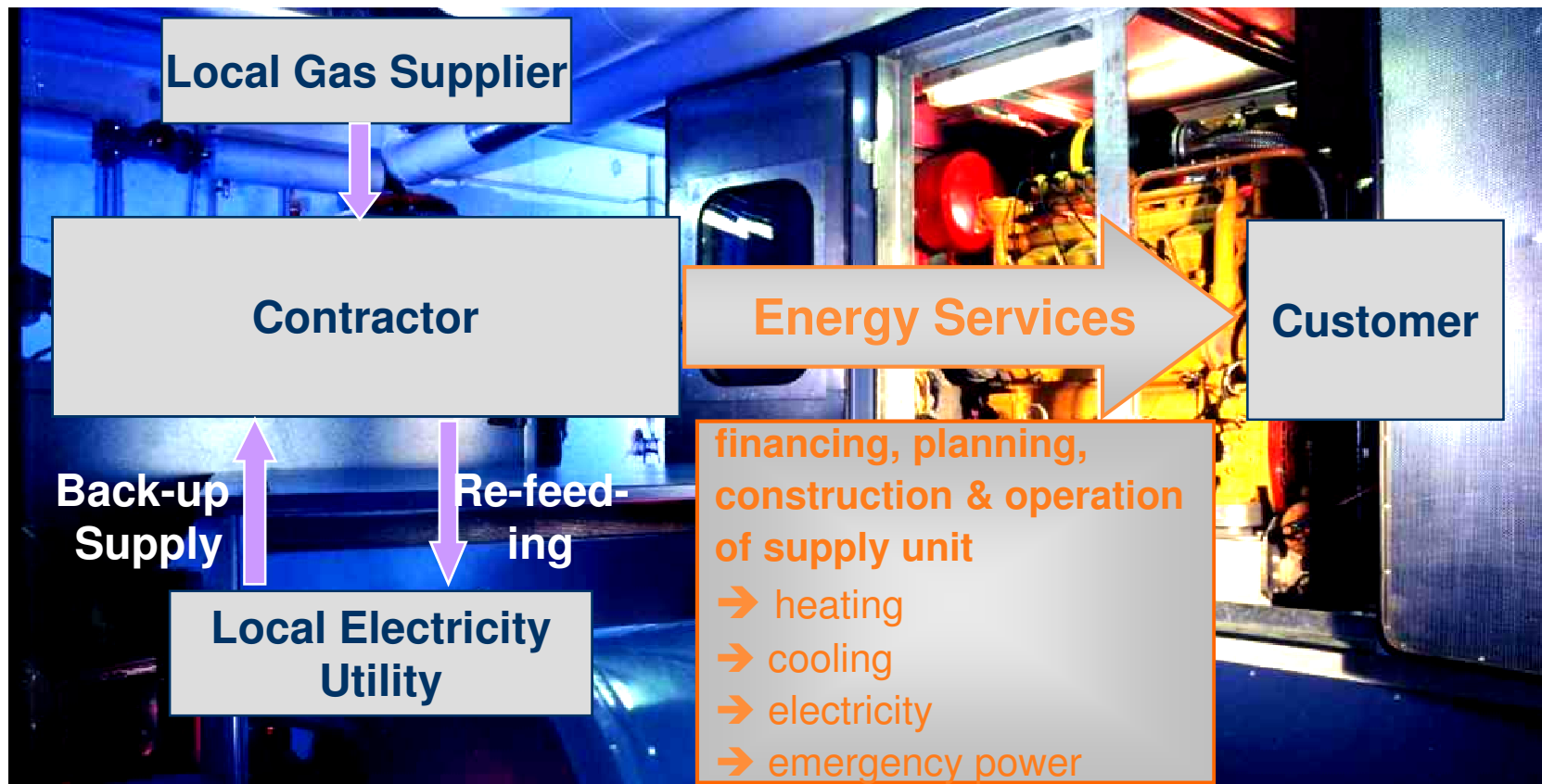
## Public-Private-Partnership Financing

### □ Energy Supply Contracting (I)



## Public-Private-Partnership Financing

### □ Energy Supply Contracting (II)



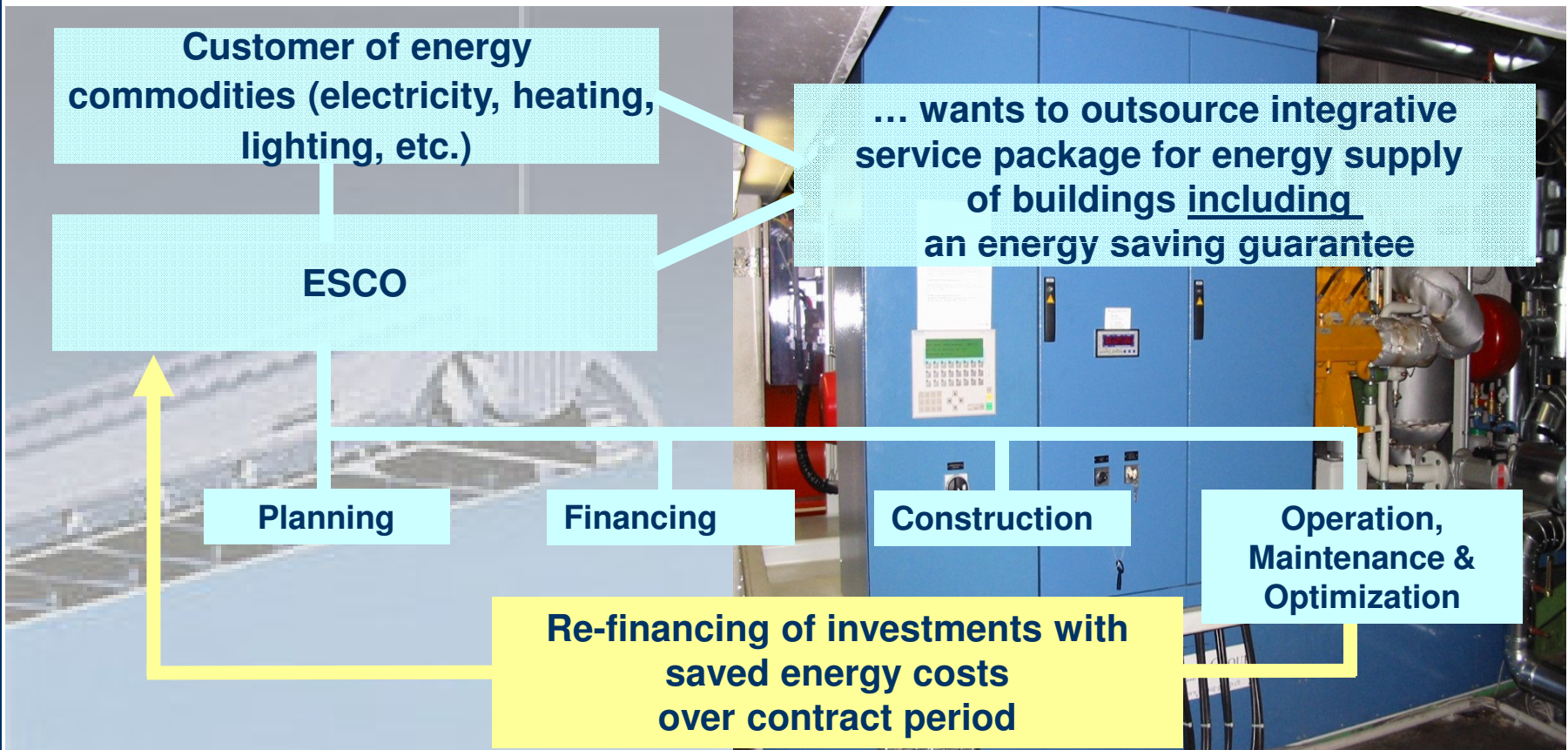
## Public-Private-Partnership Financing

### □ Energy Performance Contracting (I)



# Public-Private-Partnership Financing

## □ Energy Performance Contracting (II)



## Contribution of PSFs for Financing of Building Refurbishment

- ❑ PSF as one-stop shop in technical assistance and financing issues to building owners and project developers
- ❑ Technical specialization of PSF in specific building refurbishment projects (residential, public, private sector)
- ❑ Close relations to clients to support actively project development
- ❑ Pro-active in assisting development of new financing schemes for building refurbishment and improvement of legal framework
- ❑ PSF can fulfil intermediary functions between international funding organisations, national administrations and project implementers
- ❑ Expertise to combine national approaches for financing with international financing sources



# Thank you for your attention!

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