

Environmental Concerns & Green Investments

- FINA-RET surveys have revealed that private households and SMEs in all the five countries are very concerned about climate change and on average fairly well aware of available RET/EET. However, actual take-up is conditional on increasing the acceptance of technologies by setting best-practice examples, by systematic and customized information and consultation on technologies and by specific financing tools for each individual case.

Critical Success & Failure Factors regarding Financing Programmes, Products & Initiatives

- Effectiveness and performance depend on the socio-economic and cultural settings and on the degree of awareness.
- Development of promotion strategies based on awareness.
- Transparent and simple processes in developing investments and in obtaining investment financing.
- Compatibility and complementarity of public and private initiatives and of local and federal government policies → ensure good design and smooth implementation.
- Consistency of the legislative and institutional framework.
- Financing measures and initiatives that lower the investment risk (guarantees, feed-in tariff ...) have a positive impact on the market at large.
- Support programmes and incentives addressed to professions and business initiatives facilitate take-up, i.e. consultancies, ESCOs**, construction companies, etc.
- Exploitation by the banking sector of business opportunities available in the energy services sector.
- Need for cooperation: financing institution with RET/EET industry, construction industry, policy makers and NGOs.

Financing products should ideally:

- be specified depending on the market situation, on available technologies and on the specifications of the financing institute (it has been shown that generic products are no solution);
- be adjusted to the overall energy concept of the building or the operating business (and not only to certain technologies);
- relate to the national programmes and public grant schemes on offer;
- offer low interest rates and a link between the level of instalment and the energy savings;
- focus on the energy efficiency of buildings;
- be designed as complete and service-oriented packages for the customers.

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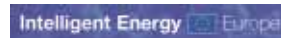
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SUSTAINABLE ENERGY EUROPE



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financing products for green investments



Fina•Ret



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FINA-RET

FINA-RET is short for financing products for investments in small-scale renewable energy and energy efficiency technologies.

FINA-RET's aim is to specify and package financing products designed for investments in small-scale renewables and in energy efficiency applications.

FINA-RET's objective is to facilitate the implementation of small-scale renewables and of energy efficiency applications in SMEs, households and small communities.

FINA-RET team is an interdisciplinary group of seven organizations based in five European countries (Austria, Cyprus, France, Greece, and Italy) that involves 3 consulting businesses, 2 banks and 2 environmental organisations.

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Financial solution 1



Eco-Loans from the Millennium Bank

Surveys have revealed that Greeks value subsidies and incentives provided by the state, when investing in RET/EET*. This is why the Millennium Bank decided to capitalize on the new legislative framework for roof PV systems and the legislation on the feed-in-tariff. "Eco Loans", i.e. tailor-made financing products for:

- Financing Investments **and / or**
- Pre-Payment of Public Subsidy

were developed, upon assessment of the viability and marketability of the products. The Millennium Bank first launched products for SMEs investing in **photovoltaic systems with a maximum power of 150 kWh**, either in the form of working capital or in the form of pre-payment of funding programmes (cf. Act 3299/2004).

The programmes benefit from competitive interest rates based on Euribor rates. The amounts vary, depending on customer needs, and are designed to ensure positive performance starting from the initial years of the investment's operation. The maximum loan duration is set at 15 years and customers can choose between lump-sum and partial disbursements.

Within the context of a new funding programme for households wishing to refurbish their homes, the Millennium Bank is about to develop a new **consumer loan, covering the matching funds required for the investment**.

*) Renewable energy technologies and energy efficient technologies

Financial solution 2



Developing green products for the Cyprus market

In developing its products, cddb bank took account of the following data gathered by FINA-RET:

- identified RET/EET for households and SMEs
- public financial incentive schemes in effect
- categorization of the RET/EET in terms of their investment levels and their payback periods (after receipt of the public financial incentives)
- characteristics of financing products preferred by households and SMEs

On the basis of the above, the following four financing products have been developed:

- Product 1: Energy Saving Systems Loans for Households
- Product 2: Energy Saving Renovation Loans for Households
- Product 3: Energy Saving Systems Loans for SMEs
- Product 4: Energy Saving Renovation Loans for SMEs

The key characteristics of these products are:

- They are targeting the majority of available technologies.
- They cover 100% of the investment cost.
- They encourage partial early prepayment by the borrowers, once they receive their grants, by offering a reduced interest rate on prepayment.
- They are cashflow-neutral for borrowers, with a loan repayment period in line with the payback periods of RET & EET investments.