



The ASPIRE Project.

Task 4.3

Investigation of financing systems

(Deliverable 13)

June 2008

Contract Number **EIE/06/027/SI2.439975**

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1. INTRODUCTION.

During the ASPIRE Project, communities from the six core countries – Czech Republic, Finland, Italy, Latvia, Sweden and the UK - will each develop Sustainable Energy Action Plans (SEAPs). Co-operation between the partners, deploying information gained through each others' knowledge and experience, will influence the Plans, which will be started, drafted and then refined throughout Work-package 4.

The common aim is to promote a more effective use and management of local energy resources. The work will be founded on (a) a deep examination of all the relevant energy-issues, and then (b) co-operation between the partners to evolve and possibly apply common methodologies and solutions. The Plans will give the targeted communities sufficient momentum to address their energy-problems and then to transform them into opportunities for social and environmental improvement.

This report constitutes Deliverable D13 of the project; it provides principles for developing and/or adopting appropriate financing mechanisms for an effective implementation of the Actions that will be included in the SEAPs of the ASPIRE Project.

Section 2 outlines the most promising financing options that may be adopted in each ASPIRE Community to enable the delivery of the SEAP.

The public-private nature of the SSB within each community will ensure that an advanced range of financing options are considered and incorporated within each plan. Each SEAP will also seek to identify the most appropriate means of supporting any existing local sustainable energy industries/services and, where appropriate, to further develop and grow these “green” businesses.

Section 3 provides a synthesis of the guidelines and frameworks for the assessment and implementation of energy-related projects within Sustainable Energy Communities (SECs) and that could be included in the ASPIRE tool-kit as best practices for replication in other Communities involved in sustainable energy planning.

2. FINANCING MECHANISMS FOR THE IMPLEMENTATION OF SEAPS IN THE ASPIRE COMMUNITIES

2.1. CMS

The financing systems and structures that seem most viable in the Mountain Community of Scalve are described in **Table 1**, by category of Action defined in the Scalve SEAP.

Table 1: financing systems and structures in for applying the SEAP in CMS.

Category of Action	Financing mechanism	Operating structure needed/foreseen	Available funds	Notes
Widespread administrative actions for all the municipalities (e.g. revised Buildings Regulations for energy saving; buildings energy performance certification)	Incentives by reduction of municipal taxes (e.g. tax on immovable properties)	Coordination and/or guidance service (e.g. by CMS) could be very useful	<i>To be defined</i>	Taxes can be reduced only if the municipal budget plan defines alternative revenues or reductions of expenses
Widespread actions for the promotion of renewable power installations in CMS territory	Green certificates for hydro-power	Local renewable energy companies and/or a new Scalve Mountain Community Service Company (SMCSC)	<i>To be defined</i>	Opportunities of investment by local companies must be further investigated, also for the case of a mixed-capital public-private partnership (in the SMCSC)
	Bank loans based on repayment by incentives for PV installations ("Conto Energia")	Bank offering the loan service or SMCSC acting as a bank (more difficult)	<i>To be defined</i>	Available funds by Banks must be further investigated
Widespread actions for the promotion of green heat installations (biomass and solar thermal) / energy saving programmes in CMS territory	White certificates and, possibly, regional grants	SMCSC, operating also as an ESCO	<i>To be defined</i>	Possible regional grants must be further investigated
Pilot projects for public authorities, e.g. initiatives carried out by the Mountain Community <ul style="list-style-type: none"> - biogas plant - district heating plant 	Regional grants	SMCSC, operating also as an ESCO	30-50%* of 4 M€ (negotiation phase to start soon)	Call for grants with two steps: 1) a "concept note" is submitted and then, if the proposal is selected, 2) detailed technical information is to be provided for negotiation phase
...				

* The covered percentage differs for the various initiatives.

2.2. CORWALL

The financing systems utilisable in the Cornwall Communities are described in **Table 2**.

Table 2: financing systems for applying the SEAP in Cornwall.

Category of Action	Financing Mechanism	Operating structure needed/foreseen	Available Funds	Notes
Encourage the installation of small-scale Renewable Energy Systems (RES) into existing buildings within the community. (e.g. village halls, schools etc)	Partial grant funding is currently available from a number of sources (national & local government and private sector) these are subject to change.	Communities can pursue funding independently or through an advisory service. Funding bodies may administer	Variable in both final value and percentage of project expenditure	
Providing energy efficiency measures (e.g. loft and cavity wall insulation) to members of the community	Full and partial grants from national schemes such as Warm Front, and other initiatives from energy providers	Telephone Advice Centre with knowledge of funding bodies	To be defined	
Development of medium scale RES into larger buildings within the community (e.g. 80kW wind turbine on school premises)	Possible community investment in association with grants as applied for.	Investment-club style approach or some such constituted body e.g. a local energy or community trust	n/a	
Development of and Energy Services Company to deliver heat and power following planned development of infrastructure, commerce and dwellings within the area as part of a regeneration programme	European and local grant funding, private equity	Agreement to proceed between contractors/developers /local government and other parties. Resource Producer>Distributor> Customer	To be defined	Possible Biomass CHP installations, with district heat main, and local power distribution.
Improve energy efficiency in small-medium sized businesses in the area	Bank loans, grants, private finance	Business independently seeks advice	n/a	
Encourage installation of RES in small-medium sized businesses in the area	Bank loans, grants, private finance	Business independently seeks advice	n/a	
Promotion of energy efficient lifestyles through media and events	Local government, energy providers to fund campaigns	Energy advice organisation to provide impartial advice and information to the general public		

2.3. VARMLAND

The financing systems utilisable in Varmland Region are described in **Table 3**.

Table 3: financing systems for applying the SEAP in Varmland.

Category of Action	Financing mechanism	Operating structure needed/foreseen	Available funds	Notes
National actions for the promotion of renewable energy systems for production of power or combined power and heat production	Green certificates for renewable energy systems	Coordination by the Swedish Energy Agency	Production facility get additional money per produced renewable Mw	See brochure "The electricity certificate, 2007" 1)
A wide-scale action to use the renewable energy sources (RES) and Rational Use of Energy (RUE) on the territories of the municipalities	The municipal budget, the European Fund for Regional Development (ERDF)	Actions to be taken by the municipalities themselves, if possible in cooperation with SMEs	the European Fund for Regional Development (ERDF)	Funding available in ERDF-period 2007 - 2013
Wide-scale use of solar heating in apartments and apartment buildings and social housing buildings in communities	Municipal budgets plus national funding budget	The County Administrative Board is responsible for coordination of the requests for funding	National funding: Funding depends on the annual heat capacity of the solar system Max. SEK 5 000 per single apartment. When it concerns an apartment building: Max. 25% of investment cost of solar heating equipment, with a maximum amount of SEK 250 000.	Available in 2008
Activities concerning rational use of energy and energy audits of public buildings, including conversion to renewable energy systems, like heat pumps and solar cells	Municipal budgets plus national funding budge	The County Administrative Board is responsible for coordination of the requests for funding	National funding: Max. 30% of the eligible investment costs. For PV-(solar) cells: max. 70 % of the eligible investment costs	Available in 2008

Category of Action	Financing mechanism	Operating structure needed/foreseen	Available funds	Notes
Wide-scale use of solar heating in commercial buildings	Organisations budget plus national funding	The County Administrative Board is responsible for coordination of the requests for funding	National funding: Funding depends on the annual heat capacity of the solar system Max. 30% of investment cost of solar heating equipment	Available in 2008
For the general public next funding opportunities are available: 1. Conversion from conventional fired heating systems into renewable heating systems (biomass based) 2. Conversion from electric heating panels to renewable heating systems (pellets, wood, heat pump, district heating) 3. Support for solar heating systems for small houses 4. Support for new energy efficient windows	House owners own budget and national funding	Supply of information by local energy advisors. Coordination of the funding by the County Administrative Board.	1. National funding for conversion to biomass based heating systems: Max 30 % of total eligible investment costs, that exceed SEK 10 000; max. funding SEK 10 000. 2. National funding for conversion to renewable heating systems: Max 30 % of total eligible investment costs max. funding SEK 30 000. 3. National funding for small scale solar heating systems. Funding depends on annual produced heat of the solar system; max SEK 7 500 per house, max. SEK 500 for apartments. 4. National funding for RUE activities. Max. funding 30 % of total eligible investment costs that exceed SEK 10 000, max amount SEK 10 000.	Available: 1. 2008 2. 2008 3. 2010 4. 2008

- 1) [http://www.swedishenergyagency.se/web/biblshop.nsf/FilAtkomst/ET2007_27.pdf/\\$FILE/ET2007_27.pdf?OpenElement](http://www.swedishenergyagency.se/web/biblshop.nsf/FilAtkomst/ET2007_27.pdf/$FILE/ET2007_27.pdf?OpenElement)

2.4. SUUPOHJA

The financing systems utilisable in Suupohja Community are described in **Table 4**.

Table 4: financing systems for applying the SEAP in Suupohja.

The Name of the contribution / programme	Grant / Loan	Aimed to	The budget of the contribution programme	Description / info
BioRefine – New biomass products 2007–2012 <i>TEKES Finnish funding agency for technology and innovation</i>	Grant	Companies & public research units	Overall budget 113 million € The amount of the approved grant depends on the project	The aim of the programme is to develop new innovative technologies, products and services in the biomass and -refinery field. Further, the development of the critical knowledge and competencies are also central to the programme
Climbus – Business opportunities in controlling climate change 2004–2008 <i>TEKES Finnish funding agency for technology and innovation</i>	Grant	Companies & public research units	Overall budget 70 million € The amount of the approved grant depends on the project	The requirement to control greenhouse gas emissions creates demand for new technologies and services. New competencies and skills are needed to survive in the rigorous competition. This programme especially supports Finnish companies in developing competitiveness in this field.
Sustainable community 2007–2012 <i>TEKES Finnish funding agency for technology and innovation</i>	Grant	Companies & public research units	Overall budget 100 million € The amount of the approved grant depends on the project	This technology programme focuses on developing sustainable and energy efficient regions and energy-efficiency of buildings.
Fuel cells – 2007–2013 <i>TEKES Finnish funding agency for technology and innovation</i>	Grant	Companies & public research units	Overall budget 144 million € The amount of the approved grant depends on the project	The key points of this programme are fixed fuel cell applications for energy production, fuel cells for motorised vehicles and portable fuel cell applications.
Energy audit and energy analysis grant <i>Ministry of employment and the economy</i>	Grant	Public sector & companies & private individuals	Energy audit grant for the public sector is max. 50 % of total cost that are accepted to the programme (commune must be a part of the energy efficiency contract). If the audit handles sustainable energy, grant can span up to 60 %. For the private individuals, grants can be admitted for energy analysis only if there are at least three apartments in the building. Maximum grant is 40 % of the total costs.	Public sector, companies and private individuals have all different grants that can be admitted. Also, being signed for the energy efficiency contract affects the size of a public sector grant. More info available at: <i>Motiva.fi</i>

The Name of the contribution / programme	Grant / Loan	Aimed to	The budget of the contribution programme	Description / info
Investment grant for energy saving projects <i>Ministry of employment and the economy</i> <i>Grant applications to Employment and economic development center</i>	Grant	Companies & public sector	The amount of the grant depends on the project. Main focus is in new technologies. The maximum amount of this grant is 40 %, but can be targeted to the new technology part of the investment only.	A private sector project should exceed the amount of 25 000 € for the grant to be admitted. A public sector grant should exceed 150 000 € Combining several projects is allowed to exceed the minimum financial requirements.
Building and investment grants for gardening businesses <i>Ministry of agriculture and forestry</i>	Grant & loan	Companies	70 % interest aid loan and 20 % grant are available for heat centre investments	Contributions are mainly aimed at investments such as heat centres, production structures especially greenhouses but also warehouses.
Grant for small scale electricity production	Grant	Companies	Depending on the fuel, grants are admitted as follows: (€/ MWh) Wind power 6,9 Hydropower 4,2 Wood or –based 4,2 Recycling fuel 2,5 Biogas 4,2 Forest chip 6,9	
Tax-free electricity production <i>Ministry of agriculture and forestry</i>	Remission of electricity taxes	Companies	If energy is produced in a generator under 2 MW, and the producer does not transfer electricity to the grid, exemption from electricity taxes can be admitted	
Grant for biogas plants <i>Ministry of agriculture and forestry</i>	Grant	Companies and communes	5 Million € are reserved to the programme. This programme is though only for survey intention only. Actual programme starts later in the fall of 2008.	The purpose of this programme is to promote the use of biogas in countryside. Community silt and waste, food stuff industry's wastes could be used as an energy source. This programme refers only to companies and communities but not individual farms.
Development grant for counties	Grant	Companies	No specific budget – grants will be directed through unions of provinces	Grants can be admitted to important projects that do not belong to EU – project area.

The Name of the contribution / programme	Grant / Loan	Aimed to	The budget of the contribution programme	Description / info		
<p>ESCO (Energy Service Company) is a business that provides energy management services to an energy user. Services provided by an ESCO may be contracted through an Energy Services Agreement or through specific energy management solutions identified by the ESCO that provides the best return on investment for the customer.</p> <p>You enter into an agreement with a private energy service company (ESCO). The ESCO will identify and evaluate energy-saving opportunities and then recommend a package of improvements to be paid for through savings. The ESCO will guarantee that savings meet or exceed annual payments to cover all project costs—usually over a contract term of seven to 10 years.</p> <p>If savings do not materialize, the ESCO pays the difference, not you. To ensure savings, the ESCO offers staff training and long-term maintenance services.</p>						
<p>ESCO – Companies in Finland Following companies have announced their projects to registry.</p>						
<table border="0"> <tr> <td data-bbox="161 730 600 1471" style="vertical-align: top;"> <p>Are Oy Kimmo Valtonen puh. 040 300 5798 kimmo.valtonen@are.fi www.are.fi/</p> <p>Enespa Oy Janne Salminen puh. 044 291 8819 janne.salminen@enespa.fi www.enespa.fi/</p> <p>Foster Wheeler Energia Oy Matti Nikander puh. 010 393 7594 matti.nikander@fwfin.fwc.com www.fwc.com/</p> <p>Inesco Oy Eero Siitonen puh. (09) 469 1502 eero.siitonen@inesco.fi www.inesco.fi/</p> </td> <td data-bbox="600 730 1433 1471" style="vertical-align: top;"> <p>Suomen Lämpöpumpputekniikka Oy Juhani Malkamäki puh. 040 753 6037 juhani.malkamaki@slp-tekniikka.fi www.lampoassa.fi/</p> <p>TAC Atmostech/TAC Finland Oy Kellokukantie 2, 01300 Vantaa puh. (09) 5842 500, gsm 050 3853 297 ari-pekka.laxen@tac.com www.tac.com/</p> <p>YIT Kiinteistötekniikka Oy Kimmo Ruokoniemi puh. 040 826 1170 kimmo.ruokoniemi@yit.fi www.yit.fi/</p> <p>Furthermore Kuusankosken Aluelämmitys Oy and Etelä-Savon Energia Oy have carried out ESCO – procedure projects to their clients.</p> <p>(Source: Motiva.fi)</p> </td> </tr> </table>					<p>Are Oy Kimmo Valtonen puh. 040 300 5798 kimmo.valtonen@are.fi www.are.fi/</p> <p>Enespa Oy Janne Salminen puh. 044 291 8819 janne.salminen@enespa.fi www.enespa.fi/</p> <p>Foster Wheeler Energia Oy Matti Nikander puh. 010 393 7594 matti.nikander@fwfin.fwc.com www.fwc.com/</p> <p>Inesco Oy Eero Siitonen puh. (09) 469 1502 eero.siitonen@inesco.fi www.inesco.fi/</p>	<p>Suomen Lämpöpumpputekniikka Oy Juhani Malkamäki puh. 040 753 6037 juhani.malkamaki@slp-tekniikka.fi www.lampoassa.fi/</p> <p>TAC Atmostech/TAC Finland Oy Kellokukantie 2, 01300 Vantaa puh. (09) 5842 500, gsm 050 3853 297 ari-pekka.laxen@tac.com www.tac.com/</p> <p>YIT Kiinteistötekniikka Oy Kimmo Ruokoniemi puh. 040 826 1170 kimmo.ruokoniemi@yit.fi www.yit.fi/</p> <p>Furthermore Kuusankosken Aluelämmitys Oy and Etelä-Savon Energia Oy have carried out ESCO – procedure projects to their clients.</p> <p>(Source: Motiva.fi)</p>
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2.5. ALUKSNE

The financing systems utilisable in the Community of Aluksne are described in **Table 5**.

Table 5: financing systems for applying the SEAP in Aluksne.

Category of Action	Financing mechanism	Operating structure needed/foreseen	Available funds	Notes
Municipal activities in the energy audit of public buildings, raising the energy efficiency of apartment houses	The municipal budget, the European Fund for Regional Development (EFRD)	Coordination and/or energy service of the small and medium enterprises (SME)	The environment protection fund (EPF), the European Fund for Regional Development (EFRD), the European Cohesion Fund (CF), 4th priority, Activity 4.4.1 „Measures for the improvement of heat endurance in apartment houses”	
A wide-scale action to use the renewable energy resources (RER) on the territories of the small and medium enterprises (SME)	A possibility to receive a bank loan on preferential terms and with a state support, the EU financial mechanisms	The bank opens a financial loan	The projects can be financed from the Action Programme of the Cohesion Fund „Infrastructure and services”, 5 th priority, Activity 5.2.1. „Measures for raising the efficiency of the centralised heat supply system”	Solar batteries can be acquired on leasing
A wide-scale action to use the green heat the small and medium enterprises (SME)	Regional programmes	A state and/or SME energy service company	The Cohesion Fund, 5 th priority, Activity 5.2.2. „Development of cogeneration electric power plants using biomass”	
Replacement of the outdated firewood and coal boilers, and increasing the ratio of granule and woodchip boilers	The municipal budgets, and the use of the EU financial instruments	No additional structures are necessary	The Action Programme of the Cohesion Fund „Infrastructure and services”, 5 th priority, Activity 5.2.1. „Measures for raising the efficiency of the centralised heat supply system”	

An important source of financing for the Aluksne Community will be “The First Energy Efficiency Management Plan of the Republic of Latvia for the years 2008 – 2010” (Plan).

The Plan provides the following energy efficiency measures in the dwelling sector:

	Measure	Necessary financing, 1000 LVL	Source of financing 1000 LVL	Year of implementation
1	„Increasing the heat endurance of social dwelling houses”	23074.7	6922.4 (EFRD)	2010-2014
2	„Increasing the heat endurance of apartment houses”	27523.7	27523.7 (EFRD)	2010-2016
3	The financial instrument of climatic changes	~3600 ~13000	~1100 ~3900 (State budget [1]), [2]	2010 [3] 2011

[1] Income from selling CO2 quotas

[2] Public co-financing is given as approximate since no exact amounts are known for the present time (March, 2008)

[3] It is prognosticated that the assignment of this financial instrument will take place in 2010 but its development will continue in the year 2011

The Energy Efficiency measures foreseen in the dwelling sector in Latvia (according Plan) are:

No.	Measure	Activities on the side of the end-users	Expected annual energy economy in the year 2016 (GWh)	Scheduled years	Institution in charge
1.	Energy audit in the buildings and energy certification of buildings	Energy audit and information of the energy end-users	n/a	2005-2016	EM, BEMVA
2.	Raising energy efficiency in apartment houses	Raising energy efficiency in buildings	1900	2007-2016	EM, BEMVA
3.	Raising energy efficiency in the government and municipal houses	Raising energy efficiency in buildings	570	2007-2016	EM, BEMVA
4.	Information of the energy consumers	Information of the energy end-users	n/a	2006-2016	EM, BEMVA

No.	Measure	Activities on the side of the end-users	Expected annual energy economy in the year 2016 (GWh)	Scheduled years	Institution in charge
5.	The development of legislative acts for raising energy efficiency in buildings	The development of regulations of the Cabinet of Ministers in conformity with the Law on Energetics: 1) The institutional system, its tasks, obligations and responsibility; 2) The normative of energy consumption for the existing apartment houses and application of minimal demands for the energy certification of dwellings; 3) A unified calculation method for the determination of energy efficiency parameters; 4) The order of training and certification of independent experts; 5) The order of checking boilers and the air conditioning system.	n/a	2008-2016	EM
	Total		2702		

EM – MINISTRY OF ECONOMY OF REPUBLIC OF LATVIA

BEMVA - construction, energy and housing agency administrates state support programs for construction, energy and housing sectors, manages the projects of housing maintenance and raising the effective use of energy resources, ensures participation of state in hydrocarbons production projects, ensures creating and maintenance of state part of oil product reserves.

2.6. ROZNOVSKO

Attention has been paid from the very beginning of the Sustainable Energy Action Plan development for Rožnovsko to identification of actions which could be subsidized or co-financed from available grants and soft loans. These include mostly EU Structural Funds and Cohesion Fund resources, which were made available for the Czech Republic within the Programming period 2007-13 of the EU. Several Operational Programmes include support to energy efficiency, they cannot duplicate each other and differ by the type of projects or beneficiaries (**Table 6**).

Table 6: financing systems for applying the SEAP in Roznovsko.

Category of Action	Financing mechanism	Operating structure needed/foreseen	Available funds	Notes
Investments into biomass use for heating - centralised combustion sources	Grants (the level of costs covered by a grant depend on the type of the beneficiary. Physical persons excluded.)	Managed by relevant Implementing Agencies	OPs: Environment, Business and Innovation, Agriculture	Eligibility criteria and way of evaluation defined by the Programmes and their Implementing Documents. They differ according to the goals of the programme and according to the financial rules. One of the limiting conditions is the required status of buildings as to energy performance. Both block boilers and local sources are supported.
Investments into biomass use for electricity generation	Grants	State Environmental Fund, Czechinvest – Implementing Agencies	OPs Environment, Business and Innovation	Max 20% of the eligible costs, maximum 50 mil. CZK for the whole period of the Programme, de minimis
Investments into biomass /biogas use for combined heat and electricity generation	Grants	State Environmental Fund, Czechinvest – Implementing Agencies	OPs Environment, Business and Innovation	Max 20% of the eligible costs, maximum 50 mil. CZK for the whole period of the Programme, de minimis
Biomass use in decentralised combustion sources	Grants and soft loans	State Environmental Fund, Czechinvest – Implementing Agencies	National Programme of the State Environmental Fund -for physical persons	Max 20% of the eligible costs, maximum 50 mil. CZK for the whole period of the Programme, de minimis
	Grants	Annual programme run by the governmental bodies	National Programme of the Ministry of Industry and Trade. For support of energy efficiency and renewables - EFEKT	Soft projects only – promotional activities are financed 100% or subsidized from at least 50%

Category of Action	Financing mechanism	Operating structure needed/foreseen	Available funds	Notes
Small hydro power plants	Grants, soft loans	State Environmental Fund, Czechinvest – Implementing Agencies	OPs Environment, Business and Innovation, part Eko-energie	Max 40% of the eligible costs, maximum 100 mil. CZK for the whole period of the Programme
Solar heating	Grants to households	State Environmental Fund (SFZP)	National Programme of the State Environmental Fund -for households and	For family houses only. Grants up 50% of the eligible cost, maximum 50 000 CZK
	Grants to public bodies	Implementing Agencies – SFZP and CzechInvest	OP environment, OP business and Innovation	Installations at public buildings (Pensioners' houses, Children Facilities etc.
Photovoltaics – generation of electricity	Grants	State Environmental Fund (SFZP)	OP environment	20 % of the eligible costs, maximum 50 mil. CZK
Heat Pumps	Grants	State Environmental Fund	National Programme of the State Environmental Fund -for physical persons	Grants up 50% of the eligible cost, maximum 60 000 CZK for family houses
Geothermal based heat and power generation	Grants, Soft loans	State Environmental Fund, Czechinvest – Implementing Agencies	OPs Business and Innovation, part Eko-energie	Max 40% of the eligible costs, maximum 100 mil. CZK, de minimis
Efficient use of energy – in public buildings	Grants, soft loans	State Environmental Fund, Czechinvest – Implementing Agencies	OPs Business and Innovation, part Eko-energie	
	Softer loans for EPC /TPF contracts	Czech_Moravian Guarantee bank	OP Business and Innovation	Only for SME ESCOs
Biogas production	Soft loans	Implementing Agency	OP Rural Development (support from EAFRD)	
RUE, RES, pellets/briquettes from biomass	Soft loans	CzechInvest	OP Business and Innovation	min. 0,5 mill. CZK, max. 100 mill.CZK
Promotion of energy efficiency and renewable energy, energy planning and certificates of building performance	Subsidy	Ministry of Industry and Trade	EFEKT – National Programme, Ministry of Industry and Trade	Small promotional activities – brochures, seminars Grants are allowed up to 100% depending on the type of the action

1 EURO = 25 CZK

3. ASSESS AND PROMOTE SUSTAINABLE ENERGY PROJECTS IN EU REGIONS AND COMMUNITIES

Financing mechanisms available in European Member States for projects aiming at energy efficiency (EE) and/or development of renewable energy sources (RES) have been analysed in various research studies/initiatives¹.

On the one hand, it is not easy to identify financing mechanisms that are effectively applied and/or applicable in all of the EU Countries; on the other hand, it may be even more complicated, when analysing regional/local schemes/programs, to propose a broader application of these mechanisms without thoroughly considering the distinctive financial /administrative conditions of the communities under scope.

Nonetheless, a common framework, as developed within IEE Project “PRIME”² and described in **Figure 1**, can be proposed to evaluate and select the most promising projects in the field of sustainable energy within the energy planning at local level.

Besides, it can be said that, in general, the implementation of energy efficiency projects (EE) and projects utilising renewable energy sources (RES) through out the European Community, and in particular in new Member States faces two main obstacles:

1. inadequate access to commercial lending for smaller projects, given the lack of understanding among financial institutions (FIs) of the opportunities and risks of EE and RES markets; and
2. inadequate capacity of sponsors of EE and RES projects in preparing and marketing “bankable” projects to the FIs

A viable solution to support evaluation and promotion of EE an RES project at local level can be the establishment of a *local energy projects financing help-desk*.

This structure, which would be set up by the local community/ies, could permit to help local actors that present project proposals by performing a first rough assessment (screening) of projects and by giving support for identification of available financing mechanisms for projects that have been classified as (preliminarily) feasible.

The help-desk, in its supporting activities, could follow the indications given by RUSE Project³, which provide a helpful guide for the implementation of energy-related projects and which are referred to hereafter (http://www.ruse-europe.org/IMG/pdf/Guide_RUSE_2008_Liens.pdf, Chapter 4).

Suggestion no. 1: Does such a project already exist somewhere?

First check whether another local authority in your region, country or another European country has already implemented such a project. Try to find out whether a European Campaign dealing with the energy issue exists which you can join (Energie-Cités can help you find some examples and contacts and can even help you in visiting a town with experience).

If you can implement the project by yourselves, including with your usual local partners, without needing any particular financial support, well go right ahead! You will sometimes gain time (and perhaps even money) especially if your project has a good rate of return.

¹ For projects on “financial mechanisms and incentives” under the program “Intelligent Energy – Europe”, see: http://ec.europa.eu/energy/intelligent/projects/finmech_en.htm

² <http://www.prime-ecopower.net/>

³ <http://www.ruse-europe.org/>

Suggestion no. 2: Look for partners!

If a financial support mechanism proves necessary for your project, contact your bank or an ESCO (energy service company). Many projects can be self-financed (and if grants exist these partners will get help for you!).

Suggestion no. 3: Search for the closest funding source!

If suggestions 1 and 2 do not (completely) match your situation, seek out the most local resources: at regional or state level, qualification conditions are generally the simplest. These authorities also sometimes manage European Funds (see below).

Suggestion no. 4: Take advantage of the Structural and Cohesion Funds!⁴

If your needs are still not satisfied, investigate the Structural and Cohesion Funds. Energy is present in most sectors, but integrated into other policies (environment, local development, economy, education, training, innovation etc):

- If you are in a «Convergence» or «Regional competitiveness and employment» objective region (the ERDF but also the European Social Fund and the Cohesion Fund are available): qualification is possible through your region, easily available and it can often be combined with national and/or regional support grants.
- Whatever region you are in, you are in an area eligible under the «European territorial cooperation» objective:
 - In a border area, there is an INTERREG IVA program which has fairly easy qualifications, which will lead you to work with your neighbours around a project which must be innovative, has a cross-border dimension and can include investment grants.
 - In your geographical area (bringing together several countries), there is an INTERREG IV program which has fairly easy qualifications, which will lead you to work with several partners of this same area around a project concerning a shared problem using a common strategy or methodology to resolve it. Pilot projects and investment projects will be eligible.
 - on the European level (all countries) INTERREG IVC will provide you with the opportunity of sharing experiences and good practices. «Networking» projects will be eligible but never investment projects. You will have to be even more inventive!

Suggestion no. 5: Get funding from the Intelligent Energy Europe Program!

If your project truly is an «energy» project and qualifies for one of the European Union's regional policy programs (e.g. ERDF), then you can request support from the Intelligent Energy-Europe program (IEE) led by the European Commission's Directorate General Energy and Transport (DG TREN). Warning note:

- if you wish to set up a local energy agency, only 20 projects are accepted every year,
- if you have an «ordinary» project, you will have no chance as IEE is not a last resort for shortfalls in regional and national policies,
- if you have an «out of the ordinary» or at least, a truly innovative project the results of which may interest players at a European level and/or which could be reproduced, then you can, jointly with other partners, submit an application (there are of course conditions to be met).

Suggestion no. 6: Think twice before joining a project!

An organization has asked you to become a partner in a European project (e.g. IEE). This may be an excellent opportunity, but before replying, ask yourself the following question: «Is this project in line with my strategy?» or, on the contrary, «could it cause confusion or distract from our own priorities, using up time and money with activities which will be of little or no benefit to my town?». According to

⁴ More information on the Structural and Cohesion funds can be found in a thematic dossier on the Energie-Cités website: <http://www.energie-cites.eu/-Our-Dossiers>

how you answer these questions, you will be able to decide positively or negatively. Be careful! If you are in a New Member State you will be the target of many requests as many proposers are looking for partners in these countries. There is therefore an even greater risk that the project will not necessarily add a «plus» to your own strategy.

Suggestion no. 7: Benefit from each project you are involved in!

In any event, taking part in a project is often a positive thing for your local authority. Firstly, it has financial advantages. Secondly, and this is as important, it makes your projects better known and provides a sort of label of approval. This helps in recruiting local partners who may be more enthusiastic. It gives you the opportunity of meeting colleagues, opening yourself up to others' experiences and putting your town on the map!

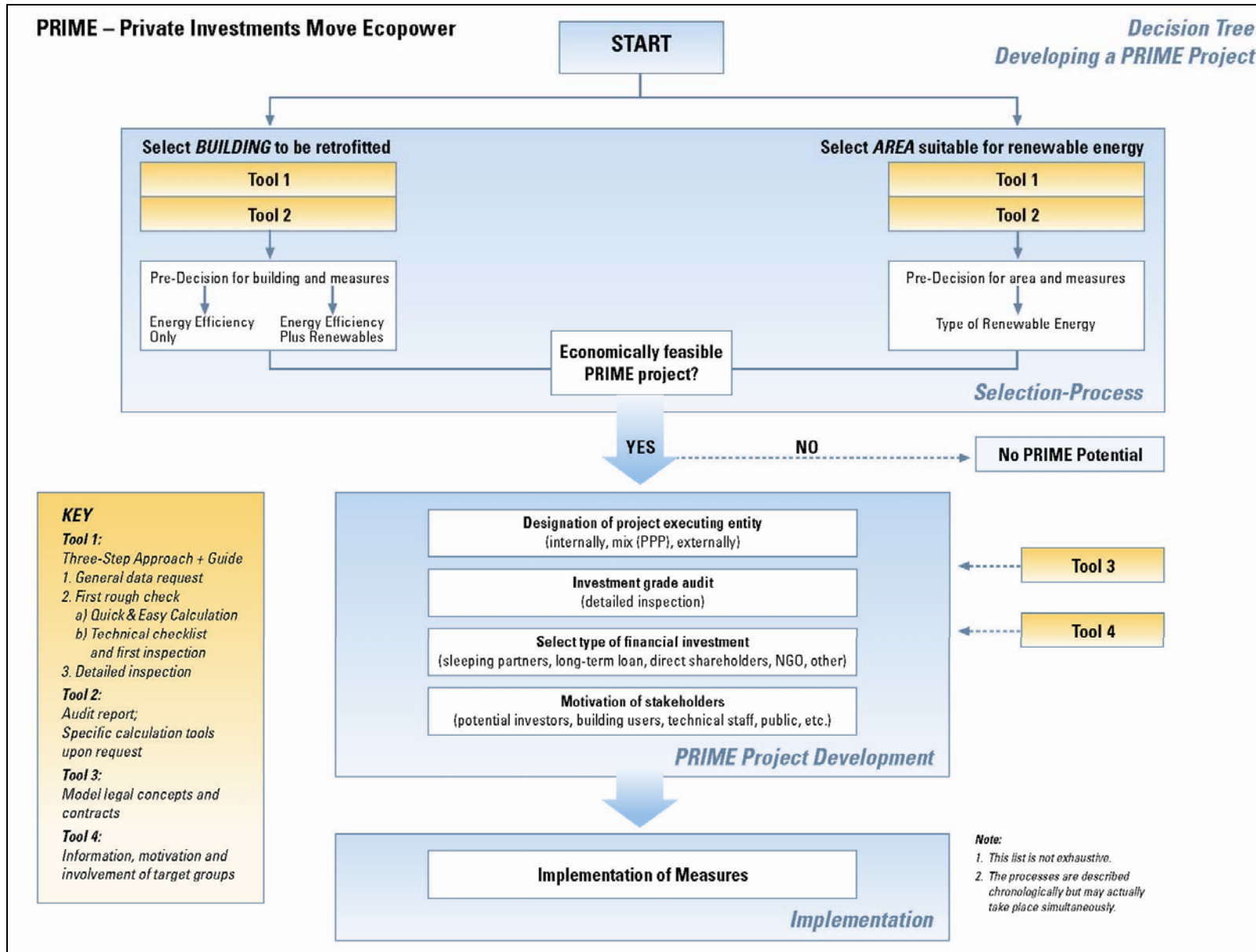


Figure 1: Decision framework for energy saving/renewable energies projects

4. CONCLUSION.

This report outlines a common investigation on the financing options that the ASPIRE partners have found to be the most promising for an effective implementation of the respective SEAP.

In month 26, when agreeing and adopting their SEAPs, the Communities will thus have a comprehensive reference for defining the financing mechanisms, funds and complementary structures (e.g. help-desks, ESCOs, etc.) that should permit to initiate the implementation of actions and achieve the first planned results already in the next 1-2 years after the conclusion of the ASPIRE Project.

The report will also be utilised in Work-Package 5 (ASPIRE tool-kit) when developing a set of best practices to be adopted for replication in other Communities that intend to launch sustainable energy planning initiatives.