

KFW-ELENA

Key Learning Points

MARCH 2018



GROUPE BPCE

Coopératifs, banquiers et assureurs autrement.

1

2 schemes for the Energy Efficiency (EE) market

2

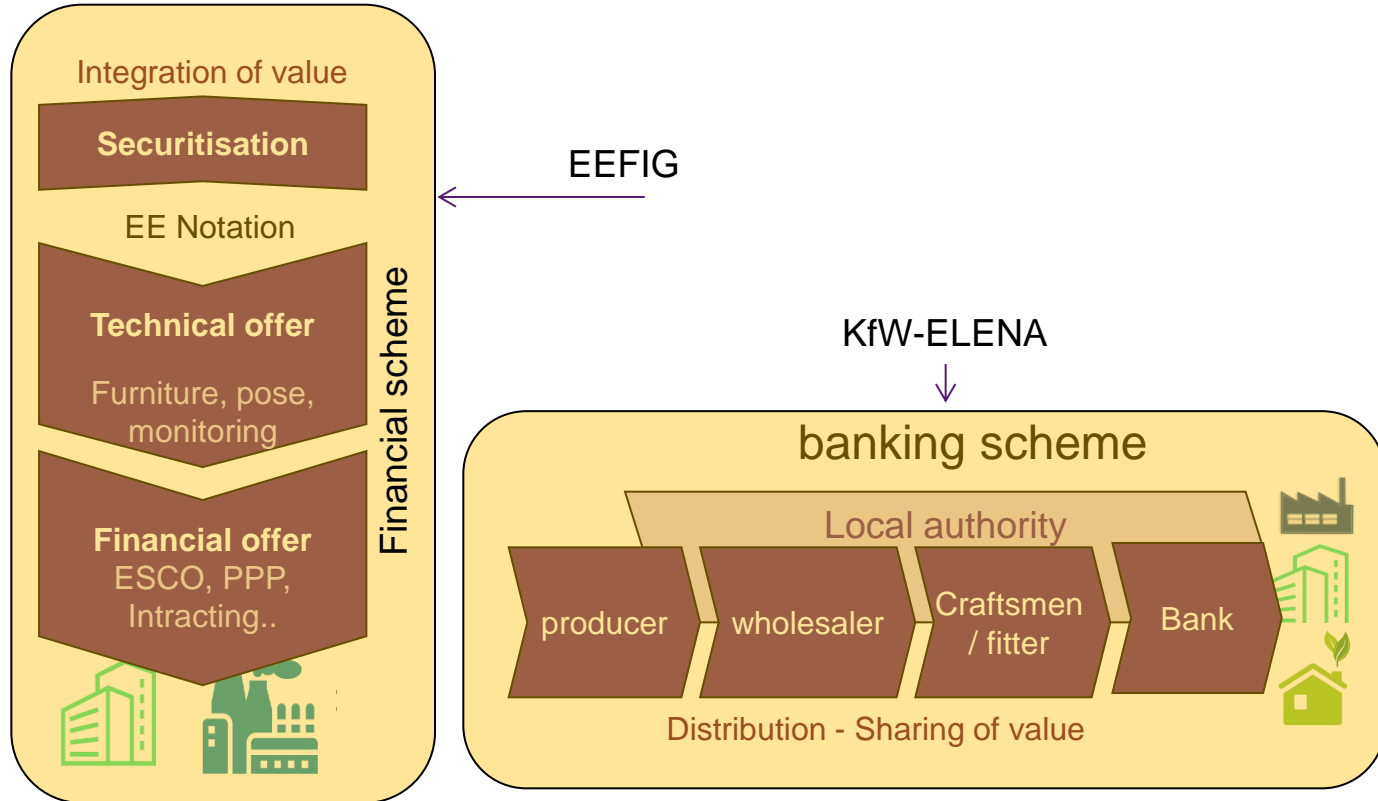
KfW ELENA Programme

3

KfW ELENA Programme force & Improvement

2 SCHEMES FOR THE ENERGY EFFICIENCY (EE) MARKET

④ Financing & banking schemes



1

2 schemes for the Energy Efficiency (EE) market

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KfW ELENA Programme

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KfW ELENA Programme force & improvement

KFW ELENA PROGRAMME

- 2008 DG ENER asks BPCE to be a pilot bank in Europe on local financing of energy efficiency
- In late 2012, Groupe BPCE opened a new type of partnership with the European Commission and KfW with particular characteristics:
 - It notes the objectives of the climate directive on the territories, with regard to local policies. Reasoning by territory and not by project.
 - It implements a program via retail credits
 - It bases the retail reporting on the Certificate of Energy Economy
 - It is an operational partnership co-engaging Community - bank
Each territory has built its tools for the animator (committees, mooc, extranet ...)



**ELENA – European Local
ENergy Assistance**



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KFW ELENA PROGRAMME

- Objective: Simplify the customer journey to make the technical and financial offer readable on energy efficiency projects.
- Three targets: Individuals, micro-businesses, private condominiums. Possible extension in the future to other markets.
- Four actors:
 - Local authorities that enter into partnerships with group banks and receive a grant from the ELENA program for setting up one-stop shops and / or customer journeys. No "national model" -> at the discretion of the community and the bank in the field.
 - BPCE plays the role of operational facilitator (technical assistance and the link with ELENA and KfW)
 - Regional banks that co-build the scheme with the community, finance projects and benefit from a KfW refinancing line.
 - The European Commission and KfW.



**ELENA – European Local
ENergy Assistance**



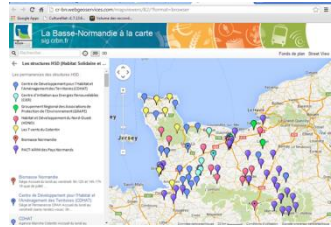
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KFW ELENA PROGRAMME

Scheme



Link paper



extranet

KFW ELENA - Progress Report																																															
Part 8 - Report with regards to the Renovation Programme																																															
2021																																															
State of the report	2021/03/31																																														
Reporting period	01/01/2021 - 31/03/2021																																														
Reporting period start	01/01/2021																																														
Reporting period end	31/03/2021																																														
File name	[...]																																														
KFW Credit line	Number of contracts	Amount	Rate of application of the loan guarantee	ELENA Grants	Rate of approval by KFW Investment	Total amount of approved projects	Number of approved projects	Number of projects in progress	Number of projects completed	Number of projects cancelled	Number of projects terminated																																				
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Reporting

CEE
Carbon certificates



KfW
DG
ENER

1

2 schemes for the Energy Efficiency (EE) market

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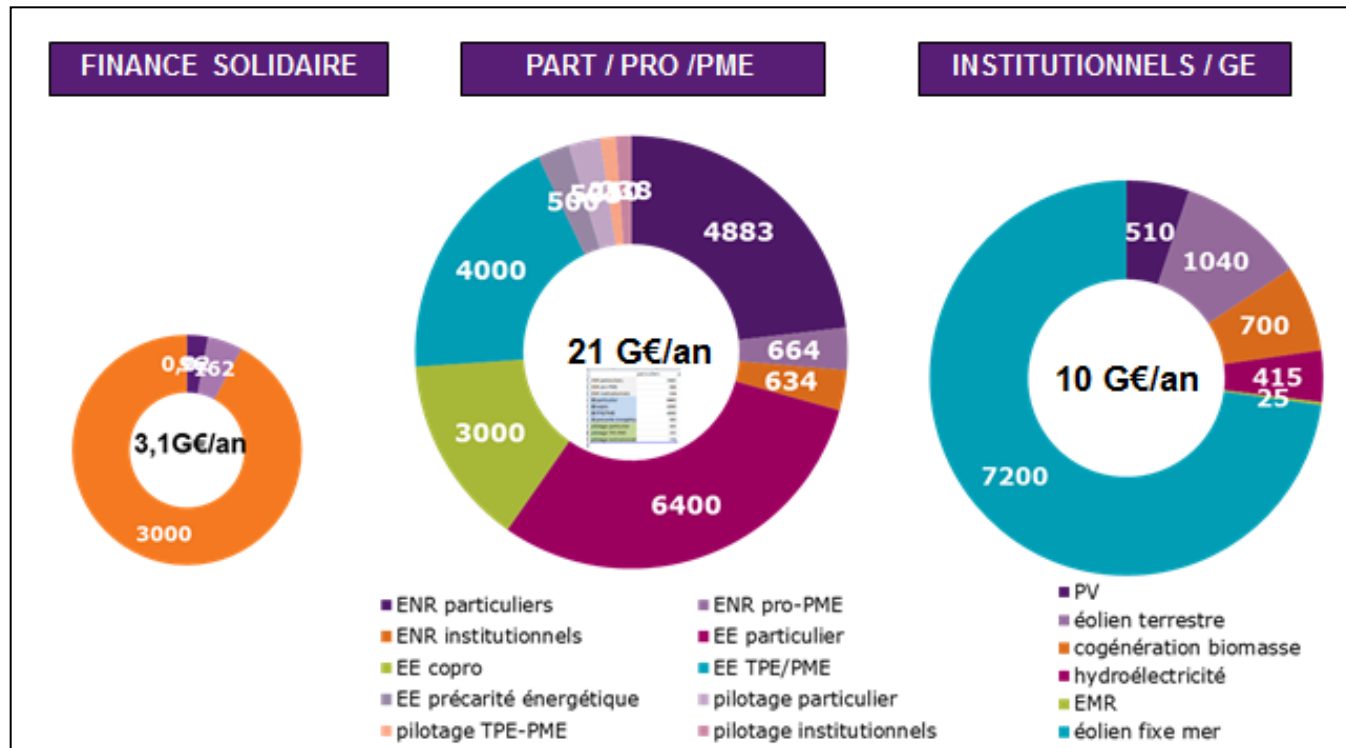
KfW ELENA Programme

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KfW ELENA Programme force and improvement

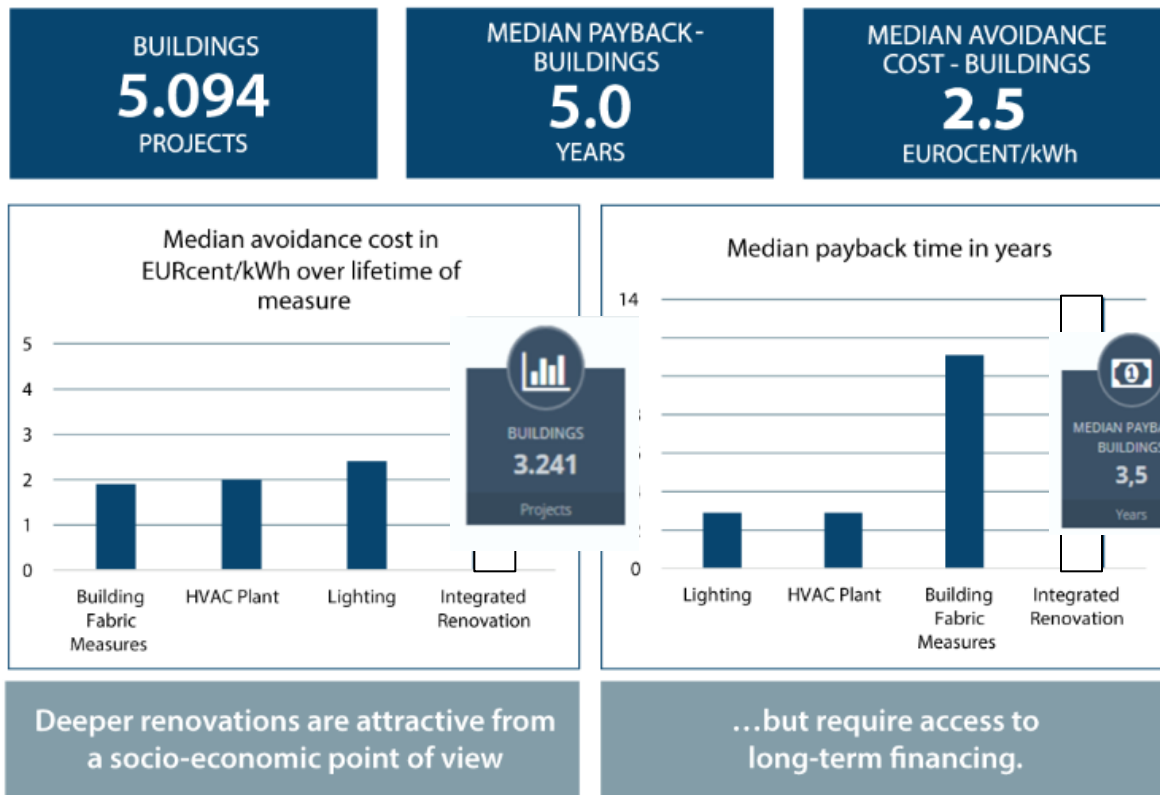
KFW ELENA PROGRAMME FORCE AND IMPROVEMENT

Right to the market



KFW ELENA PROGRAMME FORCE AND IMPROVEMENT

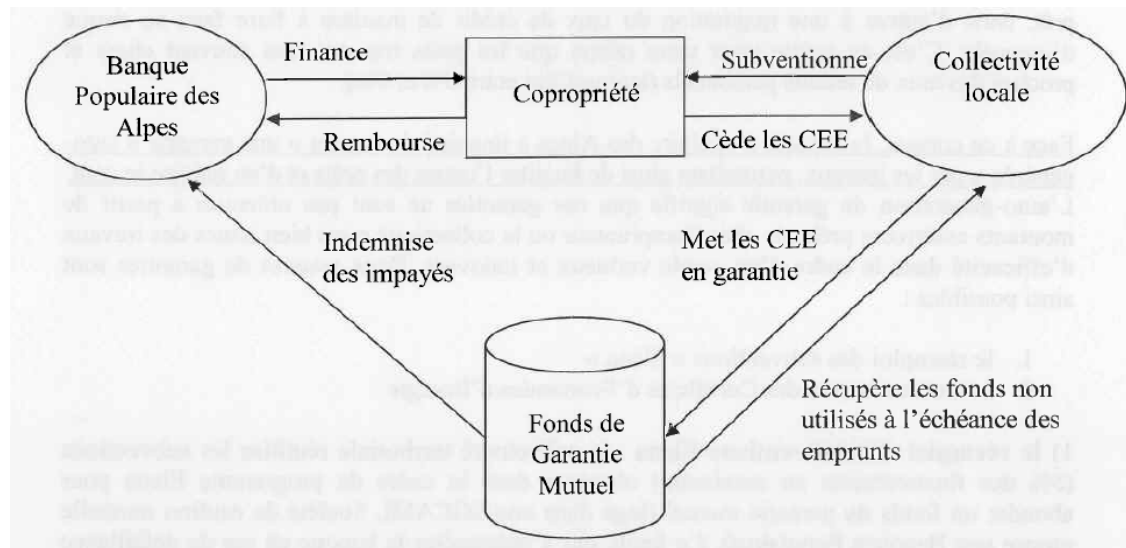
*Right to the market
The financial solution
does not allow to
integrate insulation
because it is not
profitable enough
when compared to
the financial market*



1. The first 2000 building projects are focused on office building: payback was 2 years and excluded insulation
2. From 3000 projects, BPCE has posted 1000 projects of global home refurbishing: payback reach 5 years and integrated insulation

KFW ELENA PROGRAMME FORCE AND IMPROVEMENT

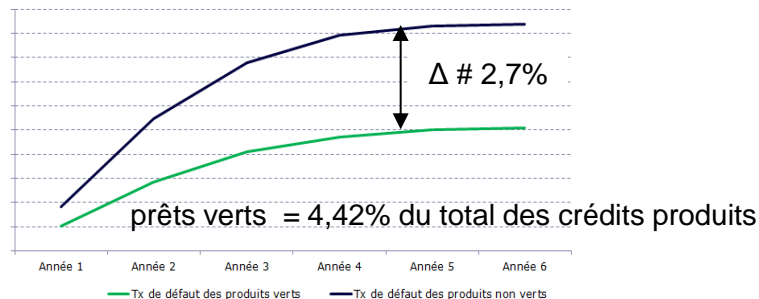
new financing schemes for condominiums



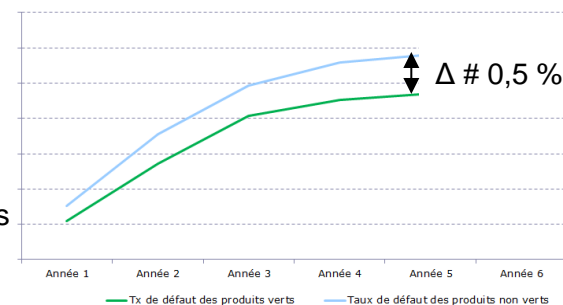
● Better protection of borrowers

Comparison of default rates between green and conventional credits

Number



Outstanding



- green credits have a lower default rate than standard equipment credits.
- The default gap between green and standard credits is reduced in the comparison between number and outstanding. This is linked to the phenomenon of "overinvestment" linked to green equipment, which is generally more expensive than conventional equipment.
- The green economy market therefore has a specific financing profile: larger amounts of credit, a different risk profile.

Improvement

Secure the market with insurance:

- It is of utmost importance that green insurance is developed. The action plan of the European Commission on Climate Finance (point 8) could force the process.
- Link green subsidies to a guarantee fund to facilitate pre-financing of works
- Link to IOT & Blockchain

integrate local green credits into the green taxonomy of the european commission

- Harmonize climate labeling of local energy efficiency loans between local and European - French and German levels
- Organize a carbon certificate related to EE loans to facilitate green investments and their compatibility with international or local green bonds such as those offered by BWBank in Germany



GROUPE BPCE

Coopératifs, banquiers et assureurs autrement.

#chezgreenberger

[groupebpce.fr](https://www.groupebpce.fr)

