



CFs4EE Financing Schemes follow up report

Author: Energinvest (EI)

CitizEE

*Scaling up Public Energy Efficiency Investments via Standardising
Citizen Financing Schemes*

www.citizee.eu



This project has received funding from the European Union's Horizon 2020 research and innovation programme under grant agreement N° 847147

1 TABLE OF CONTENTS

1	TABLE OF CONTENTS.....	2
2	TECHNICAL REFERENCES	3
3	ACKNOWLEDGEMENTS	4
4	DISCLAIMER	4
5	DESCRIPTION OF THE REPORT	5
6	PILOT PROJECT IMPLEMENTATION STATUS.....	5
6.1	VIPA PILOT PROJECT	5
6.1.1	Issues with the planned CFs4EE Financing Scheme (WP2)	5
6.1.2	Description of the revised CFs4EE Financing Scheme (WP4).....	5
6.1.3	Revised CFs4EE Financing Scheme design and implementation Status	6
6.1.4	Next steps & commitment during the CitizEE framework	6
6.1.5	Remark	6
6.1.6	impacts assessment on KPI	7
6.2	VEB PILOT PROJECT	7
6.2.1	Issues with the planned CFs4EE Financing Scheme (WP2 Evaluation).....	7
6.2.2	Description of the revised CFs4EE Financing Scheme (under WP4).....	8
6.2.3	Revised CFs4EE Financing Scheme design and implementation Status	9
6.2.4	Next steps & commitment during the CitizEE framework	9
6.2.5	Remark	9
6.2.6	Impacts assessment on KPI	9
6.3	REGEA PILOT PROJECT.....	10
6.3.1	Issues with the planned CFs4EE Financing Scheme (WP2)	10
6.3.2	Description of the revised CFs4EE Financing Scheme (WP4).....	10
6.3.3	Revised CFs4EE Financing Scheme design and implementation Status	11
6.3.4	Next steps & commitment during the CitizEE framework	12
6.3.5	Remark	12
6.3.6	Impacts assessment on KPI	12
6.4	GOPARITY PILOT PROJECT	13
6.4.1	Issues with the planned CFs4EE Financing Scheme (WP2)	13
6.4.2	Description of the revised CFs4EE Financing Scheme (WP4).....	13
6.4.3	Revised CFs4EE Financing Scheme design and implementation Status	14
6.4.4	Next steps & commitment during the CitizEE framework	15
6.4.5	Impacts assessment on KPI	15



2 TECHNICAL REFERENCES

PROJECT ACRONYM	CitizEE
PROJECT TITLE	Scaling up Public Energy Efficiency Investments via Standardising Citizen Financing Schemes
PROJECT COORDINATOR	Silvia Caneva silvia.caneva@wip-munich.de Sonja Wilhelm sonja.wilhelm@wip-munich.de WIP Renewable Energies
PROJECT DURATION	May 2019 – April 2022 (36 months)

REPORT NAME	CitizEE_D4.10
DOCUMENT:	CitizEE_D4.10
WORK PACKAGE	WP4 – CFs4EE Financing Schemes Design and Implementation
TASK	T4.4 - CFs4EE Financing Schemes follow up and monitoring
DISSEMINATION LEVEL*	PU
LEAD BENEFICIARY	2. Energinvest (EI)
CONTRIBUTING BENEFICIARY/IES	2. Energinvest (EI), 4.GOPARITY, 5. VEB, 6.REGEA, 7.VIPA
DUE DATE OF DELIVERABLE	31 October 2020
ACTUAL SUBMISSION DATE	11 August 2021

PU = Public

PP = Restricted to other programme participants (including the Commission Services)

RE = Restricted to a group specified by the consortium (including the Commission Services)

CO = Confidential, only for members of the consortium (including the Commission Services)

Version	Date	Beneficiary	Author	Approved
V1.0	06 August 2021	Energinvest (EI)	Jean-François Marchand, Lieven Vanstraelen, Miguel Casas	All partners



3 ACKNOWLEDGEMENTS

The work described in this publication has received funding from the European Union's Horizon 2020 research and innovation programme under grant agreement N° 847147.

4 DISCLAIMER

This document reflects only the authors' view and not those of the European Community. This work may rely on data from sources external to the members of the CitizEE project Consortium. Members of the Consortium do not accept liability for loss or damage suffered by any third party as a result of errors or inaccuracies in such data. The information in this document is provided "as is" and no guarantee or warranty is given that the information is fit for any particular purpose. The user thereof uses the information at its sole risk and neither the European Community nor any member of the CitizEE Consortium is liable for any use that may be made of the information.

© Members of the CitizEE Consortium



5 DESCRIPTION OF THE REPORT

The main objective of this report is to inform about the implementation of the CFs4EE financing scheme in the four different pilot countries/regions. In addition to describing the planned and revised schemes, the report also includes a section on next steps and commitments, as well as a brief assessment of the impact of the KPIs of the overall CitizEE project.

6 PILOT PROJECT IMPLEMENTATION STATUS

6.1 VIPA pilot project

6.1.1 Issues with the planned CFs4EE Financing Scheme (WP2)

- Initial project scope: CFs4EE Financing Scheme based on the development of a loan fund to fund solar PV projects.
- Problems / obstacles encountered: No particular problems or obstacles encountered besides legislative barriers.
- Mitigation actions: In accordance with the previous Lithuanian Consumer Credit Law only natural persons could invest into P2P platform. It was restricted for the legal persons to participate in the P2P platforms' investments. Wherefore it was a legal barrier for VIPA Investment platform to invest together with citizens in RES and EE project. Therefore, it was necessary to amend this law. The initial amendment of the abovementioned law was prepared in the beginning of 2020 by the Lithuania P2P lending and crowdfunding association. VIPA together with this association introduced the necessity of this amendment to all relevant stakeholders. This amendment was adopted by the Parliament of Lithuania on the 15th of December 2020 (after submission periodic M1-M27 report). That means that from now VIPA Investment platform can participate in citizens financing schemes through P2P platforms. However, the limit of 500 Eur per loan that can be provided to the consumer from one creditor through the platform is prevailing, therefore VIPA is discussing with the national regulator of other investment options, that would allow to provide more funds per loan as VIPA is professional investor and does not require for protection when investing through the platforms.

6.1.2 Description of the revised CFs4EE Financing Scheme (WP4)

General description	CFs4EE financing scheme to fund prosumer solar PV investments in residential buildings through P2P crowdfunding platforms as financial intermediaries and co-investors at project level.
Beneficiaries	Citizens (residential building and apartment in multiapartment building owners)
Buildings	Residential buildings
Projects	Solar PV projects
IP sponsor	VIPA
IP co-investors	National Electric Company, EIB, EBRD, P2P platforms operators, citizens and other private investors
IP Structuring	Public-private investment platform under the form of a debt fund to provide soft loans with terms up to 10 years. IP is already set-up and operational.



IP financing products	<p>CFs4EE Financing products:</p> <p>Intermediated soft loans to residential building and apartment in multiapartment building owners through P2P crowdfunding platforms</p> <p>Other financing products:</p> <p>Direct loans for energy efficiency measures to public/private bodies and/or ESCOs</p> <p>Direct loans for RES developers dedicated for remote prosumers who can buy or lease part of the power plant, built by project developer</p> <p>Direct loans for shallow renovation focusing on heating systems (loans for condominium administrators)</p>
Final recipients	Residential building and apartment in multiapartment building owners
Citizen Funding	Citizens through P2P crowdfunding platforms as financial intermediaries and co-investors at project level.
Project Financing structuring	<p>Single operation under the form of a prosumer loan delivered by the P2P operators and composed of the following elements:</p> <p>Intermediated loan from the IP (required ROI lower than the market's)</p> <p>Investments from the citizens (market ROI)</p> <p>Investment from P2P operators (ROI under negotiation)</p>
Fund manager	VIPA
Project Delivery Unit	VIPA + P2P crowdfunding platforms
Project Delivery services	No specific technical assistance is provided to project holders besides project identification & assessment to set-up the crowdfunding campaign.

6.1.3 Revised CFs4EE Financing Scheme design and implementation Status

- The Investment Platform is already set-up and operational and has already realized investments with private entities.
- Citizen Financing Scheme business model is being finalized and will be soon operable. Up to this date VIPA has identified general terms for the selection of the P2P platform operator. At this moment general terms are discussed among potential P2P platform operators and VIPA. VIPA is discussing the possibilities to provide funds to the prosumers exceeding 500 EUR limit per loan by buying right of recourse on loans instead of being a direct investor.

6.1.4 Next steps & commitment during the CitizEE framework

- It is foreseen that till the end of the Q3 2021. VIPA will publish the open call. It is expected by the end of the project VIPA will have fully operational financing scheme and hopefully will deliver some investments.

6.1.5 Remark

- It is important to mention that VIPA IP is established and running, doing investments and citizen financing scheme will be incorporated as a part. As we have indicated in the recent progress report, IP has achieved 8.4 GWh energy savings. Please note that those savings are achieved excluding citizen funding.



6.1.6 impacts assessment on KPI

Taking into account that the amendments of Consumer Credit Law were adopted on the 15th of December 2020, after integration of CFs4EE into VIPAs investment platform will contribute directly to these expected impacts:

- Investments in sustainable energy triggered by the project.
- Renewable electricity generation
- Citizens as investors

6.2 VEB pilot project

6.2.1 Issues with the planned CFs4EE Financing Scheme (WP2 Evaluation)

- Initial scope: CFs4EE Financing Scheme based on the development of a dedicated credit line from the Flemish government to fund alongside ESCOs/ESCoops deep energy refurbishing in public schools through EPC contracting.
- Problems / obstacles encountered: At the beginning of October 2020, VEB lost one of its main stakeholders (AGION), which resulted in the adaptation of the Belgian scheme to the remaining partner GO!. The reason for AGION's withdrawal was that they already had a pilot program running on EPC that they wanted to complete first in order to learn from its results, before further developing a new pilot case on EPC. Furthermore, the promotion of citizen funding was not within the scope of their current policy targets.

As to Go!, the stakeholder meetings were unfortunately delayed due to the absence of the head of the Department responsible for energy and the building stock. Subsequently at the beginning of February 2021, GO! also announced their withdrawal from the CitizEE project, but only for the implementation of the pilot project that was foreseen in CitizEE (1 tendering on a pool of 10 schools). GO! is currently still interested to remain in discussion with VEB for further developments of the scheme. However, considering the duration of the GO! decision making process, this will extend beyond the CitizEE timeline. The work done with GO! is not lost, however, cannot serve to deliver the KPI within the CitizEE timeframe.

- Mitigation actions: After AGION's withdrawal was confirmed in early October 2020, the consortium organized team meetings with VEB to consider how to reorganize the proposed scheme. Although the original plan was to combine the CFs4EE financing scheme for both education networks (AGION and GO!), the system was primarily designed to meet the needs of AGION, a public entity delivering funding to the subsidized schools of the official subsidized educational network and the free subsidized educational network. Final recipients were to be subsidized private entities allowed to take debt. The scheme was to be readapted to the specific situation of GO! a public administration that operates exclusively with the budget financing mechanism and is not allowed by administrative law to incur debt. For this reason, VEB held intensive discussions with GO! to further adapt the scheme to its specific needs. Since GO! has shown reluctance in starting up a pilot case, VEB is currently reconsidering its options.
 - Firstly it will see if the financing scheme can be adapted to overcome the current thresholds for GO!.
 - Secondly, in order to meet the CitizEE KPI, VEB is analysing within its clients base if another public body can replace GO! for a pilot based on the same scheme (see infra) and particularly with some municipalities that are willing to engage deep energy refurbishing through EPC contracts as well as having expressed their willingness to engage within citizen participation.
 - Depending on the public entity chosen, VEB will have to review the IP structuring, as a dedicated credit line from the Flemish government would no longer be the best possible solution. This further impacted the delay in producing the deliverables of Task 4.1 of WP4.



6.2.2 Description of the revised CFs4EE Financing Scheme (under WP4)

General description	CFs4EE financing scheme to fund deep energy retrofit in public buildings through partial on-off balance EPC contracting with ESCOs/ESCOops financing at project level.
Beneficiaries	Regional and local public authorities
Buildings	Public buildings
Projects	Deep energy retrofit of buildings through EPC contracting
IP sponsor	In discussion with stakeholders. Possibly: Flemish Government PMV (Flemish National Promotional Institution)
IP Co-investors	Flemish Government and possibly EIB
IP Structuring	Fully public investment platform under the form of a dedicated Credit Line from the Flemish Government (funded on the capital markets and possibly EU funds through Invest EU) to provide concessional loans to public entities with terms up to 40 years. The IP still needs to be validated by stakeholders before it can be set up.
IP financing products	CFs4EE Financing products: Concessional loans to public entities with terms up to 40 years Other financing products: None
Final recipients	Public bodies
Citizen Funding	ESCOs/ESCOops co-financing at project level
Project Financing structuring	Single standardized EPC public procurement framework with three financing components: Light Energy Saving measures that will be financed by ESCOs/ESCOops with SEC neutrality Deep energy savings measures that will be financed by the IP under the form of a concessional loan with terms up to 40 years Comfort measures that will be budget financed on dotation by the beneficiaries
Fund manager	In discussion with stakeholders. Possibly: Flemish Government PMV (Flemish National Promotional Institution)
Project Delivery Unit	VEB will act as project delivery unit for the beneficiaries under a facilitation model
Project Delivery services	VEB offers a full scope of technical assistance services to beneficiaries: Assistance to project identification & acquisition Assistance to project assessment & development



	Assistance to project financing development Assistance to project procurement Assistance to project implementation
--	--

6.2.3 Revised CFs4EE Financing Scheme design and implementation Status

- CFs4EE Financing Scheme business model is being finalized and will be soon operable. VEB is currently developing the standardized EPC contract framework to make it operable and start project implementation.
- VEB has not (yet) succeed to get a formal agreement with the main stakeholders of the CitizEE project (the Flemish education administration GO! and Agion) for a large-scale deployment of the scheme into their buildings stock. Both administrations were reluctant to engage into such development due to lack of familiarity with EPC contracting and remaining financial administrative barriers (that are yet to be overcome).
- While VEB has developed solid discussions with PMV as a potential IP sponsor, the Flemish government is similarly reluctant to set up an IP without a clear demonstration of its potential deployment.

6.2.4 Next steps & commitment during the CitizEE framework

- VEB is working with GO! to implement a first project in a 10 school buildings pool as a 'pilot case' to test the CFs4EE Financing Scheme model in order to replicate it at a larger scale. The pilot project will be budget financed by GO! on available budget without intervention of an IP while the citizen funding will be integrated at project level through ESCOs/ESCOops financing with SEC-neutrality treatment.
- VEB is analyzing within its clients' base if another public body can engage as an additional or alternative pilot case, particularly with some municipalities that are willing to engage deep energy refurbishing through EPC contracts as well as having expressed their willingness to engage with citizen participation.
- VEB is recruiting a junior business developer with an economical background to co-operate on the CitizEE-project and work on financial services the upcoming years (beyond the CitizEE project timeline).
- VEB will analyse the overall conditions for the IP platform under the form of a public dedicated credit line from the Flemish government (or alternative) in close cooperation with PMV (Participatie Maatschappij Vlaanderen). The creation of an investment platform will depend upon different factors:
 - the outcome of the analysis (see supra)
 - the scale of the investment target (pilot or dedicated pipeline, one target sector or overall public sector)
 - the commitment of a potential fund manager
 - Potential investors will depend upon the investment target (EIB, PMV, Private banks).

6.2.5 Remark

- Due to the different parameters and the exceptional circumstances (corona pandemic), VEB cannot commit in this stage to set-up the investigated investment platform but can give its engagement to go ahead with the previous mentioned steps and the aim to realize at least a pilot case. Whether VEB will apply for EIB funding/technical support for developing the Investment Platform and do this in due time during the project timeline, VEB cannot guarantee on this moment. This will be dependent on the outcome and the timeline of the previous steps.

6.2.6 Impacts assessment on KPI

- We were working towards a 'pilot case' in which we want to try out the CFs4EE before scaling up to test broad applicability. The pilot would focus on an Energy Performance Contract (EPC) for deep renovation for a selected number of buildings of GO!



- The reluctance of the main stakeholders for the financial scheme, further emphasizes the necessity of a pilot case to overcome the barriers within the public sector, which is not yet familiar with EPC contracting and reluctant of financial risks.
- Due to the long preparation trajectory of an EPC it is yet unclear, if the KPI's will be met within the duration of the project. We are analysing within our current EPC project pipeline for an EPC project which is eligible as a pilot case for the CFs4EE. This project could serve as a mitigation plan if we cannot duly move across the current thresholds with the main stakeholder GO!.

6.3 REGEA pilot project

6.3.1 Issues with the planned CFs4EE Financing Scheme (WP2)

- Initial project scope: CFs4EE Financing Scheme based on the development of a loan fund to fund EPC/ESC contracts in the public building sector.
- Problems / obstacles encountered: the overall framework for energy retrofit of buildings (public, private, residential) in Croatia is set by the *Long-Term Strategy for Mobilising Investment in the Renovation of the National Building Stock of the Republic of Croatia for 2050*, which was officially adopted by the Croatian government on December 14, 2020. The Ministry of Spatial Planning, Construction and State Assets is responsible for the preparation and implementation of the strategy and it was planned to adopt it in the first half of 2020. However, due to the strong earthquake in Croatia in March 2020, which caused significant damage, the above-mentioned strategy was revised and now includes specific measures to increase the seismic safety of buildings (which was the main reason for the delay in adoption). Based on the above-mentioned background and the COVID-19 pandemic, it was not possible to obtain a firm committed to the proposed CFs4EE Financing Scheme by the key stakeholders needed to establish the scheme.
- Mitigation actions: When it has been realized that it will not be possible to obtain a firm commitment to the proposed CFs4EE financing scheme, the CitizEE consortium immediately organized several team meetings in order to analyse with REGEA which mitigation strategy could be deployed. It clearly appeared that the EPC/ESCO contracting for public buildings scope was no more an option and that another sector of investment should be investigated. Taking into account the good relationship of REGEA with HBOR (Croatian Bank for Reconstruction and Development) and the willingness of HEP (National Energy Utility company) to invest in the field of solar PV development, the option that has come to the top was to replicate the VIPA model as HBOR and HEP where keen to engage discussions. This option has also the advantage to build on an operational IP platform model already known by the EIB with similar partners to the VIPA model (National Promotional Bank as the investment platform operator and National Electric company as co-investor). It will also benefit from the learning curve of VIPA reducing the risks and the task efforts in the implementation of this scheme. REGEA is now developing the business model of the scheme on this basis to go in further development with the key stakeholders and the consortium organizes knowledge and support exchange between REGEA and VIPA regularly or at request when necessary. During the 2nd Advisory Board organized at the beginning of February 2021, the reoriented REGEA pilot project gained a positive feed-back from EIB on the new direction and will benefit of further EIB's attention for the next phase.

6.3.2 Description of the revised CFs4EE Financing Scheme (WP4)

General description	CFs4EE financing scheme to fund solar PV investments in public and private buildings with cooperatives and/or crowdfunding platforms as co-investors at project level.
Beneficiaries	Public and private bodies Citizens
Buildings	Public and private buildings



	Residential buildings
Projects	Solar PV projects
Implementation	Separate based contracting
IP sponsor	In discussion with stakeholders: Government Croatian Bank for Reconstruction and Development (HBOR) National electric company (Hrvatska elektroprivreda d.d.- HEP)
IP Co-investors	In discussion with the following stakeholders: National electric company (Hrvatska elektroprivreda d.d.- HEP) Croatian Bank for Reconstruction and Development (HBOR) Commercial banks in Croatia EIB Others
IP Structuring	Public-private investment platform under the form of a debt fund to provides soft loans for solar PV investments
IP financing products	Soft loans
Final recipients	Public & private bodies Citizens
Citizen Funding	Cooperatives and/or crowdfunding platforms co-financing at project level.
Project Financing structuring	In discussion with the stakeholders. Option 1: loans to residential building owners (need for a financial intermediary) with crowdfunding platform or cooperatives co-investing at project level (peer-to-peer loans) Option 2: leasing/renting under TPF from HEP with crowdfunding platform or cooperatives co-investing at IP level
Fund manager	Not yet defined
Project Delivery Unit	In discussion with the stakeholders.
Project Delivery services	In discussion with the stakeholders.

6.3.3 Revised CFs4EE Financing Scheme design and implementation Status

- The business model of the CFs4EE Financing Scheme is being developed and is not yet operable.



- The scope of the business model is being enlarged to include cooperatives funding in addition to the crowdfunding channel.
- REGEA has not yet acquired the commitment of a platform sponsor to further develop the structuring of the Investment Platform.

6.3.4 Next steps & commitment during the CitizEE framework

- REGEA will further develop the business model of the CFs4EE Financing Scheme by integrating cooperatives as possible funding channel additionally to the crowdfunding channel. It is expected that REGEA will have fully developed the scheme by the end of the CitizEE timeframe and operationalized it through several projects (see below).
- REGEA will analyze the overall conditions for the IP platform under the form of a debt fund in cooperation with the financial stakeholders. The creation of an investment platform will depend upon different factors:
 - the outcome of the analysis (see supra)
 - the scale of the investment target (pilot or dedicated pipeline, one target sector or overall public sector)
 - the commitment of a potential fund manager
 - Potential investors will depend upon the investment target (EIB, PMV, Private banks).
- In order to achieve the KPIs stated in CitizEE (investment in renewables with citizen-based finance), REGEA has established the first contact and agreed to provide technical support to a PV investment project planned by an energy cooperative to be legally established by the end of April this year by cities of Cres and Mali Lošinj (based on the islands of Cres and Lošinj). REGEA is in the process of signing a formal Memorandum of Understanding with cities of Cres and Mali Lošinj regarding provision of support through CitizEE. Even though this investment will not be realized through an EFSI backed investment platform, it has nevertheless been initiated through the CROENERGY crowdfunding web platform, which is explicitly mentioned in the CitizEE GA. At this point the plans for investment are that it should be finalized (or at least initiated) within the duration of the CitizEE project.
- REGEA is looking for other potential similar projects in Croatia, in order to further increase the impact of CitizEE.

6.3.5 Remark

- REGEA is involved (1st July 2021) in an ELENA/EIB project (acronym PVMax) which is focused on implementing investments in PV systems. One of the investment mechanisms foreseen in this project is energy communities/cooperatives and the crowdfunding/investing model. We expect to be able to link the CitizEE project with the portfolio of project being prepared through PVMax, however special care will be made in order to avoid any possibility of double financing.
- REGEA is not an eligible applicant to access the EIB/EIAH technical support to set-up an EFSI backed investment platform as it has been confirmed during the previous development of CitizEE with the Croatian Ministry of Physical Planning, Construction and State Assets. EIB/EIAH gave instructions that a Ministry or similar national entity should directly apply.

6.3.6 Impacts assessment on KPI

- As the scheme does not necessarily need to rely from the beginning on EFSI/Invest-EU contribution to start development, we expect to be able to implement the scheme by the end of the CitizEE project.
- Some solar PV investment projects are already being prepared by REGEA with potential final recipients in parallel of the scheme development. Depending on its development, we expect to be able to deliver investment by the end of the CitizEE project.



6.4 GOPARITY pilot project

6.4.1 Issues with the planned CFs4EE Financing Scheme (WP2)

- Initial scope: CFs4EE Financing Scheme based on the development of a loan fund to fund EE/RE investments in public and private buildings.
- Problems / obstacles encountered: GoParity has not yet succeeded in finding the IP sponsor/indicative investment fund manager. Some of the relevant potential sponsors with more deep discussions that have failed are:
 - IfD (National promoter bank): GoParity maintained conversations at the board level but IfD concluded their scope didn't allowed them to be a sponsor for the time being, although interested in evaluating the possibility to be a co investor. The government decided during 2020 to proceed with a complete rearrangement of the national promoter bank model, merging IfD with 2 other institutions (PME Investimentos and SPGM), which led to a complete paralysis of ongoing discussions
 - Banco Atlântico – Small local bank: GoParity initiated several negotiations at the board/corporate department level, however due to a change of ownership the negotiations were suspended
 - Grow Capital – Local fund manager: GoParity initiated first conversations, ultimately, they did not evolve
- Mitigation actions: GoParity revised their strategy to give more visibility to a potential and real pipeline of public administration projects that could serve as the kickoff of the project and support the value proposition to potential sponsors. GoParity has been working in another H2020 project, Bundle Up, that will have a second stage from 2021 onwards. One of the main partners is Adene, the national energy agency, as well as RNAE, the national association of energy agencies – the main purpose of BundleUp is to bring to the investment ready stage a pipeline of energy efficiency projects from public administration. GoParity has been in talks and Adene recognizes the potential fit for CitizEE to be a financial instrument to fund the BundleUp pipeline, with an important focus on citizens, and GoParity hopes to bring a future stronger commitment on Adene side.

More recently, with a focus on further involvement and partnership with Adene (facilitator on the project pipeline side), we invited their President to be part of CitizEE Advisory Board. Also, we reinforced the Advisory Board with Sofia Santos (facilitator on sponsor side), a well-known local expert in sustainable finance with a good network and knowledge of the financial sector (she is consultant of some local financial institutions and has previously been advisor to the Ministry of Environment and Energy Transition).

Sofia introduced GoParity to Grosvenor, a new local fund manager that recently saw their first investment fund for sustainable investments approved by the Portuguese securities commission (CMVM). Meetings have been ongoing with Grosvenor, the outlook is positive and the expectation is to have a go or no go from their part during 1Q 2021. GoParity expects also Sofia to reintroduce it to Credito Agricola, a medium size bank that starts to be more active in terms of sustainable finance and were a first approach in 2019 didn't evolved.

6.4.2 Description of the revised CFs4EE Financing Scheme (WP4)

General description	CFs4EE financing scheme to fund EE/EnR investments in public and private buildings with crowdfunding co-financing at project level or IP level (through existing GoParity Platform)
Beneficiaries	Regional and public bodies Social institutions Other private entities



Buildings	Public and private buildings
Projects	Single Energy Conservation Measures (including Renewable Energy)
Implementation	Separate based contracting
IP sponsor	In discussion with stakeholders: Grosvenor (Fund manager) Grow Capital (Fund manager)
IP Co-investors	In discussion with the following stakeholders: IP sponsor EIB Others
IP Structuring	Public-private investment platform under the form of a debt fund to provides soft loans with terms between 5 to 10 years.
IP financing products	Direct loans to public & private bodies Direct loans to ESCOs Direct loans to RE developer
Final recipients	Public & private bodies ESCOs RE Developer
Citizen Funding	Crowdfunding platform (GoParity) as co-investor at project level and/or at IP level
Project Financing structuring	In discussion with the stakeholders. Separate operations with a direct loan from the IP and a P2P loan from the citizens.
Fund manager	In discussion with stakeholders: Grosvenor (Fund manager) Grow Capital (Fund manager)
Project Delivery Unit	GoParity + Key Delivery Partner (eventually Adene)
Project Delivery services	In discussion with the stakeholders.

6.4.3 Revised CFs4EE Financing Scheme design and implementation Status

- The business model of the CFs4EE Financing Scheme is being finalized and will be soon operable. Up to this date GoParity has ongoing discussions with Adene as a Key delivery partner of the scheme and is currently



negotiating a partnership agreement to access a pipeline of project in technical development via BundleUp Next (a local project of which Adene and GoParity are main partners), as well as promote the CFs4EE Financing Scheme within the public sector.

- GoParity has not yet acquired the final commitment of the approached platform sponsors (Grosvenor and/or Grow Capital) to set up the investment platform. Nevertheless, GoParity is currently negotiating with Grosvenor for the creation of a subfund for energy efficiency under the umbrella of a new investment fund to be launched by Grosvenor (mainly pending on the attractiveness of the pipeline).

6.4.4 Next steps & commitment during the CitizEE framework

- GoParity will revise the initial ambitions of the project, with reasonable achievable goals until the end of the project. The focus will be put on the following objectives:
 - Finalizing the partnership with Adene (national energy agency) in order to engage as soon as possible investment projects.
 - Finalizing the partnership with Grosvenor in order to make the subfund operable as soon as possible.
 - In any case, GoParity will engage solo direct crowdfunding for energy efficiency via its existing P2P platform as a way to match the committed pipeline of citizen funding the project during the course.

6.4.5 Impacts assessment on KPI

- Although with a delay, in part by Covid19 constrains, a clearer view and right partners for the pilot in Portugal seems to have been reached and a final framework is expected to be reached on time.
- The implementation part, considering a clearer visibility and timing for contribution from InvestEU program might be the major factor to impact on the achievement of the project goals on the agreed timeframe.

