



Exploration and Sustainability Plan

European Crowdfunding Network

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

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TECHNICAL REFERENCES

PROJECT ACRONYM	CitizEE
PROJECT TITLE	Scaling up Public Energy Efficiency Investments via Standardising Citizen Financing Schemes
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PROJECT DURATION	May 2019 – April 2022 (36 months)

REPORT NAME	CitizEE_D6.12
DOCUMENT:	D6.12
WORK PACKAGE	WP6 – Dissemination, Communication and Exploitation
TASK	T6.6 - Exploitation
DISSEMINATION LEVEL*	PU
LEAD BENEFICIARY	ECN
CONTRIBUTING BENEFICIARY/IES	ALL
DUE DATE OF DELIVERABLE	31 March 2022
ACTUAL SUBMISSION DATE	25 April 2022

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	14 April 2022	ECN	Oliver Gajda	ALL
V2	22 April 2022	ECN	Oliver Gajda	Sonja Wilhelm



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.

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EXECUTIVE SUMMARY

Description of the deliverable content and purpose

This sustainability plan is about actions partners and actors involved in CitizEE will undertake to further capitalize on project results, lessons learnt, and the level of branding achieved by April 2022. To realistically understand the opportunities for CitizEE to have a long term impact we need to realistically match partners expectations, abilities and resources against potential goals. The CitizEE consortium feels strongly that the lessons learned within the pilot projects have not yet been fully captured and that the pursuit of these pilots beyond the CitizEE funding will be vital in order to gather deeper knowledge on how citizen finance schemes can be developed, within or outside of Investment Platforms.



1. INTRODUCTION

This sustainability plan is about actions partners and actors involved in CitizEE will undertake to further capitalize on project results, lessons learnt, and the level of branding achieved by April 2022. It does not aim to create an ongoing action with own funds nor does it consider, at this time, to extend the work of the project with additional funds. The sustainability of CitizEE builds on the results, the strategy and the concrete actions for the protection, exploitation and continuation of some actions.

It is important to summarize the lessons learned. We must clearly differentiate between the different approaches and markets CitizEE focused on:

- to initiate knowledge on citizen investment in several markets to help build trust and the initial foundations for combining citizen finance with public funds managed via investment platforms
- to review legal frameworks around energy efficiency, investment platforms and citizen finance
- to exploit lessons learned from pilot projects within CitizEE on individual level in order to further clarify opportunities and threads in setting up citizen financing schemes
- to analyse shortcomings in involving European Fund for Strategic Investments with a view to review opportunities under a clearer InvestEU framework
- to evaluate other match funding opportunities in order to leverage public funds through private and citizen financing.

The above considerations would set the scene for the need for a longer-term approach to create the development of investment platforms with the support of the EIB and European Fund for Strategic Investments funds in cooperation with crowdfunding or cooperative funding. The project has highlighted emerging interest across markets where CitizEE engaged, especially with regard to the pilot projects. In the pilot phase legal hurdles with regard to citizen investments, lack of knowledge and trust by local and managing authorities and markets toward citizens involvement and last but not least, changing policy with regard to the underlying funding from Horizon 2020 to InvestEU did not lead to a quick uptake of the idea promoted within CitizEE. On top, the impact of existing Investment Platforms in general is unavailable and it remains difficult to judge if there are indeed success stories that could be used to add citizen finance to the mix. Therefore, the sustainability of CitizEE is not about sustaining the activities that have happened to date but about ensuring that this initial work is continued to be used to promote the idea of large scale involvement of citizens in energy efficiency projects, that it is properly built upon, in order to help the nascent activity that has been established in pilot project markets have the opportunity to meet its potential. Fundamentally it is not sufficient to simply make existing activity available online or distributed to local partners.

2. SUSTAINABILITY SCENARIO

To realistically understand the opportunities for CitizEE to have a long term impact we need to realistically match partners expectations, abilities and resources against potential goals. However, we believe that there are no real options for an extended activity for the project actions at this time, as the legal and political uncertainties will continue to impede success of the proposed actions for the short to medium term.

The sustainability plan shall build upon assets capitalized over the course of the project. These assets comprise of:

- Intervention strategy development for the establishment of Citizen Investment Platforms in the pilot regions/countries
- Institutionalisation of Citizen Investment Platforms
- Legal & Regulatory framework analysis
- Market barriers and segment analysis
- Results of the Financing Schemes development and validation through pilot projects
- Other relevant dissemination materials such as the Toolkit D6.8



The CitizEE assets could be taken individually but also combined where possible to help ensure sustainability of the programmes main aims, either as an umbrella initiative that lives on, and stimulates more citizen investment or within individual pilots.

In terms of capitalisation, the sustainability plan will also consider the following factors, which will influence the final decision on the selection of options with regard to the level of involvement of partners and pilot projects:

- Each partner’s level of commitment in kind or financially to keep working locally and contribute to knowledge exchange
- Countries and type of citizen finance scheme including future contribution
- Use of a central coordination unit
- Need for additional resources other than project partners own funds

We have summarised these options in table 2.1 “Sustainability Options” below.

Table 2.1 –Sustainability Options

	Minimal	Medium	High
EC follow up	No	No	Yes
Partner Funding	No	Yes	Yes
Central coordination	No	Yes	Yes
Pilot continuation	Uncertain	Yes	Yes
Legal advise	No	Yes	Yes
Financial advise	No	Yes	Yes
Business development	No	Yes	No

Incorporating preliminary conclusions discussed by the CitizEE partners on the 5th April 2022 in Cyprus, we can outline each scenario with initial points of attention and recommendations below:

2.1. Minimal scenario:

- No follow-up financial support from the EC.
- No further financial support available to facilitate continuing involvement by existing partners;
- Pilot schemes are in place and would be continued with unspecific commitment of the pilot partners. Success will be on individual level. Existing materials would no longer be distributed by existing pilot partners and no exchange of knowledge would continue. As a result, the materials might still be available via the EC however they would not be proactively used or improved as there would be no budget to maintain a central operation.
- We believe that the impact will be neglectable.



2.2. Medium scenario:

- No immediate follow-up financial support from the EC, but option for later intervention.
- Basic operational and financial support available to facilitate continuing involvement by some existing partners;
- Pilot schemes are in place and would be continued with commitment of the pilot partners to further develop these under commercial aspects or within local policy. Success will be on individual level.
- EUROCROWD continues to provide further support to pilot projects as they develop citizen investment schemes and Investment Platforms. Existing materials would continue to be distributed, adjusted and reused as needed centrally by the remaining partners. We believe that the impact will be limited, but ongoing knowledge exchange and integration into ongoing activities of EUROCROWD might help fertilise pilot projects and potential spill over. The lessons learned can be shared with a wider investment and policy community on European level.
- Given promising changes to the regulatory landscape of crowdfunding, increasing knowledge of the impact of Investment Platforms and other match-funding options, CitizEE might find the opportunity to gain additional funding from EC following the roll out and lessons learned from the ongoing projects in the future. Funding could then be used to streamline the experience of the pilot projects in order to fund the replication of such schemes across the EU.
- We believe the impact will be measurable on pilot level with the potential to develop replication schemes of successful pilots for promotion across the EU. Long term success and scalability would likely require additional funding, for which relevant resources could be sourced via a number of options at the opportune moment, which may or may not include additional EU funding.

2.3. High scenario:

- EC support to emerging and consolidating pilot projects in an extended pan-European CitizEE community to support for cross border activities, further transfers of knowledge, expansion of pilot regions and exploitation of Investment Platforms and other citizen financing schemes.
- Partners' efforts are supported by a central coordination unit to gather results, propose products, promote the initiatives and support pilots;
- New pilots would access an extension programme in a variety of European countries given the need to facilitate energy efficiency measures.
- We believe the impact would be limited and only partly measurable, as the policy framework supporting Investment Platforms remains vague and legal constraints with regards to both energy efficiency and citizen finance continue to create large scale scepticism amongst national and local authorities. Such roll out would likely require further knowledge and more detailed results of the ongoing pilot projects and their impact.

2.4. Preliminary conclusions

During the discussions around the continuation of the CitizEE activities under the above outlined scenarios, the CitizEE project partners have stressed the following for the assumption that a continuation is wanted:

- It seems unrealistic to keep the ongoing actions alone with the funding of the project partners.
- Forthcoming services should be differentiated to address different needs in terms of support, with different pilot schemes using different approaches to structure and include citizen finance as long as there is no proven approach (i.e. Investment Platforms).
- A programme-based approach seems to be advisable, with specific resources earmarked over a fair amount of time by each partner to achieve its own specific goals. This could also be replicated in a future funding or



financing structure of the needed activities. For the time being it will allow each participating pilot project to manage its own expectations and results.

- The role and importance of the pilot projects is vital to the success of CitizEE. To ensure the impact each pilot can achieve, there needs to be local political commitment. Therefore, pursuing efforts to educate relevant authorities will be essential to success with more complex citizen financing schemes, such as Investment Platforms.
- The combined lessons of all pilots will create stronger arguments than those of any single pilot. The added value of coordination and support was underlined. It will be crucial to facilitate engagement, knowledge exchange and to support efforts for replication and uptake by other authorities and private actors.

The CitizEE consortium feels strongly that the lessons learned within the pilot projects have not yet been fully captured and that the pursuit of these pilots beyond the CitizEE funding will be vital in order to gather deeper knowledge on how citizen finance schemes can be developed, within or outside of Investment Platforms. The adjunct knowledge provided by other partners will be of value added in the future, but the bulk of the continuation work would remain on the pilot projects.

EUROCROWD has proposed to assume the coordinating role between these pilots and help with formalising structured recommendations for other authorities and private entities interested in replicating the work.

3. CitizEE continuation

The CitizEE consortium agrees to continue to disseminate the results of the project and continue to gather relevant knowledge and foster its exchange around Europe under a medium scenario, covering operational costs from their own budgets until more clarity in legal frameworks and political will is showcased. A commercial exploitation will be considered under relevant market developments, while additional EU funding might be an option for further proofing potential results from the project pilots over the next months and years.

3.1. Set up

Central coordination: EUROCROWD offers ongoing coordination of knowledge exchange between pilot projects will involve other actors from its network in the work in order to extend the overall knowledge base of all types of joined funding initiatives. EUROCROWD already has a number of national initiatives and partners that are working on similar ideas of leveraging public funds with citizens funds.

Pilot partners: VIPA, REGEA, VEB and GoParity will continue to report on their pilot activities and results going forward in a coordinated exchange set up by the central coordination. The potential involvement in other activities surrounding other match funding options, as already implemented by some pilot partners within CitizEE shall also be captured.

Legal expertise: Stiftung Umweltenergierecht remains available to track relevant updates in the regulatory development and will inform the partners of any relevant changes. It might also be able to give more tailored input to some future questions.

Financial expertise: Energinvest remains available to provide insides with regard to the set up of relevant Investment Platform structures under InvestEU and will inform partners in case of relevant changes. It might be available for more detailed advise in individual cases.

Business development and Funding: WIP will continue to evaluate potential funding opportunities, both commercially and through grant programmes, with regards to a scalable replication model based on the final lessons learned from the pilots and other input in the mid-term.

