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THE EUROPEAN FUND FOR STRATEGIC INVESTMENTS SUPPORT FOR ENERGY PROJECTS: PAVING THE ROAD TO THE EU ENERGY UNION

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Abstract

The *objective* of the paper is to give an overview and to make an analysis of the possibilities for funding of energy related projects from the European Fund for Strategic Investments. The thesis of the paper is that energy projects that will be implemented under the Junker plan will contribute to the EU Energy Union implementation. Specifically, energy efficiency projects will contribute to enhancing the EU energy security, because buildings are the largest consumer of energy in the EU (forming 40% of the final energy consumption) and have the greatest potential to save energy.

The research and analytical methods used for the development of the paper involve analysis of available analytical and regulative documents on the Investment Plan for Europe (the so called "Junker Plan") and graphical presentation of statistical data. To ensure reliability of the research findings, both primary and secondary data sources are used in the process of data collection. The case study method has been applied to illustrate and outline the profile of the first projects that have been approved for financing under the EFSI framework. The concrete *research results and findings* add value not only in scientific and analytical terms but also provide ideas about evidence-based recommendations on policy measures and corrective actions.

Keywords: European Fund for Strategic Investments, energy projects

Topic Groups: Organisations and financing; Politics and Business; Technology and innovations management

INRODUCTION

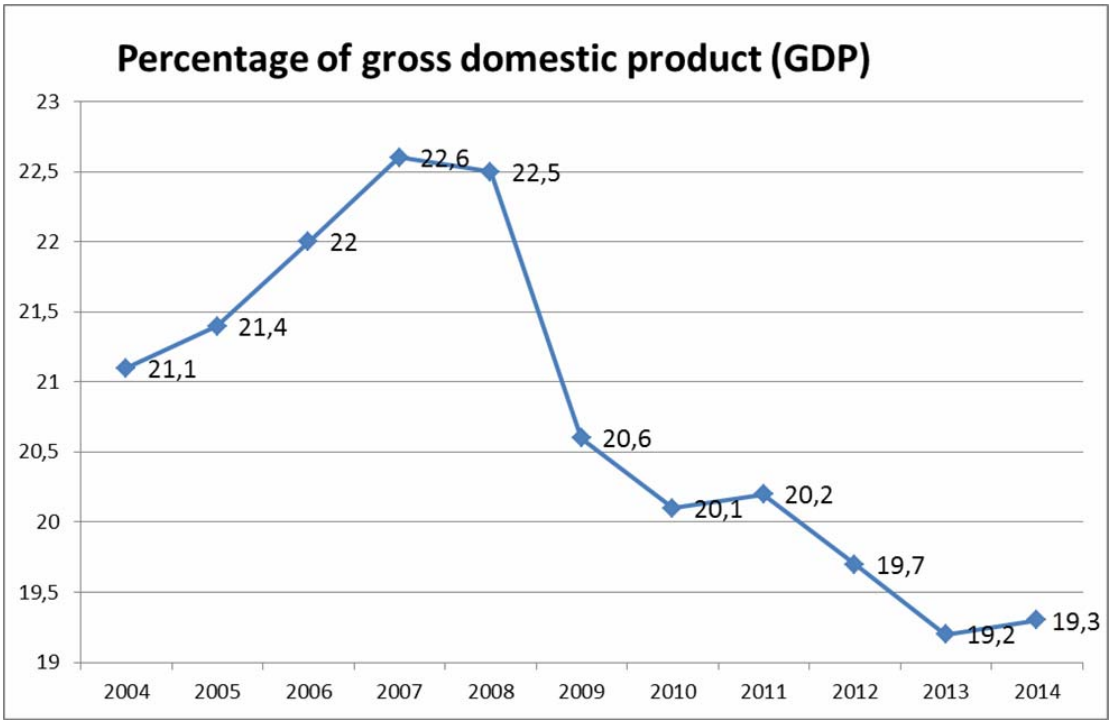
Investments in energy projects are among the most attractive and appropriate type of investments within the context of the general framework and the specific objectives of the Investment Plan for Europe (IPE). The quantity and type of new jobs that they will provide, the positive impact that they will have on enhancing energy security and building the EU Energy market, the environmental benefits they will provide, the positive effects to EU competitiveness they will have, the direct fiscal impacts they will produce, and the relative

flexibility of some energy investments compared to other types of industrial investments represent *the basic factors* that shuld orientate the attention of both the business society and the policy makers towards energy investments that should be considered for financing undr the European Fund for Strategic Investments (EFSI). That's why the EU will benefit from putting a special priority of potential energy investment projects in the ESFI context.

1. THE INVESTMENT PLAN FOR EUROPE FUNDING AND SUPPORT FOR INVESTMENT PROJECTS

In November 2014 the European Commission and the European Investment Bank (EIB) announced the Investment Plan for Europe and the establishment of the newest European fund - the European Fund for Strategic Investments (EFSI). The objective of the Investment Plan for Europe is to overcome the investment gap in the EU (see Figure 1).

Figure 1: EU Investments (Gross fixed capital formation) as a percentage of the Gross domestic product (GDP) for the period 2004 – 2014



Data source: Eurostat, http://ec.europa.eu/eurostat/tgm/table.do?tab=table&init=1&language=en&pcode=tec00011&plugin=1

The initial amount of EFSI is 21 billion euro, out of which 16 billion euro is financed by the EU budget in the form of a guarantee to the EIB, and 5 billion euro is financed by the EIB's own resources. By a multiplier effect[1], estimated to be 15:1, finally a total amount of 315 billion euro are expected to be mobilised through the investment projects that will be

[1] The multiplier represents the ratio between the total financial volume of the projects generated as a result of the intervention of EFSI and the initial public money mobilised to set up the Fund. It enables small initial amount of EU money to generate a much bigger financial volume of projects.

implemented in the three year period 2015 - 2017. Here comes the logical question: which types of projects (that fall within the IPE and EFSI priorities and preferred projects types) could provide unquestionably high societal, financial and environmental impact and could be financed by the EFSI?

The EU guarantee of 16 billion euro will be partly financed through cuts in the Connecting Europe Facility (CEF), the Horizon 2020 program and the unused margins in the EU's annual budget[2]. Out of the 16 billion euro EU guarantee, an **EU Guarantee fund[3] of 8 billion euro** (50% of the total value of the EU guarrantee) is established to mitigate any possible effects on the EU budget by potential calls on the EU guarantee. Its calibration has been chosen so that the EU can meet any potential risks with an adequate safety margin. The Guarantee fund of 8 billion euro is *established only to facilitate the payment of potential guarantee calls*, it avoids having to arrange sudden spending cuts or re-programming. Thus, it brings transparency and predictability to the EU budget framework but is not as such necessary for the guarantee to work.

On 25 June 2015, the European Council adopted a regulation[4] on the European fund for strategic investments. The Council and the Parliament agreed[5] to increase the share of financing coming from unused margins, in comparison with what the European Commission proposed, in order to reduce contributions from Horizon 2020 and the Connecting Europe facility (CEF). The agreement reached on funding is as follows:

- Redeployment will amount to 5 billon euro, of which 2.8 billion euro from the CEF and 2.2 billion euro from Horizon 2020;
- Funding from unused margins will amount to 3 billion euro for the 2016 – 2020 period. The source of this financing includes 543 million euro and 457 million euro specifically earmarked from the global margin for commitments for the 2014 and 2015 budgets respectively.
- Payments could be extended until the year 2023 to provision the EFSI guarantee fund.
- Furthermore, it was agreed that 500 million euro of CEF – transport financial instruments will be redeployed for CEF transport grants.

Small and medium-sized enterprises (SMEs)[6] and mid-cap companies[7] are the main potential beneficiaries of EFSI support through the European Investment Fund (EIF), which is a part of

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[2] Unused margins in the EU budget represent the difference between budgeted payment appropriations and the annual payment ceiling and the difference between the budgeted commitment appropriations and the expenditure ceiling per heading. The annual budget is adopted within the Multiannual Financial Framework (MFF) and usually remains below the MFF expenditure ceilings, to retain some margin to cope with unforeseen needs.

[3] Guarantee fund is a fund established as a liquidity cushion, from which the EIB would be paid in the event of potential losses resulting from EFSI activities. The guarantee fund will gradually reach a target level of €8 billion. This will make up 50% of the total guarantee under the EFSI regulation.

[4] Regulation (EU) 2015/1017 of the European Parliament and of the Council of 25 June 2015 on the European Fund for Strategic Investments, the European Investment Advisory Hub and the European Investment Project Portal and amending Regulations (EU) No 1291/2013 and (EU) No 1316/2013 — the European Fund for Strategic Investments

[5] Council of the EU, Investing in European projects: Council adopts EFSI regulation, 25/06/2015, http://www.consilium.europa.eu/en/press/press-releases/2015/06/25-council-adopts-efsi-regulation/

[6] Companies with less than 250 employees.

[7] Mid-cap companies: Companies with up to 3 000 employees, that are neither SMEs or small mid-cap companies. (Small mid-cap companies are companies with up to 499 employees that are not SMEs.)

the EIB Group. The investments that will receive financing from the EFSI fall within the scope of: infrastructure development (transport, energy interconnection and digital infrastructure); investments in education and training, health, research and development, information and communications technology and innovation; expansion of renewable energy, and energy and resource efficiency; infrastructure projects in environmental, natural resources, urban development and social fields and represent *investment projects of SMEs and mid-cap companies.* Through the EIB, support could also be granted to national promotional banks[8]. *EFSI supports operations* which address market failures or sub-optimal investment situations, and *which could not have been carried out* in the period during which the EU guarantee can be used, or could not have been carried out to the same extent, by the EIB, the EIF or existing EU financial instruments, *without EFSI support.* Therefore, the additionality principle is applicable for the EFSI financing.

2. IDEAS FOR THE FUTURE DEVELOPMENT OF THE EUROPEAN FUND FOR STRATEGIC INVESTMENTS SUPPORT FOR ENERGY RELATED PROJECTS

The implementation of the Junker plan, specifically the backing of energy projects from the EFSI, could play a major role for the building of the Energy Union of the EU. On 15 July 2015 the European Commission suggested a legislative package[9] which is an important step to the implementation of the Energy Union strategy[10] and the climate change policy of the EU, launched as major political priorities of the Juncker Commission in February 2015. (European Commission, 2015). The legislative proposals in the package give prominence to the "***energy efficiency first"*** principle and put households and business consumers at the heart of the European energy market. "Energy efficiency is already the biggest source of "new" energy supply (Calderon, 2015), but large untapped potential remains in Europe."[11]

How to improve Energy efficiency in different sectors and aspects of the EU economy is a major issue that enjoys high interest. For example, the report of the Energy Efficiency Financial Institution Group which was published on 26 February 2015 (EEFIG, 2015), contains recommendations on a range of actions that could help overcome the current challenges to obtaining long-term financing for energy efficiency. Implementing the EEFIG report's recommendations can support economic growth and help tackle climate change at the same time. EEFIG is an expert group established in 2013 to address the need to increase the scale of energy efficiency investments in the EU. EEFIG was set-up by the European Commission and United Nations Environment Programme Finance Initiative and gathers together more than 120 experts from public and private financial institutions (banks, investors, insurers etc.), industry representatives, banking associations and investor groups.
The EEFIG has identified a "very strong economic, social and competitive rationale for the up-scaling of energy efficiency investments in buildings and industry in the EU". It points out

[8] National promotional banks are institutions whose purpose is to advance the public policy objectives of a Member State government, predominantly through the provision of promotional loans on a non-competitive, not-for-profit basis. The loans that such institutions grant are, directly or indirectly, partially guaranteed by the central government.

[9] https://ec.europa.eu/energy/en/news/new-electricity-market-consumers

[10] european commission, energy union: making energy more secure, affordable and sustainable http://ec.europa.eu/priorities/energy-union/index_en.htm

[11] Felipe Calderón, Former President of Mexico and Chair of the Global Commission on the Economy and Climate, https://www.db.com/cr/en/concrete-EEFIG-report--Energy-Efficiency-the-first-fuel-for-the-EU-Economy.htm

that investment in energy efficiency is of strategic importance for the EU since it is a "cost effective manner to reduce the EU's reliance, and expenditure, on energy imports over 400 billion euro a year."[12] The EEFIG report from February 2015 recommends the following measuers:

- the creation of energy and cost database for buildings;
- the development of a project rating system to provide a transparent assessment of the technical and financial risks of energy renovation projects for buildings;
- barriers to expanding the green mortgage market should be addressed;
- there should be a review ensuring that current State Aid rules do not unnecessarily burden accelerated energy efficiency investments;
- the focus of the Unker plan should be put on energy efficiency: "EFFIG findings[13] support the EU Investment Plan's position that there is no single or simple answer to how to boost growth and that addressing both the demand and supply sides of the economy is required. Member States have a clear role to play in pursuing the necessary structural reforms, exercising fiscal responsibility and providing regulatory certainty to boost investment in support of jobs and growth. In this context, energy efficiency is the first fuel because it is competitive, cost effective to produce and widely available. For these reasons, EEFIG considers that the Investment Plan should include a clear focus on improving the energy productivity of Europe as a key driver of growth with funds earmarked for energy efficiency investments."

Some further key facts for consideration that support the idea of the necessity of EFSI backing for efficency projects that will contrtibute to the implementation to the EU Energy Union:

1) The biggest share of EU final energy consumption (40%) is due to buildings[14], but buildings also have the greatest potential to save energy in the EU. In the Energy Efficiency Plan of 2011, the European Commission clearly states[15] that the greatest energy saving potential lies in buildings. Most of the EU buildings were built when no, or minimal energy-related building codes exised. The average energy intensity of heating per floor area in the EU is two times higher than any other region of the world (except Russia). Different measures have been taken by the EU and implemented in the EU Member States to improve buildings' energy performance. In 2002, the Directive on the Energy Performance of Buildings (EPBD)[16] was adopted and amended in 2010 with even more ambitious goals. Buildings are long-term assets expected to be use for 50 or more years after they have been buit and over 75% of today's EU buildings are expected to be in use till 2050. That's why, energy performance certificates of buildings should be improved and funds for energy efficient investments at EU and national level concerning energy efficiency investments in buildings, industry and SMEs should be increased.

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[12] http://ec.europa.eu/energy/sites/ener/files/documents/Final%20Report%20EEFIG%20v%209.1%2024022015%20clean%20FINAL%20sent.pdf

[13] deutsche bank, eefig report: energy efficiency is the first fuel for the eu economy, https://www.db.com/cr/en/concrete-eefig-report--energy-efficiency-the-first-fuel-for-the-eu-economy.htm

[14] European Envioronment Agency, Energy efficiency and energy consumption in the household sector, Indicator Assessment, Last modified 06 Nov 2013, http://www.eea.europa.eu/data-and-maps/indicators/energy-efficiency-and-energy-consumption-5/assessment

[15] European Commission (2011), Energy Efficiency Plan 2011, COM(2011) 109 final

[16] Directive 2002/91/EC, Directive 2010/31/EU

2) Yearly, the EIB lends 2-3 billion euro to energy efficiency progects. This accounts for 3.3 % - 5% of the total annual lending capacity of the EIB (60 billion euro). Generally, supply-side and larger projects are easier to structure and close;
3) It is known that till the end of 2014, EU Member States offered 2000 projects, amounting to 1.3 trillion euro to be included in the EFSI list of potential projects. 22 billion euro (1.7%) of these projects were energy efficiency related;
4) EU estimates that it needs to invest between 1.5 - 2 trillion euro in infrastructure to meet the policy goals of the Europe 2020 Strategy for smart, sustainable and inclusive growth (equivalent to 250 - 330 billion euro per year);
5) EU Buildings require investments in energy efficiency of 60-100 billion euro per year, which represents 24 % – 30 % of the overall EU infrastructure investment need.

The Energy Union aims to make the EU energy more secure, affordable and sustainable. The key drivers of energy security are the completion of the internal energy market and more efficient energy consumption. **Energy Union's third pillar is energy efficiency** as a contribution to the moderation of energy demand which will be achieved through enhancing energy efficiency. EFSI financing can contribute to moderation of energy demand through energy efficiency investments.

The EFSI gives a good possibility to leverage energy efficiency investments through renovation of buildings, which will ensure jobs and contribute to economic growth. Moreover, it will be a missed chance for enhancing the EU energy security and for the building of the EU energy market, if the ESFI doesn't set energy efficiency as a major priority. Well researched barriers such as high initial costs, long payback periods, split incentives and perceived risks hamper energy efficiency improvements in buildings and energy efficiency investing is not easy for many public and private financial institutions: projects are relatively small and heterogeneous, transaction costs are currently relatively high, behavioural barriers exist, the supply chain for buildings renovation can be composed of smaller and local firms and in many countries the long-term incentives and policies which would support cost-optimal energy efficiency investments are not evident. [17] In addition, there is an institutional momentum within many financial institutions – due to the structure of their teams, the lack of knowledge and experience in efficiency projects and past client engagement – to favour large, size, single transaction asset investments (like energy production facilities or interconnectors) over multiple, small, heterogeneous investments (like energy efficiency). This is a classic "market failure" (Tzvetanov, 2014) and indicates a significant resourcing and investment gap which requires public intervention and which ESFI is designed to fill.

Examples of best practices of tailormade energy efficiency investment programmes are:
- the KfW home energy efficiency improvement programme,
- the European Energy Efficiency Fund,
- Kredex' Energy Efficiency Facility.

[17] European Insulation Manifacturers Organisation (EURIMA) and Climate Strategy & Partners, Growth & jobs first: Why energy efficiency in buildings needs earmarking within EFSI, http://www.climatestrategy.es/http://www.eurima.org/uploads/ModuleXtender/Publications/123/15-03-23_EE_Earmark_EFSI_final.PDF; http://www.climatestrategy.es/

In order to have success, energy efficiency funds initiators should communicate actively with their end-customers prior to the construction of the funds. Thus they can develop quality funds that will have bigger impact. Qualified specialists are as important as the investment amounts for the success of energy efficiency funds, renewable energy funds, sustainable energy funds, etc. which are specific types of funds.

Once energy efficiency programs have successful start and the number of well implemented projects grows, they will have huge impacts. The reason for this consideration is the fact that projects for energy efficiency of buildings are in fact retail products for financial institutions, and they will surely add value and have impact for the whole society after their momentum is established - examples for this are different national, regional and local (Alexandrova, 2015) housing energy efficiency investments schemes.

From this point of view, under the Junker plan priorities and the EFSI general investment framework, the EIB could start working with both private and public financial institutions and energy efficiency assets providers, if it realizes the importance of various economic, environmental and societal impacts and benefits of energy efficiency investments.

3. INTITIAL ENERGY RELATED INVESTMENTS UNDER THE INVESTMENT PLAN FOR EUROPE: CASE STUDIES

Investments in energy efficiency, renewable energy and strategic energy infrastructure are among the first projects approved for financing by the EIB board under the EFSI framework. "Investments in renewable energy and measures to cut energy bills are urgently needed. The projects approved by the EIB … reflect the EU Bank's focus on climate action. EFSI will allow us to do more of the good work the EIB has done in the past unlocking investment needed to reduce energy use and cut emissions."[18] (Hoyer, 2015).

The first EFSI energy projects include:

- backing for energy efficiency investment to reduce heating bills of private homes in France;
- new renewable energy and related transmission links in northern and western Europe;
- reduction of industrial energy use in Finland;
- improvement to gas transmission in Spain.

The first French project[19] receiving EFSI backing concerns **investments in energy efficiency renovation in private homes in France** and aims at reducing energy consumption and cutting energy bills in more than 40,000 homes. The programme will to promote energy efficiency in the French homes through the funding of certain regional and local initiatives supporting energy renovation of private residential buildings. With the possibility of using renewable energy, it will enable substantial reductions in energy consumption and greenhouse gas emissions. To facilitate the decision making of house owners, project promoters offer a "packaged" solution covering technical and administrative support for energy renovation and,

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[18] *Werner Hoyer, President of the European Investment Bank Group, Investment Plan for Europe to support renewable energy and strategic infrastructure projects, http://www.eib.org/infocentre/press/releases/all/2015/2015-104-investment-plan-for-europe-to-support-renewable-energy-and-strategic-infrastructure-projects.htm*

[19] European Portal for Energy Efficiency in Buildings, http://www.buildup.eu/news/45159

according to demand, also the financing of these investments over a long period through financial intermediaries or through a third party financing. Thus, the co-financing will be channeled to home owners through public or public private entities or financial intermediaries.

Energy investment backing **through equity participation in a specialised fund** supports investment in a wide range of energy schemes, including construction of new offshore wind farms, biomass facilities, and energy transmission links that will help cut carbon emissions and create thousands of jobs.

Under the framework of the Investment Plan for Europe, the EIB Group's **first equity participation in an investment fund in France** is dedicated to **renewable energy.** On 23 July 2015, a day after the EIB Group and the European Commission signed in Brussels the agreement to implement the Investment Plan for Europe, the EIB signed its an equity participation under the plan, a **50 million euro commitment to an investment fund managed by Omnes Capital, entirely dedicated to developing renewable energies: "Capenergie 3"[20].**

This investment project will finance means of energy production with a global capacity of **over 500 MW** and create **more than 1 000** jobs during the construction and operation of the renewable energy projects that will be supported. The EIB's participation in the form of an equity injection is expected to attract other international investors, helping Capenergie to speed up its fund-raising and grow its business. With a target size of 200 million euro, the "Capenergie 3" fund will leverage total investment of 1 billion euro.

Having good expertise in the sector, the "Capenergie 3" fund will focus on European renewable energy production infrastructure projects. The decentralised projects that will be financed by the fund will be developed by **key SMEs in the sector** (wind, solar, hydropower and heat networks). As a partner to such SMEs for the past ten years, Omnes Capital is a vital player in the renewable energies market.

That's how, with the EIB's support, "Capenergie 3" will finance several hundred megawatts of power, job creation in France, and foster the global development of partner SMEs in the projects. "The market environment is favourable: renewables are now competitive with traditional sources of energy. So this is the right time for institutional investors to invest in this asset class."[21] (Savasta, S., 2015)

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[20] Omnes Capital, Euroean Commission and European Investment Bank, Investment Plan for Europe: EIB Group's first equity participation in investment fund in France dedicated to renewable energies, 23 July 2015, Paris, http://www.omnescapital.com/sites/default/files/pressreleases/15-01633-V01F-EN-CP%20-%20Premi%C3%A8re%20prise%20de%20participation%20du%20Groupe%20BEI%20dans%20un%20Fonds%20dinvestissement%20en%20France%20d%C3%A9di%C3%A9%20aux%20%C3%A9nergies%20renouvelables.pdf

[21] Serge Savasta, Managing Director of Omnes Capital, http://www.eib.org/infocentre/press/releases/all/2015/2015-176-plan-dinvestissement-pour-leurope-premiere-prise-de-participation-du-groupe-bei-dans-un-fonds-dinvestissement-en-france-dedie-aux-energies-renouvelables.htm?lang=en

The first financial transaction under the Investment Plan for Europe **in Denmark** is in the field of **innovative renewable energy infrastructure[22].** The EIB provides **equity-type financing** of up to EUR 75m (560 million DKK) to Copenhagen Infrastructure Partners (CIP) for an innovative infrastructure fund called "Copenhagen Infrastructure II" that will invest in large energy-related projects such as offshore wind, biomass and transmission schemes. The EIB financing will be proposed for backing by the EU budget guarantee under the EFSI.

The renewable energy infrastructure fund "Copenhagen Infrastructure II" targets mezzanine and equity-type investments primarily in newly established greenfield energy-related projects, located mainly in Northern and Western Europe. This groundbreaking operation will enable institutional investors to engage at an earlier stage in large renewable energy infrastructure projects. The fund also stands out in terms of its innovative structure, accommodating a long-term investment horizon of 20 years.

The fund will primarily focus on renewable energy projects that generate energy with lower pollutant and climate-relevant emissions than conventional fossil fuel-based power plants. The anticipated high share of offshore wind, biomass and transmission investments is expected to generate considerable employment in the construction phase (around 2500 - 4000 jobs). It is also estimated that approximately 1000 jobs may be created during the project's operation, a significant number of which will be highly-skilled jobs.

In recent years, the EIB has played a leading role in supporting the offshore wind sector on the debt side, and it is now also embarking on the equity side to provide further support to the development of this large-scale and strategic infrastructure for Europe. The financing for Denmark is a good example for an innovative fund support that will contribute to the achievement of European targets for renewable energy generation and CO_2 emissions reduction, safeguarding and creating at the same time a significant number of jobs.

The EFSI first loan for Finland supports a new large scale **bio-product (**pulp) **mill** that will be self-sufficient using renewable energy[23]. The EIB and Metsäliitto Cooperative have signed a 75 million euro loan agreement for the construction of a new large-scale bio-product mill in Finland (Äänekoski). The financing will be submitted for backing by the EU budget guarantee under the EFSI.

The bio-product mill has already benefited from a separate 200 million euro EIB loan extended to Metsä Fibre Corporation, part of the Metsä Group. Metsäliitto Cooperative is the parent company of Metsä Group. The total 275 million euro financing from EIB will help finance the new mill, which will produce 1.3 million tonnes of pulp per year. The project includes the generation of energy from renewable sources and an innovative bark gasification plant that will allow the mill to be fossil fuel free. The expected renewable energy generation capacity corresponds to 1% of Finland's current electricity consumption.

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[22] European Investment Bank, Reference: 2015-152-EN, 02 July 2015, http://www.eib.org/infocentre/press/releases/all/2015/2015-152-first-financial-transaction-under-investment-plan-for-europe-in-denmark-eib-backs-innovative-renewable-energy-infrastructure-fund.htm?media=rss&language=en

[23] The EFSI first loan in Finland, http://www.eufundingtrends.eu/news/efsi-first-loan-finland-eib-supports-bio-product-mill

This project represents one of the largest industrial investments ever undertaken in the country. It is expected to create approximately 6 000 jobs during the construction phase and sustain another 2 500 jobs in the forestry sector. It reflects the Metsä Group's strategy of increasing its competitiveness through higher product quality, higher resource efficiency, and innovative process optimisation.

The project is a good example for support of a next-generation bio-product mill that will create new jobs on a traditional industrial site, and bring substantial improvements in terms of energy efficiency and environmental performance.

New investment in the Spanish gas distribution network will for the first time give consumers in some areas the choice of using natural gas, a cleaner and cheaper alternative to fuel oil.

CONCLUSIONS AND IMPLICATIONS

The EFSI is an important instrument through which the additional investment can be mobilised in the EU in the post-crisis period 2015 - 2017. The EFSI will support strategic investments that have high economic and societal added value. The fund will also stimulate higher risk-bearing. By taking part of the risk of new projects through a first-loss liability, the fund could attract private investors who may join under more favourable conditions. Thus EFSI aims to unlock an additional investment of minimum 315 billion euro during the years 2015 – 2017. Projects supported by the EFSI require approval by the EIB and are managed according to the EIB's project cycle specifics.

The EFSI aims to overcome the current market failures and to address market gaps by taking on some of the risk. The EIB will provide loans and will in turn be covered by the EU budget guarantee. This will mobilise private investment and other relevant public funding by de-risking the overall portfolio of certain types of invetments, where market failure occur (such as energy efficiency investments). Thus lenders and investors that are less familiar with the specificity of energy efficiency investments can derive comfort and enter the market more easily and in greater size.

Ideas for future EFSI support for energy projects include:

1) Most of the non-energy related strategic investments financed by the ESFI could reveal if there is an additional energy efficiency aspect, activity or element that might be included within the project scope. This could be officially specified as a criteria of the EIB in evaluating the application for ESFI support.
2) To stimulate society and finance institutions to implement energy related projects, coordinated actions among stakeholders are necessary. They could involve further efforts and real sector investments paving the road to the building of the EU energy Union.
3) A specific target investment amount could be determined for energy related projects implemented within the framework of ESFI. If we assume that EFSI will be a structured fund, the energy related investment amount could be placed into a sub-fund to ensure resource focus and transparency for these investments.

These ideas contribute to enhancing the EU energy security and the implementation of the EU Energy Union.

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