2013-2023
A DECADE OF ACHIEVEMENTS
Introduction

Over the past 10 years, EEFIG has put energy efficiency investments in the limelight of energy policy making and on the radar of financial institutions. Its main strength has always been the results achieved through cooperation and dialogue between the European Commission, UNEP FI, financial institutions, and the energy community.

The present has proven EEFIG’s activities right. With energy efficiency at the centre of the EU’s energy policy, the need to step up investments in energy efficiency is now more crucial than ever for Europe to achieve the clean energy transition and the full decarbonisation by 2050.

We would like to warmly thank all those who dedicated their time to help producing what it is now the EEFIG legacy for the future, summarised in this publication.

We invite the EEFIG community and beyond to maintain and reinforce their covenant with energy efficiency, and to engage in the future Commission-led European Energy Efficiency Financing Coalition. Only together can we achieve an energy efficient and clean-energy future!
The idea for EEFIG was born at COP15 in Copenhagen in 2009. In 2011, the EU Commission hosted a financial institutions working meeting on energy efficiency, which led to the formal launch of EEFIG in 2013. Working together as co-conveners of a voluntary expert group, the EU Commission and UNEP FI were the right combination of forces to launch a concerted effort to identify and document solutions to the energy efficiency finance and investment problem. And this is how EEFIG’s journey began.

10 years of accomplishments

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The 2015 EEFIG landmark report “Energy Efficiency – the first fuel for the EU Economy: How to drive new finance for energy efficiency investments” has catalysed funds, tens of millions in research projects, and changed ways of thinking about energy efficiency investments in Europe.

EEFIG’s primary work fed the high-level expert group on Sustainable Finance (launched in 2016), a G20 task group on energy efficiency finance, and the various sustainable finance Technical Expert Groups and platforms. In this way, energy efficiency came first and provided technical inputs into the EU’s Energy Union strategy and later the EU Green Deal, as its recommendations remained valid all the way into COP26 in Glasgow, when an updated version was released.

The power of the landmark report was threefold. Foremost, it was the first time such a powerful and representative group (100 organisations of which 40 % were financial institutions) had provided such detailed recommendations – 31 in total.

These 31 recommendations were made explicitly by and for each sector (buildings, industry, and SMEs) and directed at one of three different institutional levels:

1) EU Commission
2) Member States and local authorities
3) Market participants themselves.

Finally, the EU Commission and UN Environment Programme’s Finance Initiative (UNEP FI) both got behind the recommendations and used their respective powers to impact policies and market participants based upon the report.
In 2016, EEFIG got back together to help implement several of its own recommendations from the 2015 landmark report. This was done with partners and members by designing tools to help market participants identify, assess, and include energy efficiency considerations in their investments in buildings and industry. There were two main EEFIG phase 2 deliverables – the DEEP database, and the Energy Efficiency Underwriting Toolkit.

**DEEP, De-risking Energy Efficiency Platform**
Europe’s largest energy efficiency investment project database which today includes the results of over 35,000 real project investments made by EEFIG stakeholders in all EU countries. The database was named “DEEP” – the De-risking Energy Efficiency Project database. It’s a great public resource for any financier wanting to benchmark the expected payback periods, sizes, locations, and conditions of groups of similar investments contributors have already made.

DEEP can be accessed [here](#).

**Underwriting Toolkit**
EEFIG worked with leading financial institutions to publish an “Underwriting toolkit”. Made to help less experienced financial institutions scale up their deployment of capital into energy efficiency. Recognising the complex internal organisational structures in big FIs, the toolkit addresses deal originators, analysts, and risk departments to spot opportunities and better evaluate both their value and the risks, provides materials for training and capacity building around standardised processes, and helps develop a common language for project developers and project owners to use when pitching energy efficiency projects to financiers.

Access the online toolkit [here](#).

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**PHASE 2**

**EEFIG Tools: Walking the walk**

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35,000+ PROJECTS

Access all the key figures for DEEP [here](#).

Access the Toolkit brochure [here](#).

Get the Toolkit brochure [here](#).
To launch phase 3, EEFIG – whose membership is now close to 500 – deployed expert teams to answer in detail some of the most important technical questions uncovered by its prior work, and consensually agreed on by EU policymakers and market participants. These questions include:

- What should the EU energy efficiency investment and finance data collection strategy be?
- Is there a material and statistically significant correlation between credit risk and energy performance in lending?
- How do we value the multiple benefits of energy efficiency?
- How do we accelerate energy efficiency investments in industry?
- Are energy efficient buildings worth more?
- What energy efficiency investment data is available today and is this sufficient?
- How should financial institutions implement the energy efficiency first principle?
- What are the drivers of consumer demand for energy efficiency and how can they be promoted?

Each question would be answered by a selected expert group with the right experience in a 100+ page report often over a period of two years. Hand selected expert groups, including both finance and energy experts, were critical to answer the questions in sufficient detail. In many cases – Working Groups subdivided again into geographical mini-hubs, or by different types of financial actors (asset managers, retail lenders, real estate or private equity).

EEFIG’s phase 3 reports are published by the Publications Office of the European Union – the official provider of publishing services to all EU institutions, bodies, and agencies. The following pages provide an overview of the results of each Working Group and their published reports.
On Financing Practices for Energy Efficiency

Energy efficiency investments must more than double to meet EU’s climate and energy targets. This EEFIG report takes a deep dive into the current status and identifies necessary actions to scale up energy efficiency investments in buildings, SMEs and industry. Driving demand for energy efficiency remains the most imminent challenge and will require a combination of the right financial offer, financial incentives to reduce up-front payments, and reduced transaction costs through standardisation.

On Financial Performance of Energy Renovation Loans

Are green loans less risky, and can better energy performance increase the property value? This report looks at the relationship between the energy performance of buildings, credit risk, and asset values. Based on evidence from nearly a million mortgages in Europe it concludes that there is a statistically relevant correlation between the energy performance of building collateral and mortgage credit performance and identifies recommendations for further work in this area.

On Multiple Benefits of Energy Efficiency Projects

The multiple benefits of energy efficiency investments such as improved indoor air quality, job-creation, energy poverty alleviation, and environmental sustainability are increasingly considered by policymakers. However, these benefits are not yet fully part of the financing and investment decision making routines of asset owners and financial institutions. The report explores ways to monetise the multiple benefits and to integrate them in investment decision-making and financing procedures.

On Energy Efficiency in Industry and SMEs

European industry is key to job creation and growth – and at the same time key to decarbonisation of the European economy. In this context energy efficiency is an important and cost-efficient tool. The EEFIG Working Group on Industry assessed the main obstacles and drivers for improved energy efficiency in industry, identified best practices, and developed recommendations for industry, financial institutions and policy makers.

Learn more here

Learn more here

Learn more here

Learn more here
On Energy Efficiency Financing under the EU Budget

EU and national public funds can act as a catalyst for private finance for energy efficiency, but the risk of crowding out should be minimized. This calls for increased use of blending of private commercial loans with public grants, public guarantee facilities, and public funds for enabling activities including facilitation and advisory. At the same time, increased focus is needed on the actual preparation of project pipelines, investor commitments and implementation at Member State level.

On Monitoring Data on Energy Efficiency Investments

Data on actual and planned energy efficiency investment and financing levels across EU Member States and key sectors (buildings, industry, SMEs) is essential to make the best possible use of available public funds, stimulate and mobilise additional private investment. The report identifies the relevant datasets to monitor energy efficiency investments and financing and provides advise on the best method to capture, process, and organize data on energy efficiency investments and financing.

On Applying the Energy Efficiency First Principle

Energy Efficiency First is a central principle of European energy policy. However, its adoption within the finance sector is still limited. Every day many investment and lending decisions are taken which ignore profitable energy efficiency opportunities, locking in wasteful energy use and emissions for the lifetime of the underlying asset. The report provides guidance for financial institutions on operationalising energy efficiency first and recommendations for the EC on supporting measures.

On Demand Activation for Energy Efficiency Investments

Energy efficiency is socio-economic optimal and a rational decision from the individual point of view, but the demand for energy efficiency investments is still too low to meet the EU climate targets. The report assesses barriers and drivers to the demands for energy efficiency investments, identifies best practices for addressing the barriers, and provides recommendations on effective tools and policy instruments for increasing consumers and final users demand for energy efficiency investments.
2023 not only marks 10 years of working towards and accomplishing energy efficiency financing but also the conclusion of EEFIG as we know it. EEFIG has been more than successful, it has fully identified and documented the key issues driving and preventing energy efficiency investments, it has produced tools to support investors and banks identify and put energy efficiency first, and it has fully answered all the Commission’s questions about the role of and potential for financial institutions in energy efficiency.

Moving forward, the Commission has called for the launch of a high-level European Energy Efficiency Financing Coalition to mobilise more private financing for energy efficiency. This new coalition can use the bedrock of EEFIG’s legacy and technical work to further increase the effectiveness and efficiency of EU funding, implement new public-private energy efficiency financial instruments, and take EEFIG up a notch politically and simultaneously land its work in millions of buildings, SMEs and industries locally in the EU’s 27 Member States. The importance of what EEFIG has achieved and what it will enable is only just emerging, and its full impact will perhaps only be seen when we look back from 2030...

Thanks to the 500+ contributors to EEFIG over these years!