

How to solve financial issues?

Insights from the JRC Handbook on territorial and local development strategies

OVERVIEW

Insights from the JRC handbook chapter on finance and funding

SOLUTIONS

Practical examples.

FOCUS

Other than grants. Money & in-kind.

1. EIB/EU 2. Private 3. Citizen.

COMMON CHALLENGES

Getting projects ready for finance, project size, borrowing capacity and others.

FOCUS #1

EIB/EU





EIB/EU

FIND THE RIGHT INSTRUMENT

EIB loans range from framework, investment to structural ones. Other instruments may include equity and Risk Sharing Finance Facility for companies. EBRD instruments range from loans, equity to guarantees. Other EU issuer of debt and equity include EIT Energy amongst others.

GET PROJECTS BANKABLE

EIB can act as a fund manager. National Promotional Banks as an intermediary. Technical assistance is provided via EIB European Investment Advisory Hub, FI-Compass, JASPERS, EIB ELENA, InnovFin and others.

MEET INVESTMENT CRITERIA

Debt ceiling. Borrowing capacity. Portfolio. Equity contribution. In-kind. Min project size, i.e. ELENA > EUR 30 Mio, JASPAR > EUR 50 Mio.



The EIB/Belfius Smart Cities programme combines EIB funds & commercial loan application in Belgium. Implemented via local bank branches to municipalities.
Lower interest rates.

SOLUTIONS

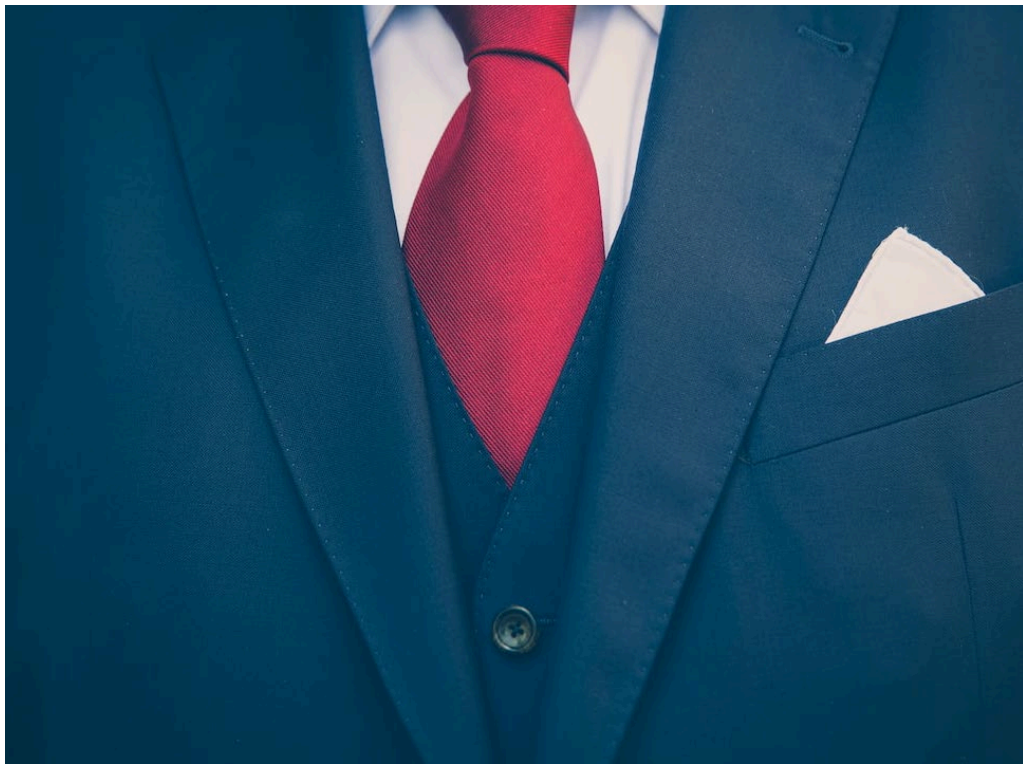
Less admin. Smaller projects. Use the right network.
Examples.



EU funds for Northvolt's lithium-iod battery gigafactory in Sweden. Adequate funding during different investment life-cycles, i.e. EIB, EFSI, EIT InnoEnergy, InnovFin, Horizon2020. Public-private matchmaking.



Fund Flag leverages EBRD and EIB funds for infrastructure and local government programmes in Bulgaria. Simplified procedures, flexibility of instruments and lower interest rates enable municipalities of different creditworthiness to access loans faster.



FOCUS #2

Private



Private

MATCHMAKING

Timing and the right audience. Leverage EU's network.

GET PROJECTS BANKABLE

Special-purpose vehicles or investment portfolio. Collaterals. Debt ceiling. Due diligence process.

DE-RISK

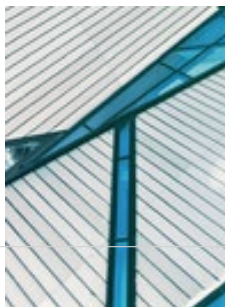
Credit worthiness. Ownership. Project duration. Technical, operational, financial risks.



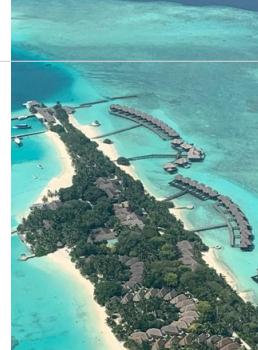
Bankers without Boundaries are helping EU Cities reach out to private investors. The ClimateCityContract provides a template for investments. BwB reaches out to investors. Set up municipal green bonds. Identify long-term impact investors.

SOLUTIONS

De-risk. Match-making. Translate needs to financiers.
Examples.



Investor Confidence Project to certify and standardize Energy Efficiency projects. Match with financiers.



The Horizon 2020 project NESOI provides technical support and access to funding to 2400 islands.

FOCUS #3

Citizen





Citizen

CONTRACTING

City, city-owned utility, SPV, hospital, SME or ESCO as contracting parties. Choose the right instrument, i.e. cooperatives, loan, equity, mezzanine.

SUSTAIN ENGAGEMENT AND DRIVE BEHAVIOURAL CHANGE

Transparent reporting. Accountability. Effective learnings.

PROCESS

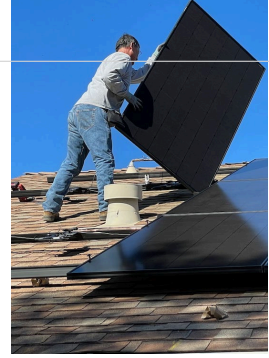
Get projects ready for citizen finance. Set up and approval processes matter.



The local utility Wien Energie financed solar parks from citizen to enable profit-sharing and promote engagement.

SOLUTIONS

Learn from local cooperatives, crowdfunding, NGOs.
Examples.



Council bonds via crowdfunding via Abundance. Pan-European finance of green SMEs via OnePlanetCrowd. Donation, debt and mezzanine crowdfunding are more common for NGOs, industrials and startups.



Rescoop supports energy cooperatives in power generation, district heating, building retrofits, social housing and other projects.

