

Financing solutions for ambitious climate plans



The problem:

Implementing ambitious local climate action plans is paramount in the fight against climate change. However, **there are not enough comprehensive funding solutions adapted to ambitious local climate objectives.**

The solution:

EU-funded **FALCO project** has developed a series of financing solutions in the Flanders region in Belgium, that consider local climate action plans in their entirety and address ambitious objectives with **concrete financing solutions.**

FALCO project solutions place a focus on lifting both financial and non-financial investment barriers and make use of private capital in combination with public budgets.

A total of 17 million euro of investments has already been contracted as a result of the FALCO project (in SME's and for home renovation) and more than 11 million euro of investments are in preparation in Flanders (Belgium) from 2021, with a focus on public building renovation.



FINANCING SOLUTIONS EXPLAINED

1. Revolving fund for renovation of private houses

Energy Renovation loan (ER2.0 loan) is a personal loan of up to 50 000, available for a period of up to 20 years, that integrates technical assistance features. The solution is structured as a revolving fund where the initial equity is provided by (local) authorities and leveraged by debt secured with financial institutions.

2. Third-party financing for SMEs

The focus of this solution is to work with portfolios as opposed to individual SMEs in order to overcome the obstacles of high transaction costs and limited investment volumes (amongst others). The deviation in energy savings at portfolio level remains manageable and energy saving measures are combined with investments in renewable energy.

3. Renovation of public buildings

Public authorities have set ambitious goals to make their real estate portfolio climate neutral. However, many do not have an accompanying (financial) plan. This solution assists local authorities in getting started with deep energy retrofits of their real estate with a variety of strategies, ranging from an assessment and optimization of their real estate to the overall maximization of energy savings within a cost neutral budget.

PROJECT AT A GLANCE

***FALCO stands for Financing Ambitious Local Climate Objectives**

Duration: from 01/06/2017 to 31/05/2021

Overall Budget: 1, 7 million euro

Coordinated by: Tractabel Engineering

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PROJECT CONSORTIUM



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