



FINANCIAL INCENTIVES OF ECO FUND, SLOVENIAN ENVIRONMENTAL PUBLIC FUND

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STRUCTURE

1. **Setting the context:** policy rationale and public players in the field in Slovenia
2. **Institutional matters:** organisation chart and financial sources
3. **Policy toolkit:** financial mechanisms, funds and eligible investments for loans and grants in 2016
4. **Analysis, examples and future challenges**



1.A.I. CHALLENGE & OPPORTUNITY

- **Environmental & climate challenges and commitments of states to address it**
 - **EU directives: 20 % energy efficiency improvement and 25 % renewables share until 2020, all new buildings after 2020 nZEBs (public: after 2018)**
 - **Paris Climate Change Agreement – keep the rise of global temperature under 1.5°C**
- **Opportunity of green growth: immediate and long-term environmental as well as economic and social (multiplier) positive effects from public financial support to investors in green technologies, energy efficiency and sustainability as public goods**

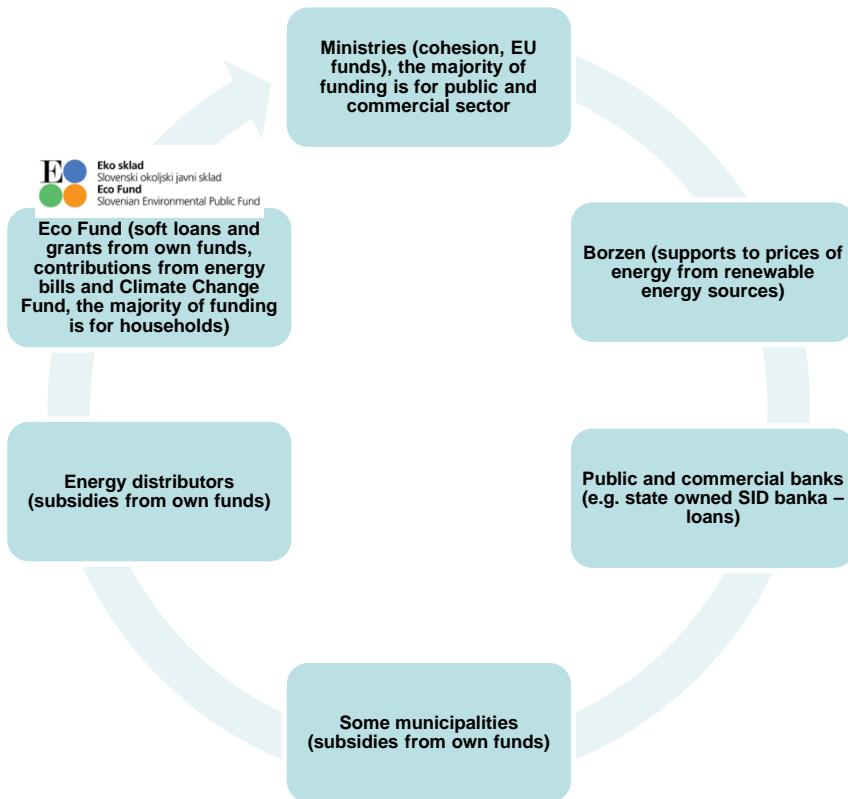


1.A.II. CHALLENGE & OPPORTUNITY

- **Some effects (positive externalities) that make the policy pay off:**
 - grey economy decrease
 - budgetary revenues increase
 - employment increase
 - adaptation of the building business in a sustainable direction
 - improved international competitiveness of companies
 - encouraged use of strategic resources (wood biomass in Slovenia)
 - improvement in the quality of life, living conditions, public health
 - less energy dependency, more stability
 - ...
- **It's a popular policy instrument among voters**



1.B. POSITION OF ECO FUND AND OTHER PLAYERS IN THE FIELD

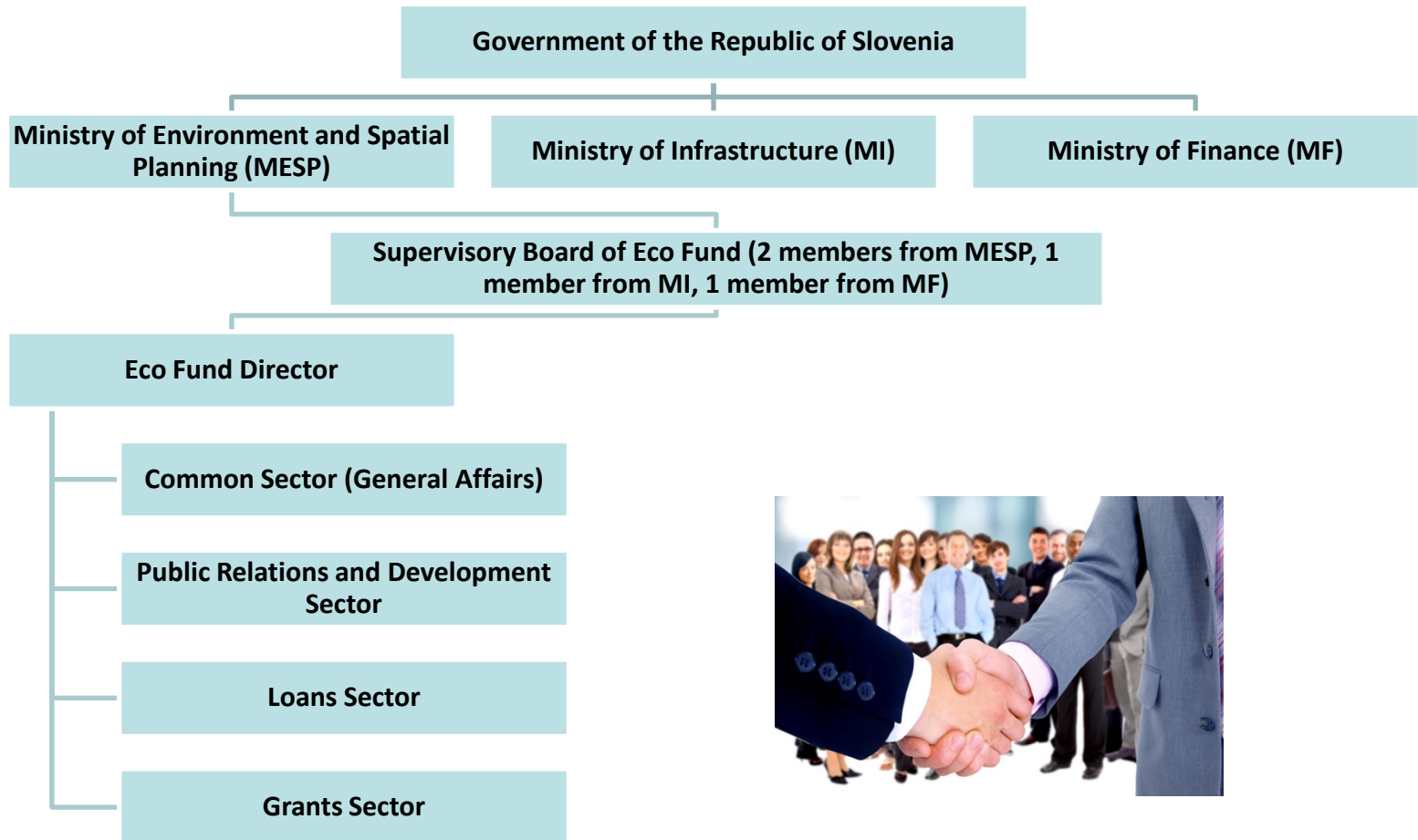


- **Eco Fund is a public fund (owned by the state) specialized in providing financial incentives for environmental investments**
- **Established in 1993, following the example of EU member states leading in sustainable development and green technologies, as one of public mechanisms for environmental policy enforcement**



2.A. ECO FUND – STRUCTURE

- Currently employing 36 people (public employees)





2.B. SOURCES OF FUNDING, CAPITAL AND LIABILITIES

- Sources of funding:
 - for Eco Fund's administrative costs and Eco Fund's loans:
 - Eco Fund's own funds (some funds provided by the state at the time of establishment and later funds as recapitalization; repayments from loans also become own funds of Eco Fund)
 - loans from domestic and international financial institutions
 - for Eco Fund's grants:
 - the Decree on energy savings requirements (providing funds from energy efficiency contributions paid by end users of energy as part of bills)
 - contract providing budgetary sources from the Climate Change Fund administered by Ministry of Environment and Spatial Planning (funds from emission coupons)
- Earmarked assets fund: 111.8 million €
- Reserve fund: 17.2 million €
- Total Balance Sheet Assets on December 31, 2015: 246.2 million €



3.A. ECO FUND'S KEY FINANCIAL MECHANISMS

- **Soft loans with favorable interest rates (since 1994)**
- **Non-repayable subsidies (grants) (since 2008)**
- **Financing and coordination of Energy Advisory Network free for households (offices all over Slovenia)**
- **Financing of awareness-raising activities in the field of environmental protection (conferences, meetings, publications, projects of NGOs etc.)**





3.B. ECO FUND 2016

Funds for public calls in 2016 (est.)

- loans: 30 million €
- grants: 52,6 million €

Focus on: the building sector which has the **biggest potential** for delivering significant and cost-effective GHG emissions reductions (proven policies, technologies and knowledge already exist on the market); therefore, countries should **prioritize the building sector** as key to meet their national targets on energy efficiency





3.B.I. ECO FUND 2016

SOFT LOANS WITH FAVOURABLE INTEREST RATE (3m euribor + 0-1.3 %)

- **To households, legal entities and municipalities for various environmental investments:**
 - air pollution reduction
 - efficient use of energy
 - use of renewable energy sources
 - waste management
 - waste water treatment
 - water supply





3.B.II. ECO FUND 2016

NON-REPAYABLE SUBSIDIES (GRANTS)

- to households for energy efficiency and use of renewable sources of energy in residential buildings

- solar heating systems
- biomass boilers
- heat pumps
- connection to district heating on renewable energy sources
- energy efficient wooden windows
- facade insulations
- roof insulations
- heat recovery ventilations
- new nearly-zero-energy buildings (nZEBs)
- full retrofits
- purchases of apartments in nZE multi-residential buildings (full retrofits)



- to households, legal entities and municipalities for electric cars and public transport (energy efficient buses)
- to municipalities for nearly-zero energy public buildings



4.A. ANALYSIS

1995 – 2015:

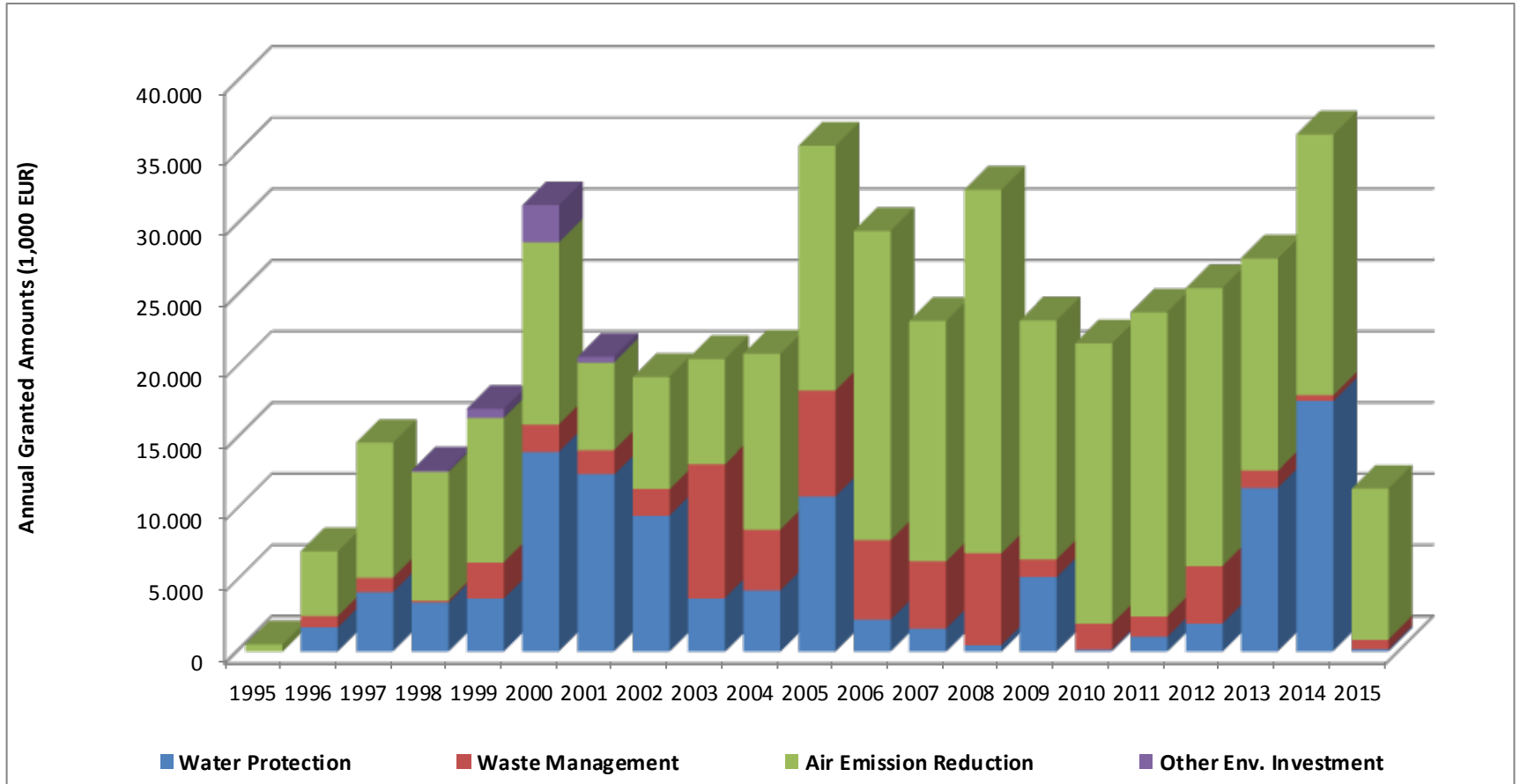
- **total of 56 published public calls**
- **17,300 granted loans in the amount of over 451 million EUR**
- **78,400 granted non-repayable subsidies in the amount of over 141 million EUR**

- **The majority of applications is from households (which, in Slovenia, are relatively under-indebted and keen investors, especially in buildings)**



4.A.I. ANALYSIS

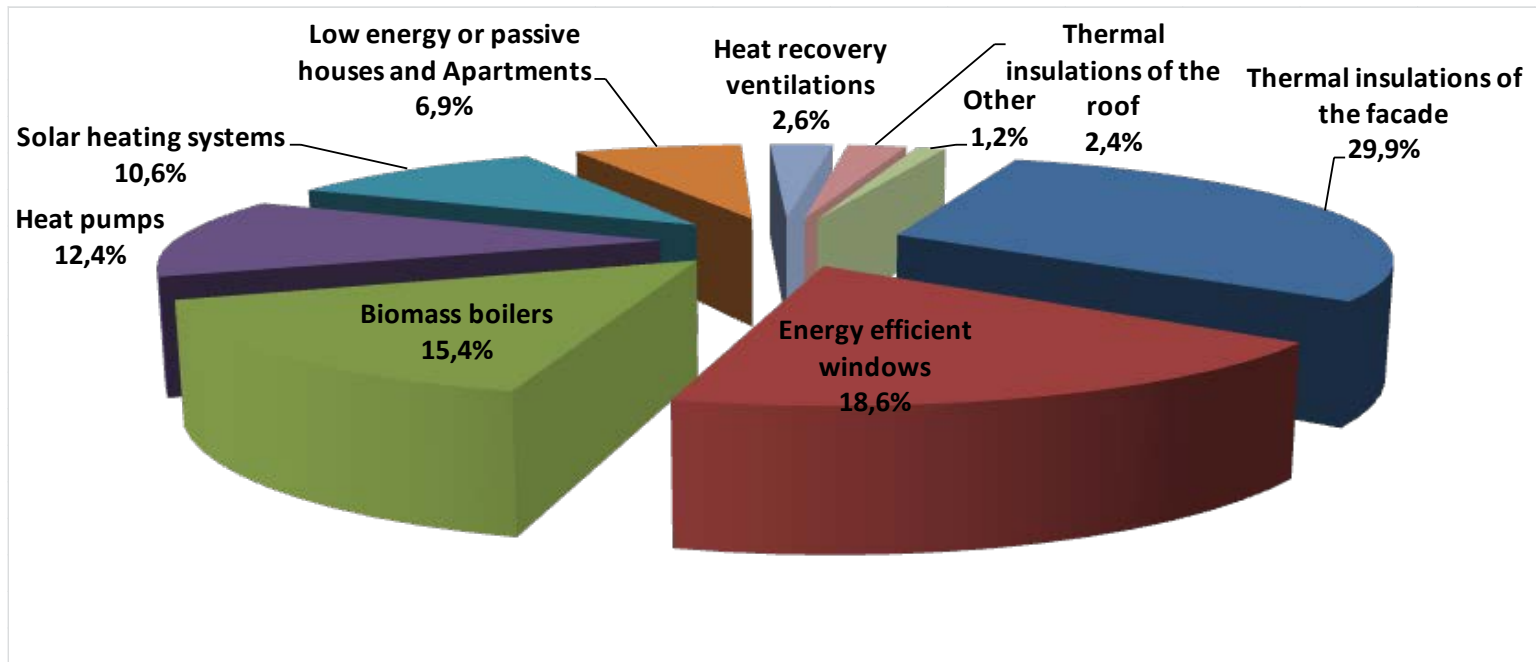
Loans 1995-2015: investments in air emissions reduction (EE, RES) dominate





4.A.II. ANALYSIS

Grants to households for investments in buildings 2008-2015:





**HOUSE OF A WORLD CHAMPION: ONE OF THE MOST FAMOUS HOUSES IN SLOVENIA: „ENERGY-PLUS“
HOUSE PETKOVSEK; $Q_{H}(PHPP)=10 \text{ KWH/M}^2\text{A}$; PREFABRICATED WOODEN CONSTRUCTION BY LUMAR;
NATURAL INSULATION MATERIALS; SOLAR POWER PLANT**





HOUSE BABSEK (BEFORE AND DURING FULL RECONSTRUCTION)



E AFTER RECONSTRUCTION: LOW ENERGY HOUSE BABSEK; Q_{H} (PHPP): 20 KWH/M²A; WOODEN WINDOWS; MINERAL THERMAL INSULATION MATERIALS; CONDENSING GAS BOILER; HEAT RECOVERY VENTILATION





KINDERGARTEN VRHNIKA (BEFORE AND DURING FULL RECONSTRUCTION)



E AFTER RECONSTRUCTION: LOW-ENERGY KINDERGARTEN AT VRHNIKA; WOODEN WINDOWS; MINERAL AND SYNTHETIC THERMAL INSULATION MATERIALS (INSULATED FROM WITHIN); HEAT PUMP AIR TO WATER



E **PASSIVE KINDERGARTEN MORAVCE: PREFABRICATED WOODEN CONSTRUCTION; NATURAL THERMAL INSULATION MATERIALS; WOODEN WINDOWS; WOOD BIOMASS DISTRICT HEATING PLANT PROVIDING HEAT FOR THE KINDERGARTEN, OTHER PUBLIC BUILDINGS AND HOUSEHOLDS IN THE NEIGHBORHOOD**





PASSIVE KINDERGARTEN MARKOVCI, PREFABRICATED WOODEN CONSTRUCTION BY JELOVICA; NATURAL THERMAL INSULATION MATERIALS; WOODEN WINDOWS



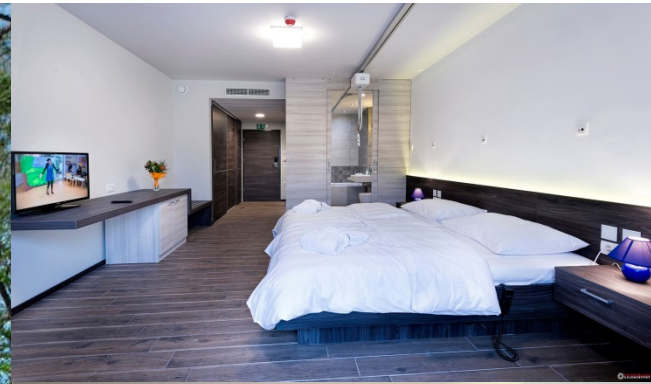


PASSIVE PRODUCTION FACILITY ZIMIC (PRODUCTION OF CELLULOSE INSULATION ZIMICELL)





NEARLY ZERO ENERGY BUILDING – PARAPLEGIC REHABILITATION CENTRE PACUG





ELECTRIC CARS AND BIOGAS BUSES FOR PUBLIC TRANSPORT





4.C. CHALLENGES 2016 – 2020

- **The mechanisms should be constantly evolving, adapting to trends on the market, national environmental and economic policy and goals and new findings of scientists and professionals in the field**
- **To guarantee enough financial resources for the continuity of public calls, user-friendly procedures, e-application, reduction of administrative barriers etc.**



Thank you!

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