



Revisiting the KfW and Green Deal programmes: it's not all about finance!



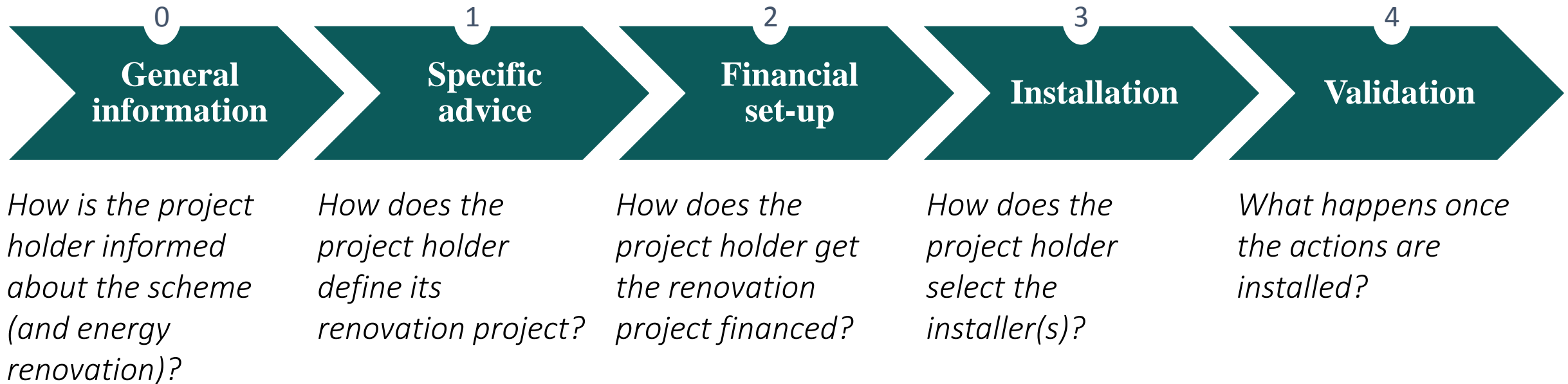
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Outline

➤ Project holder's perspective



0 – General information

Key aspects	KfW	Green Deal
Importance of the background	One of the “three pillars” (DENA activities, etc.)	Energy Saving Trust, obligation schemes, etc.
Different targets	Project holders + banks	Project holders + the whole supply chain
Brand / label	 KfW-55 Effizienzhaus	Green Deal quality mark 

- Who can be a regular contact? Who will the project holder trust the most?
- Always a risk of negative experience

1 – Specific advice

Key aspects	KfW	Green Deal
Registers of assessors	Qualified assessors: 4000 in 2013, 12500 early 2015	Certified assessors: 270 in Jan2013, 4135 in dec2014
Official methods (+ on-line tool)	Linked to building regulation, standardised consumption	Linked to Energy Performance Certificates, standardised and actual consumption
Validation of expected results	Needed for the level of grants	Needed for compliance with the Golden Rule
Number of assessments	32661 in 2009, 16247 in 2012 (BAfA-Vor-Ort-Beratung)	130000 in 2013, 316000 in 2014

- Not triggering projects, but helping finding the right way
- Link between the duration (hence cost) and the quality of the assessment

2 – Financial set-up

Key aspects	KfW	Green Deal
Creditworthiness criteria	Assessed by commercial banks (“regular”)	Assessed by the Green Deal Finance Company (linked to default payment rate of electricity bills)
Upfront investments	Limited, if choice of the KfW loan (interest rate: $\approx 1\%$)	Limited, if meeting directly the Golden Rule (interest rate: $\approx 7\%$)
Funding committed	1.4 billion €/a over 2006-2014 (with significant variations)	13.6 million € by May 2014, 69 million € by May 2015

- importance of the level of automation in the process
- higher flexibility & performance-based for KfW (loans and grants, comprehensive renovation and individual actions)
- new measures with public funding to complement the Green Deal (cashback scheme then Green Deal Home Improvement Fund)

3 – Installation

Key aspects	KfW	Green Deal
Building professionals	No specific requirement	Certification (PAS 2030)
Performance requirements	Linked to building code	Linked to Golden Rule
Results	<ul style="list-style-type: none">- Comprehensive renovations: 120000 dwellings/a over 2008-2010, then 50000/a for 2011-2013 (loans: about 30 k€/dwelling)- Individual actions: about 110000 insulation actions/a and 40000 heating systems/a	<p>1738 actions installed in 2013 7235 actions installed in 2014 (29% PV, 25% boilers, 17% Solid Wall Insulation)</p> <p>ECO: 530425 actions in 2013, 764032 actions in 2014 (38% cavity wall insulation, 27% loft insulation, 22% boilers, 6% solid wall)</p>

4 – Validation

Key aspects	KfW	Green Deal
Background	Implicit confidence in the actors	High attention paid to consumer protection (Code of Practice, Ombudsman)
Focus of controls	Verification of the projects	Certification of the professionals
Repayment	Through the commercial banks	Through the electricity bills

Discussions

- Building codes remain the main energy savings contributors (see NEEAPs)
- Experience feedback from KfW and Green Deal would advocate in favour of integrating the energy dimension into renovation markets (rather than supporting separate energy renovation markets)
- Importance of market transformation + new role of supervisor or provider of renovation projects (combining technical, financial and project management skills)
- From flagship policies to renovation strategies?

Thank you

Questions



"Worst-case scenario? The renovation goes three years and two million dollars over budget, one of you bludgeons me to death with my own hammer, and you both get the electric chair."



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