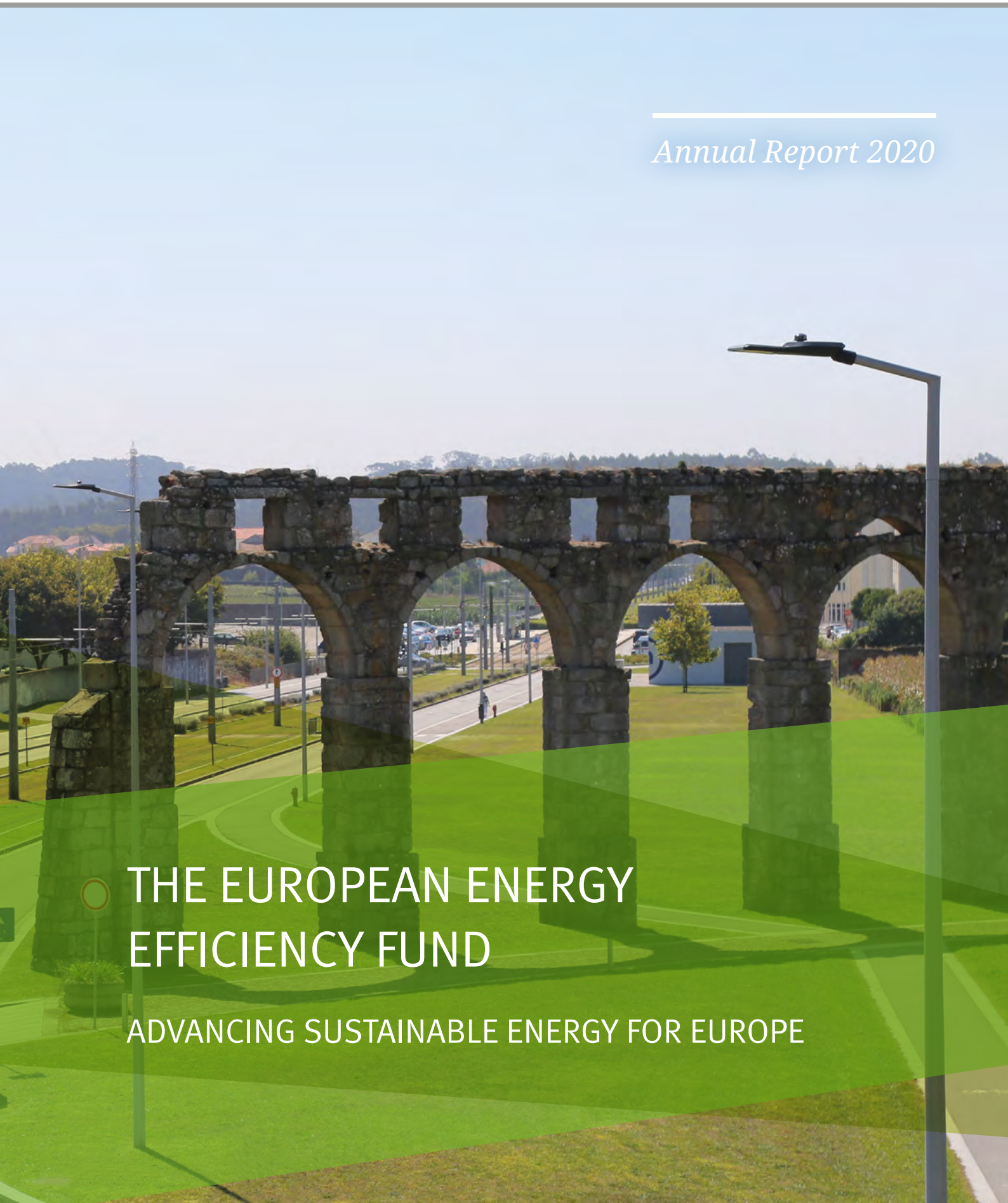
eeef
EUROPEAN ENERGY
EFFICIENCY FUND

Annual Report 2020



THE EUROPEAN ENERGY EFFICIENCY FUND

ADVANCING SUSTAINABLE ENERGY FOR EUROPE

European Energy Efficiency Fund
Highlights

143
million euros
current committed capital

204
million euros cumulative
committed capital since inception

16
active investments

2
matured
investments

Investments
into
9
countries

8
signed eeef TAF
projects in three
Member States

850,584
megawatt hours
cumulative primary energy savings
from fund inception to Q4 2020

Cooperated with
44
public authorities
since fund inception

557,363
tonnes carbon dioxide equivalents
cumulative carbon savings from
fund inception to Q4 2020

Did you know?

Contents

Letter from **the Chairman**

Dear Reader,

During 2020 the governing bodies of the eeef and its shareholders completed the necessary steps to open up a second phase in the eeef's history. At a time when Europe looks for the best synergies between the private and the public sector for its recovery, the eeef structure has been modified to fully empower a public-private partnership at the fund level. Private investors from all across Europe can now join the mission to advance sustainable energy for Europe, benefitting of the risk-layered capital structure of the eeef and of the notable first-loss protection provided by the EU budget. In line with the objectives of the European Green Deal and Next Generation EU, the ultimate goal is indeed to leverage substantial private and public funds in support not only of climate action, but also of a long-lasting and sustainable recovery from the COVID-19 pandemic.

The organizational and legal changes deriving from such a strategic decision were submitted to the Commission de Surveillance du Secteur Financier in Luxembourg and entered into force on 11 January 2021.

The eeef has been additionally designated one of the pioneer investment funds SFDR article 9, serving as a catalyst for investors who want to make their capital enable a real positive change in the European cities, which the fund put at the centre of its activity since its inception back in 2011.

2020 marked an important milestone in this growth path with the entrance of the Deutsche Bundesstiftung Umwelt (DBU), as the first private investor to join eeef alongside the European Commission, European Investment Bank, Cassa Depositi e Prestiti and DWS, asset management arm of Deutsche Bank. DBU is the German Federal Environmental Foundation and has been established in 1990 as a foundation under private law, based on an act of the German Bundestag. It is an independent entity, politically neutral and aims to work outside the scope of other governmental funding programs to complement them, primarily to promote innovative and exemplary projects for the protection of the environment. DBU, which will remain invested over a ten years period, is regarded as the largest environmental foundation in Europe and its funding themes are linked to the Sustainable Development Goals adopted by the United Nations.

In line with such goals and the fund's mission, the eeef is giving its own contribution to imprint an acceleration, among others, of the electric mobility market for local transportation. In 2020, the Fund and the e-bus manufacturer Dancer set up in Lithuania the "Dancer Mobility" venture, to provide leasing services of electric buses with sustainability as the pole star. Designed and produced in Lithuania

for passenger transport in the EU, the vehicles are extremely light, made of composite materials partly derived from PET plastic bottles and combine an ultra-fast charging system to the sole use of renewable energy. The city of Klaïpeda is already renovating its fleet with this last generation vehicles and the company is working to further expand its outreach in Lithuania and Europe.

At the other end of the eeef investment spectrum, the fund is financing through a forfaiting facility the renovation of the street lighting infrastructure in the municipality of Vila do Conde, 74 thousands inhabitants in Portugal. The initiative will upgrade and manage 18,972 street luminaries, realizing annually at least 66.4 % in primary energy and CO_2e savings compared to baseline. In addition the project, over a 12-year period of concession, will also generate some EUR 3.2 million of monetary benefits for the municipality.

On the eeef Technical Assistance (TA) side, two new applications were successfully awarded and an existing one reached fruition. So far, eight TA public beneficiaries were selected across Spain, Italy and Lithuania. Thanks to the eeef, in 2020 the two Lithuanian administrations of Ukmergé District Municipality and Šilutė District Municipality kicked off ambitious programmes for the energy renovation of groups of public buildings, while the Municipality of Ferrara in Italy was able to successfully complete the process to select an Energy Service Company and upgrade the entire public lighting infrastructure, composed of circa 27 thousands lighting points.

The eeef Technical Assistance and financing activities, combined with the distinctive expertise of the fund, provide the market players with a unique one-stop-shop to advance energy efficiency, clean mobility and renewable energy solutions in Europe.

On behalf of the Board of Directors and of the European Commission we welcome the community of investors who will join the action to deliver through eeef green and smart cities more and more across Europe.

Giorgio Chiarion Casoni
Chairman of the Board of Directors

Director, InvestEU and financial institutions,
European Commission

Letter from the **Investment Manager**

Dear Reader,

In 2020, the outbreak of COVID-19 around the world pushed the global economy into a deep recession. To halt the spread of coronavirus, countries across the globe curbed public life with social distancing restrictions hence physical business stopping. The lockdown measures implied a slowdown of many business activities. The lives of many people changed in critical ways and the consequences of the pandemic have already left long-lasting effects. The epidemic has also overshadowed the long-term climate change issue as the world remained focused on winning the battle against the COVID-19. As for the eeef portfolio, the pandemic did not severely affect the Fund's activity in 2020. Still part of eeef's Technical Assistance Facility projects encountered challenges which caused minor delays in some work. Nevertheless, eeef in line with the objectives of the European Union, continued to leverage private and public funds to support climate action as its primary objective. The Fund's activities in 2020 showed, how the current portfolio has contributed to the global goal of CO_2 reduction. Since inception the Fund's investments have achieved total cumulative savings of 557,363 tCO_2e and 850,584 MWh of primary energy compared to the baseline. In 2020, eeef's renewable energy investments generated 99,389 MWh of energy.

A highlight of 2020 was closing of a EUR 5.1 million transaction that replicates the forfeiting mechanism applied in Spain and Portugal to upgrade the public street lighting infrastructure for the municipality of Vila do Conde in Portugal. The project has illustrated a successful example of this financing structure. The project's upgrade is expected to realize 66.4 % in primary energy and CO_2 savings annually compared to baseline, representing 11,678 MWh and 4,215 tCO_2e, respectively. In addition, the project will also generate approx. EUR 3.2 million of monetary benefits for the municipality over 12 years of the concession. Further detail on successful replication of eeef's forfeiting facility is available on page 37.

eeef Technical Assistance (TA) Facility continued to evolve its strong presence in Eastern Europe by signing two new TA agreements with beneficiaries in Lithuania, with Šilutė District Municipality and the Klaipėda University Hospital to enhance energy efficiency in public buildings. The objective of this TA project is to prepare and implement an ambitious investment program to improve public buildings' energy efficiency and ensure that they meet the national energy performance requirements. Additionally, eeef TAF moved one step further in the Ducal Palace project, with the TA works being completed and a call for proposal for eligible bidders finalised. A winner ESCO will be announced during the first half of 2021. The eeef continued collaborating with the Ministry of Defense to develop the project and to allow the Modena Ducal Palace to protect its history as well as the environment, to let young generations who make use of it and the whole community experience such a valuable asset at its best.

During 2020, eeef was also focused on preparing transition process to a fully Alternative Investment Fund Managers Directive (AIFMD) compliant structure that should allow the Fund to incorporate private investors across the Member States. The process was approved by CSSF and envisaged for completion on closing date January 11th, 2021.

2020 marked an important milestone in the Fund's growth path with the entrance of the Deutsche Bundesstiftung Umwelt (DBU), as the first private investor to join eeef alongside the European Commission, European Investment Bank, Cassa Depositi e Prestiti and DWS, asset management arm of Deutsche Bank to advance sustainable energy for Europe. DBU is the German Federal Environmental

Foundation and has been established in 1990 as a foundation under private law, based on an act of the German Bundestag. It is an independent entity, politically neutral, and aims to work outside the scope of other government funding programs to complement them, primarily to promote innovative transportation. This partnership with DBU is an important milestone in eeef's development, as it enables further growth of the Fund and facilitates the additional flow of private capital investments into climate financing, thereby achieving economic sustainability of cities and regions in the EU Member States. Both DBU and eeef, with their commitment, took this challenge and opportunity in supporting The European Green Deal objectives, the ambitious package of initiatives released by the European Commission to make Europe climate neutral by 2050.

In July 2020, eeef has been awarded a quality label from LuxFLAG "Environment Label". LuxFLAG is an independent and international non-profit association created to support sustainable finance and to promote sustainable investments in the financial industry. The label provides the Fund with benchmarking possibilities with recognised peers, assuring investors that investment activities of eeef operate in a responsible manner. With the "Environment Label" eeef hopes to attract an additional flow of private capital investments into climate financing, thereby achieving the economic sustainability of cities and regions in the EU Member States.

According to the UN's Intergovernmental Panel on Climate Change (IPCC) an investment from USD 1.6 trillion to USD 3.8 trillion is needed annually in the energy system to limit temperature rise to below 1.5 °C from pre-industrial levels[1]. While governments are working on climate policy to fulfil this gap, a considerable amount of private capital is needed to cover the shortage in investment required for the transition towards a low-carbon economy. eeef is working on building a strong project pipeline with large market players in the sector as the Fund aims to attract more private investors to continue investing in energy efficiency sector.

The Fund continues to seek opportunities to support European municipalities to fulfill ambitions of sustainability agendas. eeef stands ready to support the Renovation Wave and Rebuilding Europe strategies, particularly in helping deliver TA support and financing for more public sector entities, helping to create jobs and cut emissions. The Fund's activities in the years that will follow will aim in strengthening partnerships with new cities, regions, hospitals, and universities in launching sustainable energy projects.

Deutsche Bank AG, Sustainable Investment

Lada Strelnikova

Paola Rusconi

Rahul Pratap Singh

Zarpana Signor

Iris Xi

Thuy Tien Nguyen-Olbrich

[1] IPCC, Chapter 4, Strengthening and Implementing the Global Response https://www.ipcc.ch/site/assets/uploads/sites/2/2019/02/SR15_Chapter4_Low_Res.pdf

The eeef
IN 2020

1

Deutsche Bundesstiftung Umwelt joined eeef as the first private investor to advance sustainable energy for Europe

Onboarded Šilutė District Municipality as the third public authority from Lithuania joining the eeef to collaborate on the eeef Technical Assistance Facility (TAF)

2

3

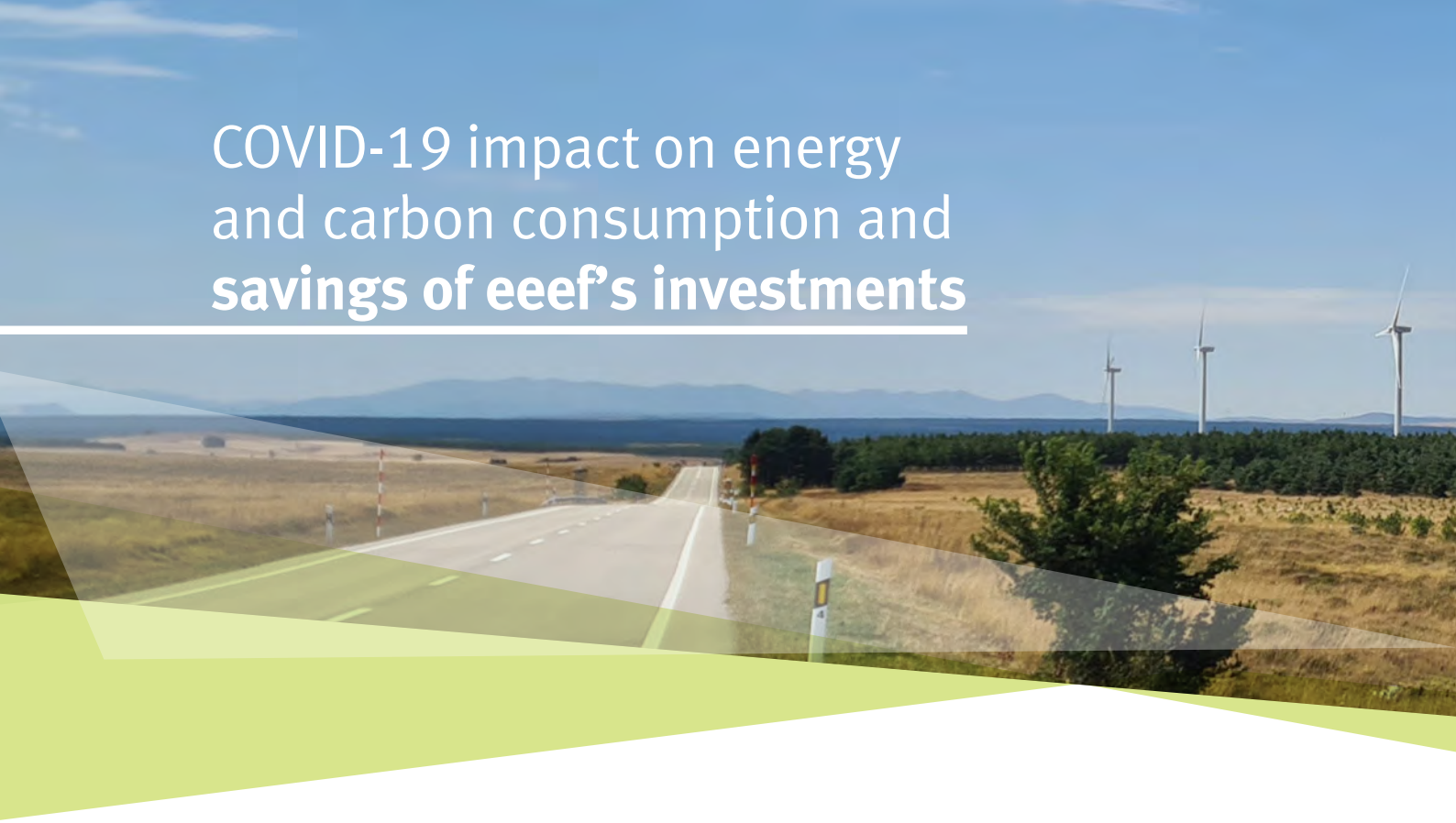
Increased eeef TAF presence in Eastern Europe with the fourth public authority from Lithuania – Klaipėda University Hospital

LuxFLAG granted eeef the use of the LuxFLAG Environment Label

4

5

Management Board approved a forfeiting facility to finance renovation of the street lighting infrastructure in the municipality of Vila do Conde, Portugal



COVID-19 impact on energy and carbon consumption and **savings of eeef's investments**

The multiple restrictions and lockdown measures in the EU in 2020 have resulted in a drop of 10 % CO_2 emissions relative to 2019. At the same time, the electricity demand also slumped[1]. According to International Energy Agency (IEA), in early 2020 the impact of the COVID-19 pandemic and the related lockdown measures brought about a quick drop in electricity demand to Sunday level across Europe. The demand recovered in a steady way as the lockdown measures were gradually eased. However, in June and July, after being corrected by weather effect, the electricity demand level was still around 10 % – 15 % lower than the 2019 level for the same months. At the end of 2020, the electricity demand recovered above 2019 levels after weather adjustment.[2]

As for eeef, the majority of the Fund's projects experienced no COVID disruption in terms of their service and usage. The invested projects remained in general operational in 2020 independent of the governmental lockdown measures. The street lighting projects for various municipalities (e. g. City of Venlo, Municipality of Santander, CIMAC, Smart H&U, Illuminated Cities) were in normal operation throughout the year. The City of Orleans and the City of Rennes biomass CHP projects also witnessed little operational abnormality, as they generated heat and electricity for the household in the surroundings and sell a certain amount of electricity to French national grid. Ore Valley Housing Association project remained also unaffected as it generated heating and electricity for the residential social buildings while selling a proportion of the electricity to the UK national grid. That being said, the energy consumption and eventually the amount of primary energy and carbon savings were intact of the pandemic for the investments mentioned above.

As educational and cultural facilities had to be kept closed as prescribed by the local authorities for various periods in 2020, investments in those facilities experienced extraordinary closure and out of service to different degrees. At the end of 2020, eeef has four investments in educational and cultural areas. Two of them, Jewish Museum in Berlin and University Hospital S. Orsola-Malpighi, did not face closure or reduced operation due to the lockdown measures. Jewish Museum in Berlin remained primarily closed to the public in both 2019 and 2020 for ongoing construction work. The Museum witnessed hardly any energy demand change corrected for weather factors between 2019 and 2020. For University Hospital S. Orsola-Malpighi, although some teaching activities in the facility were constrained to a certain extent, it was no less occupied in 2020 as it was in 2019. In fact, the operation

activities in the Hospital even increased because of COVID patients' intake in Northern Italy and the COVID related research activities have overweighed the slight drop in facility usage for teaching. The Hospital's 2020 energy consumption is overall in line with that in 2019 and the previous years.

Two other projects, Munich University of Applied Sciences and Universidad Politécnica de Madrid, also experienced closure and/or reduced operation in 2020. However, in these cases the energy consumption dropped to nearly zero when both facilities were completely closed during the hard lockdown in Germany and Spain. Universidad Politécnica de Madrid was shut down in the second half of March and completely closed in April 2020. So, the eeef funded boilers in all 32-university buildings which normally provided the heating to those buildings, were not in use. Its annual energy consumption is about 20 % less than in 2019. For Munich University of Applied Sciences, its campus operated under reduced capacity from April 2020 to December 2020. The University has about 9 % lower energy consumption and carbon emission in 2020 compared with the previous year. To sum up, the annual energy consumption and the related carbon emission were lower in 2020 than in 2019 for both projects above.

International performance measurement and verification protocol (IPMVP) framework defines savings are the absence of energy uses, determined by comparing consumption or demand before and after implementation of a project, after adjusting the baseline and reporting period to the same set of conditions. The adjustment to the same set of conditions enables an apple-to-apple comparison. For the two universities in Munich and Madrid, after adjusting the baseline operating hours before the relevant project implementation to the level of 2020 (i. e. reduced occupancy with reduced operating hours of the facilities), the adjusted 2020 energy/carbon savings amount for both projects are lower than the adjusted savings in 2019. On the flip side, without the adjustment of baseline and reporting period to the same set of conditions, differences between the unadjusted baseline value before project implementation and the reported energy and carbon consumed after project implementation are larger in 2020 than in 2019. In a nutshell, the primary energy and carbon savings amount for the two projects is greater in 2020 than in 2019 without adjusting the baseline conditions comparable to the 2020's. After the baseline adjustment according to IPMVP, the adjusted savings amount for carbon emissions and primary energy in 2020 is smaller than it was in the previous year.

[1] https://www.iea.org/articles/global-energy-review-co2-emissions-in-2020
[2] https://www.iea.org/reports/covid-19-impact-on-electricity

Sustainable investing and innovation **for healthier cities**

By Lada Strelnikova and Paola Rusconi
Investment Managers, the European Energy Efficiency Fund managed by Deutsche Bank AG

COVID-19 has swept through over 180 countries like a hurricane and occupied the minds of the world's population and governments, forcing decision makers to respond to the immediate impacts. There is no doubt that the crisis is about to change various aspects of our lives and the way we do business. This crisis has proven to be global, emphasizing how interrelated the world has become. This crisis has also proven to be destructive, with people losing jobs and livelihoods being destroyed.

Although climate change is not an epidemic, it also has wide-reaching negative effects, unfortunately even more of a long lasting nature. Former UN Secretary General Kofi Annan referred to climate change and diseases as "problems without passports" that cannot be stopped at the border, while Georg Kell in his recent Forbes article[1] has well highlighted how much climate change is already under way, building up its destructive potential around the globe. COVID-19 is demonstrating similar patterns to climate change thus and the human activities that are in lockdown now are at risk in the long run.

The widespread business shutdown due to COVID-19 has resulted in clear skies in cities all around the world. But why do we need a major health crisis to clean the air in our cities? Should not governments be strongly pushing alternative mobility concepts that can directly improve public health once the lockdowns are lifted?

The scientific community agrees that the more people breathe polluted air, the more they are prone to respiratory infections. Additionally, literature focusing on SARS and COVID-19[2] correlates air pollution to the speed of spread of the epidemic, as pollution acts as virus carrier, as well as the severity of the disease. According to Harvard research[3], a minor increase in pollution, even just by +1 microgram of PM2.5, increases COVID-19 mortality by 15 %. Research[4] also shows that almost 80 % of deaths across four countries – Italy, Spain, France and Germany – were in some of the most polluted regions in Europe.

Until COVID-19, the western world seemed to consider climate change as something that so far affected only faraway places such as the North Pole or Amazonia. Appeals about the future of the next generations or "2050 scenarios" have not been deeply effective in mobilising decision makers and for many people that are just trying to get through their day, not only in emerging markets, "carbon emissions" is a vague term that has no relevance to their day-to-day existence.

This crisis is showing instead how sensitive the world becomes to the public health, when the risk is tangible. Can the risk from carbon emissions become more tangible, when we recognize that air pollution increases the number of deaths, inside and outside the epidemic frame? The lockdowns are clearly reducing the CO_2 and NO_2 emissions in

the short term, however these short term improvements should not imply that decisions on clear air zones in our cities can be postponed until 2021.

We should keep in mind that the COVID-19 crisis is going to come in waves and that after SARS and COVID-19 the history could repeat. It is obvious that an exposure to dirty air and its dispersion could be reduced with the cleaner vehicles, alternative "Ville Du Quart D'Heure" concepts[5] and zero-emissions zones. These measures are long term in nature and have the dual effect of reducing pollution and improving public health outcomes.

COVID-19 has imposed an unprecedented halt of business activities that are related to movement of people and goods. From the recent market business reactions, two directions can be observed: adaptation to the post COVID world and "keep going as before". Nine multinational companies responded to attempts by some auto industry lobbyists to seek delays to the EU regulations in respect to CO_2 targets for cars, vans and trucks. The EU has rejected the appeal of the lobbyists. The plastic industry has called to lift an EU wide ban on some single use plastic items because of health and hygiene concerns raised during the COVID-19 outbreak. Companies, however, should not be using the COVID-19 emergency to interfere with legislation banning the use of single use plastic bags or changing emission targets. They should rather take the opportunity to innovate and rethink the production value chains, including a return to "insourcing" and "onshoring", even when they result in increased costs in the short term.

This is the right moment for businesses to pose these questions, review their business models, adapt and emerge with a new wave of innovation to become more resilient and sustainable. European companies have the potential to recover stronger from this crisis and come up with decarbonisation and resource efficiency strategies. An excellent example already entering the market is the production of electric buses using composite material from PET bottles for the bus body. Echoing Kristalina Georgieva from the International Monetary Fund, there should be no trap of short term thinking, no reshuffle of priorities in addressing economic fallout today at the risk of weakening our fight against climate change.

The emergency we are living in will go through various phases, but overall will continue for some time, with long lasting impacts on public health. This is the right time to look at existing problems through new lenses, the moment to turn the fight against climate change in a true opportunity for healthier cities, to mobilize sustainable investments as a driving force of the recovery to come. The policy makers are committed to ensure the necessary stimulus for a "green renaissance" of the EU economy, this should go hand in hand with a push from companies for corporate innovation, aiming for sustainable and locally responsive business.

The European Energy Efficiency Fund is co-investing with a Lithuanian company to provide leasing services of electric buses to the cities. They are locally produced, efficiently and intelligently designed using heat pumps to cool the lithium-titanium batteries and transfer the heat to the bus cabin. Efforts to combat air pollution include indeed sustainable mobility in the first instance, together with an increased use of renewable energy as well as improved energy efficiency in buildings. Opportunities are at hand and should come further from the cutting-edge applications, such as in the areas of waste management and plastic re-usage. They will likely drive a significant job creation already in the near term, whilst creating an overall impact that is wide reaching and long lasting.

[1] "Four lessons we should learn from the pandemic", Georg Kell, 11 April 2020

[2] Among others: "Relation between pollution from particulate matter and virus spread in the population", Italian Society of Environmental Medicine, University of Bologna, University of Bari March 2020; "Interaction between air pollution and respiratory viruses: time-series study of daily mortality and hospital admissions in Hong Kong". Res Rep Health Eff Inst. 2010; "Association of daily mortality with ambient air pollution, and effect modification by extremely high temperature in Wuhan, China" Res Rep Health Eff Inst. 2010

[3] "Exposure to air pollution and COVID-19 mortality in the United States", Harvard T.H. Chan School of Public Health, April 2020

[4] "Assessing nitrogen dioxide (NO_2) levels as a contributing factor to coronavirus (COVID-19) fatality" Martin Luther University Halle-Wittenberg, April 2020

[5] One of the main concepts behind the new urban plan of the City of Paris. It aims to transform the metropolis in a "city of proximity" where any main service is 15 minutes far, on a walking distance or by bike.

From the European Green Deal to **the European Climate Law**

By Rahul Pratap Singh
Investment Manager, the European Energy Efficiency Fund managed by Deutsche Bank AG

Throughout 2020, many of us have been beleaguered by news about human and economic losses. The pandemic and natural calamities in the past months have exposed our fragility as a society and reminded us all that the very existence of humanity depends on our planet's wellbeing. Therefore, protecting and preserving our planet is no longer a responsibility of a select few but an obligation for all of us. We must remain watchful to allow humanity to prosper within our planet's tolerance.

In the quest to keep the global temperature increase to well below 2 °C and pursue efforts to limit it to 1.5 °C, the Commission announced the European Green deal to transform Europe into the first ever climate neutral continent by 2050. The key mantra is: put a price on carbon and put a premium on decarbonizing. Furthermore, the latest ambitions in the deal aims for a transitional, all inclusive "green" recovery from the pandemic and decouples economic growth from resource use.

Once formally adopted, this European Climate Law regulation would enshrine the EU climate neutrality goals set out in the European Green Deal. The deal includes an architecture and a roadmap to meet the climate ambitions. This way, it would serve as a guiding compass for innovation in green technologies along with economic and societal transformation during the 2020's and the future decades.

At the time of compiling this report, Europe's climate ambition called "Fit for 55" hinges on the pledge of the 27 EU Member States to reduce greenhouse gases (GHG) emissions by at least 55 % by the year 2030, compared to 1990 levels. Other relevant aspects of the European Green Deal are likely to impact investors, businesses public authorities and citizens are:

Energy efficiency first and upgrading the energy mix

The Deal mandates to put energy efficiency as a strategic priority and while doing so bring down both energy demand and emissions for consumers and industry. At the EU level this implies that renewable sources in the EU's energy mix to be at least 40 % by 2030[1] and an overall reduction of 36 and 39 % for final and primary energy consumption, respectively[2]. This will be complemented by a tax system that incentivizes heating and transport solutions which are aligned with the climate goals while mitigating the social impact and supporting vulnerable groups.

Decarbonisation of the transportation sector

The Deal anticipates growing demand for zero/low emissions vehicles. Under this scenario, it aims to reduce the CO_2 emissions of new cars and vans by 2030, compared to the 2021 – notable a decrease of 55 % emission from cars; a decrease of 50 % emission from vans[3] and 0 % emissions from any new cars by 2035[4]. This needs to be accompanied by relevant charging or refuelling infrastructure for short/long journeys and an Emissions Trading System (ETS) to penalize high polluting vehicles; to stimulate the use of clean fuel, and to re-invest in clean technologies.

Renovating the building stock

The Deal requires the Member States to renovate homes and public building in order to use more renewable energy, and to be more energy efficient. Currently, 75 % of our building stock has a poor energy performance, and so, there are over 35 million buildings that need to be renovated by 2030. Accordingly, the total floor area of all public buildings should be renovated at least 3 % annually; the heating and cooling solutions should increasingly

use renewable energy by 1.1 % points each year until 2030 and in this way the building stock should reach a 49 % renewable benchmark by 2030[5].

Job opportunities and fair competition

The Deal predicts a significant increase in sustainable, local and well-paid jobs across the entire value chains for key sectors such as construction, energy generation, transport, end-use and renovation. In the construction sector alone, some 160,000 additional green jobs could be created by 2030[6]. The Deal presents is an opportunity for local industry that are active in these sectors to grow and to generate higher employment. A new carbon pricing policy will spring into action to protect local industry from unfair competition from other countries with less strict climate rules.

Revitalizing natural carbon sinks

The Deal proposes new criteria to avoid unsustainable forest harvesting and to protect areas of high-biodiversity value. Additionally, solutions such as use of suitable forest or agricultural waste for biomass power schemes can contributes to phase-out fossil fuels and decarbonize the economy. By restoration of Europe's forests, soils, wetlands and peatlands, absorption of CO_2 can be further increased, and the environment made more resilient to climate change. The new target is set at 310 Mt to increase natural carbon sinks.

Underpinning investments from EU instrument

There is an enormous incentive for the private sector to complement and participate in the EU climate ambition. Private capital will be met by roughly 1/3rd of the funding from "Next Generation EU" and the European budget for green projects, which together is more than EUR 500 billion at the European level alone. On top of that you have to add the national provisions in the national budgets to support the ambition.

With the climate goals objectively defined in the Green Deal, the Climate regulation translating these goals into legally binding targets, the underpinned availability of investments, the roadmap to the new target for GHG emissions reduction until 2030 and by choosing carbon pricing as a market-based instrument to incentivise consumers, producers and innovators to adopt clean technologies, to go towards the clean and sustainable products, the stage is set for steady progress towards climate goals. This should be accompanied by objective tools to track progress, allow maneuverability, regular reporting, and assessing the latest evidence on climate change and its impacts.

The above points illustrate the magnitude and impact of the EU's net-zero carbon emission goals. It is clear that these require massive contributions from private and public capital each year. The European Energy Efficiency Fund (eeef) is an instrument of the European Commission and has been financing projects that decouple economic growth from resource use. With a track record of over EUR 200 million committed in projects since 2011, the Fund has cut GHG emissions by 5.7 million tonnes of carbon dioxide equivalents, which exemplifies an average 64 % reduction compared to the baseline emissions and saved 1.4 million megawatt hours in primary energy. At the same time, the Fund has been instrumental in creating employment and boosting local economic growth in 9 European countries. The Fund embraces the opportunities and challenges inherent in the European Green Deal and looks forward to making significant contributions to this new growth strategy and green transition.

[1] https://ec.europa.eu/info/strategy/priorities-2019-2024/european-green-deal/delivering-european-green-deal_en#cleaning-our-energy-system
[2] https://ec.europa.eu/info/news/commission-proposes-new-energy-efficiency-directive-2021-jul-14_en
[3] https://ec.europa.eu/info/sites/default/files/proposal_for_a_directive_on_energy_efficiency_recast.pdf
[4] https://ec.europa.eu/info/strategy/priorities-2019-2024/european-green-deal/delivering-european-green-deal_en#making-transport-sustainable-for-all
[5] https://ec.europa.eu/info/strategy/priorities-2019-2024/european-green-deal/delivering-european-green-deal_en#renovating-buildings-for-greener-lifestyles
[6] https://ec.europa.eu/info/strategy/priorities-2019-2024/european-green-deal/delivering-european-green-deal_en#leading-the-third-industrial-revolution

THE EUROPEAN ENERGY EFFICIENCY FUND **AT A GLANCE**

'We set up the eeef some 10 years ago to become a sustainable business model. I am happy to see the eeef developments, which have been achieved in the last decade on that from the start, where everything just happened from one idea.'

Ralf Goldmann, EIB Head of Energy Efficiency Division

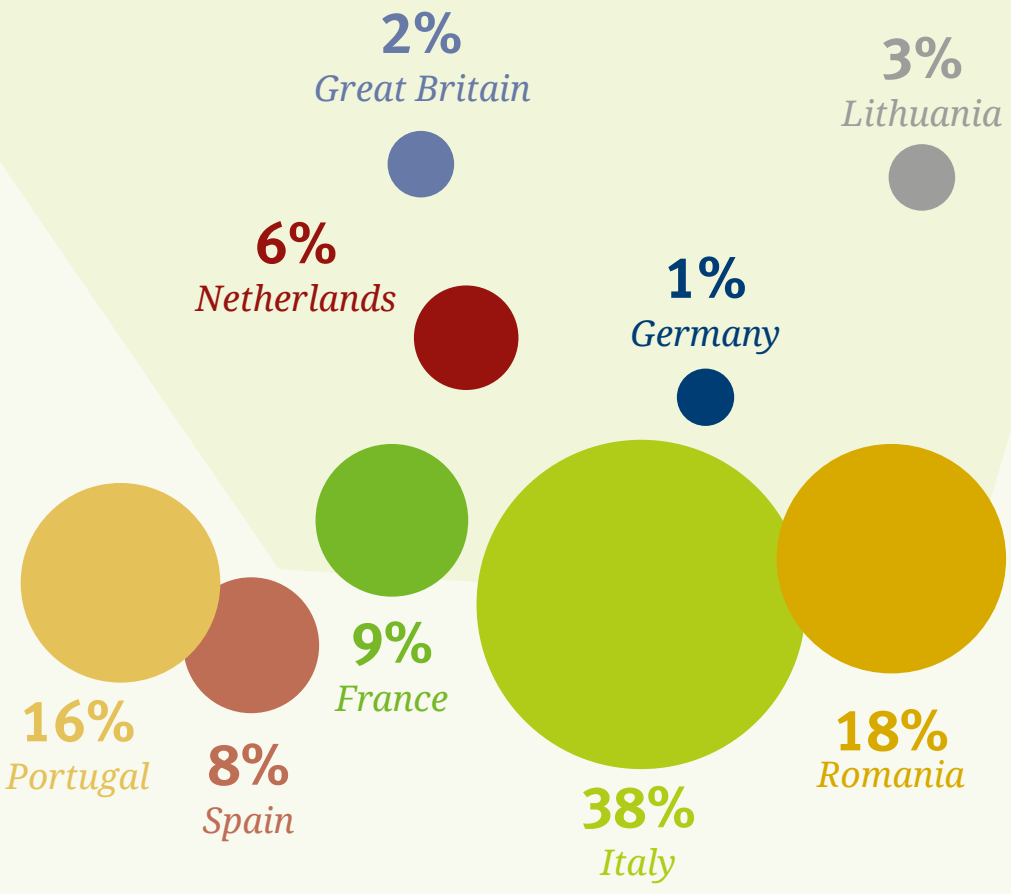
114

months' development of the eeef since inception

The **mission**

The eeef's mission is to contribute to advancing sustainable energy for Europe, in the form of a public-private partnership (PPP) with a layered risk/return structure, to enhance energy efficiency and foster renewable energy within the European Union, primarily through the provision of dedicated financing to municipal, local, regional or national authorities or public or private entities acting on their behalf. Financing is generally provided directly or through partnerships with financial institutions.

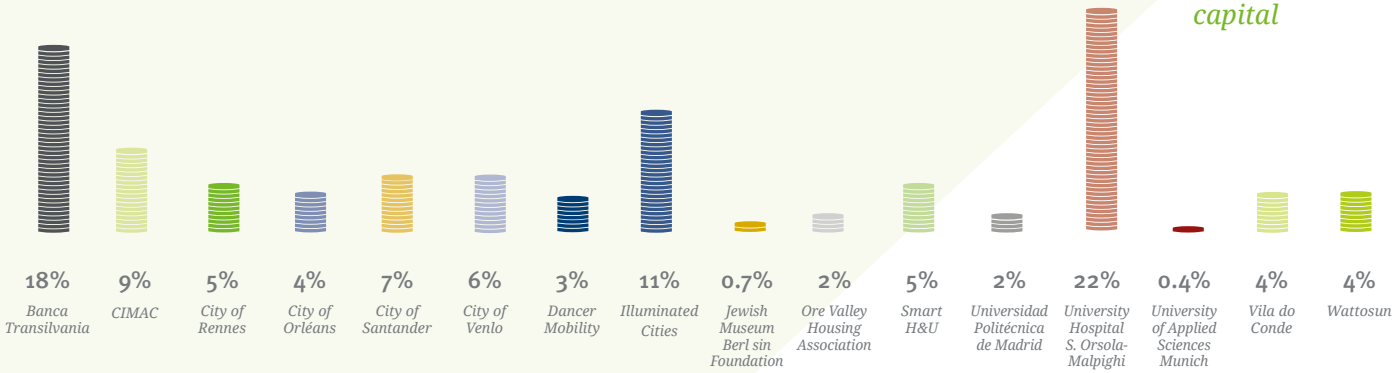
Investments by Country*



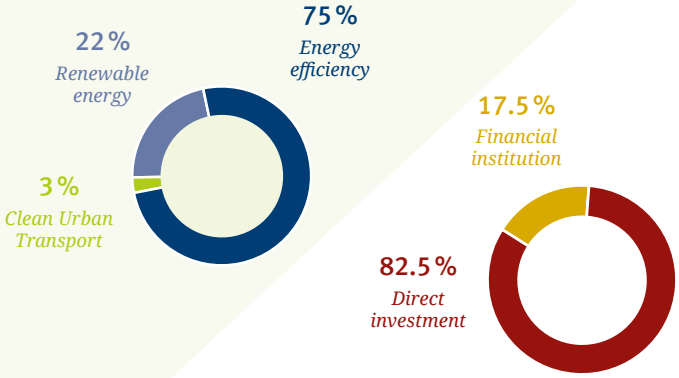
* Based on commitments signed to project, not including repayments or accrued interest. Matured investments not included.

143
million euros current committed capital

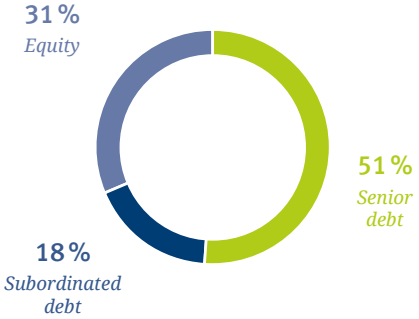
Investments by Partner Institution *



Investments by Type of Partner Institution *



Investments by Financial Instrument *



* Based on commitments signed to projects, not including repayments or accrued interest. Matured investments not included. Any discrepancy is due to rounding. The financing facility with Catfoss Renewable Energy Limited was closed by the end of 2020. The project has not reached required agreements/conditions in accordance with the financing facility to proceed with its implementation.

EU framework targets for climate and energy **2030**

The framework will help to:

- Provide affordable energy
- Increase the security of the EU's energy supplies
- Reduce dependence on energy imports
- Create opportunities for growth and enhance environmental and health conditions

The eeef's **objectives**

The European Energy Efficiency Fund (eeef) aims to support the climate goals of the European Union (EU 2030 framework for climate and energy and the climate-neutral objectives of the European Green Deal) to promote a sustainable energy environment and foster climate protection by enabling projects in European cities, regions and communities to build resilient infrastructure. The Fund's objectives are:

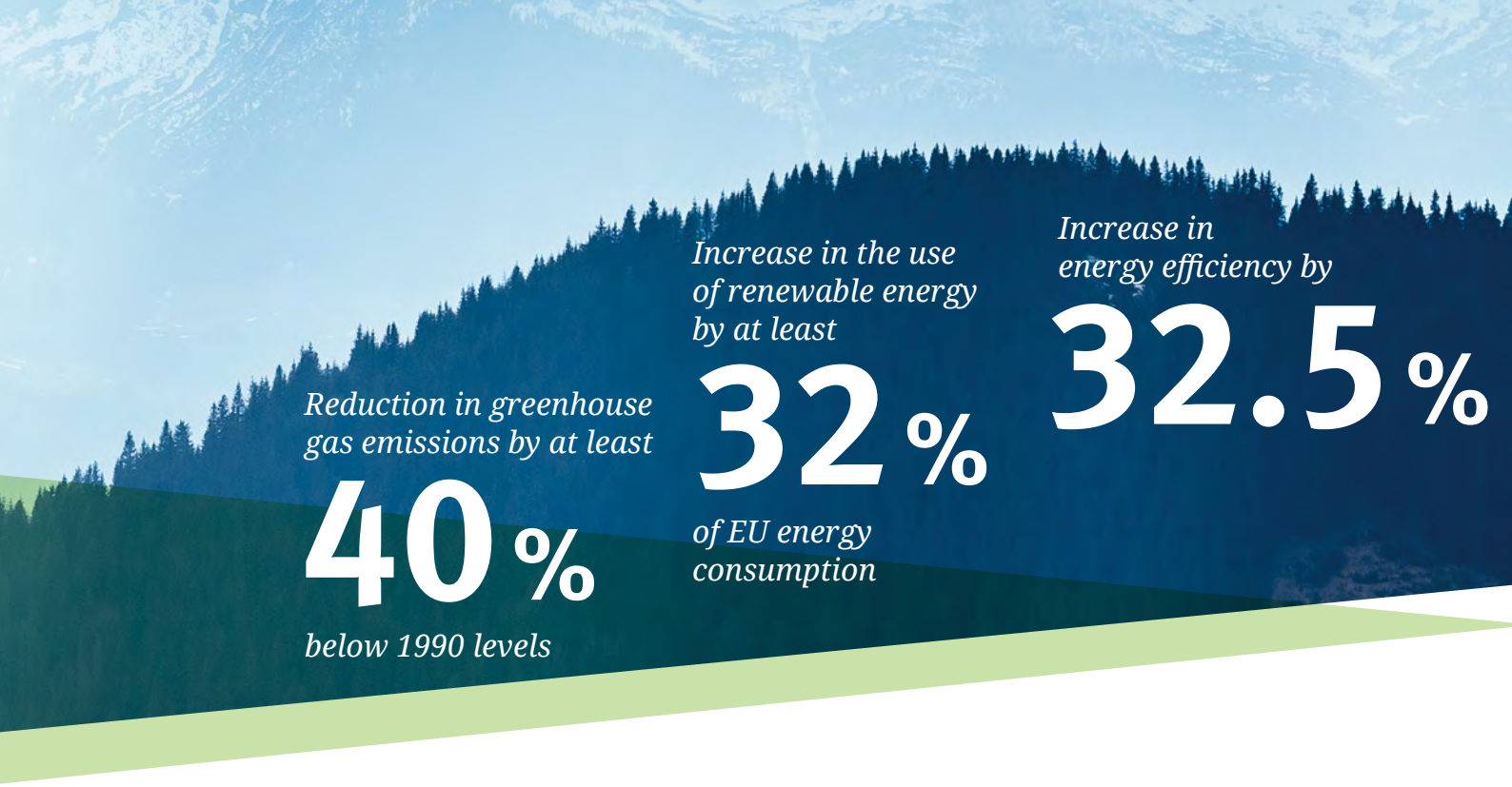
- Contribute to the mitigation of climate change and transitioning to resilient, energy-efficient and green infrastructure
- Achieve environmental and economic sustainability for the Fund
- Build public-private partnerships for climate financing

The Fund's **set-up**

The Supervisory Board represents the Fund's shareholders. It provides permanent supervision of the management of the Fund and provides strategic advice to the Management Board on the overall development of the Fund's activities. It is appointed at the General Meeting of Shareholders.

The Management Board acts on behalf of the Fund, oversees its activities and is responsible for strategic decisions. It is the legal representative of the Fund. In compliance with the eeef's founding documents and applicable laws and regulations, it has the power to administer and manage the Fund.

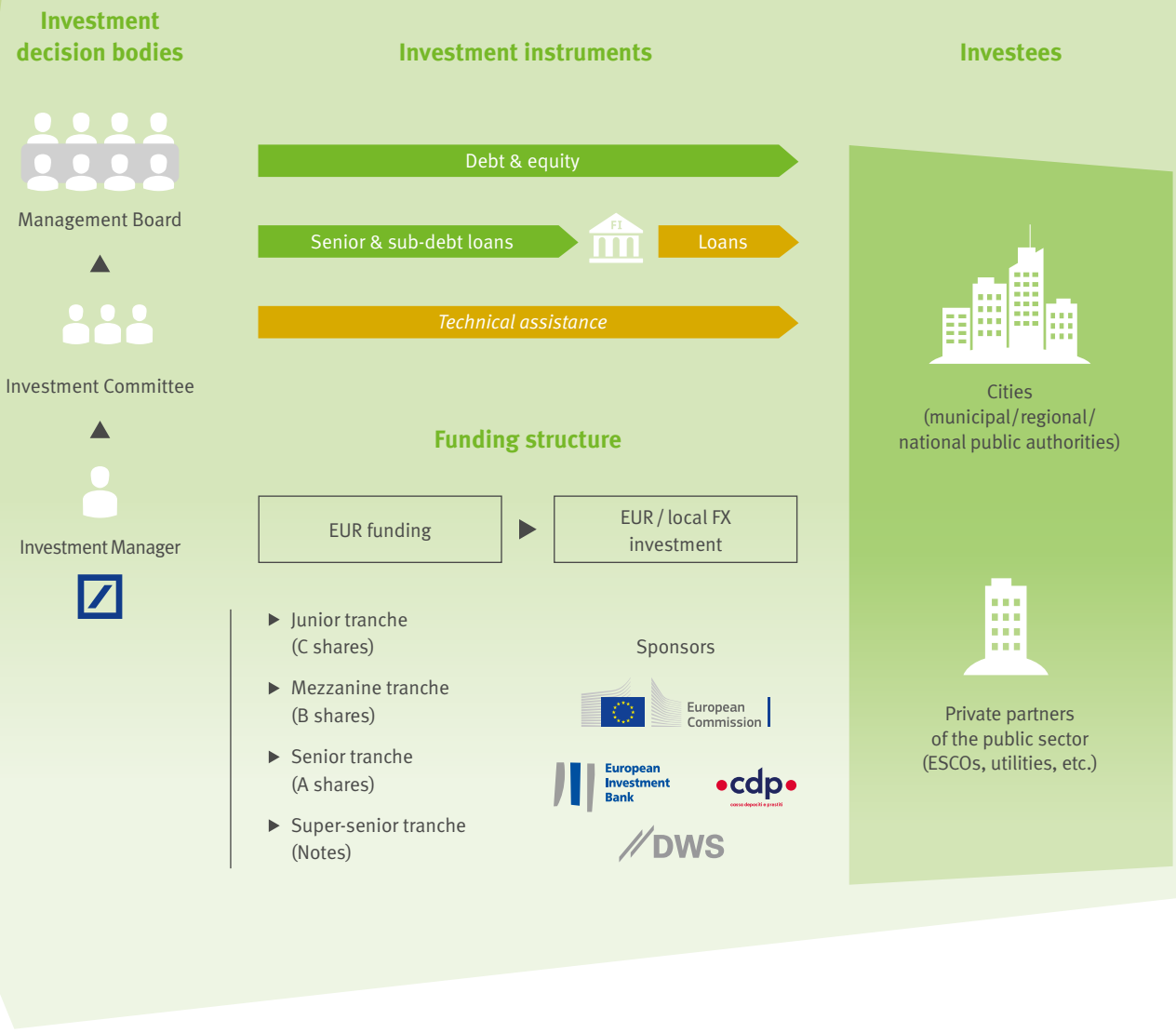
The Investment Manager conducts the Fund's business on behalf of the Management Board and the Investment Committee. The Investment Manager also manages the eeef TAF at arm's length. Previously, the Investment Manager also managed the European Commission Technical Assistance Facility.



The eeef's **business proposal**

If you are a	developing a project in	with these features	the eeef can support your project, providing
Public entity ... similar to the city of Venlo (NL), the Ore Valley Housing Association (UK) ...	**Renewable energy** As we have done with: the city of Orléans/Rennes (FR), the Ore Valley Housing Association (UK)	**Avoiding CO_2e emissions to at least 20 % of baseline**	**TAILOR-MADE FUNDING:** **Debt** E. g. the city of Venlo (NL), Bolloré (FR), the Ore Valley Housing Association (UK), University Hospital S. Orsola-Malpighi (IT)
Private company liaising with a public entity ... similar to Manutencoop (IT), Enertika (ES), Bolloré (FR), EDF Group (FR), Johnson Controls (DE) ...	**Energy efficiency** As we have done with: the city of Venlo (NL), the SPL – Région Rhône-Alpes (FR), University Hospital S. Orsola-Malpighi (IT), Universidad Politécnica de Madrid (ES), Banca Transilvania (RO), Jewish Museum Berlin Foundation (DE), University of Applied Sciences Munich (DE), the Ore Valley Housing Association (UK)	**Looking for funding in a (flexible) range between EUR 5 and EUR 25 m**	**Equity** E. g. the city of Rennes (FR), the city of Orléans (FR)
Financial institution financing the above ... similar to Banca Transilvania (RO) ...	**Clean urban transport** As we have done with: Bolloré – Paris, Lyon, Bordeaux (FR)	**In one of the 27 EU countries**	**Mezzanine** E. g. Banca Transilvania (RO)
			Forfaiting structures E. g. Universidad de Politécnica de Madrid (ES)
			TECHNICAL ASSISTANCE: **Closed EU TAF –** 13 public authorities across Europe
			New eeef TAF launched 8 TA beneficiary contracts signed

Investment **structure**



The Investment Manager proposes potential new investment in line with the eeef's eligibility criteria to the Investment Committee. Upon positive feedback, the Investment Committee recommends the potential investment to the Management Board. The Management Board takes the final decision on the investment.

The investees of the eeef are municipal, local and regional authorities or public and private entities acting on behalf of those authorities, such as utilities, public transportation providers, social housing associations, energy service companies (ESCOs), etc. Funding can be provided in euros and in certain cases also in local currencies.

Partnership dedicated to mitigating climate change

Development of **the eeef since inception**

2011

July

- The eeef is created and capitalised by the initiators EC and EIB and the founding investors CdP and DB

2012

January

- Operational and procedural set-up of the Fund is finalised

March

- The Jewish Museum Berlin Foundation joins the eeef as its first partner institution via the ESCO Johnson Controls

November

- Financing of building retrofit project at the University of Applied Sciences Munich via the ESCO Johnson Controls

December

- The city of Santander cooperates with the eeef to receive technical assistance from the EC TAF

2013

May

- Financing of energy efficiency upgrade of the University Hospital S. Orsola-Malpighi in Italy
- The city of Córdoba benefits from the EC TAF

June

- The eeef achieves financial close on its first equity investment, the city of Orléans' CHP plant in France
- La Palma benefits from the EC TAF

September

- The eeef enters into a green on-lending facility with Banca Transilvania in Romania

November

- The municipality of Ringkøbing-Skjern signs a technical assistance agreement
- The Ore Valley Housing Association, Scotland, and the region of Rhône-Alpes benefit from the EC TAF

December

- The eeef achieves financial close for its second equity investment, the city of Rennes' CHP plant
- The eeef closes its first clean urban transport with Bolloré, France
- The cities of Marbella, Terrassa and Elche cooperate with the eeef via the EC TAF

2014

April

- Financial close for street lighting upgrade project with the city of Venlo
- The eeef achieves financial close for a senior financing facility for the Société Publique Locale d'Efficacité Énergétique (SPL) in the Région Rhône-Alpes

June

- The University Hospital of Liège and the University of Liège sign a technical assistance agreement via the EC TAF

July

- The Limerick and Clare Education and Training Board benefits from the EC TAF

August

- GRE-Liège cooperates with the eeef on technical assistance via the EC TAF

September

- Alentejo Central signs a technical assistance agreement via the EC TAF

December

- The municipality of Zaanstad and the Roscommon County Council benefit from the EC TAF

▶ Investment activity ▶ Fund operations ▶ TA activity

2015

January

- Irish education minister Jan O'Sullivan launches a technical assistance project with the Limerick and Clare Education and Training Board in Ireland

September

- The eeef sponsors the Smart Countries and Smart Cities Congress 2015 in Paris
- The eeef's University Hospital S. Orsola-Malpighi transaction wins the CESEF Energy Efficiency Award

November

- The eeef closes its first transaction in Spain in cooperation with Universidad Politécnica de Madrid

December

- The eeef fully disburses financing to the Société Publique Locale d'Efficacité Énergétique (SPL), which has launched 10 refurbishment programmes for buildings with four different local authorities in the Région Rhône-Alpes in France
- The eeef fully deploys the construction phase financing of the energy efficiency upgrade to the University Hospital S. Orsola-Malpighi in Italy

2016

April

- The eeef joins the Investor Confidence Project Europe to boost investments in the energy efficiency sector

June

- The eeef cooperates with ADHAC, the business association for the promotion of sustainable district heating and cooling networks, in Spain

September

- The eeef deploys final EC TA amount to the city of Santander in preparation for a pioneer PPP contract for the street lighting upgrade in Spain

November

- The eeef closes its first community-based transaction in the UK in cooperation with the Ore Valley Housing Association and the Renewable Energy Investment Fund (Scotland)

December

- The eeef initiates the Fund's own technical assistance scheme, the eeef TAF

2017

February

- The SPL OSER in the Région Rhône-Alpes delivers investments facilitated by the EC TAF of the eeef, combining market-based funding

May

- Gijón becomes the first city to join the eeef to collaborate on the new eeef TAF
- First-time award to a Belgian energy retrofit project is won by RenoWatt, Best Energy Project 2017 attributed by the EC and the Berliner Energieagentur – project facilitated by the eeef via the EC TAF

July

- Europe's smart city Santander starts the implementation of the street lighting infrastructure upgrade facilitated by initial technical assistance from the EC TAF
- The Province of Ferrara is the second public authority joining the eeef to collaborate on the new eeef TAF

October

- ISOM completes its award-winning energy efficiency upgrade of the Italian hospital S. Orsola-Malpighi

December

- The eeef signs a MoU in Portugal for small-scale PV installations across seven municipalities' public buildings

▶ Investment activity ▶ Fund operations ▶ TA activity

2018

February

- Three projects complete the final stage under European Commission technical assistance managed by the eeef successfully, including the Spanish cities of Terrassa and Marbella as well as the Portuguese public authority Alentejo Central

March

- The Italian Ministry of Defence collaborates with the eeef TAF to refurbish the Ducal Palace of Modena

October

- The eeef and Siram become partners to advance smart cities in Italy via a new joint venture

December

- The eeef and Sinloc collaborate towards Smart Hospitals and Universities in Italy via a new joint venture
- The eeef and CIMAC via I-Quatro enter into a forfaiting agreement to upgrade the street lighting infrastructure in 14 municipalities
- The Kaunas District Municipality Administration in Lithuania joined the eeef Technical Assistance Programme to enhance energy efficiency of the street lightning infrastructures, expanding eeef's activity into Eastern Europe.

2019

June

- A Technical Assistance Agreement was signed to renovate public buildings in the Autonomous Province of Bolzano in Italy
- eeef has launched discussions with potential private investors in Germany

September

- The eeef TAF collaborates with the Ukmerge District Municipality Administration in Lithuania to upgrade municipal school buildings

December

- The Management Board approved the Joint Venture with the Lithuanian electric bus manufacturer "Dancer"

2020

May

- Deutsche Bundesstiftung Umwelt joined eeef to advance sustainable energy for Europe

June

- LuxFLAG granted eeef the "Environment Label"

July

- The eeef signed a TA Contract with the Administration of Šilutė District Municipality

October

- The eeef TAF collaborated with the Klaipėda University Hospital in Lithuania

December

- The Management Board approved the forfaiting mechanism for the municipality of Vila do Conde in Portugal to upgrade the public street lighting infrastructure

2020 ACTIVITIES REPORT: **INVESTMENTS**

204

million euros committed by the eeef since inception

The eeef's **investments**

Since its inception, the eeef has committed a total of EUR 204 m, of which EUR 149 m have so far been disbursed in 18 partner institutions.

Germany *(Berlin, Munich)*

€ 1.6 m

- **€ 1.0 m** forfaiting loan to the Jewish Museum Berlin Foundation via the ESCO of Johnson Controls
- **€ 0.6 m** forfaiting loan to the University of Applied Sciences via the ESCO of Johnson Controls

Italy *(Bologna, Northern Italy)*

€ 54.8 m

- **€ 31.8 m** senior loan and VAT facility to Progetto ISOM for the upgrade of the University Hospital S. Orsola-Malpighi
- **€ 16.0 m** equity investment in the JV Illuminated Cities with Siram by Veolia for a portfolio of investments (EE: smart public lighting)
- **€ 7.0 m** equity investment in the JV Smart Hospitals & Universities with Sinloc for a portfolio of investments

Spain *(Madrid, Santander)*

€ 11.7 m

- **€ 2.5 m** forfaiting loan to the Universidad Politécnica de Madrid via Enertika
- **€ 9.2 m** forfaiting loan to the city of Santander to upgrade existing street lighting

France *(Orléans, Rennes, Paris, Lyon, Bordeaux, Rhône-Alpes)*

€ 47.4 m

- **€ 5.1 m** shareholder loan and equity for the city of Orléans' CHP plant
- **€ 7.3 m** shareholder loan and equity for the city of Rennes' CHP plant

---

€ 30.0 m senior debt to Bolloré (matured)

€ 5.0 m senior debt to the Société Publique Locale d'Efficacité Énergétique (SPL) in the Région Rhône-Alpes (matured)

Romania *(various locations incl. Cluj-Napoca, Bucharest)*

€ 25.0 m

- Subordinated loan to Banca Transilvania for on-lending into energy efficiency and renewable energy projects

United Kingdom *(Cardenden, Scotland)*

€ 2.2 m

- **€ 2.2 m** senior debt facility to the Ore Valley Housing Association via the SPV Cardenden Heat and Power

Portugal *(Lisbon, Alentejo region)*

€ 22.3 m

- **€ 5.1 m** junior funds for PV to be invested in the installation of solar panels developed by Wattosun
- **€ 12.1 m** forfaiting facility to CIMAC I-Quatro to upgrade existing street lighting
- **€ 5.1 m** forfaiting facility to Vila do Conde I-Quatro to upgrade existing street lighting

Netherlands *(Venlo)*

€ 8.5 m

- Senior debt facility to the city of Venlo for smart public lighting

Lithuania *(Klaipėda)*

€ 4.0 m

- **€ 4.0 m** joint venture with Lithuanian electric bus manufacturer Dancer

Investment locations

France City of Orléans

The operating combined heat and power (CHP) plant has an installed capacity of 7.5 MW in electricity and 17 MW in thermal heat. The plant supplies heat to the city of Orléans and sells electricity via a power purchase agreement (PPA) to Électricité de France (EDF). Orléans Biomasse Énergie, the project's special purpose vehicle (SPV), is majority owned by the eeef (purchase of 84.4 % of its shares). This project was the first equity investment by the Fund.

The project enables a decentralised energy supply for the city of Orléans using an existing district heating network. The plant, which is fired by wood biomass from a regional source, allows 15,000 households in the city to achieve annual savings of around EUR 200 each with the new energy source and increases the environmental sustainability.

Sector:
Renewable energy/ biomass CHP

Key figures

Type of investment:		Total project size (€m):	**36.0**	Maturity	**19 years**
Equity and shareholder loan		eeef investment size (€m):	**5.1**	Observed t CO_2e emission savings (p.a.):	**13,457**
Financial close:	**12.03.2013**				

France City of Rennes

Following a bid for tenders launched by the French Commission de Régulation de l'Énergie (CRE3) for the production of green energy using a biomass cogeneration plant, Rennes Biomasse Énergie SAS was authorised to build and operate a combined heat and power facility with an electrical output of 10.4 MW and a thermal output of 22 MW for the next 20 years. Rennes Biomass Énergie, the project SPV, is majority owned by the eeef (purchase of 85 % of its shares). This was the second equity investment signed by the eeef.

The project enables a decentralised energy supply for the city of Rennes using an existing district network. The plant enables 21,000 households in the city both to save money with the new energy source and to increase their environmental sustainability. The project generates sustainable heat aligned with offtake requirements and, due to the biomass fuel, achieves significant carbon savings compared to baseline.

Key figures

Type of investment:		Total project size (€m):	**47.6**	Maturity	**20 years**
Equity and shareholder loan		eeef investment size (€m):	**7.3**	Observed tCO_2e emission savings (p.a.):	**12,009**
Financial close:	**12.12.2013**				

Sector:
Renewable energy/ biomass CHP

Germany

Jewish Museum Berlin Foundation

The Jewish Museum Berlin and the energy service company (ESCO) Johnson Controls entered into an energy performance contract (EPC) for the museum buildings in 2012. The eeef's initial investment totalled EUR 1.7 m. In 2015, the project scope was revised and consequently the eeef's investment size was reduced to EUR 1.0 m.

The project includes a number of energy efficiency measures, including the optimisation of the heating, ventilation and air conditioning and an efficient energy management system. The first energy audit for the project was completed in 2017 and the annual primary energy savings for 2020 equated to 14,721 MWh.

Sector:
Energy efficiency/ building retrofit

Key figures

Type of investment:	**Forfaiting loan**	Total project size (€m):	**1.4**	Maturity	**13 years**
Financial close:	**20.03.2012**	eeef investment size (€m):	**0.9**	Observed tCO_2e emission savings (p.a.):	**3,326**

Germany

University of Applied Sciences Munich

The University of Applied Sciences Munich and the energy service company (ESCO) Johnson Controls entered into an energy performance contract (EPC) for both of the buildings on the university's campus in Munich-Pasing, with a total EPC volume of EUR 1.1 m.

The ESCO and the university agreed to energy efficiency measures composed of the optimisation of the heating, lighting, metering, building management and pumping systems, as well as the installation of a 49.5 kW combined heat and power (CHP) plant. The project was implemented in 2013 and continues to achieve savings aligned with projections. In 2020, it achieved 2,221 MWh of primary energy savings compared to baseline, which is equivalent to 38 %.

Key figures

Type of investment:	**Forfaiting loan**	Total project size (€m):	**1.1**	Maturity	**10 years**
Financial close:	**15.11.2012**	eeef investment size (€m):	**0.6**	Observed tCO_2e* emission savings (p.a.):	**199**

* The University of Applied Sciences purchases a renewable energy electricity blend, impacting the actual observed carbon savings.

Italy
Illuminated Cities

Città Illuminate S.r.l. (Illuminated Cities) is the holding company for the joint venture (JV) between the eeef and Siram by Veolia, targeting a portfolio of street lighting projects in Italy, mainly benefitting small to medium-sized municipalities. The newly established joint venture will enable public entities to implement technically advanced solutions known as smart lampposts and enable the integration of multiple services within the street lighting infrastructure. These projects will enhance public infrastructure whilst reducing public energy consumption. This is thanks to measures including the instalment of LEDs, management systems, video, Wi-Fi and charging stations for electric vehicles. The eeef is the main investor in the JV, while Siram acts as the industrial partner and full contractor for each project's commissioning and operation.

The JV realized its first investment in the municipality of Rozzano, Milan Province, where 5,250 lighting points are in the process to be upgraded to LED technology. The renewed infrastructure will deliver not only more efficient and better lighting quality, but will also integrate equipment to enable multiple services, such as video surveillance, park management and pollution control. This project perfectly embodies the JV spirit, showing how also a small town of 42,500 inhabitants can become a smart city.

Key figures

Type of investment: **Junior funds (equity and shareholder loan)**		Total project size (€m):	**20.0**	Maturity	**12 years**
		eeef investment size (€m):	**16.0**	Estimated tCO_2e emission savings (p.a.):	**3,010**
Financial close:	**27.09.2018**				

Italy Smart H&U

The eeef and Sinloc have launched a joint venture, which will contribute to enhancing energy efficiency in the healthcare and education sectors. The partnership takes the name Smart Hospitals and Universities (or Smart H&U) and targets a portfolio of investments in public hospitals and universities distributed across Italy. These facilities will scale up their energy efficiency profiles as well as the level of services provided to the end users. Patients, students and staff will benefit from modernised infrastructures, including state-of-the-art building automation, heating and cooling systems, smart illumination and clean energy systems.

On average, it is estimated that primary energy and carbon savings will improve by half and the energy performance of each facility will increase due to the installed energy efficiency measures.

In light of the pandemic and the substantial delays caused to the project implementation, eeef and Sinloc consider changes in the business development strategy. Both parties agreed to amend the existing agreement and mutually release any financial commitment of a binding nature. Sinloc, with the eeef support, will keep working to advance the projects in pipeline and granted the Fund the exclusivity until 2024.

Key figures

Type of investment: **Junior funds (equity and shareholder loan)**		Total project size (€m):	**22.0**	Maturity	**12 years**
		eeef investment size (€m):	**7.0**	Estimated tCO_2e emission savings (p.a.):	**7,421**
Financial close:	**21.12.2018**				

Italy

University Hospital S. Orsola-Malpighi

Project video University Hospital S. Orsola-Malpighi here

The project entity Progetto ISOM signed a concession agreement with the University Hospital S. Orsola-Malpighi, one of the biggest hospitals in Italy (1,758 beds). The eeef provided a project and VAT bond facility of EUR 31.8 m.

The project comprises a number of initiatives, which improve the energy efficiency of the entire fluid production and distribution system and reduce energy consumption. Such measures include the adoption of energy-efficient equipment such as centrifugal chillers and absorbers, the reconstruction of the heat distribution networks, the renovation of heat exchange substations and the inclusion of an underground tri-generation plant for the combined production of cooling, heat and power (CCHP), based on the energy consumption of the hospital facility, which is fuelled by methane gas.

In 2020, carbon savings were 32 % compared to baseline, and primary energy savings were at 30 %.

This upgrade of the entire energy system of the university hospital has been the biggest energy efficiency upgrade in Italy completed as part of a PPP.

Key figures

Type of investment:	**Senior debt**	Total project size (€m):	**41.0**	Maturity	**20 years**
Financial close:	**08.05.2013**	eeef investment size (€m):	**31.8**	Estimated tCO_2e* emission savings (p.a.):	**16,523**

* Numbers based on contracted conversion factors.

Sector:
Energy efficiency/upgrade of entire energy system

Netherlands City of Venlo

Project video City of Venlo here

The city of Venlo and the eeef signed a long-term financing contract for EUR 8.5 m. The city's existing public lighting is the biggest consumer of electricity on its electricity bill. The city therefore prioritised upgrading its street lighting in order to reduce its energy consumption and CO_2e emissions as well as to save costs for the public budget. By the end of 2020, 1,674 lighting poles were replaced and 17,169 luminaires were replaced with LED technology. The project is further proof of the city's commitment to achieving environmental sustainability.

This street lighting project is linked to preparation works resulting from technical assistance. Venlo benefitted from funding from the European Commission Technical Assistance Facility (EC TAF). This enabled the city to tender and select the equipment manufacturer for the provision of the LED equipment.

Sector:
Energy efficiency/ street lighting

Key figures

Type of investment:	**Senior debt**	Total project size (€m):	**8.6**	Maturity	**15 years**
Financial close:	**03.04.2014**	eeef investment size (€m):	**8.5**	Observed tCO_2e emission savings (p.a.):	**873**

Portugal CIMAC

In December 2018, the eeef signed the 12-year forfaiting facility of EUR 12.14 m with I-Quatro LDA (an ESCO company) to implement its first aggregated street lightning infrastructure transaction, with the mission to upgrade over 56,000 luminaires within 14 municipalities, including the UNESCO World Heritage site of Évora, represented by Comunidade Intermunicipal do Alentejo Central (CIMAC).

The project will realise 74 % in primary energy (of 40,655 MWh) and carbon savings (of 5,192 t CO_2e) annually compared to baseline consumption. Furthermore, it will result in EUR 7.1 m in economic savings for the municipalities over the 12-year concession.

On April 30, 2020, the officials of CIMAC inspected the works and the implementation of measures to improve energy efficiency in the Public lighting infrastructure of the 14 municipalities that constitute the Inter-municipal Community of the Alentejo Central region. CIMAC certified that the works are executed in harmony with the stipulated clauses and the approved execution project. With that, the installation phase officially concluded and the service phase of the energy efficiency measures were approved to being on the same date. In addition, approximately 650 special luminaires have been identified by CIMAC that need to be assembled during the service phase.

Key figures

Type of investment:	**Forfaiting facility**	Total project size (€m):	**16.6**	Maturity	**12 years**
Financial close:	**27.12.2018**	eeef investment size (€m):	**12.1**	Estimated tCO_2e emission savings (p.a.):	**5,669**

Portugal Wattosun

The eeef signed a memorandum of understanding (MoU) with Wattosun, Portugal, for a EUR 5.1 m equity facility to finance a portfolio of self-consumption PV installations. The agreement encompasses seven subprojects estimating approx. 21,100 of 1.68 m^2 solar panels (PV). When compared to baseline (the Portuguese electricity grid), the combined subprojects should annually save 2,802 tonnes of CO_2e and 20,093 MWh of primary energy.

The electricity is for self-consumption and would provide municipalities, state-owned companies and other public authorities with a financially attractive and environmentally friendly way to lower effective electricity costs and reduce their exposure to the volatile energy market.

Two different business models are being considered to attract public clients:

- UPAC model: the public entity receives electricity for self-consumption and in turn pays rent for the new PV set-up.
- UPP model: the small subproject owns the new PV set-up on public properties and receives a payment from the utility company for energy fed into the grid.

All sites are fully constructed. However, the project development is not progressing as expected. A review of the eeef investment size is under discussion.

Key figures

Type of investment: **Junior funds (equity and shareholder loan)**		Total project size (€m):	**10.0**	Maturity	**14 years**
		eeef investment size (€m):	**5.1**	Estimated tCO_2e emission savings (p.a.):	**2,802**
Financial close:	**29.12.2017**				

Sector: *Street lighting*

Portugal Vila do Conde

On December 30th 2020, eeef signed a forfaiting facility of EUR 5.1 million to finance renovation of the street lighting infrastructure in the municipality of Vila do Conde in Portugal. The signing of this agreement illustrates successful replication of eeef's forfaiting facility to other project in Portugal, the first one being CIMAC, an inter-municipal community constituted in the Central Alentejo region, comprising of 14 municipalities.

This upgrade is expected to realize 66.4 % in primary energy and CO_2 savings annually compared to baseline, representing 16,517 MWh and 2,799 t CO_2 e, respectively. In addition, the project will also generate approx. EUR 3.2 million of monetary benefits for the municipality over a 12-year period of concession.

Key figures

Type of investment:	**Forfaiting facility**	Total project size (€m):	**7.7**	Maturity	**12 years**
Financial close:	**30.12.2020**	eeef investment size (€m):	**5.1**	Estimated t CO_2e emission savings (p.a.):	**2,799**

Romania Banca Transilvania

The eeef provided Banca Transilvania (BT), one of the largest banks in Romania in terms of assets, a facility for a green on-lending programme to support energy efficiency and renewable energy investment, by the public sector in Romania. Via this investment, the eeef has gained a strong local partner with a history of financing several energy efficiency projects and which has a solid footprint in financing SMEs. This cooperation is helping to strengthen the Romanian banking sector by providing financing to energy efficiency and small-scale renewable energy projects. BT is using eeef funding to give financial support to public and private building owners, homeowner/condominium associations, municipalities, public sector entities and private sector companies acting on behalf of the public sector.

It is the first cooperation between the eeef and a financial institution as well as being the first investment into Eastern Europe. The eeef is supporting BT in sourcing and evaluating underlying projects where needed, and the latter ensures that the financed projects comply with the eeef's requirements with respect to a CO_2e emission/primary energy consumption reduction of at least 20%. Furthermore, the eeef can jointly finance projects with BT if larger financing amounts are required. At the end of 2020, BT had financed and enabled 10 projects. The to-date cumulative savings of the projects are 348,543 MWh in primary energy.

Sector:
Energy efficiency/renewable energy/ clean urban transport

Key figures

Type of investment:	**Subordinated debt**	Total project size (€m):	**25.0**	Maturity	**10 years**
Financial close:	**26.09.2013**	eeef investment size (€m):	**25.0**	Estimated tCO_2e emission savings (p.a.):	**7,914**

BANCA BT TRANSILVANIA®

Portfolio facts

48.8
million euros total volume financed through the facility

14
different project locations reached

81,814
tons of cumulative CO_2e savings

3
technologies funded

10
subprojects funded

348,543
megawatt hours of cumulative primary energy savings

* Cumulative savings are based on subprojects loan maturity

Sector:
Clean urban transport

Lithuania Dancer Mobility

eeef invested together with UAB "Vejo Projektai", a Lithuanian manufacturer of electric Dancer buses. The Fund and Dancer have established the company "Dancer Mobility" to provide all-inclusive operational lease services of electric buses manufactured in Lithuania to public authorities.

Dancer Mobility will finance the purchase of e-buses and their operation, in the frame of all-inclusive operational leases provided by the company to public authorities and covering the bus usage, charging infrastructure, green energy supply and full maintenance.

Key figures

Type of investment:		Total project size (€m):	**5.0**	Maturity	up to **10 years**
Equity and shareholder loan		eeef investment size (€m):	**4.0**	Estimated tCO_2e emission savings (p.a.):	**1,344**
Financial close:	**23.02.2020**				

Spain

Universidad Politécnica de Madrid

Following directive 2012/27/UE of the European Parliament, in June 2015, Universidad Politécnica de Madrid (UPM) invited energy service companies (ESCOs) to present their proposals to improve the heat and water supply systems across the campus and to reduce CO_2e emissions by switching to a cleaner fuel source. In August 2015, the project was awarded to Enertika (Ingeniería y Servicios de Eficiencia Energética S. L.), an engineering company specialising in energy generation, energy efficiency and remote management services.

The project replaced 63 gas oil boilers, consuming on average 946,479 litres of gas oil per year, with 66 natural gas boilers in all 32 campus buildings.

The recent 2020 annual energy audit validated that carbon savings were above 30 % compared to baseline.

Sector:
Energy efficiency/building retrofit

Key figures

Type of investment:	**Forfaiting loan**	Total project size (€m):	**2.5**	Maturity	**9 years**
Financial close:	**18.11.2015**	eeef investment size (€m):	**2.5**	Observed tCO_2e emission savings (p.a.):	**791**

Spain Municipality of Santander

The municipality of Santander benefitted from funding from the European Commission Technical Assistance Facility (EC TAF) managed by the eeef in order to conduct feasibility studies and, subsequently, launch the ESCO tender for the renovation works. The tender was awarded to Elecnor S.A.

The eeef provided a forfaiting facility to Elecnor S.A., where the latter received EUR 9.2 m to finance the works. The facility will be fully repaid within the 15 years of concession period.

The project is to upgrade 22,700 lighting points to LED luminaires. Each luminaire will also have wireless connectivity to the municipality's digital communication network and control system. In addition, it will result in EUR 5.4 m in monetary benefits for the municipality over the period of concession. The official acceptance of the renovation works was signed in December 2018. At the end of 2020, the project realized annual primary energy savings of 39,462 MWh.

Key figures

Type of investment:	**Forfaiting facility**	Total project size (€m):	**9.2**	Maturity	**14 years**
Financial close:	**18.08.2017**	eeef investment size (€m):	**9.2**	Observed tCO_2e emission savings (p.a.):	**4,404**

United Kingdom

Ore Valley Housing Association

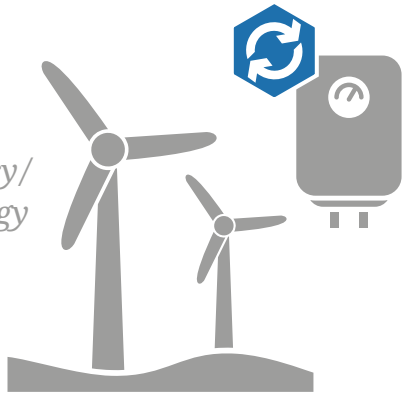
Project video Ore Valley Housing Association here

The eeef has closed its first community-based transaction in the UK in cooperation with Cardenden Heat and Power (CHAP), a subsidiary of the Ore Valley Housing Association (OVHA), which received funding from two external financing parties for their small-scale renewable energy and building retrofit project. The eeef co-financed the project alongside the Scottish Investment Bank, the investment arm of Scottish Enterprise, through their Renewable Energy Investment Fund.

The project (total volume EUR 5.5 m) is a combination of a small-sized on-shore wind turbine and boiler replacements in social housing. The wind turbine is located at Cardenden close to the housing association's main office sites in Fife and was provided by market leader Enercon. Operations commenced during 2017 and the project secured a guaranteed feed-in tariff for 20 years from the Office of Gas and Electricity Markets (Ofgem); however, to increase project returns, the CHAP entered into a two-year power purchase agreement with EDF to secure a better tariff than the feed-in tariff for electricity sale to the national grid.

The OVHA was one of the first technical assistance (TA) beneficiaries under the eeef European Commission TA Facility. Since deploying TA funds, the eeef has worked closely with the OVHA by providing guidance to support project development to realise investments. The eeef supported the OVHA in the development of a new project scope for a on-shore wind turbine and the replacement of over 170 outdated gas boilers in residential buildings owned by the housing association in the Fife council area in Scotland.

Sector:
Energy efficiency/ renewable energy



Key figures

Type of investment:	**Senior debt**	Total project size (€m):	**4.3**	Maturity	**16 years**
Financial close:	**04.11.2016**	eeef investment size (€m):	**2.2**	Observed tCO_2e emission savings (p.a.):	**528**

The eeef's matured **investments**

France Bolloré

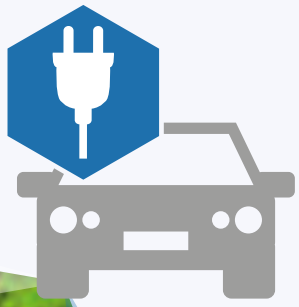
The French company Bolloré, a provider of car-sharing services for electric cars, signed a bond agreement worth EUR 30 m with the eeef in 2013. The investment financed electric cars and the infrastructure (i. e. charging stations, rental places, etc.) required for Bolloré's European electric car rental concessions.

The project, which provides cities with environmentally friendly electric cars, started in Paris and has subsequently been extended to Lyon and Bordeaux. The eeef's bond has mainly been utilised in these regions. At the end of 2018, Bolloré had 4,000 cars and 6,500 charging stations installed across the locations where the eeef's funding was utilised.

Key figures

Type of investment:	**Senior debt**	Total project size (€m):	**30.0**	Maturity	**5 years**
Financial close:	**23.12.2013**	eeef investment size (€m):	**30.0**	Estimated tCO_2e emission savings (p.a.):	**8,658**

Sector:
Clean urban transport



France SPL – Région Rhône-Alpes

Project video University Hospital SPL – Région Rhône-Alpes here

The Société Publique Locale d'Efficacité Énergétique (SPL) benefitted from funding from the European Commission Technical Assistance Facility (EC TAF) managed by the eeef for the initial preparation works and the finalisation of the project scope. Subsequently, the SPL signed a loan agreement of EUR 5.0 m to manage the short-term financing needs to refurbish public buildings during their construction phase and to pave the way for raising further long-term financing.

In 2018, The SPL repaid their debt facility as all 10 building retrofit projects were fully completed and commissioned, fulfilling the purpose of the project. On the one hand, the project continues to contribute to the eeef's carbon balance aligning with carbon accounting standards until the end of economic maturity; on the other hand, according to the vice president of high schools in the Auvergne-Rhône-Alpes region, Béatrice Berthoux, the SPL project supports the essential movement to sustainable development of the region as well as helps raising the awareness of sustainability among the school pupils, which has longer-term effect.

As shared by Éric Fournier, the vice president of the reginal council in the delegate for Environment, sustainable development, energy and regional nature parks, the eeef which supported SPL project, has set an effective example of public private partnership (PPP) in upgrading the public building energy efficiency and showcases eeef's crucial role in the start-up phase in terms of construction financing and TAF. The region intends to progressively upgrade all their public school building in the coming years. SPL OSER – of which the region Auvergne-Rhône-Alpes is the majority shareholder, is a main regional actor in its mission to upgrade the public building efficiency refurbishment projects and renewable energy installation in public buildings. The valuable lessons from the success story of the SPL project will pave way for SPL and Rhône-Alpes region to achieve long-term objectives of energy savings and greenhouse gas reduction.

Sector:
Energy efficiency/ building retrofit

Key figures

Type of investment:	**Senior debt**	Total project size (€m):	**25.0**	Maturity	**5 years**
Financial close:	**03.04.2014**	eeef investment size (€m):	**5.0**	Estimated tCO_2e emission savings (p.a.):	**992**
Repayment:	**12.02.2018**				

2020 ACTIVITIES REPORT: **FUNDING**

'Energy efficiency is a key concept in the fight against climate change. Being more efficient will immediately cut our emissions, ease the pressure on the environment and reduce the need for energy and other resources to support our way of life. Saving energy also decreases our energy bills, benefitting all customers. Our proposal looks to accelerate the progress we are making – using policy tools to stimulate more investment.'

Kadri Simon, EU Commissioner for Energy

97

million euros capital provided by the European Commission

Funding **situation**

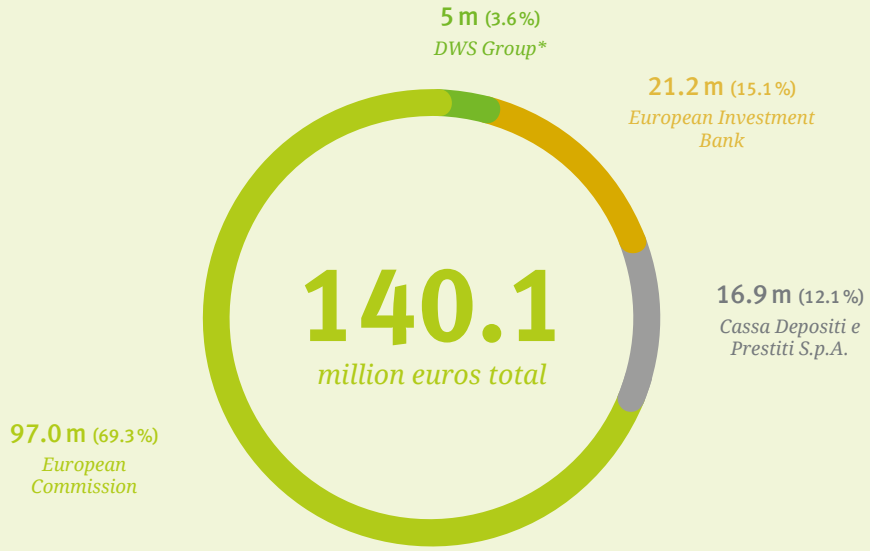
The European Energy Efficiency Fund S.A., SICAV-SIF, was initiated by the European Commission in cooperation with the European Investment Bank.

2020 marked an important milestone in eeef's growth path with the entrance of the Deutsche Bundesstiftung Umwelt (DBU), as the first private investor to join eeef. The Fund intends to call upon the 10 m euros committed by DBU within 2021.

The initial capital provided by the European Commission (EUR 97 m) was increased by contributions from sponsors comprising the European Investment Bank (EUR 21.2 m), Cassa Depositi e Prestiti (EUR 16.9 m) and DWS (EUR 5.0 m), asset management arm of Deutsche Bank.

The eeef continues its fundraising activities to ensure constant investor commitments from the private and public sectors to grow the Fund sustainably.

Shareholder structure based on called amounts



Current division of investments committed to the eeef

European Commission	European Investment Bank	cdp cassa depositi e prestiti	DWS
97.0 m (69.3 %)	**21.2 m** (15.1 %)	**16.9 m** (12.1 %)	**5.0 m** (3.6 %)
European Commission (EC)	*European Investment Bank (EIB)*	*Cassa Depositi e Prestiti S.p.A. (CDP)*	*DWS Group**

140.1
million euros total

* Previously known as DB's class B shares in eeef have been transferred to DWS Group in 2019 which at majority is owned by Deutsche Bank AG Group.

Current division of share classes according to called amounts and remaining commitments

	Total commitment in EUR	Drawn in EUR	Undrawn in EUR
Notes	–	–	–
A shares	42,881,080	32,881,080	10,000,000*
B shares	10,166,319	10,166,319	–
C shares	97,044,399	97,044,399	–
Total	**150,091,798**	**140,091,798**	**10,000,000**

* Undrawn committment from DBU

The eeef funds itself across three different share classes: class C shares, which represent the Fund's first loss piece and how shares are referenced; class B shares, which rank senior to the class C shares; and class A shares, which rank senior to the other two share classes but junior to all of the Fund's other creditors. All these share classes bear voting rights.

While class C shares are essentially designed to correspond to the expectations of governments, the other two share classes are of a more commercial nature and are currently held by development banks and the Investment Manager, Deutsche Bank. The Fund can issue notes designed for private investors. Private investors are senior to all share investors but bear no voting rights.

TECHNICAL ASSISTANCE **SUPPORT**

The eeef's TAF enables the growth of sustainable and smart cities in Spain by supporting the ambitious TA programme in the City of Gijón "Integral and Intelligent Management of Energy Services".

On 20 December 2020, the City of Gijón published the tender, moving one step further to achieving its new plan of action for sustainable energy, applying energy-saving solutions and meeting CO_2 emissions reduction targets.

The City of Gijón TA Programme

The eeef's technical assistance facility

- **EUR 389,500 approved to Ferrara Province**
- **EUR 400,000 approved to the City of Gijón**
- **EUR 340,000 approved to the Italian Ministry of Defense**
- **EUR 180,000 approved to Kaunas District Municipality**
- **EUR 400,000 approved to the Autonomous Province of Bolzano**
- **EUR 160,000 approved to Ukmergė District Municipality**
- **EUR 195,000 approved to Šilutė District Municipality**
- **EUR 195,000 approved to the Klaipėda University Hospital**

Following the European Commission TA Facility managed by the eeef, the Fund set up the **eeef TAF** to support ambitious public beneficiaries in developing bankable sustainable energy investment programmes. These projects shall relate to the energy efficiency sector, renewable energy and/or public urban transport. The eeef TAF aims to bridge the gap between sustainable energy plans and real investments by supporting all activities necessary to prepare investments into sustainable energy projects. Eligible applicants are regions, city councils, universities, public hospitals, public-owned water companies and other public entities located in the member states of the European Union.

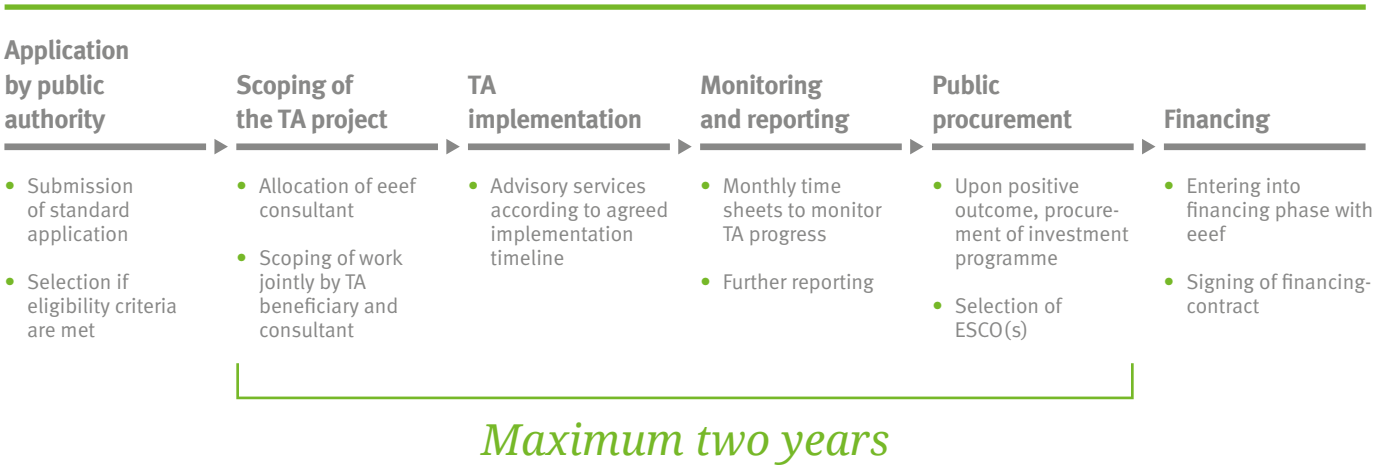
On average, the development of an energy efficiency project in the public sector requires around 4.5 years from the conceptual phase to implementation. The eeef TAF efficiently reduces this time frame to 1.5–2 years by directly allocating consultancy services to the TA beneficiaries (tender of these consultancy services completed by the eeef). This means that the eeef selects appropriate experts with the required know-how and expertise via a tender process (completed entirely by the eeef) and assigns them to the relevant investment programmes. The TA beneficiaries can use the consultant services to, for example, carry out feasibility studies, energy audits and evaluate the economic and financial viability of their investments. Legal support for the investment programmes to draft the PPP tender documents is also included in the TA, while costs can be covered by the eeef.

From the TA Facility inception to date, the eeef has contributed a total of EUR 1.3 m, which were supplemented by the European Investment Bank ("EIB") – European Local Energy Assistance ("ELENA") TA Facility under the Horizon 2020 Programme of the European Union by EUR 1.9 m. The eeef's Facility available for projects has a total reached over EUR 3.2 m by Q4/2020.

The first call for proposals of the eeef TAF was successfully closed on 1 March 2017. It attracted interest among various public authorities within the EU. Afterwards, the eeef received further applications from public authorities in Lithuania. By the end of 2019, eeef published an open call for proposals to allocate consultant services required for the projects, subject to the availability of funds. The new call for proposals was closed on 04 December 2019.

From the call for proposals, the eeef selected a pool of consultants who will work closely with the public authorities during the preparatory phases, from feasibility studies to energy audits to assistance in the public tender processes.

So far, eight public beneficiaries have been selected across Spain, Italy and Lithuania to participate in the TA programme. Likewise, four projects (Ferrara Province, Modena, Kaunas and Gijón) have already published the tender by Q4/2020.



Eligibility criteria and application procedure

A request for technical assistance has to meet the following eligibility criteria:

- Beneficiary has to be a public authority (municipal, local, regional or national) or a public-owned company
- Primary energy savings of at least 20 % on an annual basis (20 % reduction of CO_2 equivalents for certain other technologies, i. e. renewable energy)
- Minimum leverage factor of 20 (final investment volume of the project divided by TA support amount)
- Financing of the project to be provided by the eeef (EUR 5 – EUR 25 m)

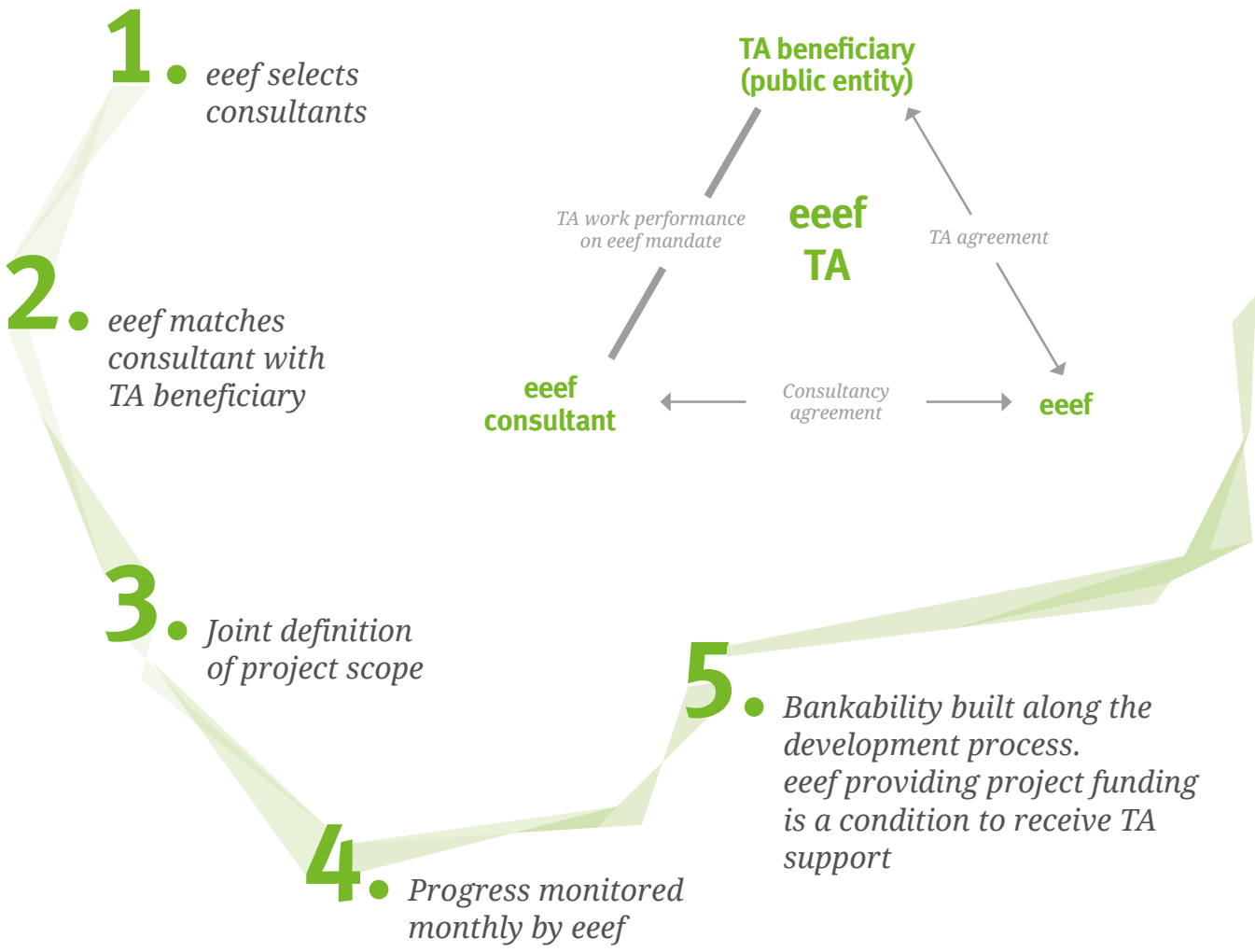
The first call for proposals for TA beneficiaries planning sustainable investment programmes was initiated by the end of 2016 and successfully closed in Q1/2017. The newly launched facility attracted interest among various public authorities seeking support to develop their sustainable project plans. The remaining funding is available on a first come, first served basis by applying directly to the Fund.

During 2019, the eeef TAF has received applications of several TA beneficiaries from Lithuania. Therefore, the eeef published a new open call for proposals in November 2019 to search for consultants to assess potential projects in the country. The call for proposals was closed on 04 December 2019.

Up to now, eight public beneficiaries have been selected under this facility. The eeef is currently reviewing new TA applications, e. g., from Latvia and expects to achieve contractual closing by Q1/2021. Additionally, eeef is in preliminary discussions with further public authorities in Italy, Lithuania and Spain (País Vasco).

New applications can be submitted to:
technical_assistance@eeef.eu

Further details:
https://www.eeef.lu/eeef-ta-facility.html



Street lighting

Gijón is the first city to join the eeef to collaborate on the new eeef Technical Assistance Facility

Ayuntamiento de Gijón was the first public authority to participate in the new eeef Technical Assistance Facility.

With the full commitment of its mayoress, the City of Gijón embarked on an ambitious journey to finalise the comprehensive and intelligent management of electricity and thermal supply of street lighting, municipal buildings and facilities, identifying a set of energy efficiency and/or renewable energy related interventions as well as publishing the tendering documentation to launch a EUR 23 m investment programme in renovation works and selecting an ESCO company to realise the measures within a two-year time frame. The eeef has been accompanying the city during the whole process by collaborating with the management team proposed by the city.

By mid-2019, the TA works have been completed. In May 2019, Spain went through local elections and a new authority was appointed in the City of Gijón. Due to political changes, the project was delayed over one year in its implementation.

Recent developments

In August 2020, eeef extended the TA contract with the TA beneficiary. With an updated milestone plan in place, the new launch date for the market consultation process started in August and ended in October 2020. In December 2020, "La Junta de Gobierno" finalised the market consultation process and published the answers. Consequently, on 20 December 2020, the tender was published on the City of Gijón website and the Spanish State Contracting Platform. The submissions of offers are expected to be closed in March 2021.

Project Partner

The City of Gijón is the largest municipality within the community of Asturias, Spain, with a population of 270,000 citizens. For over three years, the city has been developing its European agenda and positioning itself as "Gijón en Europa" with a number of projects and initiatives at the European level.

The Province of Ferrara is the second public authority to join the eeef to collaborate on the new eeef Technical Assistance Facility

Street lighting

Building upgrades

The Province of Ferrara is located in the Emilia-Romagna region in Italy. It has a total of 354,000 inhabitants living throughout its 24 municipalities. 22 of its municipalities have adopted sustainable energy action plans (SEAPs) and are in need of support to boost the implementation of their projects.

Joining forces with SIPRO (Agenzia Provinciale per lo Sviluppo) – a development agency – the circa EUR 31 m investment programme of the Province of Ferrara is aimed at addressing the implementation of energy efficiency measures in several municipalities to reduce energy consumption and heat loss going forward. Municipalities directly involved in this TA project are Ferrara, Cento, Mesola and Voghiera. These municipalities are leading the way and encouraging further public authorities to pursue their sustainable investment paths.

The investment programme includes deep energy retrofitting measures (in 12 buildings such as schools, offices, town halls and sports facilities) in the municipalities of Mesola, Ferrara and Cento and the replacement of over 27,616 public lighting points with LED technology in the cities of Ferrara and Voghiera.

The tender for the LED replacement in Ferrara was launched in March 2018. The contract was awarded to an ESCO in July 2019. The Municipality of Voguiera did not launch any tender, as it needed to involve a contracting authority and cover relevant costs for the tender process necessary for refurbishing the lighting systems.

The tenders for the public buildings projects in Mesola and Ferrara were published in April and December 2018, respectively. In Mesola, the service was awarded to an ESCO, while Ferrara did not receive any offer in the first call. The Municipality of Cento decided not to publish a tender since the political framework changed and the new government has other priorities.

Recent developments

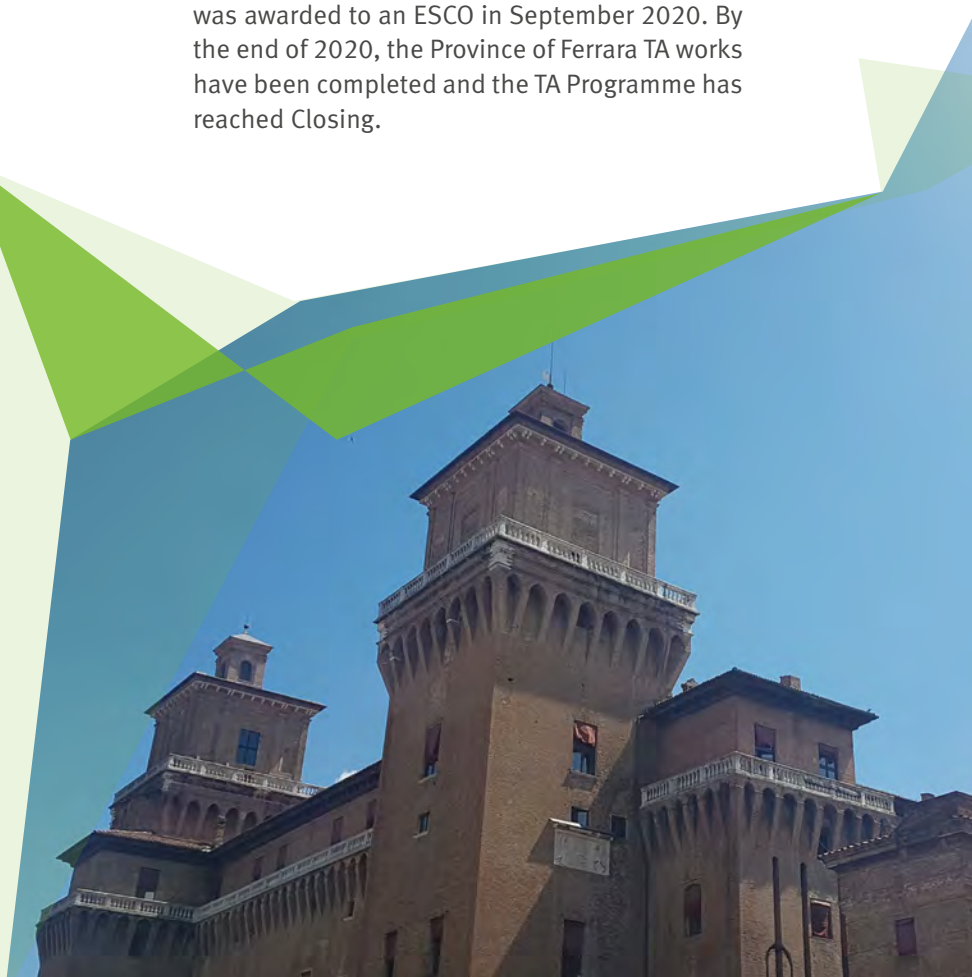
The tender for public buildings in Ferrara was published again in April 2020, and the project was awarded to an ESCO in September 2020. By the end of 2020, the Province of Ferrara TA works have been completed and the TA Programme has reached Closing.

Project Partner

SIPRO is a development agency with a 40-year track record deeply rooted in the Province of Ferrara and experienced in the promotion of local development, in particular with a focus on:

I) sustainable development,
II) external investment attraction and
III) identification of incentives and financing instruments.

SIPRO, as the TA beneficiary, has managed the whole development phase of the involved municipalities and collaborated with the consultant team to perform the TA works.



Building upgrades

The Italian Ministry of Defence is the third public authority to join the eeef to collaborate on the new eeef Technical Assistance Facility

The Ducal Palace in Modena (Italy) is owned by the Italian government and is currently used by the Italian Ministry of Defence (MoD). The Ducal Palace houses the headquarters of the Military Academy, where military students are trained. Additionally, part of the Eastern Tower of the palace houses the University of Modena and Reggio Emilia's (UNIMORE) geophysical/meteorological observatory, and the first floor is used as a museum where guided tours are offered by the Municipality of Modena.

The MoD is the beneficiary of the eeef. The technical assistance facility (TAF) set up a task force to elaborate on energy efficiency and renewable energy measures for retrofitting the palace under an EPC model.

The total project volume is circa EUR 9 m, which includes EUR 5.2 m to upgrade thermal systems and EUR 3.8 m to renovate the building's envelope. Planned measures include the following:

- **Upgrade of the thermal system:**
  Installation of new pipes for the network distribution plus improvements to existing ones, installation of advanced climate control systems, replacement of old radiators, installation of high efficiency boilers, retrofitting of the entire hot water system by disconnecting it from the central plant through new heat pumps.

- **Building envelope:**
  Reducing thermal losses from the building envelope by installing thermal insulation in internal opaque walls with innovative materials and reducing the amount of air infiltration by improving window fittings.

The project site is in the city of Modena in the Italian region of Emilia-Romagna. The Ducal Palace of Modena is one of the most important historical buildings in Italy. The palace was the residence of the Este dukes of Modena for more than two centuries.

The eeef TAF provided consultancy services to complete fully fledged feasibility studies within the palace to clearly identify the current infrastructure and propose appropriate improvement measures within a building of such historical value. All of the recommendations have been in compliance with the architectural constraints required by law to protect the historical heritage of the palace. The proposed measures will help to maintain one of the most historical buildings in Italy according to the latest energy standards and promote energy efficiency.

Recent developments

With the TA works already completed and tender documents finalised, the tender was published in May 2020. The deadline for the submission of offers was extended until September 2020 due to numerous requests for extension (business operators sought to be more prepared to face the pandemic risks). Four bidders participated in the call for proposals and were eligible. It is expected to have a winner ESCO selected by Q1 / 2021.

The Kaunas District Municipality Administration is the fourth public authority to join the eeef to collaborate on the new eeef Technical Assistance Facility

The Kaunas District Municipality Administration, Lithuania, is planning the implementation of an ambitious investment programme to enhance the energy efficiency of the public street lighting infrastructure in several elderships. There is a total of 25 elderships directly involved in this project, including Akademija, Alšėnai, Babtai, Batniava, Čekiškė, Domeikava, Ežerėlis, Garliava, Garlia parish, Kačerginė, Karmėlava, Kulautuva, Lapės, Linksmakalnis, Neveronys, Raudondvaris, Ringaudai, Rokai, Samylai, Taurakiemis, Užliedžiai, Vandžiogala, Vilkija, Vilkija parish and Zapyškis.

This project supports the Kaunas District Municipality Administration through their eldership structure to initiate a multitude of smaller projects, which all fall under the same financing umbrella and benefit from reduced investment cost.

The project site is located in the Kaunas District Municipality, one of Lithuania's biggest and most densely inhabited municipalities with nearly 100,000 people. One of the 60 district municipalities in the country, it seeks to become an attractive centre for business, citizens, tourists and infrastructure. The Kaunas District Municipality has identified that renovating the current public lighting infrastructure would support the transition towards a more desirable community whilst improving public energy consumption.

The envisaged total project volume is EUR 5 m. The final project design is one deliverable by the eeef TAF.

Recent developments

The tender documents have been finalised and by the end of August 2020, they were published. The eeef TA team has been supporting the tender process and answering questions from potential bidders. Due to the municipality's interest in including some specifications regarding the bidder requirements, the tender was relaunched on 5 October 2020. The new deadline for submission of applications was set by 10 December 2020. Currently, the tender evaluation process is ongoing.

Building upgrades

The Autonomous Province of Bolzano is the fifth public authority to join the eeef to collaborate on the new eeef Technical Assistance Facility

The Autonomous Province of Bolzano (PBA) in Italy is planning the implementation of an ambitious investment programme for the renovation of up to 263 public buildings. The initial technical assistance activities will identify a representative sample of buildings from 27, which have been pre-selected.

The Province has a population of nearly 530,000 inhabitants with a surface of almost 7,400 km². The project site is located in the north of Italy, particularly in the cities of Bolzano, Brunico, Bressanone and Merano (buildings location), which are four of the main towns in the Province.

The project volume for the pilot programme is EUR 38.5 m. The aim is to develop a large pilot project to verify the overall feasibility of the retrofit model, to expand it to all 263 eligible buildings whilst minimising costs and risks for investors. The buildings owned by the Province are expected to consume less energy. Planned measures are the following:

- Public buildings upgrades including room and façade insulation, installation of new windows and condensing boilers.
- Installation of photovoltaic systems and efficient lighting.

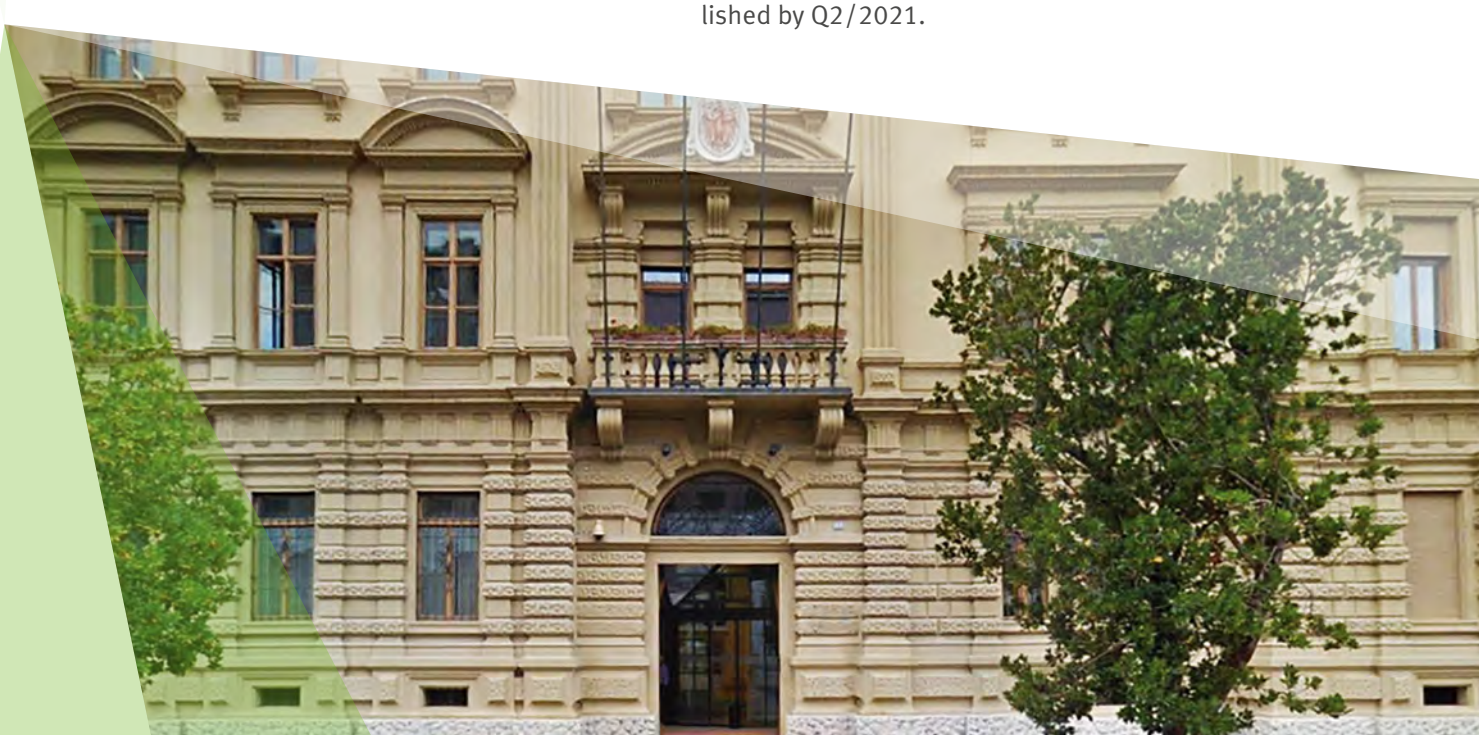
Recent Developments

Audits and studies are completed. In March 2020, the market consultation process ended. Two procedures were analysed for the publication of the tender:

(I) Open public initiative procedure: the TA beneficiary provides the preliminary planning and related documents to select a private partner.

(II) Private proposal of the PPP procedure: each possible private partner, based on the Province's guidelines, participates in a first tender process and proposes a preliminary plan. A Project Promoter will be selected. Then an open tender will be initiated, based on the Promoter proposal (the Promoter will have the right to match the other participants' proposals).

The PBA has chosen the private proposal of the PPP procedure. The notice for tender to select the Project Promoter was published in August 2020. Despite the pandemic crisis, the PAB has received requests for information from many potential promoters (5), which shows the market interest in the project. The final tender is expected to be published by Q2/2021.



The Ukmergė District Municipality Administration is the sixth public authority to join the eeef to collaborate on the new eeef Technical Assistance Facility

The Ukmergė District Municipality Administration is the second public authority from Lithuania that will benefit from the eeef's Technical Assistance programme. The capital of the municipality is Ukmergė, which is considered the largest settlement in the municipality. It is situated in Vilnius County and has 34,000 inhabitants. Currently, there are 12 elderships in the district: Deltuva, Lyduokiai, Pabaiski, Pivonia, Siesikai, Sesuoliai, Taujenai, Ukmerge, Vepriu, Vidiskes, Zelva, Zemaitkiemis, 10 towns, 508 villages, 104 communes

The project site is in Vilnius County, Lithuania. In September 2019, the eeef signed a TA Agreement with Ukmergė District Municipality Administration, to help them preparing and implementing an ambitious investment program for the renovation of five municipal public buildings: Ukmergė Dukstynos Primary School, Ukmergė District Taujenai Gymnasium, Ukmergė District Vidiskes Basic School, Ukmergė children's nursery "Eglute" and the Ukmergė Uzupis Primary School.

This project aims to improve the buildings energy efficiency and ensure that they meet the national energy performance requirements to facilitate a positive contribution to the national strategic objectives in energy efficiency.

A preliminary assessment identified an estimated investment volume of EUR 4.7 m. The TA services, provided by experienced local consultants, will support the efforts of the Administration's employees to prepare the investment project. Supported services include the preparation of energy audits, evaluating the economic viability of each investment, and structuring the tender documents to align with the PPP/ESCO model.

Recent developments

Audits and studies are completed. The investment study was approved by the Municipality Council in December 2020. Tender documents are almost finalised and are expected to be published by Q1/2021.

The Administration of Šilutė District Municipality is the seventh public authority to join the eeef to collaborate on the new eeef Technical Assistance Facility

The Šilutė District Municipality is the third public authority from Lithuania that will benefit from the eeef's Technical Assistance programme. It is situated in the southern part of Klaipėda County, one of the most developing regions of the country. This is mainly determined by the Klaipėda port, which is the only northernmost ice-free port in the Eastern part of the Baltic Sea. It has 37,641 inhabitants and an area of 1706 km². It is divided into 11 elderships (Gardamo, Juknaiciu, Katyciu, Kintu, Rusnes, Saugu, Šilutės, Sveksnos, Usenu, Vainuto, Zemaiciu Naumiescio), seven towns and 311 villages.

On 10 July 2020, the eeef and the Šilutė District Municipality signed a TA agreement to prepare an ambitious investment program that will improve the energy efficiency of municipal public buildings and ensure that they meet the national strategic objectives and energy efficiency requirements. The project aims to modernise 11 public buildings, which are the following: (I) Rusnes Culture House, (II) Šilutė nursery "Azuoliukas", (III) Šilutė Pamario Primary School, (IV) Šilutė nursery "Gintarelis", (V) Kintai Primary School, (VI) Saugai Jurgis Miksas Primary School, (VII) Šilutė District Municipality Sveksnos nursery, (VIII) Usenai Primary School, (XI) Šilutė District Municipality building, (X) Šilutė Hospital and (XI) Vilkyciai School.

The project volume for the programme is circa EUR 5.6 m. It is expected to be distributed over a three year period (2022 – 2024).

The TA Consultants appointed by eeef will provide energy audits and technical consultations, evaluation of the economic viability of each investment, including financial analysis, and structuring the tender documents to align with the PPP/ESCO model. Legal advisory services concerning these tasks will be provided.

Recent Developments

Audits and studies are finalised. The investment study (IP) has been reviewed by the municipality and sent to the CPMA for final approval. The tender is expected to be published Q2/2022.

The Klaipėda University Hospital is the eighth public authority to join the eeef to collaborate on the new eeef Technical Assistance Facility

The Klaipėda University Hospital (KUH) is located in the Klaipėda City Municipality, near the Baltic Sea and the Curonian Lagoon, one of the country's most developing municipalities due to the Klaipėda seaport. The KUH is one of the largest and most important medical institutions in Lithuania, with circa 1,000 beds, 1,775 employees and an area of approximately 60,000 sq. m. The Hospital is engaged in academic activities allowing medicine students to perform their practice and activities of scientific research.

The Klaipėda University Hospital (KUH) is an independent legal entity – public institution, founded and incorporated by the Council of Klaipėda City Municipality. It is well known for its highest quality services, modern medical equipment and highly qualified staff. Also, it provides multi-profile medical services to the inhabitants of Klaipėda and Lithuania. On 22 October 2020, the eeef and the Klaipėda University Hospital signed a TA agreement.

The project volume for the programme is EUR 6.3 m. The aim is to develop an ambitious investment program that will enhance energy efficiency by upgrading three out of its four hospital buildings and increasing high-quality microclimate conditions for patients and hospital personnel. This will facilitate the KUH to reach the required renovation and energy levels to contribute to the local strategic objectives in energy efficiency and national targets.

The three hospital buildings falling under the scope of the project are the following: (I) central building, (II) oncology building and the outpatient consultation department, and (III) the infectious disease building.

Recent developments

TA works already started. The performance of energy audits is still ongoing.

The eeef's Technical Assistance Facility
An overview

The eeef Technical Assistance Facility (eeef TAF) was set up to catalyse investments for public entities within the energy efficiency and small-scale renewable sectors.

To date, the eeef has approved eight public beneficiaries, which are currently receiving consultancy services in various forms with the common aim of bringing the projects to fruition. Four of the eeef TAF programmes have already published tender (Ferrara Province TA, Modena TA, Kaunas TA and Gijón TA). Even though the TAF's scope of work ends once the public beneficiary has launched the tender, the Fund's support is not limited to provide technical assistance services; it also targets to reach closing and provide project financing through various financial instruments to ensure that the projects materialise. It is the eeef's intention that the TAF remains active for the foreseeable future, with the mission to turn public sector climate mitigation projects into reality.

123

million euros
envisaged total project investment volume supported by the eeef TAF

54.42

potential total leverage factor (weighted average)

3

countries involved

49,146

MWh per year estimated primary energy savings

14,999

t CO_2e per year estimated carbon equivalent emission savings

13

public authorities involved

CARBON, ENVIRONMENT & IMPACT **MANAGEMENT**

Fund criteria: *for all projects to save at least 20 % CO_2e and/or primary energy compared to baseline*

Project assessment and **monitoring**

Eligible projects

The eeef can invest in a range of energy efficiency, clean urban transport and small-scale renewable energy technologies, providing the carbon or primary energy savings investment criteria are met. Each project must achieve at least 20 % primary energy and / or carbon savings compared to baseline. The Fund may only invest when savings and other investment criteria are fulfilled.

Project Assessment and Monitoring

As the eeef can finance a variety of technologies, the initial technical assessment and ongoing monitoring of investments must strike the correct balance between accuracy and practicality of implementation.

How the eeef evaluates technical eligibility is based on the project's technology and loan size; for example, small standard (e. g. street lighting) project savings can be calculated using validated calculations from the Investment Manager's carbon environment impact management (CEIM) tool, greenstem™ (greenstem). For projects with higher investment volumes and / or more complex technologies, detailed energy analyses are required in the form of third-party validated reports.

As part of the Fund's due diligence process and for the duration of the loan, the eeef evaluates and monitors the project's savings performance in alignment with the International Performance Monitoring and Verification Protocol (IPMVP), which requires every project to establish a baseline energy consumption and then conduct a post-project implementation assessment.

The Investment Manager's CEIM team reviews the technical details of all eeef investments and works with project managers to enter relevant data points into greenstem. The Fund provides guidance to project partners on how to conduct project analysis via third-party validated annual audit templates. This ensures the entire portfolio reports using a consistent methodology.

greenstem™

All of the eeef portfolio reported impact indicators are tracked in greenstem, a proprietary web-based tool from the Investment Manager which automatically and consistently calculates anticipated and realised energy, primary energy and carbon savings. For small loans and standard technologies, greenstem completes calculations based on project-specific data inputs and project location / technology conversion factors. The tool stores up-to-date energy and emission conversion factors to ensure a consistent reporting approach across the portfolio. Factor sources include the Chartered Institution of Building Services Engineers for technology benchmark data and the Intergovernmental Panel on Climate Change for the conversion of energy data into greenhouse gas emissions. Electricity emission factors are sourced from the International Energy Agency and are updated annually in line with ISO 14064-2, the carbon accounting standard followed. All calculations and data sources used within the tool have been validated by a third-party engineering company.

greenstem provides comprehensive, timely and accurate reporting charts and dashboards that have been configured specifically for eeef user groups. The tool is flexible and can be customised to include additional technologies in the portfolio.

Social and environmental **management system (SEMS)**

The eeef aims to conduct its operations in line with the highest expectations regarding social and environmental responsibility. The eeef's social and environmental management system (SEMS) defines the respective roles and responsibilities of the Fund and its partner institutions in promoting social and environmental sustainability.

In general, these are in accordance with the European Investment Bank Statement on Environmental and Social Principles and Standards. For both types of investments – direct and financial-institution investments – the eeef SEMS has specific performance requirements and procedures which are applied.

Compliance with these is assessed during the due diligence process and monitored later on throughout the lifetime of the project.

The environmental and social (E&S) screening checks areas such as the following, as well as other E&S issues and reputational risk:

1. *General environmental and social issues:*

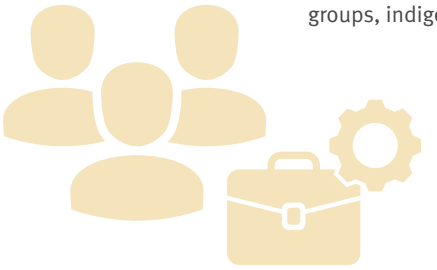
EU policy, legal context and compliance, environmental impact assessment process, E&S principles and standards

2. *Environment, biodiversity and climate change:*

Environmental/transboundary impacts, protected areas, critical habitants, biodiversity, forestry, cultural heritage, vulnerability to climate change, climate change mitigation

3. *Social:*

Social assessment, involuntary resettlement, vulnerable groups, indigenous people, labour standards, etc.



Primary energy and greenhouse gas emissions **savings 2020**

The eeef's projects aim to achieve at least 20 % primary energy savings on an annual basis (higher for the building sector) and a 20 % reduction of CO_2 equivalents for transport and renewable energy projects. The quality of the methodology used to calculate the expected savings of projects is crucial. This allows the eeef to ensure its projects satisfy international standards regarding CO_2e and primary-energy-saving reporting. Due to the wide variety of technologies included in the eeef's portfolio, the Investment Manager has developed a standardised approach to calculating the project energy, primary energy and carbon savings for the eeef's most common project technologies.

Carbon emission savings and primary energy savings were reported for the entire portfolio of 17* investments/signed commitments for a range of energy efficiency and renewable technologies including CHP biomass, small-scale wind and electric vehicles. Once a project has been in operation for a full year, the eeef receives annual audits stating its actual energy consumption.

Year-on-year consumption variances are expected due to a number of factors, such as weather advances in static data, and therefore project savings can change annually. As shown below, these projects achieved total accumulated savings of 557,363 t CO_2e and 850,584 MWh of primary energy savings through the end of 2020. Catfoss exited eeef's portfolio in Q3 2020, as the project has not reached the required agreements/conditions in accordance with the financing facility to proceed with its implementation. Subsequently, we removed Catfoss' previous contribution to eeef's cumulative primary energy savings and cumulative carbon savings. As a result, the below reported cumulative primary energy savings are lower than 2019, with cumulative carbon savings slightly higher than the previous reporting period.

* As eeef signed the forfaiting facility to finance the renovation of the street lighting infrastructure in the municipality of Vila do Conde in Portugal on December 30, 2020, the project is excluded from the 2020 carbon and primary energy savings report. The project's estimated savings will be taken into account in the 2021 annual report.

Key technologies

currently included in the portfolio:

Building upgrades

Street lighting

Wind and solar

Combined heat and power

Electric cars

Project Name	Reporting as of Q4 2020 [1–6]			
	Cumulative Primary Energy Savings (MWh)	Primary Energy Savings (%)	Cumulative CO_2e savings (t CO_2e)	Carbon Savings (%)
Bolloré	34,167	15	47,540	93
City of Orléans	-262,120	-45	132,741	62
City of Rennes	-346,256	-44	100,895	50
Jewish Museum Berlin Foundation	82,514	89	18,693	93
University of Applied Sciences Munich	16,212	38	862	23
Illuminated Cities	55,950	56	7,878	56
Smart H&U	145,386	55	17,786	46
University Hospital S. Orsola Malpighi	391,698	30	90,833	32
City of Venlo	31,831	60	6,227	60
CIMAC	91,472	74	13,938	74
Wattosun	65,302	100	9,068	100
Banca Transilvania[2]	348,543	50	81,814	50
Universidad Politécnica de Madrid	10,205	15	5,171	36
Municipality of Santander	138,669	79	16,050	79
Ore Valley Housing Association	21,291	99	2,557	96
Dancer Mobility	9,092	92	1,344	100
SPL Région Rhône-Alpes	16,628	42	3,968	58
Total (all projects)	850,584	47	557,363	65
Total (EE & CUT only)	1,458,960	60		

[1] All project savings are calculated following international protocols, including the International Performance Measurement and Verification Protocol (IPMVP) for energy accounting and ISO 14064 for carbon accounting. All methodologies used by the eeef are validated by a global engineering company. Currently, all projects with concrete data are reporting in alignment with these guidelines, and all new projects are aligned with these frameworks. Project savings represent total project investment volumes. The eeef uses up-to-date and project-specific conversion factors from sources including the International Energy Agency and the Greenhouse Gas Protocol. For some projects within the portfolio, factors cannot be updated due to project specifics, so they continue to report on factors issued within the loan documentation. All cumulative numbers are based on investments loan maturity. EE means Energy Efficiency, CUT means clean urban Transport, RE means renewable energy. The entire projects cover EE, CUT and RE projects.

[2] The cumulative BT savings represent 10 subprojects. The portfolio's percentage savings are calculated based on all subproject savings. Projects contribute to cumulative savings until the subloan has matured from the portfolio – i. e. at loan maturity.

[3] For carbon, cumulative and percentage savings are based on the entire portfolio, percentage savings use the average. For primary energy, cumulative and percentages saving are presented for projects from the portfolio which provide primary energy savings, ie. energy efficiency and clean urban transport projects. For the sake of completeness, the cumulative and percentage primary energy savings are also provided for all projects. Matured investments are included within the total.

[4] Cumulative data include calculations from financial close to loan maturity, based on estimations for projects under construction and with less than one year of operations and actual data for projects which have been in operation for over one year. Savings are for total project investment volume (ie. eeef and non-eeef investments).

[5] Wattosun, Smart H&U and Dancer are based on signed commitments. Illuminated Cities are partly based on signed commitments as the construction for one sub-project has already completed. The savings for these three projects are based on estimates.

[6] SPL matured in Q1 2018. Bolloré matured in Q1 2019. Catfoss did not reached required agreements/conditions in accordance with the financing facility to proceed with its implementation. The funds were transferred back to eeef's account in Q4 2020.

investments/signed commitments achieved CO_2e and primary energy savings

FINANCIAL **STATEMENTS**

4.1

*million euros total income**

* Data have been adjusted to exclude changes in fair value of investments in subsidiaries as well as unrealised profit and loss on derivative instruments. For full details, please refer to the income statement.

Balance sheet

Balance Sheet
(in EUR)

	31 December 20	31 December 19
Assets		
Non-current assets		
Financial assets at amortised cost		
Debt instruments	79,674,479	71,968,972
Financial assets at fair value through profit or loss		
Debt instruments	12,491,829	8,836,024
Investments in associates and joint ventures	11,433,899	10,386,331
Total non-current assets	**103,600,207**	**91,191,327**
Current assets		
Restricted cash	357,519	32,462,664
Interest receivable	615,164	806,730
Prepaid expenses and other receivables	190,483	944,232
Cash and cash equivalents	49,536,030	26,379,802
Total current assets	**50,699,196**	**60,593,428**
Total assets	**154,299,403**	**151,784,755**
Liabilities		
Current liabilities		
Payable on eeef Technical Assistance Facility	226,298	280,286
Interest payable	–	42,177
Accounts payable and accrued expenses	3,751,357	1,491,026
Distribution to holders of redeemable ordinary shares	431,704	435,560
Total current liabilities	**4,409,359**	**2,249,049**
Non-current liabilities		
Financial liabilities at fair v alue through profit or loss		
Derivative financial instruments	2,448,848	2,111,507
Net assets attributable to holders of redeemable ordinary A shares	32,881,080	32,881,080
Net assets attributable to holders of redeemable ordinary B shares	10,166,330	10,166,330
Net assets attributable to holders of redeemable ordinary C shares	104,393,786	104,376,789
Total non-current liabilities	**149,890,044**	**149,535,706**
Total liabilities	**154,299,403**	**151,784,755**

Income **statement**

Statement of profit or loss and other comprehensive income
(in EUR)

	31 December 2020	31 December 2019
Income		
Interest income on debt instruments measured at amortised cost	3,899,023	3,515,999
Interest income on debt instruments measured at fair value through profit and loss	222,012	275,542
Dividend income	–	219,440
Change in unrealised in fair value of investments in associates and joint ventures	247,568	4,082,590
Change in unrealised in fair value of debt instruments	278,872	140,611
Commission and fees income	–	81,290
Change in unrealised gain on exchange	–	124,137
Realised gain on exchange	–	19,791
Other income	–	28,731
Total income	**4,647,475**	**8,488,131**
Expenses		
Direct operating expenses	(2,303,510)	(2,263,732)
Realised loss on exchange	(29,586)	–
Change in unrealised loss on derivative instruments	(337,341)	(739,942)
Change in unrealised loss on exchange	(109,987)	–
Performance fees	(457,198)	(496,573)
eeef Technical Assistance Facility	(226,299)	(280,286)
Loss allowance on debt instruments	(32,528)	(18,797)
Interest expenses	(702,325)	(536,169)
Total operating expenses	**(4,198,774)**	**(4,335,499)**
Operating profit	**448,701**	**4,152,632**
Distribution to holders of redeemable ordinary A shares and B shares	(431,704)	(435,560)
Complementary dividend attributable to holders of redeemable ordinary C shares	–	(108,684)
Allocation attributable to holders of redeemable ordinary C shares	(16,997)	(3,608,388)
Total comprehensive income for the year	**–**	**–**

Statement of changes in **net assets**

Statement of changes in net assets attributable to holders of redeemable ordinary shares (in EUR)

	Net assets attributable to shareholders
As at 31 December 2018	**140,143,242**
Issue of redeemable shares	3,563,885
Redemption of redeemable shares	–
Increase in net assets attributable to shareholders from transactions in shares	3,563,885
Complementary dividend attributable to holders of redeemable ordinary C shares	108,684
Increase in net assets from operations attributable to holders of redeemable ordinary C shares	3,608,388
As at 31 December 2019	**147,424,199**
Issue of redeemable shares	–
Redemption of redeemable shares	–
Increase in net assets attributable to shareholders from transactions in shares	–
Complementary dividend attributable to holders of redeemable ordinary C shares	–
Increase in net assets from operations attributable to holders of redeemable ordinary C shares	16,997
As at 31 December 2020	**147,441,196**

Supplementary information

	31 December 2020	31 December 2019	31 December 2018
Number of shares outstanding			
Class A shares – tranche 1	328.8108	328.8108	328.8108
Class B shares – tranche 1	203.3266	203.3266	132.0489
Class C shares – tranche 1	1,569,960.9156	1,569,960.9156	1,569,960.9156
Net asset value per share class (EUR)			
Class A shares – tranche 1	32,881,080	32,881,080	32,881,080
Class B shares – tranche 1	10,166,330	10,166,330	6,602,445
Class C shares – tranche 1	104,393,786	104,376,789	100,659,717
Net asset value per share (EUR)			
Class A shares – tranche 1	100,000.00	100,000.00	100,000.00
Class B shares – tranche 1	50,000.00	50,000.00	50,000.00
Class C shares – tranche 1	66.49	64.48	64.12

Cash flow **statement**

Statement of cash flows
(in EUR)

	For the year ended 31 December 2020	For the year ended 31 December 2019
Operating profit attributable to holders of redeemable ordinary C Shares	16,997	3,717,072
Net changes in operating assets and liabilities		
Adjustments for non-cash items	(156,571)	(3,464,462)
(Increase) / decrease in prepaid expenses and other receivables	753,749	(944,232)
(Decrease) / increase in accounts payable and accrued expenses	2,260,331	57,551
(Decrease) / increase in contribution to the Technical Assistance Facility	(53,988)	3,711
Interest income	(4,121,035)	(3,791,541)
Interest expense	(702,325)	(536,169)
Distributions paid to holders of redeemable ordinary shares	(3,856)	(113,315)
Net cash flow (used in)/from operating activities	(2,006,698)	(5,071,385)
Cash flows used in investing activities		
Decrease / (increase) in debt instruments	(11,114,968)	32,509,981
Net (increase) / decrease in restricted cash	32,105,145	(32,462,664)
Interest received	4,312,601	3,801,111
Interest paid	660,148	578,346
Net cash flow (used in) / from operating activities	25,162,926	4,426,774
Cash flows from financing activities		
Issue of redeemable ordinary shares	–	3,563,885
Net cash flow from financing activities	–	3,563,885
Net increase / (decrease) in cash and cash equivalents	23,156,228	2,919,274
Cash and cash equivalents at beginning of the year	26,379,802	23,460,528
Cash and cash equivalents at end of the year	49,536,030	26,379,802

Imprint

Publisher:
The European Energy Efficiency Fund,
S.A., SICAV-SIF
31 Z.A. Bourmicht
L-8070 Bertrange
Grand Duchy of Luxembourg

Photo credits:
Alex Kraus, Jeff Molliere, Lada Strelnikova, iStockphoto/vm, shutterstock/Roschetzky Photography

Disclaimer

The Fund is an investment company with variable capital *(société d'investissement à capital variable)* under the form of a public limited-liability company *(société anonyme)*, governed by the laws of the Grand Duchy of Luxembourg, which is subject to the law of 13 February 2007 on specialised investment funds, as amended or supplemented from time to time. It qualifies as an alternative investment fund (AIF) within the meaning of the Luxembourg law of 12 July 2013 on Alternative Investment Fund Managers (the AIFM Law) and was registered as a "de minimis" alternative investment fund manager in accordance with article 3(2) of the AIFM Law. It is internally managed in accordance with article 4(1) b) of the AIFM Law.

The Fund is reserved for certain eligible investors as defined in the issue document. The information given in this report constitutes neither an offer nor a product recommendation; it is provided for individual information purposes only. No guarantee is given or intended as to the completeness, timeliness or accuracy of the information provided herein. This report is neither an issue document, as specified by applicable law, nor the financial annual report of the Fund, nor the management report. The current issue document is obtainable at the registered office of the Fund. Please request the Fund's issue document, read it carefully and seek advice from your legal and/or tax advisors before investing.

The distribution of the issue document and the offering of shares and/or notes may be restricted in certain jurisdictions. The issue document does not constitute an offer or solicitation in jurisdictions where such an offer or solicitation is considered unlawful, where a person making such an offer or solicitation is not qualified to do so or where a person receiving the offer or solicitation may not lawfully do so. It is the sole responsibility of any person in possession of the issue document and of any person wishing to apply for shares and/or notes to inform themselves of and to observe all applicable laws and regulations of relevant jurisdictions. Distribution of the issue document by an unauthorised person is prohibited and shall be solely at their own risk. Investors should inform themselves and should take appropriate advice as to possible tax consequences, foreign exchange restrictions or exchange control requirements which they might encounter under the laws of the countries of their citizenship, residence or domicile or other applicable laws and which might be relevant to the subscription, purchase, holding, redemption or disposal of the shares and/or notes of the Fund.

The shares and/or notes of the Fund have not been and will not be registered under the United States Securities Act of 1933 as amended from time to time (the 1933 Act) or any other applicable securities laws of any of the states of the United States, for offer or sale, directly or indirectly in the United States of America, except pursuant to an exemption from the registration requirements of the 1933 Act as part of their distribution, and the Fund has not been and will not be registered under the United States Investment Company Act of 1940.

Contact:

info@eeef.eu
www.eeef.eu

ClimatePartner°
klimaneutral
Druck | ID 53123-1707-1001