



REGULUS PROGRAM

PAN EUROPEAN
TRANS-GENERATIONAL
POSITIVE

THE **JUNCKER** PLAN

WILL BE

AN ENERGY SHIFT PROJECT



NOW !



AFTER/SFTE AS
JUNCKER PLAN
N° 1 INVESTMENT PROJECT

BETTER:
THE PAN EUROPEAN
INVESTMENT PROGRAM

120 Bn €
ENERGY RENOVATION
OF EU PUBLIC BUILDINGS

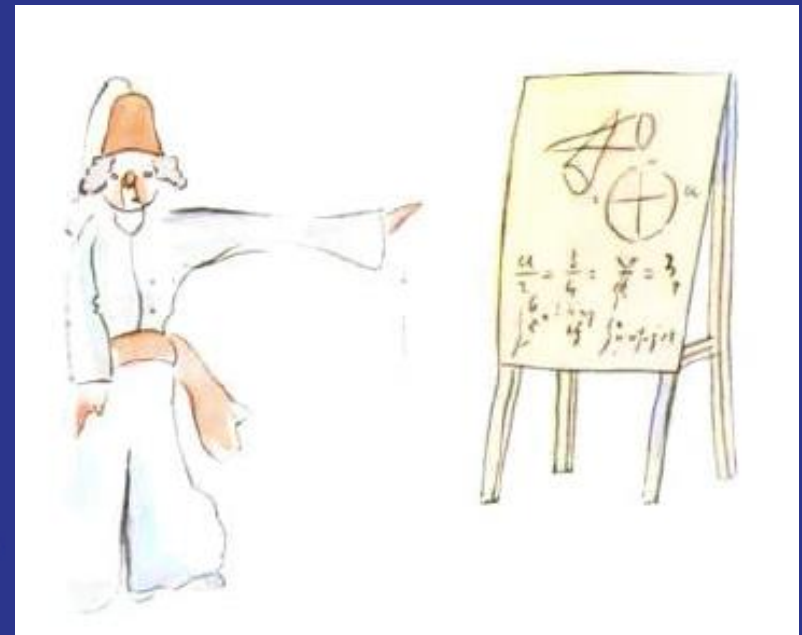




SFTE PHASE 0 (– June 2013)

Awareness

French debate on Energy Shift





SFTE PHASE 0 (– June 2013)

Awareness

Deflation risk

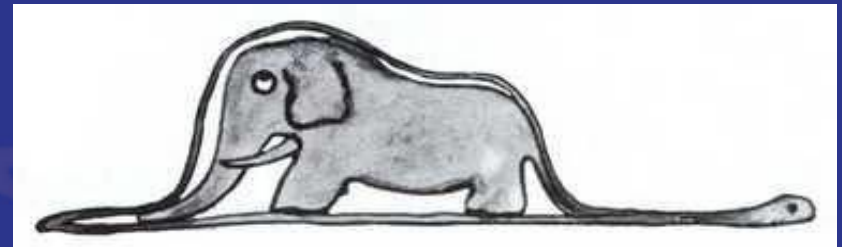




SFTE PHASE 0 (– June 2013)

Awareness

Exemplarity of public buildings
Better than 'white elephant' projects

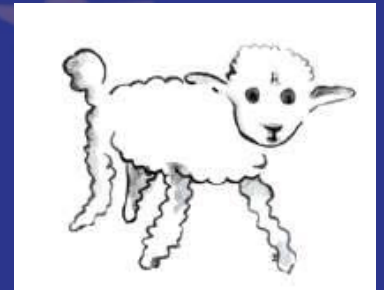




SFTE PHASE 0 (– June 2013)

Awareness

A trans-generational challenge





SFTE PHASE 1 (July 2013 – Oct 2013)

THE MAKING OF THE CONSORTIUM

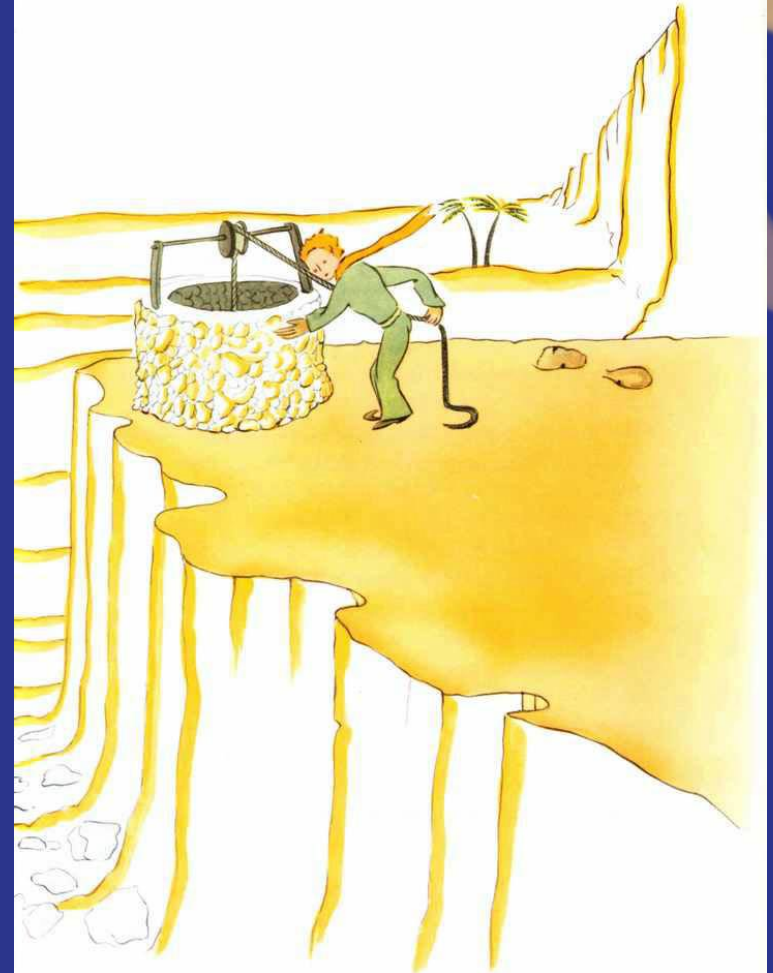
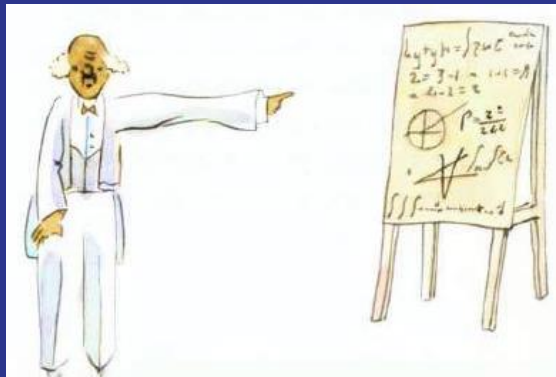




SFTE PHASE 2 (Nov 2013 – Oct 2014)

THE STUDY

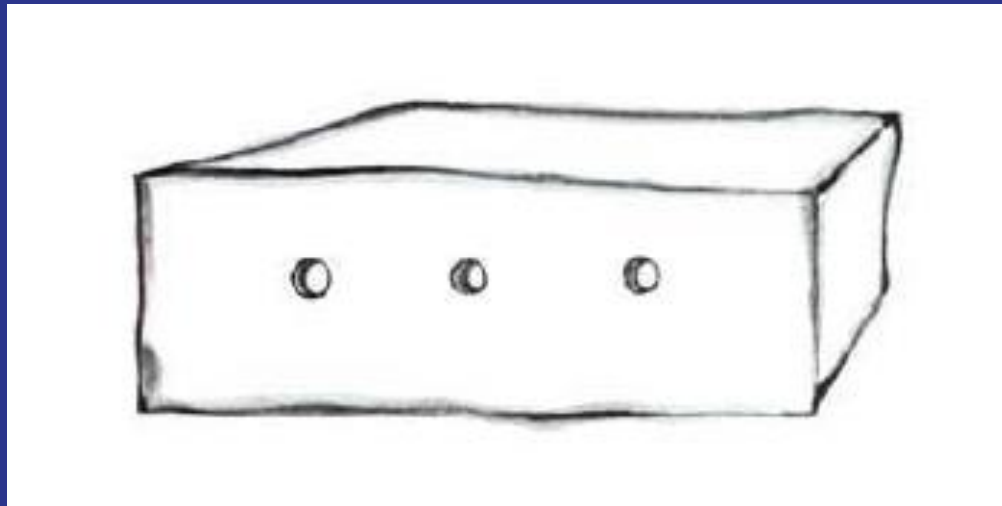
THANK YOU TO OUR 250 EXPERTS





SFTE SOLUTIONS

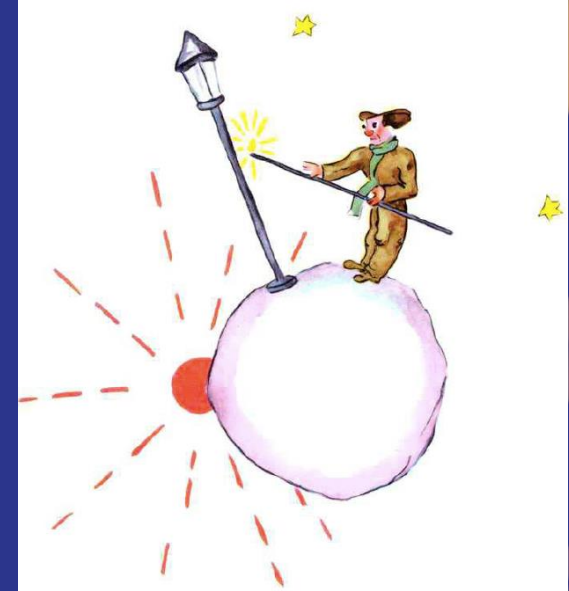
MARKET SEGMENTATION





SFTE SOLUTIONS

A SIGNIFICANT FINANCIALLY VIABLE POTENTIAL





SFTE SOLUTIONS

OTHER SOCIO-ECONOMIC BENEFITS ASSESSMENT

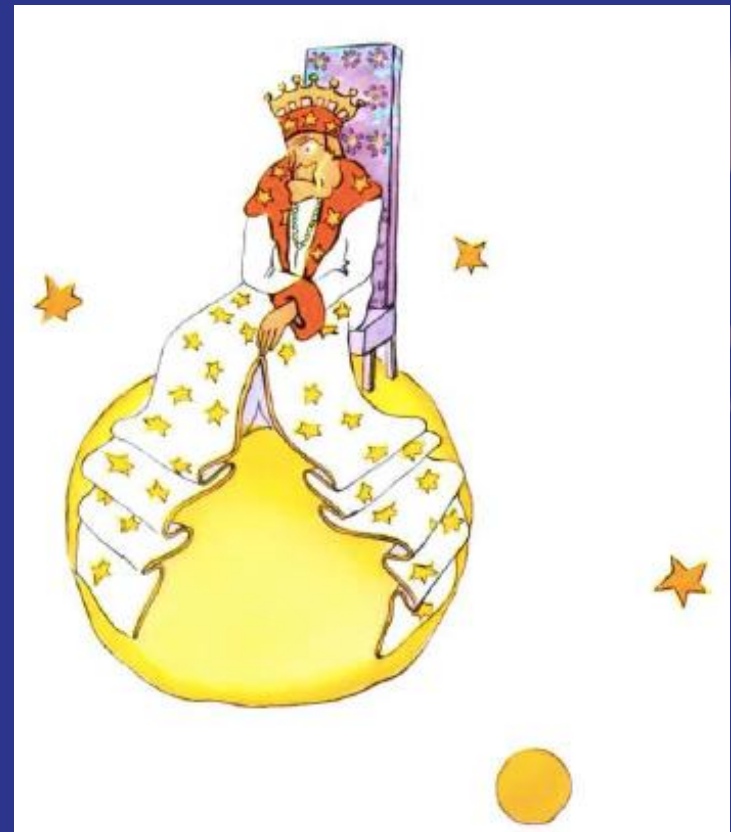
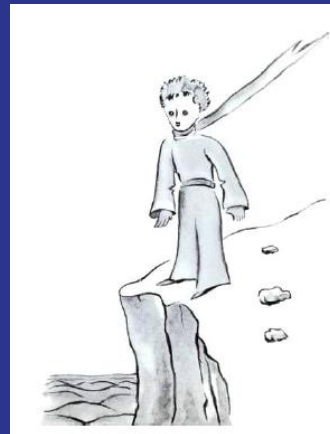
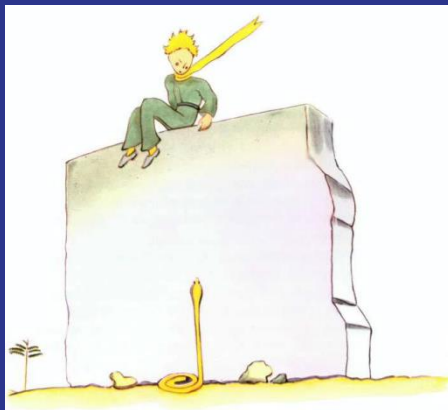




SFTE SOLUTIONS

FINANCIAL STRUCTURING

SOVEREIGN RISK GUARANTEE (= EFSI)

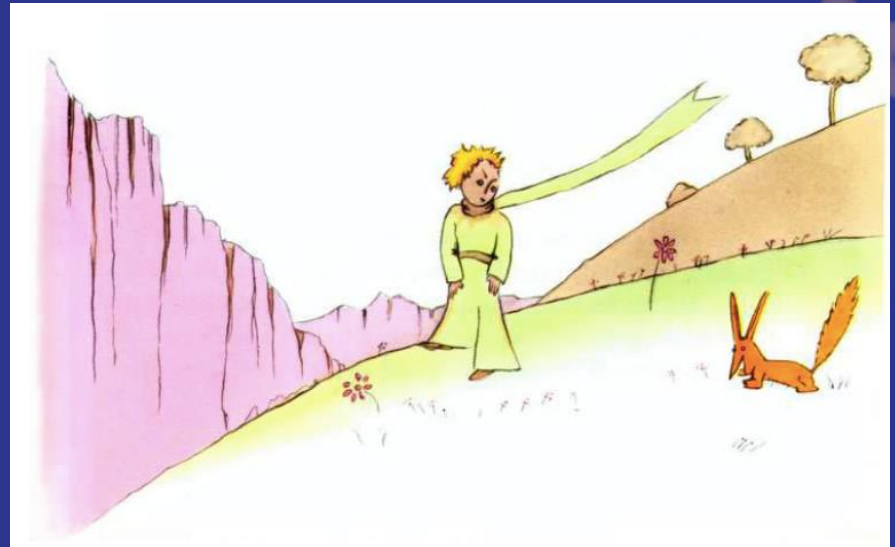




SFTE SOLUTIONS

CONTRACT STRUCTURING

PERFORMANCE & PARTNERSHIP

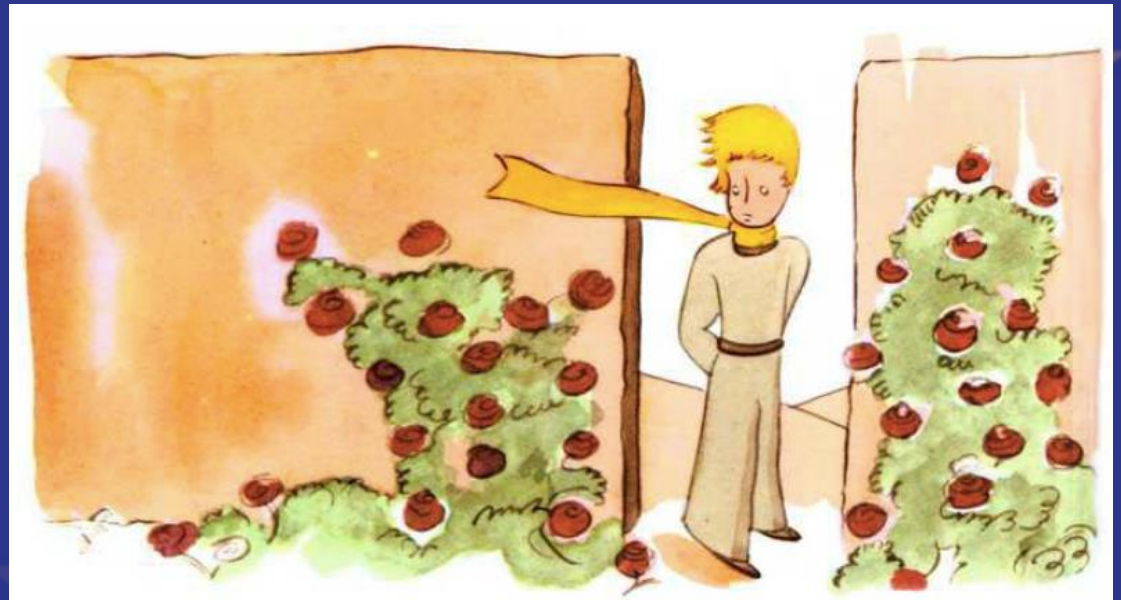
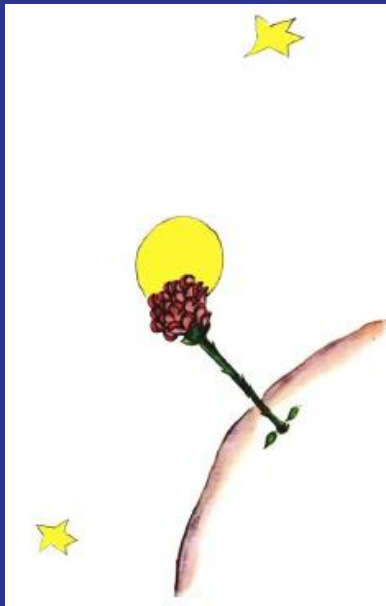




SFTE SOLUTIONS

MUTUALISATION

STANDARDISATION





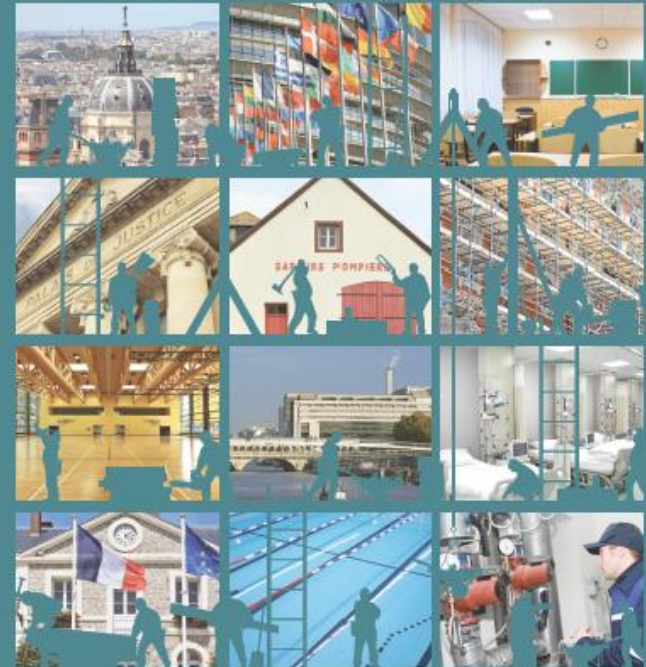
SFTE PHASE 5 (4 November 2014)

SYNTHESIS REPORT

www.projet-sfte.fr



MASSIVE FINANCING OF THE ENERGY TRANSITION



SFTE feasibility study: synthesis report
Energy renovation of public buildings

Providing massive finance for the energy transition and reviving the economy while controlling the public debt: this project aims to leverage the state guarantee to unblock massive credit for the energy transition through the creation of the Energy Shift Financing Agency (Société de Financement de la Transition Énergétique – SFTE). A feasibility study has been conducted with a view to mobilising between €30bn and €70bn over 10 years and financing the energy renovation of French public buildings under the best possible conditions. It could be done in France as well as in Europe without putting a strain on the public debt.

A.F.T.E.R. / November 2014



SFTE PHASE 6 (Nov 2014 –)

MAKING SFTE JUNCKER PLAN N° 1 INVESTMENT PROJECT



An Investment Plan for Europe

SFTE WINS !!!!

MOBILISING FINANCE FOR INVESTMENT

- Strong boost to strategic investments
- Better access to finance for SMEs
- Strategic investments
- Flexibility in contribution
- Better use of and investment



MAKING FINANCE REACH THE REAL ECONOMY

- Project pipeline preparation and selection
- Technical assistance
- Strong coordination and promotion
- Follow-up activities at regional level



IMPROVED INVESTMENT ENVIRONMENT

- Predictability and quality of regulation
- Quality of national expenditure, tax systems and public services
- New sources of financing for the economy
- Removing regulatory barriers in key sectors



Sovereign guarantee
(SFTE = EFSI) ☒

120 Bn €
Financially viable infrastructure projects ☒

A light Eurostat

barrier to remove ☒



Factsheet 3

WHERE WILL THE MONEY GO TO?

The Investment Plan for Europe will be a package of measures to unlock public and private investments in the real economy of at least € 315 billion over the next three years (2015-2017). The Investment Plan consists of three strands: (1) mobilising investment finance without creating public debt; (2) supporting projects and investments in key areas such as infrastructure, education, research and innovation and (3) removing sector-specific and other financial and non-financial barriers to investment.

Typical projects² that, depending on the project features in each individual case, **could potentially benefit from financing** could include projects identified by the joint Commission-EIB Task Force such as for example:

- A programme for the construction and rehabilitation of public buildings aimed at improving their energy efficiency, currently held up by lack of funding.
- Transport links between EU countries facing delays due to high upfront project costs.
- Open-access, laser-based research infrastructure in countries currently in need of financing to avoid delays in implementation.
- A programme to upgrade school facilities in countries facing implementation challenges and lack of funding.
- Investment in water infrastructure, including wastewater treatment plants and water supply facilities, hampered by a lack of financing.
- Other projects supporting, for example, the expansion and upgrading of freight and

1. Background and issues

1. Prioritising the energy efficiency of public buildings as a quality investment

Since buildings represent 40% of energy consumption in Europe, they are a major segment of the energy transition, accounting for hundreds of billions of euros. The share of public buildings (excluding social housing) is estimated at around 10% of total surface area. The program builds on the duty of European, national and local authorities to set an example and stimulate quality investment. In Europe, public buildings (schools, offices, hospitals and so on) are estimated to be a largely untapped source of potential of financially sustainable renovation (entirely funded by energy savings as opposed to subsidies) of at least €120bn over the next 3 years, that is to say €100bn more than the current investment trend (BAU) or even less over the next 3 years. This untapped potential, which urgently needs to be more accurately assessed in the EU, is a reason enough for a public intervention.

- The public finance situation is heavily constrained and could deteriorate in most European countries, hindering public building retrofit projects and lowering the BAU trajectory.
- public accounting standards in the EU and member states (MS) are a burden on these projects and their "conventional" financing mechanisms;
- project finance mechanisms remain ill-suited to these medium-sized operations;
- stimulating demand (currently weak and politically undervalued) calls for a clearly articulated long-term real estate strategy by MS and key projects to achieve it;
- current financing capacities and regulations would be insufficient for such a proactive policy.

The €120bn investment program consists in financially long- or very long-term financially viable projects, with a 3% IRR objective.

2. Support of EU objectives

Energy renovations in public buildings would contribute to many EU goals:

- exemplary reduction of CO2 emissions in the context of COP21, in accordance with European targets¹;
- improvement of the EU's highly skewed energy trade balance;
- energy independence²; the EU28 imports more than 50% of the energy it consumes and the Ukraine crisis is currently undermining Europe's vulnerability;
- investment spurring the EU's competitiveness: fossil-fuel imports represent more than €1bn per day but energy savings would enable the EU to use these resources to generate more added value;

According to economic estimates, investing €120bn over 3 years in public buildings would reduce their energy consumption by 10-15% and would reduce their CO2 emissions by the same percentage.

These French proposals respond to the need for long-term financing of the European economy³ focusing on the "real economy" without increasing the public debt, thus responding to today's market failures. They will improve the traceability of that financing to facilitate safe and transparent monitoring of the scheme by public authorities.

3. Unrivalled socio-economic benefits

Energy renovations bring key non-financial socio-economic benefits besides those previously mentioned:

- local job creation, in part through SMEs: with about 15 jobs/year per million euros invested, a €120bn program of investment in public buildings would result in more than 600,000 additional yearly jobs during 3 years;

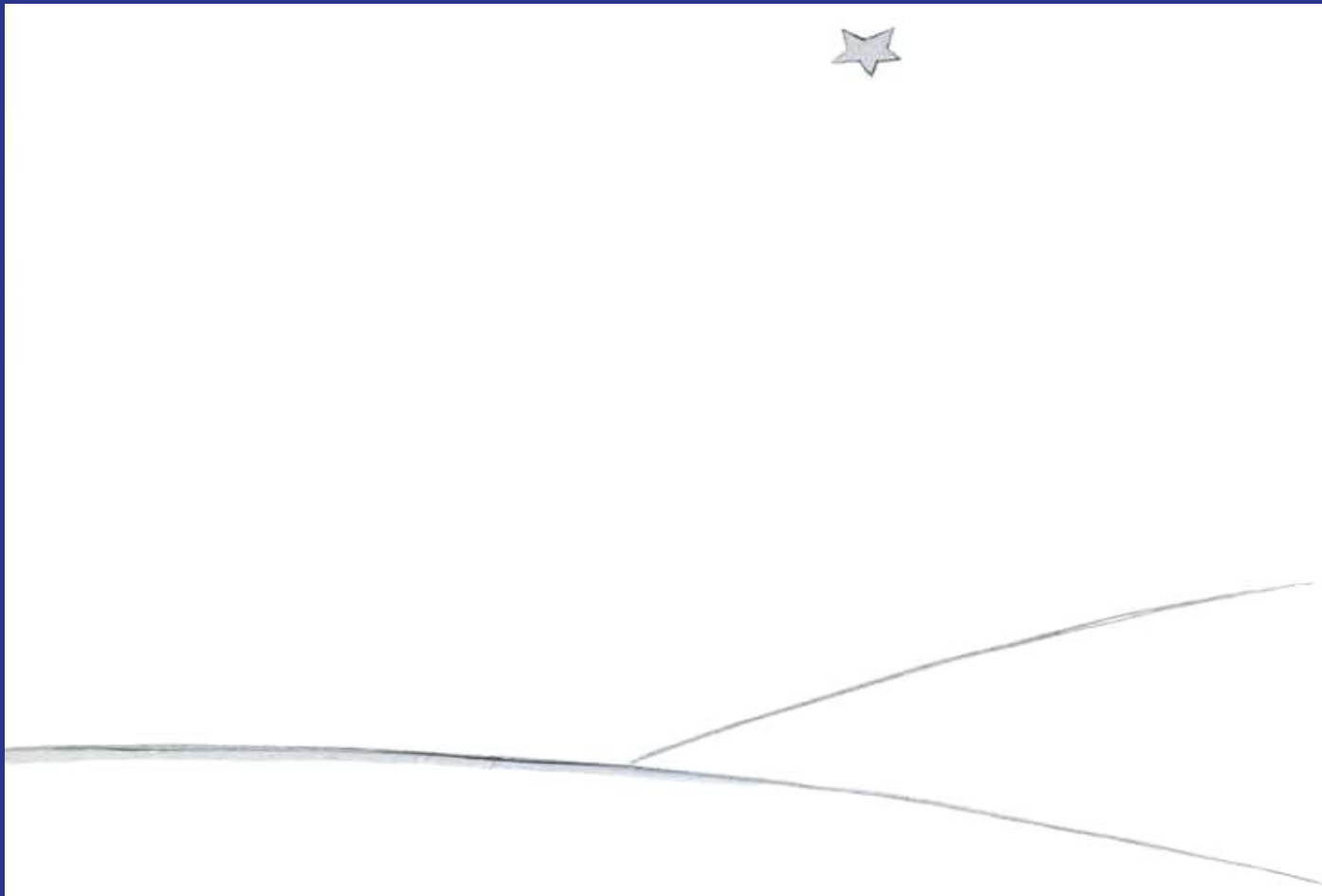
¹ European Commission, 2030 climate and energy package and 2030 framework for climate and energy policies.

² Energy consumption for heating in public buildings: 10% gas and 20% fuel oil (France).

³ European Commission, Communication on long-term financing of the European economy, March 2014.



It only remains to do it all!





Thank you !

Contacts:

- Guillaume Emin
guillaume.emin@after-asso.org
- Alain Grandjean
alain.grandjean@wanadoo.fr
- Michel Lepetit
michel.lepetit@theshiftproject.org





The Member States are providing to the Commission-EIB Task Force lists of projects selected according to **three key criteria**:

- EU value added (projects in support of EU objectives)
- Economic viability and value – prioritising projects with high socio-economic returns
- Projects that can start at latest within the next three years, i.e. a reasonable expectation for capital expenditure in the 2015-17 period.

In addition, listed projects should have the potential for leveraging other sources of funding. They should also be of reasonable size and scalability (differentiating by sector/sub-sector), even if this can take account of the bundling of smaller investments.

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- Investment in water infrastructure, including wastewater treatment plants and water supply facilities, hampered by a lack of financing.
- Other projects supporting, for example, the expansion and upgrading of freight and passenger capacities in ports and airports; dedicated rail-connections between important airports and urban centres; greening projects in the area of maritime transport; alternative fuel-infrastructure along major roads; 3rd generation bio refineries; etc.



MICHEL SAPIN
MINISTRE DES FINANCES
ET DES COMPTES PUBLICS

Communiqué de presse

EMMANUEL MACRON
MINISTRE DE L'ÉCONOMIE, DE L'INDUSTRIE
ET DU NUMÉRIQUE

Communiqué de presse

www.economie.gouv.fr

Paris, le 2 décembre 2014
N° 112 / 228

47ème Conseil économique et financier franco-allemand

Le 2 décembre 2014 s'est réuni le Conseil économique et financier franco-allemand (CEFFA) au Ministère fédéral allemand des Finances à Berlin pour sa 47^{ème} édition.

Durant cette rencontre bilatérale les Ministres fédéraux allemands des Finances, Dr. Wolfgang SCHÄUBLE, de l'Economie et de l'Energie, Sigmar GABRIEL, et leurs homologues français des Finances, Michel SAPIN, et de l'Economie, Emmanuel MACRON, ainsi que le Président de la Deutsche Bundesbank, Jens WEIDMANN, et le Premier Sous-Gouverneur de la Banque de France, Anne Le LORIER, ont évoqué ensemble les thèmes d'actualité dans le domaine de l'économie et de la finance.

Le soutien à l'investissement en Europe, en particulier dans le contexte de l'initiative de la Commission européenne annoncée récemment, a été un des sujets abordés. Les quatre Ministres ont convenu d'un document commun « Soutenir l'investissement, faire avancer l'Europe »

Priorities and governance

In terms of investment priorities, we welcome the Commission's plan's focus on infrastructure for transportation, digital networks and contents, energy efficiency, energy transmission, smart grids and renewable energy, education and research and innovation. Particular consideration should be given to financing SMEs in their ongoing energetic, environmental and digital transitions.

In terms of governance, a strong and efficient monitoring is required to avoid lengthy processes. France and Germany welcome the idea of a compact and professional investment committee based on the proposal by the Commission. Projects should be selected along transparent criteria within the framework of the sectoral priorities that have been established. It would build on the pipeline of projects that has been identified by the Task Force and identify investment programmes in order to feed this multiyear initiative.

Regulatory agenda

We are also prepared to undertake regulatory initiatives to maximise the effect of the investment plan. Two aspects of the regulatory agenda, in particular, need to be given a very high priority.

2

First, positive regulations, in particular in the environmental/climate field that could help to boost investment by accelerating the energy transition/efficiency investments. Specific measures, in particular in the context of the energy and climate targets of the EU should be put forward to this effect as long as they do not impede the competitiveness of our industry.