

Overview of Public Finance Mechanisms

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Introduction to Fundetec

- Project Full Title: Comparison and Assessment of Funding Schemes for the Development of New Activities and Investments in Environmental Technologies
- Main objective: Improvement of finance for environmental technology development
- Eight workpackages, including
 - Public Finance Instruments (WP 4)
 - Commercial (Private) Finance Instruments
 - Comparison of the different types of instruments
 - Recommendations for evolution of existing schemes as well as for new schemes and instruments

Overview on Public Funding Instruments

- Mapping of public funding instruments in EU member states, associated countries & main competitors
- Standardised questionnaire
 - Using a common taxonomy/system with private instruments mapping and technology developers to ensure comparability in later WPs
 - Background information on performance, barriers and gaps of existing instruments/schemes

- Mapping of public instruments will continue through June & July to cover all EU member states and main competitors

Coverage

- 17 Countries, 28 Institutions/Organisations, 42 Instruments
 - Focus during first research period in WP4 on CEE and Western European countries
- Institutions focussing exclusively on environmental aspects/technologies (e.g. environmental funds, protection agencies and ministries)
- Institutions promoting technology innovation or SME development

Austria	AWS Austria Wirtschaftsservice	ERP Credit
		Guarantee
	Federal Ministry of Transport, Innovation and Technology	Technologies for Sustainable Development
Brazil	USAID	PROINFA
Croatia	HBOR – Croatian Bank for Reconstruction and Development	Loan Programme for the Financing of Projects of Environmental Protection, Energy Efficiency and Renewable Energy Resources
Denmark	Energinet	ForskEL Programme
	Environmental Protection Agency	Danish action plan on eco-efficiency
Estonia	Enterprise Estonia	Start-Up Programme
	KIK – Environmental Investment Centre	National Environmental Programme
Finland	SITRA – Finnish Innovation Fund	Equity Investment
	Finnvera	Development Loan
	NEFCO – Nordic Environment Finance Corp.	IF – Nefco Investment Fund
		NMF/NEDF – Nordic Environmental Development Fund
	Ministry of Trade and Industry	Energy Aid, Energy Subsidies
	TEKES – National Technology Agency	ClimBus – Business Opportunities in Mitigating Climate Change
		DENSYS – Distributed Energy Systems Programme
France	All – Agency for Industrial Innovation	Programme for Mobilizing Industrial Innovation
	Ademe	Fideme
		RDI Budget
Germany	KfW – Kreditanstalt für Wiederaufbau	Environmental Programmes
	big Bremen Bremer Investitions-Gesellschaft mbH	Pfau - Support Programme for Commercial Environmental Technologies
Hungary	Ministry of Environment and Water	Competitiveness Operational Programme
Ireland	Environmental Protection Agency	Strive Programme incl. CGPP – Cleaner Greener Production Programme
	SEI – Sustainable Energy Ireland	Renewable Heat Deployment Programme (ReHeat)
		Pilot Sustainable Energy Incubator Programme (PSEIP)
		Renewable Energy Research, Development & Demonstration Programme (RE RD&D)
Lithuania	Lithuanian environmental investment fund	Soft Loan
		Subsidy
	Invega	INVEGA's Guarantees
Netherlands	SenterNovem	The Environment and Technology Programme
Poland	Bosbank – Bank Ochrony Środowiska S.A.	Preferential credits for investments connected with environmental protection
		Credits for thermo modernisation
Slovakia	SZRB – Slovak guarantee and development bank	Credit for Environmental Projects (credit lines from EIB)
		Credit of environmental and other projects (credit lines from NIB)
	NADSME – National Agency for Development of SMEs	Support of new and existing enterprises and services
		Support of enterprises, innovation and applied research
		Support for energy saving and use of renewable energy sources
Sweden	Vinnova	VINN NU (English: Win Now!)
UK	Carbon Trust	Enhanced Capital Allowance (ECA)
		Energy Efficiency Loans (EEL)
		Applied Research Scheme
USA	FE Clean Energy	Dexia Fond Elec

Types of Public Instruments

- Predominantly
 - Grants
 - Loans (incl. soft loans)
- But also
 - Tax incentives (e.g. in UK)
 - Guarantees

Investment and Development Stages

- Focus on later stages of company growth and technology development
- But also instruments addressing early stages, e.g.
 - SITRA's Equity Investment (early growth)
 - Enterprise Estonia's Start-Up Programme
 - All's Industrial Innovation Programme
 - SenterNovem's Environment & Technology Programme
 - Ademe's PRECODD Programme
 - EPA Ireland's Cleaner Greener Production Programme

Barriers & Problems

- Administrative barriers in application process
 - Companies not familiar with applications and reports
- Quality of business plans not sufficient
- More eligible applicants than financial means within the instrument's budget
- Coordination/communication between different actors involved (e.g. ministries, agencies)
- Missing Instruments

Solutions to Address Barriers & Problems

- SMEs are being supported by the funding institution from the very beginning of the application process
 - HBOR (Croatia)
 - NEFCO (Finland)
 - Enterprise Estonia
 - SenterNovem (Netherlands)
- Supporting applicants in joining (industry) networks
 - Federal Ministry for Transport, Innovation & Technology (Austria)
 - EPA Ireland
- Providing (project) management training
 - Ademe (France)

Missing Instruments

- Instruments mentioned to be missing (sample)
 - Austria, Netherlands & Finland: funding for pilot & demonstration plants/ projects
 - Finland: long term funding for early stages; market development schemes; demand creating instruments; R&D funding
 - EU wide: lack of VC instruments

Targets & Performance of Instruments

- Environmental improvement in general
- But also:
 - Employment
 - Industrial development
 - Technology leadership
- Rare systematic measurement of performance of instruments

Thank You for Your Attention!