HOME RENOVATION ROADMAPS TO ADDRESS ENERGY POVERTY IN VULNERABLE RURAL DISTRICTS

Financial mechanisms and funds

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List of Arguments

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Financial Mechanism

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Tax incentives:

Many jurisdictions offer tax incentives in the form of tax deductions or tax credits for those who make investments in the energy upgrading of buildings. These incentives can directly reduce the tax burden of building owners and incentivise the implementation of sustainable projects.

Direct subsidies:

Some governments provide direct subsidies or grants to help cover part of the costs associated with energy rehabilitation. These subsidies may take the form of financial contributions or through subsidised financing programmes.

Financial Mechanism

Soft loans: Financial institutions and government agencies may offer loans at subsidised interest rates or with favourable terms for energy rehabilitation projects. These loans aim to make the implementation of energy efficiency measures more financially accessible.

Energy leasing programmes: Energy leasing programmes enable buildings to implement energy improvements without incurring high upfront costs. In this model, an energy service provider finances and installs the efficient technologies, while the customer pays a monthly fee based on the energy savings achieved.

Financial Mechanism

Energy Performance Contracts (EPC): In an energy performance contract, an energy service provider takes responsibility for implementing energy efficiency measures and guarantees a certain level of energy savings. The customer pays the supplier based on the savings achieved, making the investment less risky for the customer.

White Certificates: Some countries adopt white certificate systems, in which building owners receive certificates for any energy savings achieved through efficiency measures. These certificates can be traded or sold to entities that fail to meet their energy efficiency targets.

Financial Mechanism

Financing programmes for retrofitting: Some public or private programmes offer specific financing for energy retrofitting, with favourable conditions, extended repayment periods or grace periods to start making payments.

Funds

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Public funds: Governments at local, regional or national level may establish funds specifically dedicated to the energy upgrading of buildings. These funds often provide grants, subsidies or soft loans to encourage building owners to invest in energy improvements.

Private energy efficiency funds: Some private financial institutions, investment companies or private equity funds may create specific investment funds to support energy efficiency projects. These funds often seek a return on investment through the energy savings generated by the projects.

Funds

European and international funds: At the international level, there may be dedicated funds from supranational organisations, such as the European Investment Bank (EIB) or other international bodies. These funds may be aimed at supporting energy efficiency initiatives within sustainable development projects.

Research and innovation funds: Some funds could be earmarked to support research and development of new technologies and innovative solutions for the energy upgrading of buildings.

In Our Country:

Italy

Italy – Financial Mechanism and Funds

Super Ecobonus: Accessible for interventions on vertical opaque surfaces and horizontal or inclined surfaces; Insulation materials; Replacement of existing air conditioning systems with centralised systems for heating cooling or supply of DHW; Condensing boiler (class A); Heat pump (also geothermal); Hybrid system; Microcogeneration; District heating; Solar collectors.

Financing up to 70% untill 31/12/2024, after that date 65% untill 31/12/2025

Sismabonus: Deduction for static consolidation and seismic improvement. It applies also to ordinary and extraordinary maintenance expenses necessary to complete the work. Interventions relating to the home bonus count towards the same expenditure ceiling. The transfer of the tax credit to insurance companies allows the tax deduction of 90% of the cost of the disaster risk policy taken out with the insurance company.

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Thank you for your attention