

# Letter from the Investment Manager

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Dear Reader,

Energy efficiency and renewable energy are gaining more and more attention in the political agendas of public authorities.

By implementing green investment programmes, public authorities demonstrate that they can reduce costs, stimulate their local economies by creating jobs, and lead by example with good practices in energy management. This development goes hand in hand with the 2030 Framework for Climate and Energy Policies of the European Union, which aims to make the European economy and energy system more competitive, secure and sustainable. Further media attention has been gained to the benefit of green investments due to the upcoming “Paris 2015”, the 21st Session of the Conference of the Parties to the United Nations Framework Convention on Climate Change (COP21/CMP11), which is scheduled in 2015. The results of the climate negotiations, which will hopefully lead to a new international climate agreement to keep global warming below 2°C, is eagerly awaited by all market participants.

These framework developments are expected to translate into both constant and increasing demand for eeef funding on the part of the public authorities, as well as private companies such as energy service companies (ESCOs) which act on behalf of the public authorities. As challenging factors, the scope of eeef’s activities can be limited by the current low interest environment and projects which may not match the investment criteria of the Fund, such as small investment volumes in some countries.

2014 has been a good year for eeef. As the Investment Manager of the Fund, we are proud to have been actively involved in shaping the Fund’s sustainable route to combat climate change. By achieving financial closing, especially for the funding of two unique projects which also received technical assistance grants from the EC TA Facility, eeef further demonstrated its commitment towards the public sector. With the city of Venlo transaction, a major public lighting project with an important energy-saving potential was realised, allowing eeef to enter an additional Member State, the Netherlands, and to further diversify its portfolio. The Rhône Alpes transaction is a great showcase for an ESCO project. Initiated by the region, the investment programme is bundling the projects of a number of public authorities (partly smaller project sizes) associated with the region into a larger project, carried out by the public ESCO, the Société Publique Locale d’Efficacité Energétique (SPL), as the lead contractor.

Under the EC TA Facility, the Investment Manager – also assuming the role of the Technical Assistance Manager – worked closely with ten public authorities in 2014, of which seven were ready to enter the project development phase and to initiate investment programmes in several European countries.