

New Energy Solutions Optimised for Islands



EUROPEAN ISLANDS FACILITY

## European Actions Towards Geographical Islands Decarbonisation

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# Outline

## **NESOI AND CASCADE FUNDING**

TECHNICAL ASSISTANCE  
NESOI OPEN CALLS  
PROJECT FIGURES

## **FINANCED PROJECTS**

FEATURES OF THE SUPPORTED PROJECTS  
CASE STUDIES

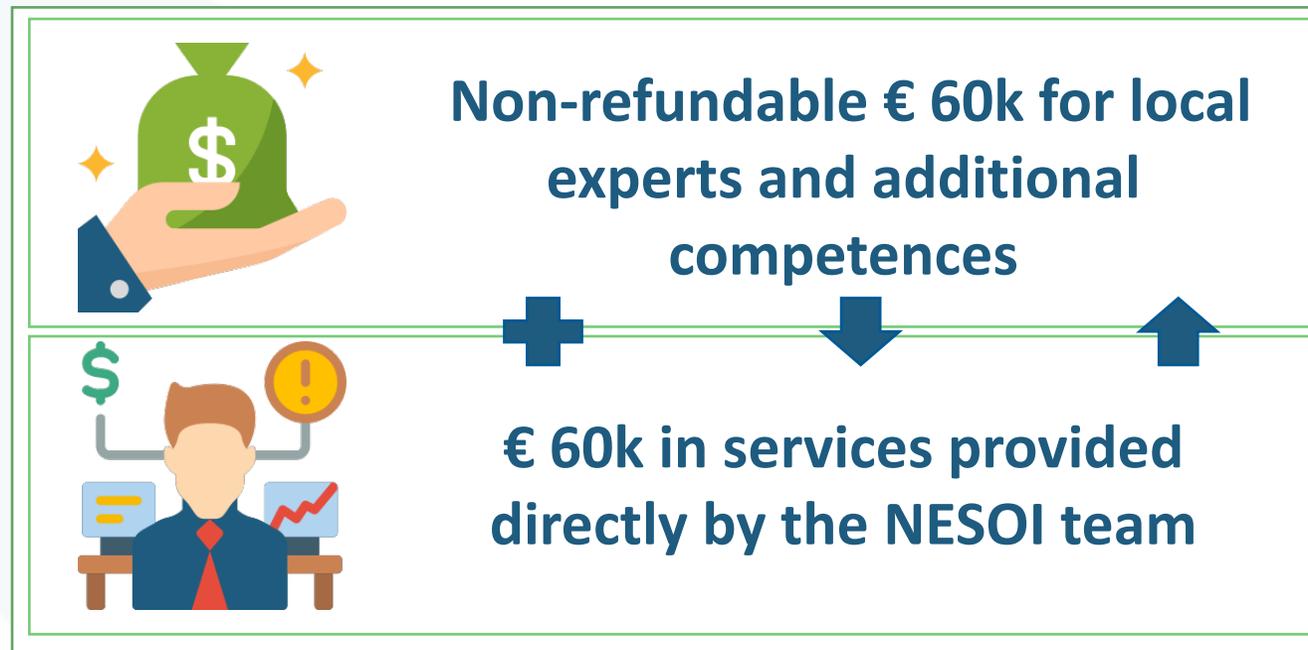
## **FUNDING EVIDENCES**

INVESTMENT RISKS  
FUNDING SCHEMES  
THE NEED OF THE ISLANDS

# Technical Assistance

The European Islands Facility NESOI is a CSA project kicked off in October 2019 and will operate until 2023. NESOI provides a customized and comprehensive technical assistance to almost **60 European Islands** to support the phases of: project structuring, financing and implementation

**CAP OF  
€ 120,000  
PER  
BENEFICIARY**



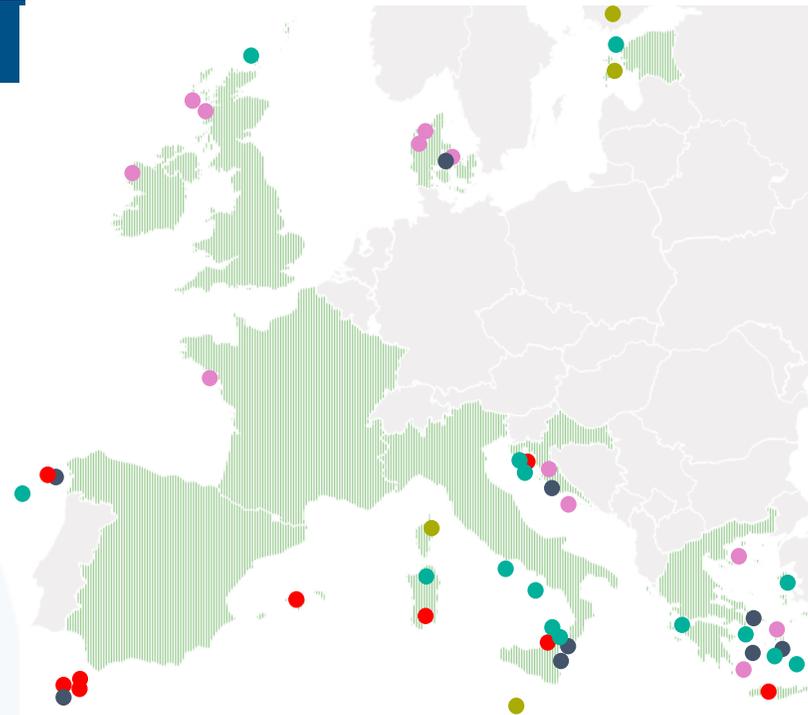
Capacity building events, training workshops and toolkits will be provided EU-wide by a **digital platform**

# NESOI Open Calls

**168** RECEIVED PROPOSALS

**42** PROJECTS IN ROUND 1

**12** PROJECTS IN ROUND 2



- Energy Planning
- Energy Efficiency
- Renewable Energy
- Sustainable Mobility
- Energy Community

# Projects' figures

NESOI supports projects characterised by different financial needs and structures



# Features of the supported projects

## TECHNICAL ASPECTS

- Different Maturity Levels of the selected projects
- High heterogeneity in the technical solution to implement
- Starting grid infrastructures do not allow to develop project ideas

## ECONOMIC-FINANCIAL ASPECTS

Supported projects are either:

- Looking for current / future funding opportunities
- Already secured funding, looking for support in the application/preparation phase

## LEGAL ASPECTS

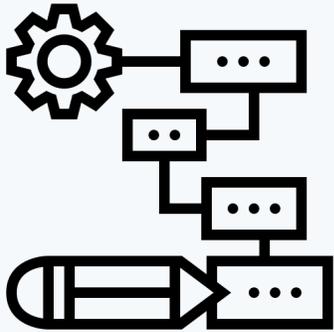
- same procedures as bigger cities, but without the same capacity and scale
- Extremely high volatility of the local energy policies impacting on projects' feasibility
- Absence or low power of local authorities

## SOCIAL ASPECTS

- Direct involvement of the local population, which plays a crucial role in the definition of the project idea
- Social acceptance as an enabling factor in smaller islands

# Financial Assistance

How does NESOI support its project from the financial aspects?



## DEFINITION OF THE BUSINESS MODELS

- Understanding of the actors involved
- Identification of the financial structure



## ACCESS IN LOOKING FOR / APPLYING FOR FUNDING

- Identification of the available funding opportunities
- Assistance in the application phase



## IMPACT ASSESSMENT

- Evaluation of the projects from a social perspective
- Assessment of non-monetary benefits

# Investment risks

Considering an investor point of view, investing in the islands implies embarking additional risks

## Higher investment costs :

- Shipping / transportation costs
- Longer procurement and logistics procedures
- Higher insurance costs
- Initial authorizations and constraints

## Higher revenue and costs uncertainty:

- More fragile local economies
- Seasonality and tourism
- Limited number of actors and competitors



Higher risk imply higher returns requested by the investors

# Impacts

Despite the relevant costs and barriers of investments in the islands, high impacts are able to either justify the financial investment, or they can further increase its attractiveness for institutional and public investors

## Social Impacts:

- Creation of Green Jobs
- Higher social inclusion
- Energy Poverty

## Environmental Impacts:

- Improvement of existing infrastructures
- Contribution to decarbonization and greening the local economy

## Impacts on local economy and well being:

- Higher social inclusion
- Improvement of existing infrastructure
- Reliability and stability of energy supply

# Financing schemes

The matching activities conducted so far demonstrated that some solutions are considered preferable by market and investors

## GRANT SCHEMES

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- **Corse (France):** European and National funding schemes for energy efficiency
- **Gran Canaria (Spain):** Mix of Public schemes
- **Catania (Italy):** National funding for transportation

## PUBLIC FINANCIAL INSTRUMENTS

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- **Cagliari (Sardinia, Italy):** Municipality own funds
- **Lipari (Italy) :** Resources from the Italian National Recovery and Resilience Plan - PNRR

## TECHNICAL ASSISTANCE

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- **Inishbofin (Ireland):** Soft funding schemes for community-developed projects

## PRIVATE FUNDING AND CROWDFUNDING

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- **Cres-Korcula (Croatia):** Crowdfunding scheme activated
- **Dubrovnik (Croatia):** Funding of the Croatian development bank
- **Diapontia Islands (Greece):** Mix of own funding of the municipality and banking capital

# NESOI Case Studies

NESOI is generating positive impacts and creating value in different ways according to the financed projects, from the planning stages towards feasibility and implementation



**Diapontia Islands** | Greece  
Feasibility study for the decarbonization of the energy supply system of the island, and upgrade of the local port infrastructure  
**Promoter** | Municipality of Corfu  
**NESOI value added** | **Definition of technical and economic alternatives and identification of the solution to implement**



**Cagliari, Sardinia** | Italy  
Study for the definition of an intervention combining an energy community scheme with energy efficiency interventions on the local school facilities  
**Promoter** | Municipality of Cagliari  
**NESOI value added** | **Specification of the interventions and activities which will be procured after the end of NESOI support**



**Île aux Moines, Inishbofin, Nagu, Fur, Venø, Ulva** | Finland, Denmark, France, Ireland, UK  
Support in the definition of the strategy for the decarbonization of six islands  
**Promoter** | ESIN –European Small Islands Federation  
**NESOI value added** | **Completion of the transition agendas, local data gathering and definition of the next steps**

# The needs of the islands

- Technical assistance
- Selection and focus on relevant projects
- Understanding
  - sustainability
  - best technical options
  - procedural path
- Engaging citizens and local stakeholders
- Finding economic and financial sources, in some cases grant or public funds

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