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# *Climate and Energy Investment in Czechia: Investment gap and barriers*

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Climate investment capacity (CIC): climate finance dynamics & structure for financing the 2030 targets

# CIC 2030 Project overview

## Climate and Energy Investment Maps (CEIM)



IKEM



CVUT  
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## Investment Need Analyses



IKEM



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IKEM



RTU  
IKEM

## Capital Raising Plans



CVUT  
IKEM



RTU  
IKEM

Knowledge transfer, networks & training platform

2018

2021

## Investment and Policy Plans



CVUT  
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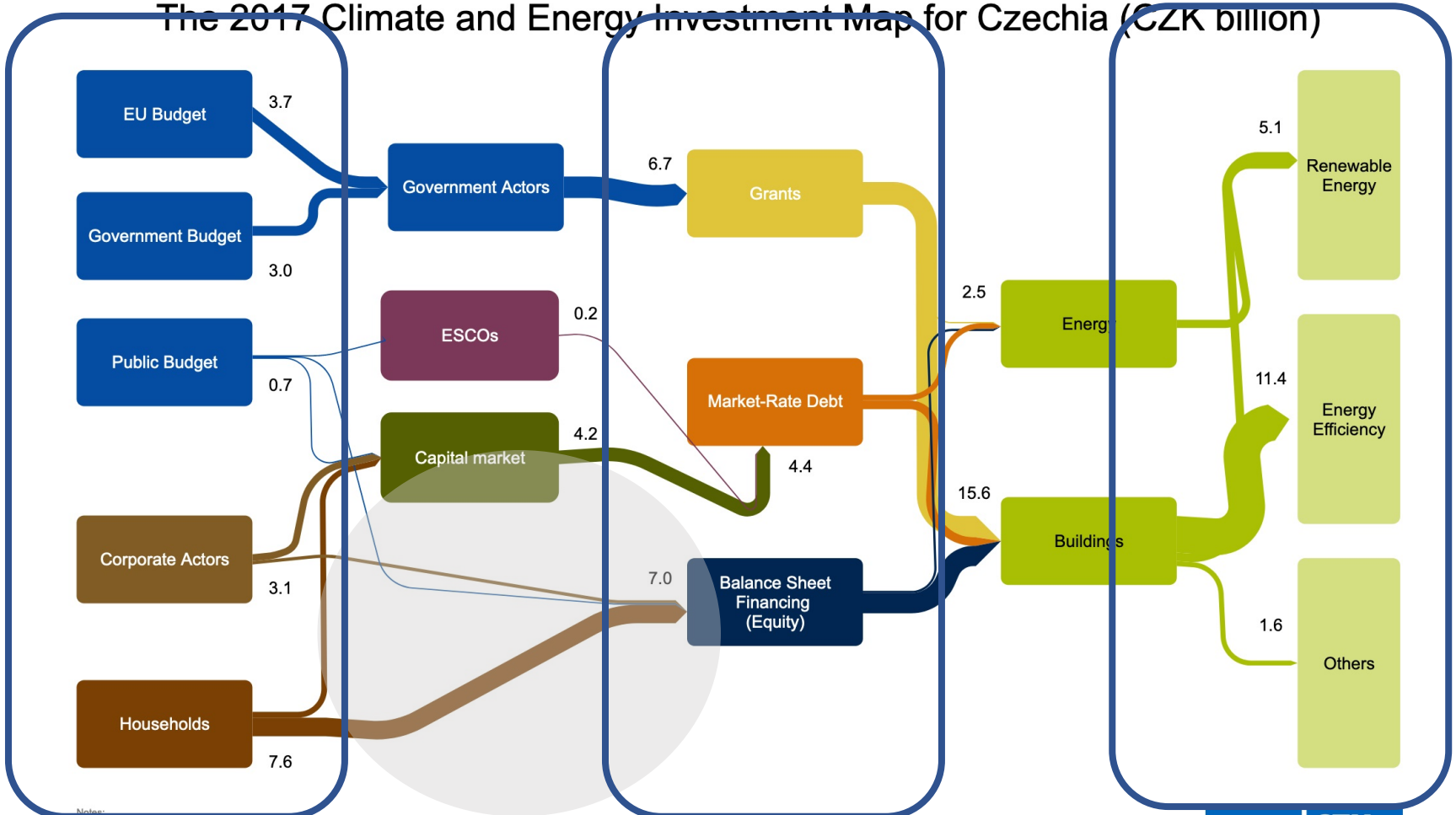
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# Climate and Energy Investment Map for Czechia (bIn CZK)

The 2017 Climate and Energy Investment Map for Czechia (CZK billion)



Notes:

- a) All financial flows represent total tangible investment including public support into the reduction of GHG emissions with one exception, namely electrical appliances in the buildings sector. Financing of intangible measures is excluded.
- b) The government budget includes state budget, mainly from the EU ETS revenues, but it excludes public procurement and administrative costs. Regional and municipal investments are covered in the public budgets.
- c) Debt owed does not represent the actual finance flows (e.g. debt repayment), but it is shown to highlight the original investors or asset owners who make use of public and commercial financial institutions as financial intermediaries. The map includes only primary investment flows, e.g. the resources available to investors at the time they had to cover for their capital expenses. It does not cover therefore such financial instruments as guarantees, green bonds, the cost of capital or debt repayment by investors, the compensation payments from the public budget to energy generators supplying renewable electricity under the feed-in tariff, and others.

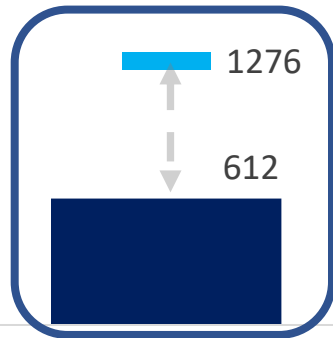
# Investment needs Buildings and RES supply

## Investment gap for 2030 targets (EUR million)





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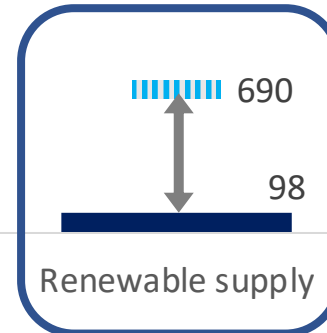


1686



Buildings

-  Yearly investment need to meet 2030 targets
-  Investment in 2017 (estimated)
-  Yearly investment need (BAU)
-  Investment in 2017 (tracked)



Renewable supply

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# Capital raising strategy

## Identified barriers

- Lacking prioritisation of energy efficiency and RES
- Low strategic leadership and coordination
- Unstable legal and regulatory framework
- Low public awareness and education
- Low shares of energy management
- Complexity of energy efficiency projects
- Low diversity of financing mechanisms and budgetary constraints
- Administrative burden

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# Capital raising strategy

## Key recommendations

- Clear message, narrative and communication
- Support to development of strategic documents, use NECP to its full potential
- Stable, transparent, and sufficiently motivating conditions for RES sector
- Support to energy management combined with day-to-day work
- Technical assistance – scaling up.
- Broader portfolio of financial instruments, step-away from grants
- Early thorough preparatory stage. Differentiating administrative processes according to the size of projects

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# Points for discussion

- Good overview over public finances, but much less available for private sector
  - Introduce regularity and systematic assessment in combination with the investment needs (different methods to assess investment needs in NECPs)
- How to close the gap between the current levels of investment and the investment need to reach 2030, and ultimately 2050 targets?
  - How to make sure that we support the „right“ investment (effectiveness and compliance with targets)

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