

What is Intracting?

Internal contracting or “**Intracting**” refers to a financing scheme based on the contracting concept, but entirely financed from municipal budget funds.

Internal contracting allows public authorities to fund energy-saving measures through a revolving fund.

The electricity and heating costs savings achieved with the implementation of energy efficiency measures are booked to a separate savings account and used to reinvest in further measures.

Within this financing scheme, the public authority itself provides zero-interest loans with no interest or banking fees.

How does Intracting work?



What are the advantages?

1. Self-reinforcing financing scheme
2. Saves time as measures can be implemented rapidly supporting a long-term approach
3. Ensuring financial independence and resilience
4. Efficient use of public funds
5. Can be applied by public authorities with budgetary constraints
6. Expertise stays within the public authority

Characteristics

- Applicable for small-scale projects which are not of interest for ESCOs
- Rapid implementation of energy saving measures with no interest rates or profit margins
- Public authority streamlines procedures and controls decision-making without consulting external experts
- Know-how remains within LRAs, supporting long-term capacity-building.
- Easy to adjust project scope or priorities as municipal needs evolve

Example

[Implementation of Energy Saving Funds](#), Auvergne-Rhône-Alpes region, France

In France, many local authorities suffer a lack of expertise and/or financial capacities when it comes to financing energy transition measures. This collective training helps mentees prepare and implement their own energy saving funds ("intracting" funds), based on the model of a local "great witness": Albertville.

[Stuttgart Intracting Model](#), Germany

Since 1995, the city of Stuttgart has been using internal contracting models to improve energy efficiency and promote renewable energy in buildings. City departments finance projects with energy savings potential within the city budget.