

What are **guarantee funds**?

Guarantee funds are provided by public authorities as loan guarantees for banks or financial institutions to cover the financial loss or absorb the risk in case of non-payment by the debtor, such as home-owners or energy service companies.

How does it work?

1. Detailed Energy Audit
2. Create Eligibility Criteria
3. Project cycle

- Project identification
- Project Screening
- Initial Project Proposal
- Project appraisal and assessment
- Formal approval
- Negotiations

What are the benefits?

- i) Reduces risks for banks, which can then lend larger sums
- ii) Provides extra leverage for private sector funds
- iii) Can be combined with debt financing, such as soft loans



Where has it been applied?

PRIVATE BUILDINGS



Example

Brussels Green Loan Scheme
Belgium
Combined with loans and subsidies for private housing owners

Guarantee funds are managed by Credal, a banking institution

The guarantees cover the loss plus administrative costs