

The Brussels Green Loan

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BRUSSELS ENVIRONMENT



Brussels Capital Region



RÉGION DE BRUXELLES-CAPITALE
BRUSSELS HOOFDSTEDELIJK GEWEST



bruxelles
environnement
leefmilieu
brussel
.brussels 

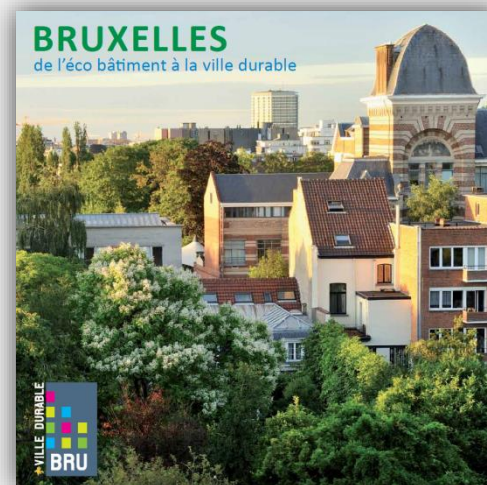
Brussels Environment = Public Administration in charge of **Energy** (Air, Energy & Climate) and the **Environment** (Parks & Forest, water, soil, noise, soft mobility, sustainable consumption, circular economy, etc.).



BRUSSELS' CONTEXT



- 1.199.000 citizens
- 518.500 housing units
- 60% rented (<40% owned)
- Buildings = > 72% CO₂ emissions

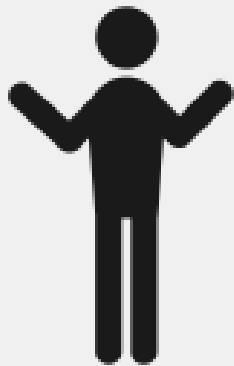




THE PROBLEM AT A GLANCE

Brussels promotes and supports Energy Renovations :

- Energy grants
- Front Office (Free information, technical advice, guidance, etc.)
- Regulatory approach (EPB)
- and much more...



BUT: Some citizens are not able to “pay deposit” to initiate works



A SOLUTION:



Set up a financing mechanism
to prefinance the work:

In 2008, the "*Brussels Green Loan*" is set up with CREDAL, a financial cooperative, offering a zero interest rate loan.

Today it has 2 components:

- Consumer loan – with:



- Mortgage – with:





THE OBJECTIVE



Boost private investments in EE measures for the residential building stock

- **Focus on insulation and heating systems** (related to energy grants)
- **Renewable energy** (since 2017)
- **Highest potential for energy savings** (and energy bill reduction)



TARGET AUDIENCE

- **Citizen** (owners & renters)
- Eligibility to the loan based on the **maximum taxable income**:

	Single person	Household with 1 income	Household with 2+ incomes
CREDAL Financial Cooperative	48.678€	75.722€	75.722€
Fonds du Logement Housing Cooperative	48.678€	59.496€	75.722€

This threshold increases by 5.409€ per dependents (max 4 pers.)

+/- 80% of the Brussels population



INTEREST RATES

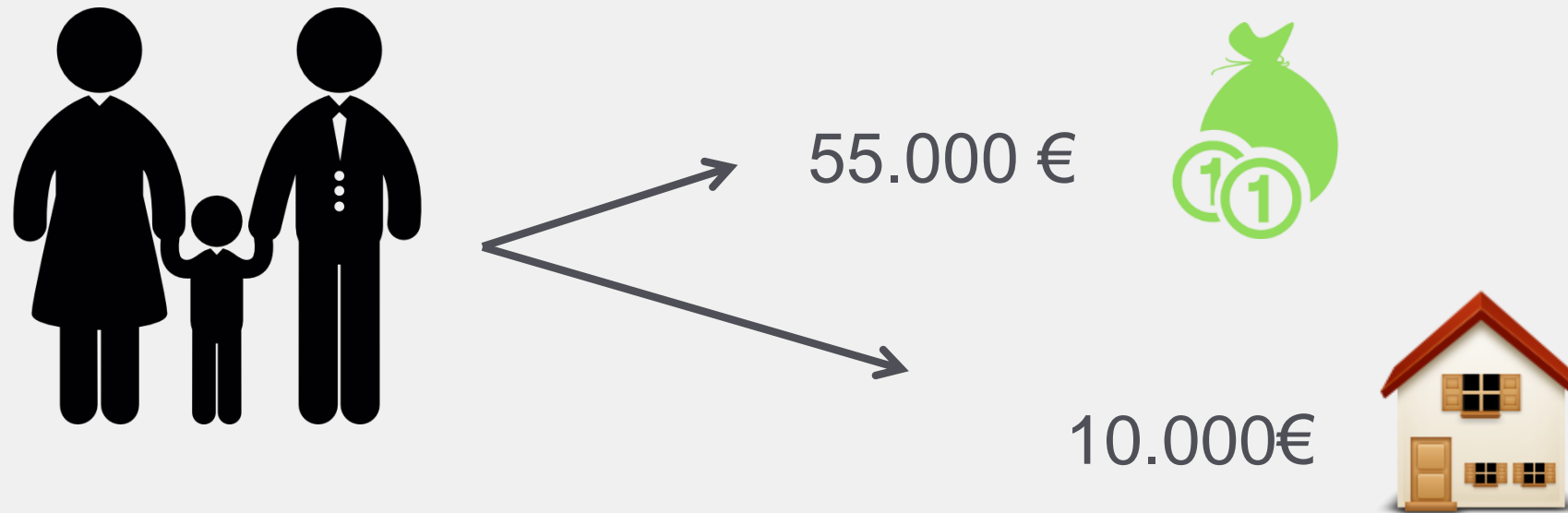
The rate stands between 0% and 2%

Low income = 0%

Rate?	Crédal Financial Cooperative	Fonds du Logement Housing Cooperative
0%	Income < 30.000 € (single) Incomes < 60.000 € (couple)	Income < 15.000 €
1%	threshold < Income < cap	15.000 € < Income < cap
Personnalisé (max 2%)	/	Interest rate according to your incomes (Max 2%)



PRACTICAL EXAMPLE



2 options

➤ Consumer Credit



- 0%
- Max 48 months (4 years)
- Monthly payment 208.33 €

➤ Mortgage Credit



- 1.66%
- Max 30 years but in this case 120 months (10 years)
- Monthly payment 90,44 €



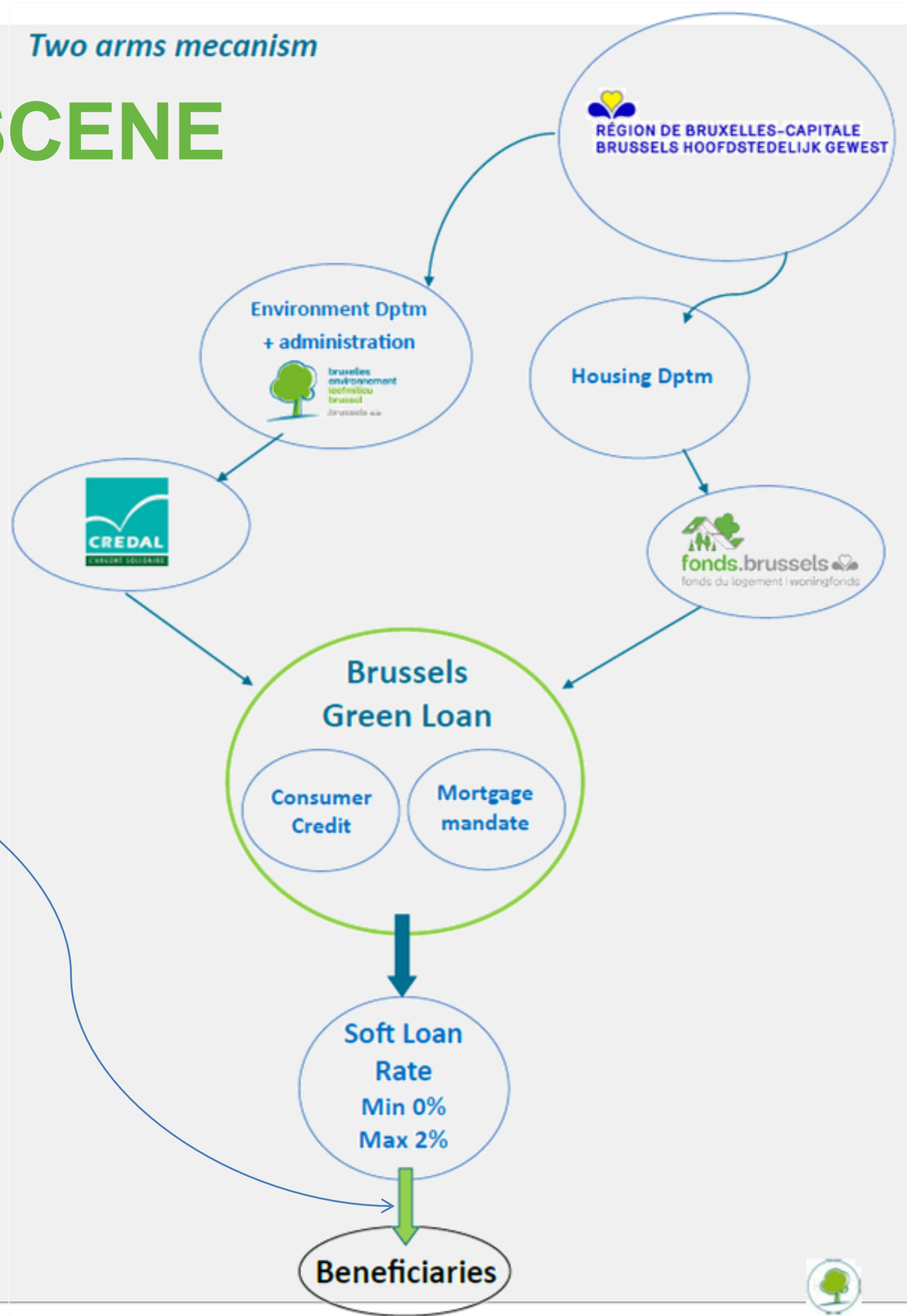
BEHIND THE SCENE

Two arms mecanism

One Stop Shop



Support beneficiaries + facilitate





BGL: RESULTS

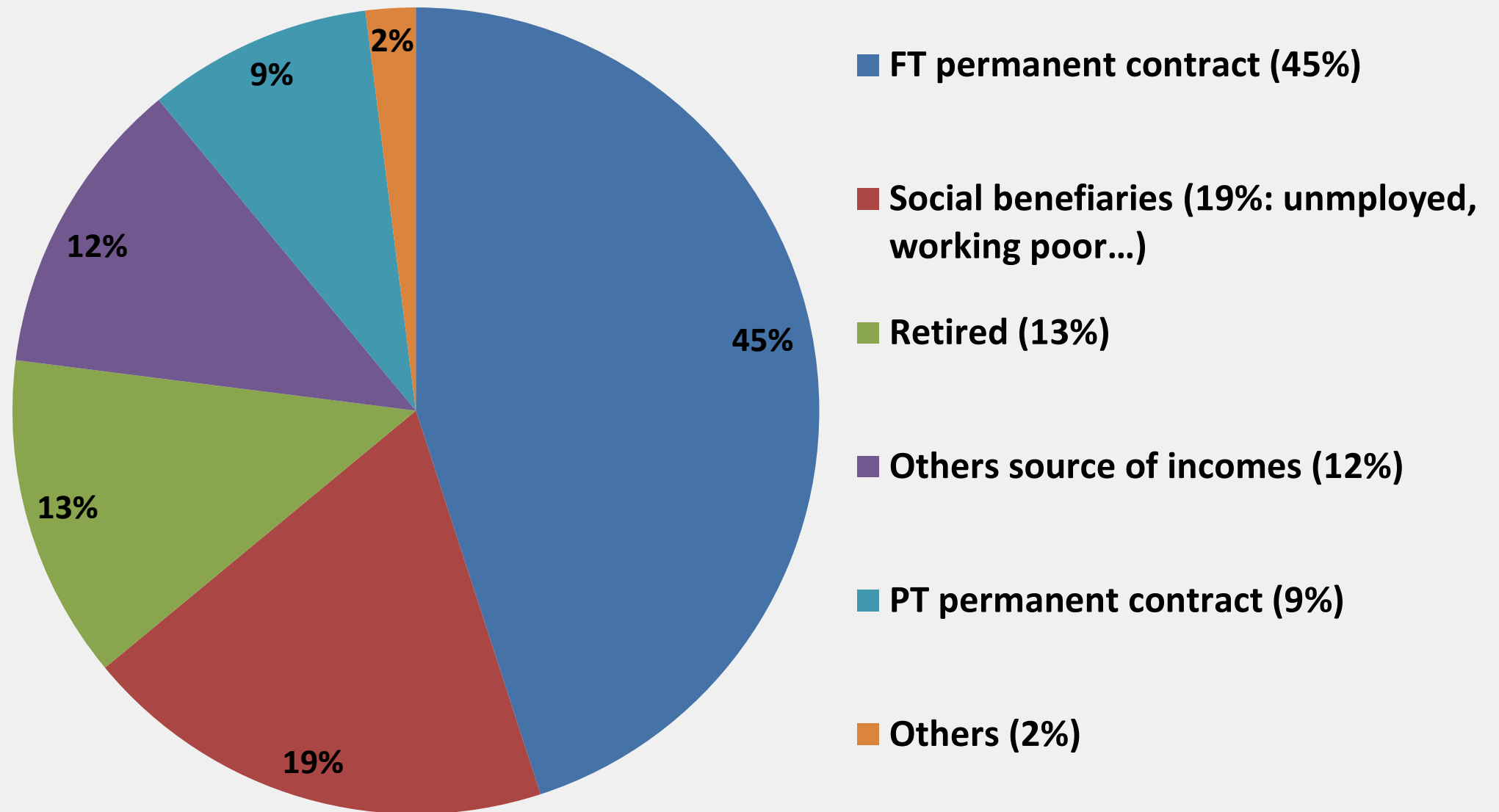
From 2008 to 2018:

- **1161 loan granted corresponding to 13.7M€**
- **Loan granted over 2018: 139 BGL**
- **Average loan: 11.830 €**
- **Average maturity: < 5 years**
- **Customer denounced at the national bank: 1 (since 2008)**



BGL: RESULTS

Sociology of beneficiaires (2018)





COST

COST (2017)	
Annual cost for the Region	264.560 €
Average cost per loan	1.950 €
Average loan granted	14.318 €
private investments in EE measures for 1€ public	4,7
Full-time job concerned	4

- *Administrative and financial analysis*
- *Interest rate*
- *Guarantee fund (recoverable)*



BGL : PROS & CONS

Advantages	disadvantages
Tailor-made advice to home owners	Expensive for the Regional Budget
Attractive interest rate (0% to 2%)	Time consuming for bank advisors (on average 14 hours for Crédal)
Very low risk (1 case since 2008)	Absence of a procedure to monitor the results in terms of CO2 emission reduction
Ambitious energy efficiency targets to get grant	Difficult to understand for citizens
	External expertise needed to communicate on loans
	Substantial number of people involved: can slow down the process



PERSPECTIVE

Objective for 2021:

Simplify the process and broaden target audience:

- De-lock access conditions
- Reduce time consuming « control and processing » phases
- Provide « budget management guidance » only to vulnerable clients
- Develop complementary financing mechanisms for the most vulnerable citizens.



CONCLUSIONS

- ✓ Keep the financing mechanism **simple** and easy to understand
- ✓ **Easy to manage, monitor and follow**
- ✓ Good **front office** (visibility, efficiency,...)
- ✓ Carry out a **professional communication campaign**
- ✓ Think in advance about how to **quantifiably monitor the effect of investment in terms of CO₂ emissions**



Any questions?

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