



Revolving energy saving fund

Location: Litomerice, Czech Republic

Population: 23.980 (city population)

Climate: Continental

Duration: 2014 –

Sector: Buildings

Funding sources: Public

City networks: Covenant of Mayors

Savings: Energy savings by at least 20% by 2030 (2013 year as baseline scenario)

Solutions: An energy-saving fund that is directly reinvested into renewable energy projects.

Multiple benefits: Energy savings and new investments into energy retrofiting.

With local government finances in the Czech Republic under severe strain, there is an urgent need to make the most use of limited financial resources. This situation was not the case before establishing the revolving energy savings fund.

Objective – The Municipal Energy Saving Fund (ESF) was formed in 2014 as a revolving fund to reinvest money from energy savings into new energy-saving initiatives, doubling savings impacts throughout the city and region [[source](#)]. The fund targets energy-efficiency measures in Litomerice’s municipal buildings.

Solutions – The Czech municipality of Litomerice established a revolving energy savings fund in 2014, with the municipal budget serving as its primary financing source. The money saved by implementing energy-saving measures is redistributed as follows: – 35% allocated to municipal budget – 30% allocated to revolving energy savings fund – A grant of 30% to the municipal department that developed an energy-saving measure – 5% is set aside for a Commission fund.

Funding – In the starting year 2014, EUR 69000 were allocated. Due to the nature of the revolving fund, the energy fund is thus independent of the municipal budget. The fund ensures that the saved money stays in the region and benefits the residents, thus incentivizing them to reduce their energy consumption further.

Innovation – N/A

Success factors – Before establishing the energy fund, individual city departments had no strong incentive to engage in energy efficiency. The money they had achieved through first energy efficiency measures – i.e., through refurbishing/insulating buildings – was sent to 100% to the municipal budget and then reallocated for various projects in the city. There was no direct “benefit” for a department to save more energy, as it could not keep a portion of the financial savings for its projects.

Significant outcomes:

- Between 2014 and 2017, the revolving energy savings fund in Litomerice saved an estimated EUR 300,000;
- The energy consumption of the city’s municipal buildings is planned to be decreased by at least 20% by 2030 (compared to the baseline year of 2013);
- Since 2014, the money saved has funded investments, reduced operational expenses, and, ultimately, improved all citizens’ quality of life.

Synergies with local policies:

- **Sustainable Energy and Climate Action Plan** sets a target of lowering carbon emissions by 27% by 2030 compared to 2005 levels. The goal is for renewable energy to account for 40-50 per cent of energy generation [[source](#)].

Political alignment:

- **Czech Republic 2030 strategy** is a framework for the long-term growth of Czech society, aiming to improve the quality of life for all Czech citizens while respecting environmental boundaries. The Czech Republic will work methodically to enhance energy efficiency in an economically viable way;
- **Climate protection policy** includes a climate protection strategy for the years up to 2030. It is also a plan for a phased transition to a low-emission economy by 2050;
- **National Energy and Climate Plan of the Czech Republic** defines the Czech Republic’s major goal of reducing total greenhouse gas emissions by 30% by 2030 compared to 2005, amounting to a decrease of 44 million tonnes CO2 equivalent. For the period 2021–2030, there are three energy efficiency targets: (i) an indicative objective for primary energy sources, final consumption, and energy intensity; (ii) a binding year-on-year rate of final consumption savings; (iii) a binding year-on-year rate of final consumption savings;
- **National Energy Efficiency Action Plan 2017** covers state-level energy efficiency objectives. The plan describes planned measures to enhance energy efficiency and

predicted or accomplished energy savings, such as savings in supply, transmission or transportation, energy distribution, and savings in final energy use [\[source\]](#).

Marketability: Yes, at the local level [\[source\]](#).

Link to resource

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