Opening address – Stéphanie Savel, President - Financement Participatif France

Stéphanie Savel, president of Financement Participatif France (FPF), introduced the seminar by highlighting the ties between crowdfunding and the ecological transition. Beyond local acceptability, dematerialized use of crowdfunding enables citizens to overcome the boundaries of their territories. Thus, they can influence energy policy decisions at the national level.

Guidebook for crowdfunding local development – Florence de Maupeou, Coordinator - Financement Participatif France

Coordinated by FPF’s Territorial Partnership Commission, with the support of the Caisse des Dépôts, this guidebook aims at giving local stakeholders a grasp of the opportunities given by crowdfunding. This tool answers three challenges faced by local authorities and supporting structures: i) it offers complementary financing solutions for a project’s development, ii) it stimulates the involvement of citizens in energy projects, iii) it brings a new mean for the local institutions to communicate about their actions. Florence de Maupoeu pointed out some examples from the guidebook of local authorities using crowdfunding, as much for financing their own projects as to support projects on their territory.

I4CE study: “Crowdfunding the energy transition” – Cécile Bordier, Project manager – I4CE, Institute for Climate Economics

Cécile Bordier presented the first results of a coming study analysing incentivizing mechanisms for crowdfunding the energy transition. She showed how the crowdfunding bonus incorporated in the bids operated by the Energy Regulation Commission (CRE) might push the needs to fundraise up to 103 M€ for each of the five coming years. Such a new range for crowdfunding renewables energy projects raises three challenges:

1. The balance between the investment’s local anchoring and a sufficient saving availability.
2. An increased citizen involvement in projects through shareholding. These investment tools require more financial culture.
3. The clash between the crowdfunding threshold to reach in order to get the bonus and the legal limits to what crowdfunding platforms can raise. Together they can limit the size of renewable projects seeking to get the bonus.
Roundtable discussion n°1
What incentives to go along the rise of crowdfunding for the deployment of renewable energy production?

Chaired by Benoît Leguet, Managing Director – I4CE, Institute for Climate Economics.

- Virginie SCHWARZ, Energy director – ministère de la Transition écologique et solidaire
- Vincent CLERC, Project manager – Enerfip
- Amaury BLAIS, President – Lendosphère.
- Emmanuel JULIEN, President of the Board – SERGIES

Virginie Schwarz – Context and challenges:
Virginie Schwarz reminded the objective of doubling the rate for the deployment of renewable energy production capacity, in order for it to reach 23% of the final energy consumption in 2020. She singled out three challenges to attain this target: i) lifting the administrative obstacles, ii) lower the production costs for all technological streams, iii) mobilize sufficient funds to proceed to the 9 billion euros investment in renewables production capacity needed by 2018 and the 20 to 30 billion euros needed by 2023. Mrs. Schwarz highlighted the importance for the ministère de la Transition écologique et solidaire (MTES) of supporting crowdfunding initiatives for decentralized renewable energy production. According to her, it enhances the quality of the projects by mobilizing the locals, increases the local acceptability and enables to avoid legal procedures. Virginie Schwarz also emphasized the government’s will to keep on supporting crowdfunding and maintain the bonus to crowdfunding initiatives in the coming bids. She indicated that the rules of its attribution and its level might be modified, if ever large discrepancies were to stand out of the projects feedbacks.

Vincent Clerc – Presentation of Enerfip:
Vincent Clerc presented Enerfip, a crowdfunding platform specialized in renewables projects, through two projects it supported:

1. A project in La Planèze, which gathered 700 000€ in two fundraising initiatives. Vincent Clerc stressed the efficiency of the permanence assured on site to provide locals with information. It also gave the possibility for 45% of the funders to invest with a cheque and not on the digital platform.

2. The project in La Renardière, which aims at collecting one million euros through shares acquisition by private investors. A dedicated representation structure will ensure the durability of this citizen involvement within the project’s governance.

Figure 1 - La Planèze wind turbines project

Vincent Clerc pointed out what the inputs of crowdfunding were to him: the possibility for the funders to give a meaning to their investment, the opportunity for the project developers to enhance their knowledge of the local context, the reinforcement of the locals’ financial engineering capacities.

Amaury Blais – Presentation of Lendosphère:
After presenting Lendosphère, a crowdfunding platform dedicated to renewables projects, Amaury Blais highlighted that local authorities increasingly demand a share of crowdfunding in renewables projects. According to him, project leaders also share this desire for resident involvement.

He showed three measures through which Lendosphère can incentivize resident involvement during a fundraising initiative:

- Boost the investment remuneration for residents ;
- Set a higher limit for the investment resident can make ;
- Reserve the first period of the fundraising initiative for resident investment.

He underlined that crowdfunding bonus conditions that would only account for investment realized in the project’s department or bordering departments would hardly apply to isolated regions like Corsica. Hence the more complex financial arrangement that coming fundraising initiatives might adopt to guarantee the success of the projects. Amaury Blais also presented a fundraising initiative organized by Lendosphère. It steps out of the project-by-project funding traditional spirit: the solar project developer Générale du Solaire raised 2.5 M€ in interest-bearing notes to fund its global development.
Emmanuel Julien – Presentation of SERGIES

Emmanuel Julien presented SERGIES: the renewables dedicated branch of the local semi-public company Sorégies, itself created by the department’s electricity board Energie Vienne. SERGIES was created to invest and take shares in local renewables projects. Crowdfunding comes in the scope of its policy, for it provides revenues to the local investors directly, and not indirectly through local authorities. Emmanuel Julien pointed out that SERGIES works with varied types of crowdfunding intermediaries. In addition to the digital platforms (Lumo in particular), a fundraising initiative with the bank Crédit Agricole through a term account gathered 1 M€, despite a relatively low interest rate. Share acquisition in renewables projects also were organized with the citizen investment fund Energie Partagée Investissement. Elected representatives from the home territory of SERGIES decided to use crowdfunding systematically in renewables projects.

The following discussions/debates dealt with:

- **The durability of the bonus in the bids operated by the CRE.** The framework of the bids must provide the stakeholders with visibility. Consequently, the bonus and its level will only be modified if an important gap is found with the additional charge it is supposed to cover.
- **The relevant moment of a fundraising initiative for a project.** It is more difficult to mobilize investors early on for actions without an immediate physical consequence. The remuneration decreases with the risk associated to the investment, though.
- **Investor types:** Young peoples are not the only investors using crowdfunding. Forty percent of the fund is collected from financiers over 60 years old. This emphasizes the need to keep on using diverse means to communicate about the project (notably through local newspapers) and diverse means of payment to contribute to the fundraising initiative itself.
- **Limitation of the risk to the investors:** Platforms have a duty to inform the financers about the risks of their investments. The framework developed by the regulation authorities aims at giving room for initiatives while limiting space for failed attempts.
- **Duration of citizen investment:** Getting the bonus requires a minimal share of crowdfunding in the project’s global investment. The absolute value of this investment must not decrease in the three years that follow the investment.

**Roundtable discussion n°2**

**How to spread the use of crowdfunding to other sectors of the ecological transition?**

Chaired by **André Jaunay**, Administrator – Financement Participatif France

- Arnaud DELCASSE, Manager and cofounder – Scity.coop
- Marie-Laure GUILLERMINET, Economist – ADEME
- Alex RAGUET, President and cofounder – Lumo & President of the European Crowdfunding Network (ECN)

**André Jaunay – Context and challenges:**

In order to spread beyond the energy production sector, crowdfunding must seek to fund other types of projects that reduces greenhouse gas (GHG) emissions and negative environmental impacts. The ties of these projects with the social and solidarity economy sector provide major opportunities to make even more initiatives emerge.

**Arnaud Delcasse – Car-sharing as a collaboration initiative with environmental and social impact**

Arnaud Delcasse presented Scity.coop, a cooperative society offering innovative mobility solutions:

- The real-time and short travel car-sharing platform Rydigo, to enhance the complementarity between car sharing and public transportation.
- Car sharing cheques, for the employers to support financially the car-sharing travels of their employees.

Arnaud Delcasse underlined the complementarity of the social and environmental impacts of these initiatives. To the GHG emissions reduction is added a free support to people isolated from the labour market, in order to ease their professional reintegration. Scity.coop initiatives are linked to the values of social and solidarity economy, a sector that is not sufficiently integrated to the crowdfunding ecosystem for Arnaud Delcasse.
Marie-Laure Guillerminet – Crowdfunding the ecological transition beyond renewables in the Hauts-de-France

Marie-Laure Guillerminet explained the basic objectives of a study lead by the regional direction of the ADEME in the Hauts-de-France, a region that runs a program based on the Third Industrial Revolution principles. The study aims at finding mixt ways to fund renewables projects and energy efficiency projects despite the deep differences in the way they are built. It will focus on initiatives from five to seven territories of the region. Feedbacks will improve the comprehension of the political and economic tools that local authorities can use to support the emergence of such projects. The study will begin in the coming months and will lead to the redaction of a guidebook.

Alex Raguet – Diversify the recognition of ecological transition projects

Alex Raguet presented the European Crowdfunding Network (ECN), a professional association based in Brussels that promotes good crowdfunding practices in order to make it succeed. It competes on bids for research projects, which have been for a long time focused on crowdfunding renewables projects, though research on crowdfunding energy efficiency projects becomes more frequent. Furthermore, the framework of the certification label “Crowdfunding for Green Growth”, which will be made official shortly, includes energy efficiency projects for the construction sector, the transportation sector, the agriculture sector, industrial processes, sustainable forestry or climate change adaptation infrastructures. It displays a will to develop through crowdfunding a wide range of projects with a positive and tangible impact for the ecological transition. Alex Raguet gave the example of the German platform Bettervest. It organizes fundraising initiatives for heating or lighting system’s energy efficiency.

A certification label to highlight all types of « green » project

Florence de Maupeou clarified the progress made in the building of the certification label. This project, initiated by demands from FPF, is undergoing a review from the newly elected administration. The MTES and FPF have been working for a year on the creation of this certification label, which follows the certification label “Energy and ecological transition for climate” focusing on investment funds. Three cornerstones would define the certification criteria:

1. Project’s eligibility
2. Information transparency
3. Promotion of the positive impact of the projects.

A control of the projects that receive the certification label would guarantee the input of the distinguished projects for the energy and ecological transition.

The following discussions/debates dealt with:

- **Crowdfunding agriculture projects**, which remain overlooked. The certification label would contribute to promote them, though other possibilities like rental management system for winemaking projects should also be examined.

- **Ties between crowdfunding and local authority**, Local authorities can now support local initiatives through crowdfunding, as much as they can solicit their residents’ savings to fund their own projects. Furthermore, André Jaunay evoked two projects lead by local authorities in Corrèze and Ardèche. Two digital portals were created to inform the residents about the projects in their localities that are available for crowdfunding. With relays on site and a good media exposure, increasing knowledge about these opportunities can greatly accelerate the fundraising initiatives.

**Conclusion – Stéphanie Savel, President - Financement Participatif France**

Stéphanie Savel concluded this second seminar by highlighting the importance of the subjects at hand during the discussions: renewables, energy efficiency of construction and transportation sectors, social and solidarity economy… to achieve an ecological transition. She listed three major challenges to do so:

- The earmarking of the French citizens’ savings to the ecological transition;
- The need to link all the stakeholders of crowdfunding together (private, public, institutional…) in order to overcome hindering divides.
- The capacity to modify how crowdfunding professionals’ work is seen in order to create political support and ensure the sector’s growth on the long term.

The speakers’ presentations are available on the website of I4CE – Institute for Climate Economic: [www.i4ce.org/home/](http://www.i4ce.org/home/), in the tab News/Events. Follow also I4CE’s Twitter page @I4CE_ to remain informed of all our initiatives.

Get news from Financement Participatif France on the website [www.financemparticipative.org](http://www.financemparticipative.org) and on their Twitter account @Fin_Part.