

TranspArEEnS: Bringing a new perspective to the EEMI by putting SME access to finance at the heart of an ESG ecosystem

The European Mortgage Federation-European Covered Bond Council (EMF-ECBC), as Coordinator of the **Energy Efficient Mortgages Initiative (EEMI)**, is delighted to announce the launch of the EU Horizon 2020 funded **TranspArEEnS Project** (Mainstreaming Transparent Assessment of Energy Efficiency in Environmental Social Governance Ratings). Through its focus on the standardisation of an ESG-related data collection process for Small & Medium Sized Enterprises (SMEs), which represent 99% of all businesses and are a driving force of economic growth in the EU, TranspArEEnS builds on the efforts of the [EEMI](#) since 2016 to develop a new, integrated, multi-stakeholder energy efficient mortgages ecosystem, of which SMEs are a critical element.

Led by [Ca' Foscari University of Venice](#) and bringing together [CRIF S.p.A](#), the [EMF-ECBC](#), the [Leibniz Institute for Financial Research SAFE](#) and [Modefinance srl](#), the TranspArEEnS Consortium will establish a quali-quantitative framework, building on a large-base database model, to collect information about energy efficiency and the ESG performance of not only listed but importantly also non-listed firms, introducing a standardised EE-ESG rating model and thus meeting an important market need.

By enhancing standardised disclosure of EE investing, TranspArEEnS will decrease uncertainty in the EE and ESG market, thus promoting the scaling up of new EE financing and investment opportunities in the EU. Moreover, it will help to mitigate the risk of greenwashing thus improving financial stability.

Commenting on the launch, the Project Coordinator, Prof. **Monica Billio**, [Ca' Foscari University of Venice](#) stated:

“Ca' Foscari has been part of the EEM Initiative from the beginning and we are particularly delighted to see now the possibility to help the different actors in the markets with this new project: SME in understanding and disclosing their ESG potential, especially in terms of EE, thus helping them in better performing in the market; Banks and financial institutions in having the possibility to preserve the value (also in terms of greenium) of their portfolios, both retail and corporate; policy makers and regulators in understanding the potential of a market initiative that can impact single household, company, financial institutions but primarily the economic system giving a concrete answer for a transition economy attentive to be inclusive.”



TranspArEEnS project has received funding from the European Union's Horizon 2020 research and innovation programme under Grant Agreement n. 101033869

Commenting on the launch of TranspArEEnS, [EMF-ECBC](#) Secretary General & [EEMI Coordinator](#), **Luca Bertalot**, said:

“Improving access to long-term finance for energy efficiency projects is key to achieving the EU’s 2030 targets and aligning the COVID-19 recovery to the European Green Deal. By facilitating and promoting the standardised disclosure of information on EE-ESG risk at firm level, including SMEs, TranspArEEnS will further support banks in financing EE projects and contributing to the smooth development of an ESG ecosystem. In this way, TranspArEEnS brings a new and exciting perspective to the efforts of the Energy Efficient Mortgages Initiative, and we are very much looking forward to contributing to the Project.”

Commenting on the launch of TranspArEEnS, [CRIF](#) Team Leader, **Marco Macellari**, explained:

“Unlike Corporate and Large Corporate, segments on which the sustainability assessment is more mature and based on more stratified and codified data, in the SME segment ESG awareness is in progress and direct acquisition of information through survey is crucial. The balance of the customer journey, content of questions and answers, sectoral and dimensional granularity is fundamental to understand Energy Efficiency and more generally Sustainability level. We are therefore proud to participate in this initiative which has as its main objective of building a quali-quantitative framework and, at the same time, enabling the dissemination of the ESG culture.”

Commenting on the launch of TranspArEEnS, [Modefinance](#) co-founder & CEO **Valentino Pediroda** stated:

“Being part of the TranspArEEnS project represents a fundamental step for us to further develop an already significant commitment to ESG Ratings, as a leading priority to better support the SMEs market in the next few years. Furthermore, this will lead us to bring a wider perspective to the table -being a Rating Agency and a FinTech firm- within a unique consortium, as the EEM Initiative aims at covering the entire ecosystem -SMEs, financial institutions and regulators- providing innovative and tangible solutions for an energy efficient finance ecosystem and ESG-risk-free assessments.”

Commenting on the launch of TranspArEEnS, [Leibniz Institute for Financial Research - SAFE](#) Team Leader & Researcher, Prof. **Loriana Pelizzon**, said:

“SAFE is delighted to be joining the TranspArEEnS project as part of a key initiative to standardize EE-ESG reporting in Europe. The TranspArEEnS project builds on the necessity of



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creating a reliable, inclusive, and comprehensive EE-ESG data ecosystem by promoting a standardized framework for EE-ESG disclosure and facilitates ESG reporting for SMEs. This is crucial for achieving the EU's 2030 green deal targets by enabling increased investment in energy efficient projects. This level of comprehensive ESG reporting could only be achieved with the collective effort of many market participants and we look forward to the collaborative process with the TranspArEEEnS' team."

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Notes to the Editor:

About Mainstreaming Transparent Assessment Of Energy Efficiency In Environmental Social Governance Ratings – **TranspArEEEnS**

Transpareens project – led by [Ca' Foscari University of Venice](#), [CRIF](#), [Covered Bond & Mortgage Council](#) (CBMC), [MODEFINANCE](#), [Leibniz Institut fur Finanzmarktforschung SAFE](#), officially started the 1st of June 2021.

Improving access to long-term finance for Energy Efficiency (EE) projects is key to achieve the EU2030 targets and aligning the COVID-19 recovery to the European Green Deal. However, the lack of standardized disclosure of EE investments limits firms' access to EE financing. Further, poor understanding of EE information in ESG ratings increases the risk of greenwashing, thus preventing a smooth development of the sustainable finance market. TranspArEEEnS addresses these barriers by mainstreaming a quali-quantitative framework for standardized collection and analysis of firms' EE and ESG information and the development of a standardized EE-ESG rating. This serves as an EE-ESG filter to inform investment and financial policy decisions with regard to portfolios' alignment to sustainability. A unique added value of this project is to cover non-listed Small and Medium Enterprises, meeting an important market need. TranspArEEEnS' EE-ESG rating will be tested in pilot case studies and capacity building sessions with leading representatives of the financial industry and supervisors. This allows to understand barriers and opportunities for its operationalization in: i) credit risk assessment, ii) development of long-term EE-financing via securitization (covered bonds, European Secured Notes), and iii) introduction of EE-ESG considerations into monetary policies and prudential regulations. By enhancing standardized disclosure of EE investing, TranspArEEEnS will decrease uncertainty in the EE and ESG market, thus promoting the scaling up of new EE financing and investment opportunities in the EU. Moreover, it will help to mitigate the risk of greenwashing thus improving financial stability.



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