

## Abstract

Innovative financial instruments in the Czech Republic and their hypothetical use in the field of energy efficiency are analysed and assessed in this thesis. We address limited awareness about multiple benefits of energy efficiency improvements and also emerging innovative financial instruments that are promoted by the European Commission as a way to multiply impacts of limited public budgets. Then we identify a suitable segment, Czech residential housing stock and public support of insulation, and compare several forms of possible public support in this field. As the main driver of space heating costs, we predict the future development of heat prices, and assess potential energy savings resulting from renovations. Finally, we assess and also simulate the potential of such an initiative and identify four suitable settings of the innovative financial instrument for a majority of stakeholders. Our findings support an idea that this innovative financial instrument offers a valuable alternative to traditional grants. It also suggests that such an initiative can be interesting for a private sector as well as a public sector, with benefits to public budgets, equity investors, households and many other stakeholders. Moreover, this initiative can be sustainable in the long run.

<b>JEL Classification</b>	G23, G32, H60, H71, L71, L97, O16, Q42, Q43, Q47, Q48, Q55
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