

ELENA – Frequently Asked Questions

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1. GENERAL INFORMATION

1.1. What is ELENA?

The ELENA (European Local Energy Assistance) Facility (The Facility) is implemented by the European Investment Bank (EIB) in the framework of an agreement with the European Commission. ELENA was initially established in 2009 under the Intelligent Energy-Europe (IEE II) Programme and is currently financed by EU funds from the Horizon 2020 Framework Programme for Research and Innovation.¹

The Facility provides support to project promoters in the form of grants to assist them in the preparation of substantial eligible Investment Programmes. This contributes to the achievement of EU energy and climate goals by improving energy efficiency, reducing greenhouse gas emissions and increasing the share of renewables in energy consumption, as well as contributing to sustainable urban transport. The ELENA facility supports project promoters by covering up to 90% of the eligible costs necessary to prepare eligible Investment Programmes. The support is conditional on mobilised investments, meaning that the applicant is required to implement an Investment Programme proportional to the received ELENA grant (see question 1.8.).

The Facility aims at mobilising local, regional and national stakeholders towards actions leading to broader utilisation and market uptake of innovative solutions, including technologies, processes, products, policies, organisational models and practices. The objective is also to accelerate investments by increasing experience, facilitating financing and overcoming existing investment barriers.

1.2. Who can benefit from ELENA?

The Facility can support both public and private project promoters such as local, regional or national authorities, transport authorities and operators, social housing operators, and other companies (e.g. estate managers, retail chains, energy service companies) to develop and launch investible (bankable) Investment Programmes in the fields of energy efficiency, building-integrated renewable energy and sustainable urban transport, going beyond business as usual².

The Facility can also support the project promoters involved under the Covenant of Mayors³ and the CIVITAS⁴ initiatives of the European Commission, but it is not restricted to entities participating in these initiatives.

Project promoters need to be located in one of the Member States of the EU or in a country associated to the Horizon 2020 programme⁵.

Any project promoters wishing to apply for ELENA must have identified a large-scale (typically over EUR 30m over 3 – 4 years) and substantial Investment Programme in the specific areas defined in the answer to question 1.3. of this FAQ. The investments do not need to be fully defined at the time of application but the project promoter should have a clear vision of the potential investment programme. ELENA aims at supporting and accelerating the successful implementation of such investments.

¹ More on Horizon 2020: <https://ec.europa.eu/programmes/horizon2020>

² ELENA facility should support activities delivering an added value for the grant made available. The ELENA applicant should demonstrate that the implementation of the investment programme differs from their day to day activities. This may include: innovative nature of the business model or innovative technical or financial solution. Such innovation would make a difference to their ongoing activities in relation to the investment programme. The ELENA support should enable and/or accelerate the implementation of the investment programme.

³ www.eumayors.eu

⁴ www.civitas.eu

⁵ 16 Horizon 2020 Associated Countries as of January 2017 were: Iceland, Norway, Albania, Bosnia and Herzegovina, the former Yugoslav Republic of Macedonia, Montenegro, Serbia, Turkey, Israel, Moldova, Switzerland, Faroe Islands, Ukraine, Tunisia, Georgia, Armenia. More information on: http://ec.europa.eu/research/participants/docs/h2020-funding-guide/cross-cutting-issues/international-cooperation_en.htm

1.3. What kind of Investment Programmes does ELENA support?

ELENA support can be provided for the development of Investment Programmes or projects within the following areas:

(a) Energy efficiency and distributed renewable energy, including one or more of the following areas:

- Public and private buildings, including social housing, commercial and logistic properties, as well as street and traffic lighting, to support increased energy efficiency – e.g. refurbishment of buildings aimed at significantly decreasing energy consumption (both heat and electricity), such as thermal insulation, efficient air conditioning and ventilation, efficient lighting;
- Integration of renewable energy sources (RES) into the built environment – e.g. solar photovoltaic (PV) on roof tops, solar thermal collectors and biomass for heating;
- Investments into renovating, extending or building new district heating/cooling networks, including networks based on high efficiency combined heat and power (CHP); decentralised CHP systems (building or neighbourhood level), renewable heat/cooling supply;
- Local infrastructure including smart grids, information and communication technology infrastructure for energy efficiency, energy-efficient urban equipment and link with transport.

(b) Urban transport and mobility in urban/suburban agglomerations and other densely populated areas⁶, including one or more of the following areas:

- Investments to support the use and the integration of innovative solutions going beyond the current state of the art for so-called 'alternative fuels' in urban mobility, e.g. in vehicles and in refuelling infrastructure for alternative fuel vehicles, and other actions to support the wide-scale use of alternative fuels in urban areas. Investments in conventionally fuelled vehicles (e.g. diesel or petrol) are not supported.
- Investments to introduce on a large scale, new, more energy-efficient transport and mobility measures in urban areas including passenger transport, freight transport, intelligent IT/operating systems etc.

A list of ideas for the urban transport and mobility sector is presented in section 3.

1.4. What kinds of Investment Programmes are excluded from ELENA support?

- Stand-alone renewable energy systems, not integrated in buildings or heating/cooling networks, e.g. wind turbines, stand-alone PV, concentrated solar power, hydropower and geothermal electricity production;
- Long-distance transport infrastructure (generally any transport over 300 km);
- Large industrial facilities (falling under the Emissions Trading Scheme Directive), and investments in reducing greenhouse gas emissions due to industry delocalisation.

1.5. What is the minimum Investment Programme size acceptable for ELENA?

The objective of ELENA is to increase experience in developing large-scale and substantial Investment Programmes of a certain size, normally above EUR 30 million.

However, smaller projects can be supported when they are integrated into larger Investment Programmes. Regrouping of small projects into larger programmes allows transaction costs to be reduced and improves the “bankability” of the individual projects, which is one of the criteria set in the selection procedure.

Project Development Assistance for smaller projects (from EUR 7.5m upwards) is available under the "Secure, Clean and Efficient Energy" part of the Horizon 2020 Programme. More information can be found [here](#).

⁶ See the European cities – the EU-OECD functional urban area definition, described on the following website: http://ec.europa.eu/eurostat/statistics-explained/index.php/European_cities_%E2%80%93_the_EU-OECD_functional_urban_area_definition

1.6. What are the eligible costs of project development activities for ELENA funding?

Eligible costs are those which will be incurred by the final beneficiary to develop, mobilise financing and implement a clearly identified Investment Programme. Costs related to the Investment itself e.g. hardware investments, detailed design, permits, etc. should be borne by the project and cannot be supported by ELENA. Eligible costs must be incurred during the period of the Investment Programme. Costs must be identifiable, verifiable, and be recorded in the beneficiary's accounting systems. They should be reasonable, justified and comply with the principle of sound financial management, in particular regarding economy and efficiency.

Eligible costs may include, for instance, costs related to:

- feasibility studies, design studies, and market studies;
- structuring of programmes, business plans, energy audits;
- legal/financial advisory;
- preparation of tendering procedures and contractual arrangements;
- bundling of smaller projects to form bankable packages;
- set-up and running of a project implementation unit;
- modelling or simulations;
- Preparation of sustainable urban mobility plan.

These eligible costs can fall into the following categories of costs:

- Costs of personnel clearly assigned to the project. These can be newly hired or existing employees, or seconded experts under certain conditions⁷ The staff costs include actual salaries plus social security charges and other remuneration-related costs;
- Costs arising directly from requirements imposed by the Facility (e.g. dissemination of information, audits, specific evaluation of the project, translations, reproduction);
- Costs entailed by duly justified subcontracts purchased in accordance with the applicable rules and procedures adopted by the EIB;
- Duties, taxes and charges, notably value added tax if it can be documented that this tax cannot be recovered by the ELENA beneficiary.

However, some costs such as costs of travel, costs of renting and leasing equipment, costs of consumables and supplies, exchange losses, costs already funded under other support programmes, deductible VAT are not eligible.

No financial assistance will be granted retro-actively, i.e. for the costs which occurred before the signature of the Funding Agreement between the EIB and the beneficiary. Moreover, financial assistance shall not have the purpose or the effect of producing a profit for the beneficiary.

1.7. What are the minimum and maximum grant requests acceptable for ELENA?

In principle, there are no specific limits. However, the requested assistance should be commensurate with the amount of the Investment Programme to be prepared (normally above EUR 30 million) and its potential for market replication. In any case, the leverage factor agreed upon must be respected (see question 1.8.).

⁷ The costs of natural persons working under a contract with the Final Beneficiary other than an employment contract or who are seconded to the Final Beneficiary by a third party against payment may also be included under such personnel costs, provided that the following conditions are fulfilled:

- (i) the natural person works under the instructions of the Final Beneficiary and, unless otherwise agreed with the beneficiary, in the beneficiary's premises;
- (ii) the result of the work belongs to the beneficiary; and
- (iii) the costs are not significantly greater than the costs of staff performing similar tasks under an employment contract with the Final Beneficiary.

1.8. What are the minimum leverage factors to fulfill and what happens if they are not achieved?

One objective of the ELENA facility is to contribute to the development and implementation of Investment Programmes in order to achieve a minimum ratio/leverage factor between the total Investment Programme costs and the total amount of the ELENA financial assistance grant.

For energy related Investment Programmes, the total investment programme costs to be supported must be at least 20 times the amount of the ELENA contribution.

For transport related Investment Programmes the total investment programme costs to be supported must be at least 10 times the amount of the ELENA contribution.

This requirement will be reflected in the Funding Agreement to be signed between the beneficiary of the financial assistance and the EIB. This funding agreement will stipulate the obligation of the beneficiary to reimburse, in part or in full, the amounts received if this minimum leverage is not achieved, except in circumstances beyond the control of the beneficiary.

1.9. What are the investment costs taken into account for determining the total costs of the Investment Programme?

The Investment Programme shall consist of coherent and clearly defined capital investments needed for the realisation of a project or several projects to save energy or increase the use of renewable energies or improve the performance of urban mobility. These investment needs comprise all elements of a permanent nature (whether tangible or intangible) that are necessary for achieving the results that the project is designed to deliver. The total investment cost of a Programme includes studies and engineering, civil works, equipment and installation. In case of leasing contracts the value of the leased assets is considered as an investment cost. Financing costs, future operation and maintenance costs or future energy purchase are not considered as investment costs.

1.10. Who selects the providers of technical assistance?

The technical assistance providers can be selected by the beneficiary or by the EIB. The best option in each case will be discussed with the EIB, with a preference however that the selection be carried out by the beneficiary. The procurement of these services needs to be compliant with the EIB guide to procurement⁸. In the case of public bodies, possible subcontractors have to be selected according to the EU public procurement rules.

1.11. How will the Technical Assistance (TA) be managed?

The beneficiary will be responsible for managing and reporting the progress of the TA according to the requirements established by the European Commission and agreed upon in the Funding Agreement with the EIB. Any cost overruns will be funded by the beneficiary.

1.12. Can the ELENA funding be combined with EU grants?

In principle, ELENA can be combined with EU or national grants. However, it cannot be combined with other financial assistance from the EU budget for the same purpose (Technical Assistance to support the development of the same Investment Programme to be supported by ELENA). In addition, the applicant who wishes to benefit from ELENA should provide information on any other European Commission support it may have obtained under other EU programmes.

1.13. What is the duration of a project seeking support from the ELENA facility?

The maximum duration of a project supported by ELENA is limited to three years for energy related projects and to four years for urban transport and mobility related projects.

⁸ EIB Guide to procurement : <http://www.eib.org/infocentre/publications/all/guide-to-procurement.htm?f=search&media=search>

1.14. Is there a link between EIB financing (including EFSI) and ELENA assistance?

To obtain EIB financing for the Investment Programme, it is not a prerequisite to be receiving ELENA assistance, and vice-versa. However, as one of the objectives of ELENA is to improve the bankability of Investment Programmes, ELENA assistance may facilitate i) access to financing from the EIB including from the European Fund for Strategic Investments (EFSI), ii) support funding from European Structural Investment Funds (ESIF), or iii) access to finance from other banks.

The application for an EIB loan follows a different process than the request for an ELENA financial assistance. Additional information about the procedure for requesting EIB financing can be obtained from the EIB website.⁹

2. APPLICATION GUIDELINES

2.1. What is the first requirement for ELENA support?

Any eligible public or private entity wishing to apply for ELENA must have previously identified a large-scale and substantial Investment Programme in the specific areas defined in question 1.3 of this FAQ.

The investments do not need to be fully defined. ELENA aims at supporting and accelerating the successful implementation of such investments.

2.2. Who should be the first point of contact when applying for ELENA?

ELENA is the result of a delegation agreement between the European Commission and the European Investment Bank. The latter is in charge of the management of the facility.

The best way to discuss a proposed project is by sending an e-mail to elena@eib.org. For such first contacts, the project promoter should provide sufficient information to allow verification of compliance of the proposal with the selection criteria. The procedure for applying for ELENA is described in question 2.5 of this FAQ.

2.3. What is the period during which proposals for ELENA support can be submitted?

In principle, proposals can be submitted and funding agreements signed at any time, as long as there is budget available. Regularly updated information on budget availability is provided on the ELENA webpage.¹⁰

2.4. What are the selection criteria for ELENA?

The EIB will select the Investment Programmes to be supported under ELENA based on the following criteria:

- eligibility of an applicant from an eligible country (see question 1.2);
- eligibility of the planned Investment Programme going beyond the business as usual activities (see question 1.3);
- potential bankability¹¹ of the Investment Programme;
- financial and technical capacity of the applicant to implement and complete the Investment Programme;
- the technical need for the project development services;
- contribution to the broader utilisation and market uptake of innovative solutions including technologies, processes, products, policies, organisational models or practices;
- expected Leverage Factor (the cost of the Investment Programme divided by the amount of the ELENA contribution) should be substantially above the required minimum of 20 for energy-related areas and a minimum of 10 for mobility-related areas;

⁹ www.eib.org

¹⁰ <http://www.eib.org/products/advising/elena/index.htm>

¹¹ Bankability means here: one or several lenders are willing to finance the project.

- contribution to EU policies, including:
 - expected contribution to the objectives of the "20-20-20" Initiative in terms of reducing greenhouse gas emissions, increasing the share of renewables in energy consumption and improving energy efficiency;
 - the EU urban transport policy goals; reducing the number of cars that use conventional fuel in cities by half by 2050;
 - the objectives of the Investment Plan for Europe;
- EU added value, in terms of:
 - contribution of the Investment Programme to address the needs of beneficiaries and possible development impacts in their territory/sector, including a positive impact on SMEs;
 - contribution to dissemination of good practices or technologies at an early market penetration phase, within the EU;
 - state of the art of technologies and non-technological innovations, and whether the project goes beyond the current state of the art. This should take into account previous EU-supported actions in the context of the EU energy policy objectives, and relevant previous action by the applicant;
- Confirmation by the beneficiary that it will ensure that any financial assistance under this Facility shall not be used for Investment Projects that can be better supported by other similar EU funds and facilities, including Cohesion and Structural Funds. If funding can be obtained from other facilities, the applicant must justify why the use of this Facility is more appropriate;
- Confirmation by the beneficiary of the absence of other EU support granted to the same applicant for Project Development Services in relation to the same Investment Programme.

2.5. What is the procedure for applying for ELENA?

There will be no calls for proposals. Assistance will be granted on a first-come first-served basis within the limits of the given budget. The application procedure follows a two-step approach:

Step 1: Pre-application stage

To start the discussion to seek assistance from ELENA, the following minimum information should be presented to the EIB (by sending an e-mail to elena@eib.org):

- Brief description of the planned Investment Programme, including type of investments and approach for implementation of the programme;
- Expected investment costs, schedule to develop the Investment Programme and the expected, estimated impacts in terms of energy savings and reduction of greenhouse gas emissions;
- Amount, scope and main needs to be addressed by the requested technical assistance.

Based on the information provided at this pre-application stage, the EIB will make a preliminary assessment whether the proposal meets the selection criteria, and whether the need for technical assistance of the specific Investment Programme is justified.

Step 2: Application stage

A positive outcome of this first assessment will allow for a request for assistance to be prepared and submitted to the EIB using the standard Application Form (sent to the promoter by the ELENA project team). Based on the application the Bank will assess the proposed Investment Programme following the eligibility criteria. Once the Bank considers the application as eligible the Bank will then present the proposal to the European Commission for approval, which takes around one month.

2.6. What is the information to be provided in the Application Form to be submitted to the EIB for approval (following a first confirmation that the proposal seems to meet the selection criteria)?

If the preliminary review performed by the EIB (pre-application stage) indicates that the investment is potentially eligible for ELENA, the project team will send an application form to the promoter to be completed with details related to the project, such as:

In relation to the Investment Programme:

- statement of candidate's commitment to the objectives of the Facility;
- description of the planned investment;
- expected overall investment costs;
- expected leverage factor;
- financing plan for the investment;
- implementation timetable for the investment;
- description of the major elements of the institutional, organisational and contractual set-up of the investment;
- expected results in terms of increase in energy efficiency, decrease in energy consumption, increase in renewable energy production or reduction of greenhouse gas emissions.

In relation to the ELENA financial assistance requested:

- justification of the financial assistance requested;
- total amount requested;
- description of the expected support and its scope;
- description of the major elements of the support;
- detailed cost breakdown of the support;
- implementation timetable and disbursement forecast;
- information on other subsidies or grants received, if applicable;
- description of the main expected impacts of the project development support;
- market replication potential for other municipalities or public bodies.

2.7. If a proposal is approved by the Commission, what happens next?

A funding agreement, for a duration of three years for energy related projects and four years for urban transport and mobility related projects, will be established between the beneficiary and the EIB, based on the proposal approved jointly with the Commission. This funding agreement will define the eligible technical assistance costs, the scope of the Investment Programme to be implemented and its expected investment cost, the reporting and monitoring requirements, and the schedule for payment.

3. Additional questions related to ELENA-mobility applications

3.1. What types of ELENA-mobility proposals could be envisaged?

The support funded by the ELENA Facility, “Urban transport and mobility in urban/suburban agglomerations and other densely populated areas”, will contribute to the development of investment programmes which include wide-scale uptake and deployment of innovative solutions and/or innovative approaches to systems upgrading of existing solutions (dealing for example with legacy issues) in mobility-related eligible areas.

Innovative solutions proposed shall be interoperable and compatible with existing systems and services, and comply with EU standards and specifications. These solutions could incorporate any form of innovation (see the broad definition of 'innovation' in Article 1) such as demonstrating, piloting, large-scale product validation, and market replication. Even activities such as producing plans and arrangements or designs for new, altered or improved products,

processes or services; procurement strategies (e.g. pre-commercial public procurement, procurement of innovations, joint procurements) could be part of the scope as long as these elements prepare the investments to be implemented in a four-year time frame.

On the other hand, Investment Programmes that focus predominantly on the deployment of specific, existing solutions already on the market (such as Euro 6 standard emission vehicles) will not be prioritised for support.

An indicative, non-exhaustive, list of investment programmes eligible for ELENA support is given here:

- Use and integration of innovative solutions for alternative fuels¹² in urban mobility, such as:
 - in cleaner and energy-efficient (road) vehicles, which could have significantly improved environmental impacts and reduced perceived noise and vibration;
 - in refuelling infrastructure for alternative fuel vehicles and other actions to support the wide-scale use of alternative fuels in urban areas.
- Increasing efficiency and sustainability of Urban Logistics, such as:
 - Measures to manage urban logistic demand;
 - Investments to shift to more energy-efficient and cleaner modes in urban logistics;
 - Investments in smarter Urban Access and Road User Charging (incl. telematics applications).
- Deployment of Intelligent Transport Systems (ITS) in urban areas aiming at improving mobility, reducing traffic congestion, reducing emissions and pollution, enhancing road safety such as:
 - Integrated (Real-time) Multimodal travel and traffic information including sharing relevant transport data through national/single access points;
 - Traffic management measures;
 - Multimodal smart ticketing integrating short distance/last mile and long distance journeys;
 - Urban applications of cooperative ITS (vehicle to infrastructure communication).
- Modernisation of urban transport infrastructure and Urban Transport Planning regeneration, including investments in 'soft modes' such as walking and cycling.
- Improvement of the public transport and its seamless link to private transport in urban areas (e.g. trams, trolleybuses, metro, trains and telematics applications).
- The development and/or implementation of a Sustainable Urban Mobility Plan¹³, aiming at improving the accessibility of urban areas and providing high-quality and sustainable mobility and transport to, through and within urban areas.

¹² See the Communication on 'Clean Power for Transport: A European alternative fuels strategy' (COM/2013/017)

¹³ Further information can be found in the European Commission's Urban Mobility Package (COM(2013) 913 final).