

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 ELENA could be used as a means to assist Member States in working towards their energy efficiency objectives under the ENERGY UNION strategy. The projects supported under ELENA can also assist cities and regions to increase the quality of living of European citizens by supporting the reduction of energy consumption.

The Facility provides grant support in order to provide Project Development Services for the preparation of eligible Investment Programmes. ELENA aims at supporting and accelerating the successful implementation of such investments. 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 covers up to 90% of the eligible costs (see question 1.7) necessary to prepare eligible Investment Programmes (see question 1.4).

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 1.9.).

The Facility aims at supporting the actions of public and private stakeholders at local, regional and national levels, in order to assist a broader utilisation and market uptake of innovative solutions, including technologies, processes, products, policies, organisational models and practices. The objective is to accelerate investments by increasing experience, facilitating financing and overcoming existing investment barriers.

ELENA provides support to three different sectors and for that purpose three different envelopes exist with slightly different eligibility rules as represented below:

- a) Sustainable Energy: focused on general energy efficiency and building integrated renewables;
- b) Sustainable Residential: focused exclusively on energy efficiency and building integrated renewables in existing residential buildings;
- c) Sustainable Transport: focused on innovative transport and mobility projects resulting in energy and emission savings.

- (1) Investment Programmes consisting of projects under Sustainable Energy (e.g. energy efficiency measures and renewable energy in non-residential buildings, district heating, street lighting, etc) are financed by the Sustainable Energy envelope, and require a leverage factor of at least 20;
- (2) Investment Programmes consisting *exclusively* of existing residential buildings projects *or* exclusively of transport and mobility projects, are financed by the Sustainable Residential and Sustainable Transport envelopes respectively, and both require a leverage factor of at least 10;
- (3) Investment Programmes consisting of any combination of Sustainable Energy related projects with Sustainable Residential projects are financed by the Sustainable Energy envelope, and require a leverage factor of at least 20;
- (4) Investment Programmes consisting of any combination with Sustainable Transport projects are not eligible. Only Investment Programmes targeting exclusively Sustainable Transport projects can be submitted.

See question 1.4 for more details

During the application phase the ELENA team uses its experience to closely assist the applicant and can provide sector and best practice advice |

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

1.2. Who can apply and benefit from ELENA and what are the main conditions?

The ELENA applicant can be a public or private entity including local, regional or national authorities, transport authorities and operators, social housing operators, estate managers, retail chains, energy service companies, financial institutions and SMEs. This includes project promoters involved under the Covenant of Mayors² and the CIVITAS³ initiatives of the European Commission. For clarity, these entities are given as examples only and are not an exhaustive list.

ELENA can help these parties to develop and launch investible (bankable) Investment Programmes in the fields of energy efficiency, building-integrated renewable energy and sustainable urban transport. The ELENA facility should support activities delivering 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 planned investment programme.

Any entity wishing to apply for ELENA must have identified an eligible Investment Programme (see question 1.4) greater than EUR 30m over 3 years (over 4 years for Sustainable Transport).

The applicant needs to be legally established in one of the EU Member States or in a country associated with the Horizon 2020 programme⁴.

The party that signs the Funding Agreement with the EIB and directly receives the ELENA grant is named a Final Beneficiary in these FAQs. The Final Beneficiary does not have to be directly involved in financing the Investment Programme. However, the Final Beneficiary is responsible for ensuring the leverage factor is met (see question 1.9).

ELENA will fund up to 90% of the required eligible costs (see question 1.7). The Final Beneficiary is responsible for financing the remaining 10%.

To demonstrate the implementation of the Investment Programme and the achievement of the minimum leverage factor, the Final Beneficiary shall collect inter alia copies of the contracts underpinning the costs of the Investment Programme, salary sheets and external experts sub-contracts justifying the Project Development Services costs, so that it can be presented to the EIB in a final report.

Private entities as well as public entities established under private law (e.g. associations, external agencies, etc.) may be asked to present a bank guarantee related to the approved ELENA grant amount before signature of the Funding Agreement with the EIB.

1.3. Why does ELENA provide support to project development?

The Facility provides technical assistance for project development, in line with EU targets, in order to:

- Accelerate investments and reduce transaction costs, by helping the promoter to:
 - Group together small projects and develop standardized approaches;
 - Acquire the necessary and adequate skills and expertise;
 - Increase the bankability of projects and attract investor's attention;
- Increase access to competitive financing by:
 - Assisting in the process of mobilising private financing from banks (The EIB may provide financing but receiving EIB financing is not a requirement for ELENA support, nor is receiving ELENA support a guarantee of EIB financing. The application for an EIB loan follows a different process than the request for ELENA financial assistance. Additional information about the procedure for requesting EIB financing can be obtained from the EIB website, www.eib.org)

² www.eumayors.eu

³ www.civitas.eu

⁴ Horizon 2020 Associated Countries can be found on: http://ec.europa.eu/research/participants/docs/h2020-funding-guObide/cross-cutting-issues/international-cooperation_en.htm

- Supporting the efficient use of grants (e.g. European Structural and Investment Funds, and other European or national funds)
- Promote a broad development of innovation, by:
 - Supporting technical and organisational innovation;
 - Supporting large-scale investments to demonstrate impact.

1.4. 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) Sustainable Energy: Energy efficiency and building integrated renewable energy, including in one or more of the following areas:

- Investment to significantly increase the energy performance of public and private buildings, including measures to decrease energy consumption in heating/cooling and electricity - e.g. thermal insulation, energy efficient heating, air conditioning and ventilation systems, efficient lighting. In some cases, these investments can include structural reinforcements of the building or other accompanying measures as long as they are required for the realization of the energy efficiency investments. However all investments should be motivated by energy efficiency and, for example, the simple replacement of white goods (e.g a washing machine or a fridge etc) is not considered an eligible Sustainable Energy measure.
- 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),
- Local infrastructure including smart grids related to energy efficiency objectives, information and communication technology infrastructure for energy efficiency, energy-efficient urban equipment and link with transport.

(b) Sustainable Residential: Energy efficiency and building integrated renewable energy, exclusively in existing public and private residential buildings

- Investment to significantly increase the energy performance of public and private existing **residential** buildings, including measures to decrease energy consumption in heating/cooling and electricity - e.g. thermal insulation, energy efficient heating, air conditioning and ventilation systems, efficient lighting,
- Measures for the integration of renewable energy sources into the built residential environment - e.g. solar photovoltaic (PV), solar thermal collectors and biomass.

(c) Sustainable Transport: Urban transport and mobility in urban/suburban agglomerations and other densely populated areas⁵, 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 to introduce - at a wide scale, system level - new, more energy-efficient transport and mobility measures in any modes in urban areas., e.g. in shared mobility, urban logistics, intelligent transport systems, planning, urban infrastructure (including investments in 'soft modes').

A list of eligible activities that can be supported under the urban transport and mobility sector is presented in section 4.

⁵ See the European cities – the EU-OECD functional urban area definition, described on the following website: : https://ec.europa.eu/eurostat/statistics-explained/index.php/Archive:European_cities_%E2%80%93_the_EU-OECD_functional_urban_area_definition

1.5. What kind 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);
 - Investments in conventional fuelled vehicles (e.g. diesel or petrol) are not supported.
-
- Large industrial facilities (falling under the Emissions Trading Scheme Directive), and investments in reducing greenhouse gas emissions due to industry delocalisation;
- All investments related with the following activities⁶:
 - Ammunition and weapons, military/police equipment or infrastructure ;
 - Projects which result in limiting people's individual rights and freedom, or violation of human rights;
 - Projects unacceptable in environmental and social terms;
 - Ethically or morally controversial projects;
 - Activities prohibited by national legislation (only where such legislation exists).

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

The objective of ELENA is to increase experience in developing sustainable energy, residential and transport Investment Programmes that are typically above EUR 30m.

Final beneficiaries can use ELENA support to bundle smaller projects, and therefore reduce transaction costs and improve the “bankability” of the individual projects, which is one of the criteria set in the selection procedure. .

Support for smaller programmes (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: <https://ec.europa.eu/research/participants/portal/desktop/en/opportunities/h2020/topics/ee-22-2016-2017.html>.

1.7. What are the eligible costs for ELENA funding?

Eligible Costs

Eligible costs are those which will be incurred by the Final Beneficiary (see question 1.2) to develop, mobilise financing and implement a clearly identified Investment Programme.

Eligible costs must be incurred during the period of the ELENA Project Development Services, as specified in the Funding Agreement. Costs must be identifiable, verifiable, and be recorded in the Final 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 plans.

⁶ Activities excluded from EIB lending: http://www.eib.org/attachments/documents/excluded_activities_2013_en.pdf

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;

Non Eligible Costs

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. Costs related to the Investment itself e.g. hardware and software investments, detailed design, permits, etc. should be borne by the project and cannot be supported by ELENA.

No financial assistance will be granted retroactively, 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.

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

In principle, there are no specific limits to a grant request. However, the requested assistance should be proportional to the amount of the Investment Programme to be prepared (normally above EUR 30m) which means that the leverage factor agreed upon must be respected (see question 1.9). Grant amounts must be reasonable, justified and comply with the principle of sound financial management, in particular regarding economy and efficiency.

The ELENA grant amount can cover up to 90% of the total eligible costs (see question 1.7) and the Final Beneficiary must fund the remaining 10% of the eligible costs.

1.9. 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 costs and the total amount of the ELENA financial assistance grant.

For “Sustainable Energy” related Investment Programmes, the total investment costs to be supported must be at least 20 times the amount of the ELENA grant.

For “Sustainable Residential” related Investment Programmes, the total investment costs to be supported must be at least 10 times the amount of the ELENA grant.

For “Sustainable Transport” related Investment Programmes the total investment costs to be supported must be at least 10 times the amount of the ELENA grant.

For more details on the different types of supported Investment Programmes, please see question 1.4.

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.

This leverage factor requirement will be reflected in the Funding Agreement to be signed between the Final Beneficiary 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 factor is not achieved, except in circumstances beyond the control of the beneficiary.

To demonstrate the implementation of the Investment Programme and the achievement of the minimum leverage factor, the beneficiary shall collect inter alia copies of the contracts underpinning the costs of the Investment Programme, salary sheets and external experts sub-contracts justifying the Project Development Services costs, so that it can be presented to the EIB in a final report.

1.10. 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 costs needed for the realisation of a project, or several projects, to save energy, increase the use of renewable energy in buildings or improve the performance of urban mobility. This can include costs for engineering, civil works, equipment and installation. In the case of leasing contracts only the value of the leased assets is considered as an investment cost.

See question 1.4 for details on the different investment programmes that can be supported.

Investment costs must either take place during the duration of the ELENA Project Development Services as specified in the Funding Agreement, or be legally proven to be underway during this time period, e.g. when a public beneficiary publishes the call for tenders related to the implementation of eligible investments. All of the investment costs need to be approved by the EIB for the calculation of the leverage factor. These investment costs 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.

For the avoidance of doubt, financing costs, future operation and maintenance costs, future energy purchase and deductible VAT are not considered as investment costs.

1.11. Who selects the providers of Project Development Services?

The technical assistance providers are, in principle, selected by the Final Beneficiary. In the case of public bodies, possible subcontractors have to be selected according to the EU public procurement rules. For private bodies any procurement or contracting of services needs to be compliant with the principles of transparency, proportionality, equal treatment, best value for money, avoidance of conflict of interest and non-discrimination.

Private entities benefiting from special or exclusive rights under the EU Directive 2014/25/EU⁸ have to select subcontractors accordingly.

1.12. How will the Project Development Services be managed?

The Final Beneficiary will be responsible for managing and reporting the progress of the ELENA funded Project Development Services 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.

1.13. Can the ELENA funding be combined with other grants?

In principle, ELENA can be combined with other financial assistance as long as it is not for the same purpose, i.e. there can be no double funding of the same tasks. An applicant who wishes to benefit from ELENA should provide information on any other European Commission support it may have obtained under other EU programmes.

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

The duration of a project supported by ELENA is typically limited to 3 years for Sustainable Energy and Sustainable Residential related projects, and to 4 years for Sustainable Transport related projects.

⁸ EU Directive 2014/25/EU: <http://data.europa.eu/eli/dir/2014/25/oj>

1.15. How is the ELENA grant paid?

The ELENA grant is disbursed to the Final Beneficiary in stages as follows;

- 40% at signature of the Funding Agreement (between the Final Beneficiary and EIB)
- 30% at the interim stage (subject to EIB approval of eligibility of costs and approval of the submitted interim progress report)
- 30% at the end of the ELENA support (subject to EIB approval of eligibility of costs) see question 1.7) and leverage factor achieved (see question 1.9) and approval of the final implementation report.

Private entities as well as public entities established under private law (e.g associations, external agencies, etc.) may be asked to present a bank guarantee related to the approved ELENA grant amount before signature of the Funding Agreement with the EIB and prior to the disbursement of the first pre-financing amount.

1.16. 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 funding that is under a European Fund for Strategic Investments (EFSI) guarantee; ii) support funding from European Structural Investment Funds (ESIF); and/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 (www.eib.org).

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 as outlined in question 1.4. 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?

The management of the ELENA facility has been delegated by the European Commission to the European Investment Bank.

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.

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. Assistance will be granted on a first-come first-served basis within the limits of the available budget.

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 day to day activities (see question 1.4);
- potential bankability⁹ 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 Sustainable Energy projects and a minimum of 10 for Sustainable Residential and Sustainable Transport projects.
- contribution to EU policies, including:
 - expected contribution to the objectives for 2020 and 2030 in terms of reducing greenhouse gas emissions, increasing the share of renewables in energy consumption and improving energy efficiency;
 - the objectives of the Energy Union;
 - 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;

⁹ Bankability means here: one or several lenders are willing to finance the project.

- 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 available 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 in 2-3 pages max (by sending an e-mail to elena@eib.org):

- Brief description of the planned Investment Programme, including type of investments, and the planned approach for implementation of the programme;
- Expected investment costs, potential financing options and the planned schedule to develop the Investment Programme;
- Amount, scope and main needs to be addressed by the requested Project Development Services under ELENA;
- Estimations of expected impacts in terms of energy savings and reduction of greenhouse gas emissions, if known at this time.

An example of a possible template for the Pre-application is available on the ELENA web page.

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

Step 2: Application stage

A positive outcome of this first assessment will allow for an ELENA application to be submitted to the EIB, using the standard application form (as available on the ELENA web page). Based on the application, the Bank will assess the Project Development Services that are being requested as well as the supported Investment Programme.

Note that the EIB can support the applicant through every stage and the application process should be a very interactive process. See also question 2.6.

Step 3: Request to Commission

The Bank will present the proposal to the European Commission for approval only when the Bank considers that:

- the Project Development Services are well developed and contain eligible costs (see question 1.7),
- the Investment Programme being supported is eligible and bankable (see question 1.4)
- the required selection criteria have been met (see questions 2.4)

Step 4: Funding Agreement between EIB and the Final Beneficiary

- If the Commission approve the request there will be a Funding Agreement signed between EIB and the Final Beneficiary. This agreement will detail the terms and conditions of the ELENA grant.

In the following figure presents a brief description of all the process:



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 –see question 2.5) indicates that the Investment Programme and the Project Development Services are potentially eligible for ELENA, the project team will support the applicant with the application form. The application should contain the following details related to the project:

In relation to the Investment Programme:

- statement of the 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 Project Development Services for which ELENA financial assistance is requested:

- justification of the financial assistance requested i.e why is this support needed;
- total ELENA amount requested, with a detailed cost breakdown ;
- description of the expected Project Development Services including expected staff and tasks ;
- a detailed work programme with the expected deliverables and timeframe;
- information on other subsidies or grants received, if applicable;
- description of the main expected impacts of the ELENA support;
- market replication potential for other public or private bodies.

The activities to be supported by ELENA should be clearly described in the application, including a clear reference to barriers that they intend to remove and the expected deliverables.

Note that the EIB can support the applicant through every stage and the application process should be a very interactive process.

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

A Funding Agreement will be established between the Final Beneficiary and the EIB based on the request approved by the European Commission. This Funding Agreement will be for a duration of three years for Sustainable Energy and Sustainable Residential related projects, and four years for Sustainable Transport related projects. This agreement will define the eligible Project Development Services and related costs, the scope of the Investment Programme to be implemented and its expected investment cost, the reporting and monitoring requirements, and the payment schedule.

3. ADDITIONAL QUESTIONS RELATED TO ELENA SUSTAINABLE RESIDENTIAL

3.1. Why is there a special envelope of ELENA funding for the residential sector

Accelerating the energy refurbishment of residential buildings is an important European priority and a key focus of the ELENA Facility. For that reason, in 2017 the European Commission decided to allocate EUR 97m to support the deployment of the “Smart finance for Smart Buildings” initiative¹⁰. The main objective of the ELENA budget increase is to help prepare and implement energy renovations in private and public residential buildings.

3.2. What types of ELENA Sustainable Residential proposals are envisaged?

To be eligible for ELENA Sustainable Residential support, an Investment Programme needs to exclusively target a significant increase in the energy performance of existing residential buildings. Ultimately, supported projects under this ELENA funding envelope should increase energy efficiency services and financing in the residential sector and lead to the uptake of energy renovation loans and related financial instruments, such as the guarantee scheme model promoted under the “Smart Finance for Smart Buildings” initiative¹¹.

The existing residential buildings can be both privately and publicly owned. The size of the overall Investment Programme should be a minimum of EUR 30m.

For the avoidance of doubt, Investment programmes targeting both residential and non-residential buildings can only be supported under the Sustainable Energy envelope rules.

3.3. Who can benefit from ELENA Sustainable Residential?

Any type of public or private body may apply for ELENA (see question 1.2). Under ELENA Sustainable Residential an example could be a public authority applying to the Facility to set-up and implement a “one-stop shop” solution offering integrated energy renovation services plus financing options to households over a given territory. Alternatively, a financial institution could apply to ELENA in order to convince their clients to invest into energy renovations by giving them access to the right tools and information. This is particularly relevant for loan applicants contacting their banks with a renovation project already in mind but that misses energy performance improvements.

3.4. What are the eligible costs of project development activities for ELENA Sustainable Residential?

The support provided under ELENA Sustainable Residential is in line with the eligible costs stated (see question 1.7).

Under the Sustainable Residential sector envelope, the financial support paid by the Final Beneficiary to a Third Party¹² is also considered an eligible cost, but it cannot exceed EUR 60,000 to each Third Party (in accordance with the Funding Agreement contract between the EIB and the Final Beneficiary).

An example is if a Financial Institution is an ELENA Final Beneficiary. The Financial Institution requests ELENA to support the work needed to increase loans to residential clients for the retrofit of their homes. The Financial institution can use ELENA to pay for energy audits (or equivalent assessments) that were undertaken by a Third Party (e.g. a Homeowner Association that used an energy auditor for these energy audits/assessments), as long as these audits are being used by the homeowners clients to determine the most suitable energy efficiency measures for their homes under the loans.

The eligible costs allow services to be offered to households and homeowner associations throughout different channels and could include the following examples:

¹⁰ http://eur-lex.europa.eu/resource.html?uri=cellar:fa6ea15b-b7b0-11e6-9e3c-01aa75ed71a1.0001.02/DOC_2&format=PDF

¹¹ http://eur-lex.europa.eu/resource.html?uri=cellar:fa6ea15b-b7b0-11e6-9e3c-01aa75ed71a1.0001.02/DOC_2&format=PDF

¹² A Third Party means one or more individuals or legal entities, to which financial support under the ELENA Facility may be paid by the ELENA Final Beneficiary for purposes in line with eligible Project Development Services

Examples of support to households could include:

- *Assessing the energy performance of residential buildings and providing guidance for future works:* ELENA could provide pre-assessment checks, support for energy performance certificates or energy audits. Typically, the ELENA assistance should help households select the most relevant and cost-effective solutions to improve significantly the energy performance of their buildings.
- *Supporting access to financing:* Project Development Services could help households access financing from financial institutions, and/or available grants from schemes supporting energy efficiency (e.g. European structural funds or national grant schemes).
- *Implementation support:* ELENA support could include tendering services and planning activities.
- *Raising awareness and engaging households:* the objective is to generate interest for energy efficiency refurbishments, in particular when householders are planning to carry out other refurbishment works.
- *Follow-up and monitoring activities:* these could cover verification and measurement after the works are completed limited to the duration of the ELENA project of 3 years. It could result in an energy performance certificate after renovation.

Support to Financial Institutions and Public Authorities:

Whereas most of the Project Development Services should be directed to households and homeowner associations (typically 80% or more of the total eligible costs), in duly justified cases, assistance could also be provided to other bodies, such as Financial Institutions and public authorities to help them establish and deploy financial instruments and loan products targeting energy efficiency improvements in the residential sector. In this context, such assistance could encompass activities such as:

- Capacity building to develop skills and knowledge on energy efficiency related topics.
- The development of workable monitoring and reporting tools and procedures, e.g. for loan application and underwriting. These tools and procedures should build on the knowledge and experience developed in previous initiatives and programmes such as PF4EE, and follow recommendations from the EIB and the European Commission to ease future ex-post evaluation.
- Assistance in the form of pipeline screening, identification of projects, preparation of awareness raising activities (e.g. organising meeting with homeowner associations, developing case studies, etc.).
- Support to develop coordinated approaches, allowing a better combination of different financial instruments.

4. ADDITIONAL QUESTIONS RELATED TO ELENA SUSTAINABLE TRANSPORT

4.1. 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 question 1.3) 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 fuels¹³ 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 flows;
 - Investments to shift to more energy-efficient and cleaner modes in urban logistics;
- 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;
 - Investments in smarter Urban Access and Road User Charging (incl. telematics applications);
 - Urban applications of Cooperative-ITS (C-ITS) enabled by digital connectivity between vehicles and between vehicles and transport infrastructure;
 - Modernisation of urban transport infrastructure and Urban Transport Planning regeneration, including investments in 'soft modes' such as walking and cycling;
 - Improvement of the shared and public transport and its seamless link to private transport in urban areas (e.g. trams, trolleybuses, metro, trains and telematics applications);

¹³ See the Communication on 'Clean Power for Transport: A European alternative fuels strategy' (COM/2013/017)

- The detailed specification and project preparation and/or implementation of selected elements a Sustainable Urban Mobility Plan¹⁴, aiming at improving the accessibility of urban areas and providing high-quality and sustainable mobility and transport to, through and within urban areas.
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¹⁴ Further information can be found in the European Commission's Urban Mobility Package (COM(2013) 913 final).