

# **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 (EC). ELENA was 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 and by funds from InvestEU<sup>1</sup>.

ELENA could be used as a means to assist Member States achieve their energy efficiency objectives under the ENERGY UNION strategy. Projects supported under ELENA can also assist cities and regions to increase the quality of living of European citizens by helping to reduce energy consumption.

The Facility provides grant support to cover the costs of Project Development Services (PDS) for the preparation of eligible Investment Programmes. ELENA aims at supporting and accelerating the successful implementation of such investments. This contributes to achieving the EU energy and climate goals by improving energy efficiency, reducing greenhouse gas emissions and increasing the share of renewables in the energy mix, as well as to expanding 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 to support the actions of public and private stakeholders at local, regional and national level, in order to stimulate a broader utilisation and market uptake of innovative solutions, including technologies, processes, products, policies, organisational models and practices. Its objective is to accelerate investments by way of increasing the level of local experience and expertise, while also facilitating financing and helping to overcome existing investment barriers.

ELENA provides support to three distinct sectors and for that purpose three tailored envelopes are available with slightly different eligibility rules as outlined below:

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

Remarks:

- (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.) receive technical assistance under 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 receive technical assistance under the Sustainable Residential and Sustainable Transport envelopes respectively, and both require a leverage factor of at least 10;
- (3) Investment Programmes consisting of a combination of Sustainable Energy related projects and Sustainable Residential projects receive technical assistance under the Sustainable Energy envelope, and require a leverage factor of at least 20;
- (4) Investment Programmes consisting of any combination with Sustainable Urban Transport projects are not eligible. Only Investment Programmes targeting *exclusively* Sustainable Urban Transport projects can be submitted.

See question 1.4 for more details

During the application phase, the ELENA team assists the applicant and provides sector-specific, best practice advice.

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<sup>1</sup> More on InvestEU: [https://investeu.europa.eu/index\\_en](https://investeu.europa.eu/index_en)

## 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 services companies, and financial intermediaries. This includes project promoters involved under the Covenant of Mayors<sup>2</sup> and the CIVITAS<sup>3</sup> initiatives of the European Commission. For clarity, these entities are given as examples only and are not an exhaustive list.

ELENA can help these entities to develop and launch viable (bankable) Investment Programmes in the fields of energy efficiency, building-integrated renewable energy and sustainable urban transport. The ELENA facility should be used to support activities delivering added value. The ELENA applicant should demonstrate that the implementation of the Investment Programme differs from their day-to-day activities. This could be in the form of an innovative 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. During the review and selection process, priority is given to projects, which demonstrate ambitions, a certain degree of innovation, as well as high impacts in terms of energy and emission savings.

Any entity wishing to apply for ELENA should have first identified an eligible Investment Programme (see question 1.4) typically of EUR 30m or more, to be delivered over 3 years (over 4 years for Sustainable Transport).

The applicant needs to be legally established in one of the EU Member States.

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

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

To demonstrate that the Investment Programme has been implemented and the minimum leverage factor has been achieved, 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, and present them to the EIB in a final report.

A financial guarantee may be required in order to disburse any amount of the approved ELENA grant in the form of pre-financings. The guarantee therefore needs to cover the level of pre-financing specified in the contract (see 1.15). The EIB carries out an assessment of the financial viability of the Final Beneficiary and may, at its own discretion, waive the requirement for a financial guarantee. Public authorities are typically exempt of the guarantee, while entities established under private law (such as companies, associations, agencies, institutes, etc.) need to demonstrate sound financial standing in order to benefit from such an exemption.

The ELENA facility supports mature Investment Programmes implemented by established Final Beneficiaries. It is not a suitable vehicle for investments at a research or conceptual stage, nor for entities with insufficient experience or capacity, such as start-up companies or companies seeking purely to expand their business operations.

## 1.3. Why does ELENA provide support for 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 smaller projects and develop standardized approaches;
  - Acquire the necessary and adequate skills and expertise;
  - Increase the bankability of projects and attract investors;
  - Communicate findings and experiences as inspiration to other entities in the field.

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<sup>2</sup> [www.eumayors.eu](http://www.eumayors.eu)

<sup>3</sup> [www.civitas.eu](http://www.civitas.eu)

- Increase access to competitive financing by:
  - Assisting in the process of mobilising private financing from banks (please note that the EIB may provide financing but receiving EIB financing is not a requirement for ELENA support, nor is receiving ELENA support a guarantee for receiving EIB financing. The application for an EIB loan follows a different process than the request for ELENA technical assistance. Additional information about the procedure for requesting EIB financing can be obtained from the EIB website, [www.eib.org](http://www.eib.org))
  - Supporting the efficient use of grants (e.g. European Structural and Investment Funds, and other European or national funds)
- Promote 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 in the areas listed below. These investments shall comply with the relevant EU legal framework (e.g. Energy Performance of Buildings Directive or Energy Efficiency Directive) as well as with EIB's recently updated lending eligibility criteria, namely the Energy Lending Policy (ELP) and Climate Bank Roadmap (CBR). The ELENA team is available in case of questions or issues regarding these eligibility criteria.

##### (a) **Sustainable Energy:**

Energy efficiency and building integrated renewable energy in one or more of the following areas:

- Investment that significantly increases the energy performance of existing public and private buildings, including measures to decrease energy consumption in heating/cooling and electricity - e.g. thermal insulation, energy efficient heating<sup>5</sup>, 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 long-term energy efficiency savings. Therefore, the simple replacement of white goods, for instance (washing machines, fridges, 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 roofs, solar thermal collectors, biomass boilers and heat pumps;
- Investments in renovating, extending or building new district heating/cooling (DH/DC) networks, including networks based on high efficiency combined heat and power (CHP); decentralised CHP systems (at building or neighbourhood level). These need to comply with EIB's ELP and the EU definition of energy efficient DH/DC/CHP<sup>4</sup>
- Investments in retrofitting existing street-lighting networks, driven by energy efficiency objectives.
- Local infrastructure, including smart grids driven by energy efficiency objectives, information and communication technology (ICT) 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 that significantly increases the energy performance of existing public and private **residential** buildings, including measures to decrease energy consumption in heating/cooling and electricity - e.g. thermal insulation, energy efficient heating<sup>5</sup>, air conditioning and ventilation systems, efficient lighting.
- Integrated renewable energy sources into the built residential environment - e.g. solar photovoltaic (PV), solar thermal collectors, biomass boilers and heat pumps.

<sup>4</sup> Specific criteria apply for gas-fired boilers, existing and new district heating/district cooling networks and combined heat and power (CHP) plants. For more details, please refer to:

- EIB Energy Lending Policy - <https://www.eib.org/en/publications/eib-energy-lending-policy.htm>  
 - EIB Climate Bank Roadmap - [https://www.eib.org/attachments/thematic/eib\\_group\\_climate\\_bank\\_roadmap\\_en.pdf](https://www.eib.org/attachments/thematic/eib_group_climate_bank_roadmap_en.pdf)  
 - EU Energy Efficiency Directives - [https://ec.europa.eu/energy/topics/energy-efficiency/targets-directive-and-rules/energy-efficiency-directive\\_en](https://ec.europa.eu/energy/topics/energy-efficiency/targets-directive-and-rules/energy-efficiency-directive_en)

**(c) Sustainable Urban Transport<sup>5</sup>:**

Urban transport and mobility in urban/suburban agglomerations and other densely populated areas<sup>6</sup>, including one or more of the following areas:

- Investments that support the use and integration of innovative solutions beyond the current state-of-the-art for so-called 'alternative fuels'<sup>7</sup> in urban mobility, e.g. in vehicles and in refuelling infrastructure for alternative fuel vehicles, and other actions that support the wide-scale use of alternative fuels in urban areas.
- Investments that 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.

Applications for ELENA support are reviewed on a case-by-case basis taking into account indicators such as:

- the commuting patterns/flows, which affect the levels and timing of congestion;
- the impact of the project on reducing negative patterns (congestion) and influencing positive change (improved modal shift, better air quality, lower GHG emissions, etc).

**1.5. What kind of Investment Programmes are excluded from ELENA support?**

- Construction of new buildings, regardless of their energy performance;
- Large-scale and stand-alone renewable energy generation or transformation systems, not integrated in buildings, e.g. wind turbines, stand-alone PV, concentrated solar power, hydropower, geothermal electricity production, biogas plants, hydrogen generation, waste incineration, etc.;
- Long-distance transport infrastructure (generally involving transport services for inter-city, regional transport and beyond);
- Investments in conventional fuel vehicles (e.g. diesel or petrol) are not supported;
- Large industrial facilities (falling under the Emissions Trading Scheme Directive), and investments that reduce greenhouse gas emissions due to industry relocation;
- All investments related to the following activities<sup>8</sup>:
  - 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.

**1.7. What are the eligible costs for ELENA funding?**

<sup>5</sup> There is no official definition for 'urban transport' at EU level and therefore the definition for 'functional urban area' of the European Commission is applied: [https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Glossary:Functional\\_urban\\_area](https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Glossary:Functional_urban_area) and [https://www.oecd-ilibrary.org/urban-rural-and-regional-development/the-eu-oecd-definition-of-a-functional-urban-area\\_d58cb34d-en](https://www.oecd-ilibrary.org/urban-rural-and-regional-development/the-eu-oecd-definition-of-a-functional-urban-area_d58cb34d-en)

<sup>6</sup> 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](https://ec.europa.eu/eurostat/statistics-explained/index.php/Archive:European_cities_%E2%80%93_the_EU-OECD_functional_urban_area_definition)

<sup>7</sup> "Alternative fuels" also include biofuels. However, vehicles powered with biofuels are not automatically eligible since they often have very similar technical specifications and operational requirements as the standard combustion engine vehicles. Therefore, priority may be given to investments in zero emission vehicles.

<sup>8</sup> Activities excluded from EIB lending: [http://www.eib.org/attachments/documents/excluded\\_activities\\_2013\\_en.pdf](http://www.eib.org/attachments/documents/excluded_activities_2013_en.pdf)

### Eligible Costs

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

Eligible costs must be incurred during the contractual period of the ELENA support, as specified in the Funding Agreement. Costs must be identifiable, verifiable, and recorded in the Final Beneficiary's accounting system. They should be reasonable and justified, and comply with the principle of sound financial management, in particular regarding value-for-money and efficiency.

Eligible costs may include, for instance:

- energy audits, feasibility studies and market studies;
- structuring of programmes, finalising business plans,
- legal/financial advisory;
- preparation of tendering procedures and contractual arrangements;
- bundling of smaller projects to form bankable packages;
- setting up and running a project implementation unit;
- modelling or simulations in view of preparing concrete investments;
- preparation of sustainable urban mobility plans in conjunction with investment preparation.

These eligible costs can fall into the following categories:

- Costs of personnel clearly assigned to the project. These can be newly hired or existing employees, or seconded experts under certain conditions<sup>9</sup>. 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, financial audit, bank guarantee, specific evaluation of the project, translations);
- Costs entailed by duly justified subcontracts for external expertise and services 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 Final Beneficiary ;

### Non-Eligible Costs

Some costs, such as travel and subsistence; purchasing, renting and leasing equipment; consumables and supplies; currency exchange losses; costs already funded under other support programmes; and deductible VAT<sup>10</sup> are not eligible. Costs related to the Investment Programme itself, e.g. hardware and software investments, detailed technical 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 costs incurred before signing the Funding Agreement between the EIB and the Final Beneficiary. Moreover, financial assistance shall not have the purpose or the effect of producing a profit for the Final 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 envisaged Investment Programme (typically above EUR 30m) in line with the minimum leverage factors set by the Facility (see question 1.9). Grant amounts must be reasonable, justified and comply with the principle of sound financial management, effectiveness 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 at least 10% of the eligible costs.

<sup>9</sup> 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 Final Beneficiary's premises;
- (ii) the result of the work belongs to the Final 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.

<sup>10</sup> VAT-related issues such as the status of the Final Beneficiary, specific exemptions and variable rates need to be clarified already during the application stage.



The dedicated ELENA website<sup>11</sup> shows the amounts awarded to completed and on-going projects, which can provide an indication to prospective applicants.

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

A key objective of the ELENA facility is to contribute to the development and implementation of Investment Programmes in a way that achieves a minimum ratio/leverage factor between the total investment amount and the amount of the ELENA grant.

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

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

For “Sustainable Urban Transport” envelope Investment Programmes, the total investment amount 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 above.

The leverage factor requirement will be reflected in the Funding Agreement to be signed between the EIB and the Final Beneficiary. The Funding Agreement will stipulate the obligation for the Final Beneficiary to reimburse, in part or in full, the amounts received if the minimum leverage factor is not achieved, except in circumstances beyond the control of the Final Beneficiary.

To demonstrate that the Investment Programme has been implemented and that the minimum leverage factor has been achieved, the Final Beneficiary shall collect all the necessary information, inter alia copies of the contracts and invoices underpinning the costs of the Investment Programme, salary sheets and external experts sub-contracts and invoices justifying the Project Development Services costs, and present them to the EIB in a final report.

### **1.10. What investment costs are taken into account for determining the total amount of the Investment Programme?**

The Investment Programme shall consist of coherent and clearly defined capital investment costs needed for the realisation of a project, or a group of projects, that saves energy, increases the use of renewable energy in buildings or improves the performance of urban mobility. These 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 be incurred during the contractual period of the ELENA Project Development Services as specified in the Funding Agreement, or be legally committed during this period, e.g. when a public beneficiary publishes the call for tenders related to the implementation of eligible investments. All investment costs must be approved by the EIB when calculating the leverage factor. These investment costs comprise all elements of a permanent nature (both tangible and intangible) or upfront activities that are necessary for achieving the results that the project is designed to deliver.

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

### **1.11. Who selects the providers of Project Development Services?**

Where Project Development Services need to be outsourced, the external expertise providers are, in principle, selected by the Final Beneficiary. In the case of public bodies, which are ‘contracting authorities’

<sup>11</sup> <https://www.eib.org/en/products/advising/elena/>

within the meaning of Directive 2014/24/EU, subcontractors (external expertise providers) have to be selected according to the EU public procurement rules. For other public and private bodies, which are 'non-contracting authorities', 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 same Directive 2014/24/EU have to select subcontractors accordingly.

For large tenders (value over EUR 214,000 excl. VAT), the EIB needs to review and comment on the terms of references of the tender.

### **1.12. How will the Project Development Services be managed?**

The Final Beneficiary is fully responsible for managing and reporting progress with 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 Final Beneficiary.

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

In principle, ELENA can be combined with other financial or technical 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 or is in the process of obtaining under other EU programmes. The EIB will assess thoroughly potential overlaps with ongoing projects supported by EU funding, as double financing of the same tasks by EU funding is not allowed.

### **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 projects, and to 4 years for Sustainable Transport projects.

### **1.15. How is the ELENA grant paid?**

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

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

A financial guarantee may be required in order to disburse any amount of the approved ELENA grant in the form of pre-financing. The guarantee therefore needs to cover the level of pre-financing specified in the contract (see above). The EIB carries out an assessment of the financial viability of the Final Beneficiary and may, at its own discretion, waive the requirement for a financial guarantee. Public authorities are typically exempt of the guarantee, while entities established under private law (such as companies, associations, agencies, institutes, etc.) need to demonstrate sound financial standing in order to benefit from such an exemption.

### **1.16. Is there a link between EIB financing (including Invest EU) and ELENA assistance?**

Awarding an ELENA grant is not a prerequisite for obtaining EIB financing, and vice-versa. However, given that a key objective of ELENA is to improve the bankability of Investment Programmes, the ELENA technical assistance may:

- i) facilitate access to financing from the EIB, including funding that is under an Invest EU guarantee;
- ii) help absorb funding from European Structural Investment Funds (ESIF);
- iii) facilitate access to finance from other banks or financial institutions.



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](http://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 should have first identified a large-scale and substantial Investment Programme in the specific areas outlined in question 1.4. The investments do not need to be fully defined. ELENA aims to support and accelerate the successful implementation of such investments.

### 2.2. Who is 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 start a discussion on a potential project is by sending an e-mail to [elena@eib.org](mailto: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. When can proposals for ELENA support be submitted?

Proposals can be submitted at any time on a rolling basis and there are no set deadlines. Grants are allocated on a first-come-first-served basis and Funding Agreements can be signed as long as there is grant budget available.

### 2.4. What are the selection criteria for ELENA?

The EIB selects Investment Programmes 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 business-as-usual activities (see question 1.4);
- potential bankability<sup>12</sup> of the Investment Programme;
- financial and technical capacity of the applicant to deliver in full the Investment Programme;
- justified 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 Investment Programme amount divided by the amount of the ELENA contribution) should be substantially above the required minimum of 20 for Sustainable Energy projects and the 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 objectives of the European Green Deal and the EU Recovery Plan
  - the EU urban transport policy goals, the SUMP and in line with the European Green Deal and the recovery package :
    - reducing the number of cars that use conventional fuel in cities by half by 2050;
    - by 2025, about 1 million public recharging and refuelling stations will be needed for the 13 million zero- and low-emission vehicles expected on European roads;
    - towards zero-emission mobility in cities.
  - the objectives of the Investment Plan for Europe;
- EU added value, in terms of one or more of the following :
  - contribution of the Investment Programme to address the needs of beneficiaries, including capacity building and overcoming investment barriers, 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;

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<sup>12</sup> Bankability means here: one or several lenders are willing to finance the project.

- state of the art of technologies and non-technological innovations (such as new forms of organisation), 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;
- aggregation of smaller projects in order to maximise the impact of the ELENA funded technical assistance and benefit of economies of scale.
- contribution to facilitating aggregation (e.g. of smaller projects, municipalities, etc.) and mobilising private financing
- Confirmation by the Final Beneficiary that it could not secure funding for the Project Development Services from alternative national or EU sources, or if such funding can be obtained the Final Beneficiary must justify why using the ELENA facility is more appropriate;
- Confirmation by the applicant of the absence of other EU support granted for the same Project Development Services in relation to the same Investment Programme.

## 2.5. What is the procedure for applying for ELENA?

There are no calls for proposals. Proposals are reviewed and assistance is granted on a first-come, first-served basis within the limits of the available budget. The application procedure follows a four-step approach. The EIB aims to support the applicant at each stage of the process by way of interactive dialogue (see also question 2.6).

### 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. using the Pre-application template and sending it by e-mail to [elena@eib.org](mailto: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 Project Development Services to be funded under ELENA;
- Estimations of expected impacts in terms of energy savings and reduction of greenhouse gas emissions, if known at this time;
- Brief profile of the applicant demonstrating sufficient relevance to the target sector and Investment Programme;
- Justification for the need of the ELENA support.

The Pre-application template 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. If the assessment is positive, the applicant will be invited to develop a full Application (see Step 2), otherwise the request will be declined and the procedure will terminate.

Pre-applications that have been declined should take sufficient time to review and improve the pre-application during at least 6 months before a re-submission with the same project scope.

### Step 2: Application stage

A positive outcome of the initial assessment will give a green light for a full ELENA application to be submitted to the EIB, using the standard Application form (available on the ELENA web page). Based on the application, the EIB will assess the scope and purpose of the proposed Project Development Services in relation to the supported Investment Programme.

### Step 3: Request to the European Commission

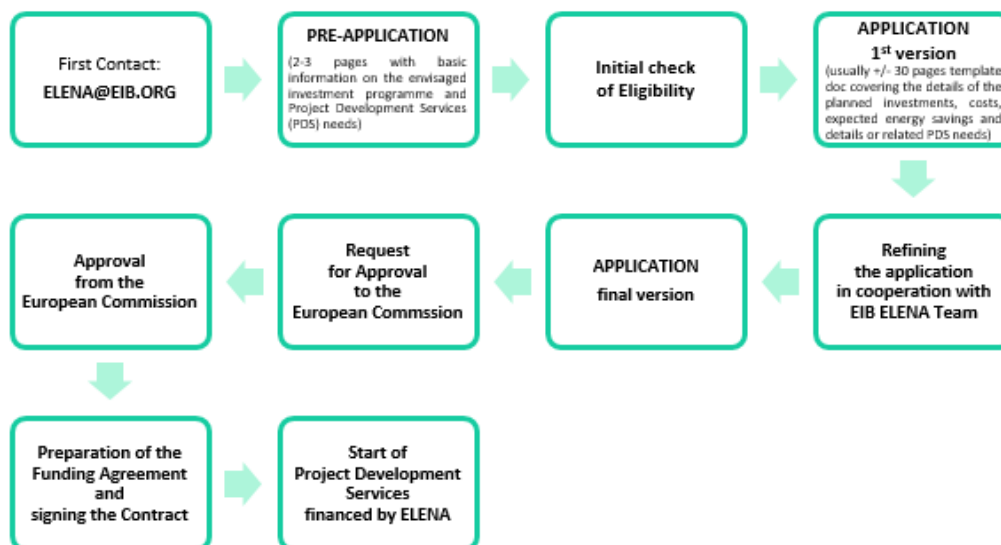
The EIB will present the Application to the European Commission for approval only when it considers that:

- the Project Development Services are well defined and justified, and only include eligible costs (see question 1.7);
- the proposed Investment Programme is eligible and bankable (see question 1.4);
- All selection criteria have been met (see questions 2.4).

#### Step 4: Funding Agreement between the EIB and the Final Beneficiary

- If the European Commission approves the funding request, a Funding Agreement is signed between the EIB and the Final Beneficiary. This agreement will detail the terms and conditions of the ELENA grant.

The following figure presents a brief description of all stages of the process:



Note that the EIB supports the applicant at every stage and the application process is very interactive. See also question 2.6.

## 2.6. What information needs to be provided in the full Application form to be submitted to the EIB for review and approval (following an initial confirmation that the proposal meets 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 funding, the EIB team will guide the applicant through the requirements of the Application form. The application should contain the following project related details:

#### In relation to the Investment Programme:

- description of the planned investment;
- expected overall investment amount;
- 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 improvement in energy efficiency, decrease in energy consumption, increase in renewable energy production and reduction of greenhouse gas emissions.
- market replication potential for other public or private entities, or regions.

#### In relation to the Project Development Services for which ELENA financial assistance is requested:

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

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.

Cost/budget estimates for the elements under the Investment Programme need to be rounded to at least 1,000 (one thousand) and to at least 100 (one hundred) for the Project Development Services.

As already indicated, the EIB can support the applicant at every stage of the application process.

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

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

For legal purposes, the Funding Agreement is subject to the Luxembourgish law.

### **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” initiative<sup>13</sup>. 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 accepted?**

To be eligible for ELENA Sustainable Residential support, the Investment Programme needs to exclusively target existing residential buildings and aim to achieve a significant improvement of their energy performance. Ultimately, the goal is to develop a strong market for energy efficiency services and financing in the residential sector and stimulate the uptake of energy renovation loans and related financial instruments, such as the guarantee scheme model promoted under the “Smart Finance for Smart Buildings” initiative

The targeted existing residential buildings can be either privately or publicly owned. The size of the Investment Programme is the same as for the other ELENA envelopes and should typically be at least 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 public or private entity may apply for ELENA support (see question 1.2). Under ELENA Sustainable Residential, an example project would be a public authority applying to the Facility to set-up and operate a “one-stop shop” solution offering integrated energy renovation services and financing options to households within a defined geographic boundary. Another example would be a financial institution applying to ELENA with the aim of convincing their clients to invest in energy renovations by making available information, technical assistance and finance (e.g. dedicated loans). This is particularly relevant as an opportunity where loan applicants contacting their banks with a renovation project already in mind but without energy performance improvements.

#### **3.4. What are the eligible costs of Project Development Services under ELENA Sustainable Residential?**

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

Under the Sustainable Residential envelope, the financial support paid by the Final Beneficiary to a Third Party<sup>14</sup> is also considered an eligible cost, but it cannot exceed EUR 60,000 to each Third Party (in accordance with the Funding Agreement between the EIB and the Final Beneficiary).

An example would be a financial institution as the ELENA Final Beneficiary requesting a grant to expand their lending to residential clients for home retrofits. The financial institution could use ELENA to pay for energy audits (or equivalent assessments) that are carried out by a Third Party (e.g. a Homeowner Association that uses a certified energy auditor), as long as these audits are used by the homeowners 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 through different channels and could include the following additional examples:

<sup>13</sup> [http://eur-lex.europa.eu/resource.html?uri=cellar:fa6ea15b-b7b0-11e6-9e3c-01aa75ed71a1\\_0001\\_02/DOC\\_2&format=pdf](http://eur-lex.europa.eu/resource.html?uri=cellar:fa6ea15b-b7b0-11e6-9e3c-01aa75ed71a1_0001_02/DOC_2&format=pdf)

<sup>14</sup> 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:

- *Assessing the energy performance of residential buildings and providing guidance for future works:* ELENA funding could be used to provide pre-assessment checks, 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 properties.
- *Facilitating access to financing:* Project Development Services could help households access financing from financial institutions, and/or 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 refurbishment, in particular when householders are planning other refurbishment works.
- *Follow-up and monitoring activities:* these could cover verification and measurement after the works are completed, subject to the duration of the ELENA support of 3 years. It could result in an energy performance certificate after renovation.

Support to Financial Intermediaries (banks, funds, etc.):

While most Project Development Services should be directed to households and homeowner associations (typically 80% or more of the total eligible costs), in duly justified cases, the ELENA support could also be used (up to 20%) to help Financial Intermediaries establish and deploy financial instruments and loan products targeting energy efficiency improvements in the residential sector. In this context, assistance could encompass activities such as:

- Capacity building to develop skills and knowledge on energy efficiency related topics.
- 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 other 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.).
- Development of coordinated approaches, allowing a better combination of different financial instruments.

In any case, the ELENA support should not be used to pay for the typical day-to-day operations of the Financial Intermediary, but only to cover costs associated with the additional effort and activities to deliver the Investment Programme.

### 3.5. What investment costs are taken into account for determining the total amount of the Investment Programme for projects in the residential sector?

Where the Final Beneficiary is a public entity, the Investment Programme can be quantified through actual final invoices paid, as well as published calls for tenders (see also question 1.10).

Where the Final Beneficiary is a private entity (i.e. a non-contracting authority, see question 1.11), it is not possible to use published calls for tenders as evidence of investment costs. The Investment Programme must be quantified through actual final invoices paid, as well as contracts signed for works ordered but not started, up to a limit of 30% of the total Investment Programme amount.

Regardless of the type of Final Beneficiary (public or private), loans signed by homeowners or homeowner associations cannot be counted for the calculation of investment costs. The Final Beneficiary is responsible for ensuring that the loans are indeed invested and properly documented.

## 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 potential 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.

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

- Use and integration of innovative solutions for alternative fuels in urban mobility, such as:
  - in cleaner and energy-efficient (road) vehicles<sup>15</sup>, in particular zero emission vehicles, which have significant environmental impacts including reduced perceived noise and vibration;
  - in charging/refuelling infrastructure for alternative fuel vehicles<sup>16</sup>, in particular zero emission vehicles, and other actions to support the wide-scale use of sustainable 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 (i.e. zero-emission) modes in urban logistics.
- Deployment of Intelligent Transport Systems<sup>17</sup> (ITS) and other measures aiming at improving mobility, reducing traffic congestion, reducing emissions and pollution, enhancing road safety in urban areas 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)<sup>18</sup> enabled by digital connectivity between vehicles and between vehicles and transport infrastructure.
  - Modernisation of urban transport infrastructure, including investments in active 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).
- Development of Sustainable Urban Mobility Plans (SUMP) in accordance with the EU concept<sup>19</sup> in view of detailed specification and project preparation and implementation of selected, key investments of a SUMP, aiming at improving the accessibility of urban areas and providing high-quality and sustainable mobility and transport to, through and within urban areas.

<sup>15</sup> See the [Clean Vehicle Directive \(Directive 2019/1161/EU\)](#)

<sup>16</sup> See the [Alternative Fuel Infrastructure Directive \(Directive 2014/94/EU\)](#)

<sup>17</sup> See the [ITS Directive \(Directive 2010/40/EU\)](#) (CONSOLIDATED BY 09.01.2018)

<sup>18</sup> See the [C-ITS Strategy \(COM \(2016\) 766\)](#)

<sup>19</sup> See the [SUMP concept as provided in the annex to the 2013 Urban mobility package](#)