

FAQ – Programme development support from ELENA

1. What is ELENA ?

ELENA is a European Facility aiming, through technical assistance, at supporting regional or local authorities in accelerating their investment programmes in the fields of energy efficiency and renewable energy sources. It supports the local and regional authorities in contributing to the “20-20-20” initiative of the EU. This grant support is provided within the framework of the IEE II programme (Intelligent Energy Europe; http://ec.europa.eu/energy/intelligent/index_en.html).

The ELENA facility aims at a broader utilisation of innovative techniques, processes, products or practices and facilitates their market uptake; the investment programmes supported can then be replicated in other cities or regions.

2. What type of technical support can be financed by ELENA?

Eligible costs for ELENA support correspond to any technical support that is necessary to prepare, implement and finance the investment programme. This technical support may be of different types, for instance: feasibility and market studies, structuring of programmes, business plans, energy audits, preparation of tendering procedures and contractual arrangements and project implementation units. However, hardware costs, such as measurement equipment, computers or office space, are excluded.

The cost of newly recruited staff assigned to develop the investment programme is an eligible cost. The staff cost corresponds to actual salaries plus social security charges and other remuneration-related costs.

Eligible costs can include value added tax, if it is documented that this tax cannot be recovered by the beneficiary.

ELENA covers up to 90% of eligible costs required for technical support related to a clearly identified investment programme. To be eligible for support, costs must be necessary to carry out the investment programme.

3. What kind of investment programmes can be supported by the ELENA technical assistance?

ELENA support can be provided for the development of investment programmes or projects within the following areas:

- public and private buildings, including social housing and street and traffic lighting, to support increased energy efficiency – e.g. refurbishment of buildings aimed at significantly decreasing energy consumption (both heat and electricity), such as thermal insulation, efficient air conditioning and ventilation, efficient lighting;
 - integration of renewable energy sources (RES) into the built environment – e.g. solar photovoltaic (PV), solar thermal collectors and biomass;
 - investments into renovating, extending or building new district heating/cooling networks, including networks based on combined heat and power (CHP); decentralised CHP systems (building or neighbourhood level);
 - urban transport to support increased energy efficiency and integration of renewable energy sources, e.g. high energy efficiency buses, including hybrid buses, electrical or low-carbon propulsion systems, investments to facilitate the introduction of electric cars, investments to introduce new, more energy-efficient concepts to improve freight logistics in urban areas;
 - local infrastructure including smart grids, information and communication technology infrastructure for energy efficiency, energy-efficient urban equipment, inter-modal transport facilities and refuelling infrastructure for alternative fuel vehicles.
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4. Does the investment programme supported by ELENA have to have a minimum size?

The objective of ELENA is to increase experience in developing investment programmes of a certain size, normally above EUR 50 million. Small projects can be supported when they are integrated into larger investment programmes. Regrouping of small projects into larger programmes allows transaction costs to be reduced and improves the “bankability” of the individual projects, which is one of the ELENA selection criteria.

5. Who can benefit from ELENA ?

Local and regional authorities or other public bodies or a grouping of such bodies from countries eligible under the Intelligent Energy Europe Programme. Currently, eligible countries are the EU member states, Norway, Iceland, Liechtenstein and Croatia. Public body means a body created by a public authority or a legal entity governed by private law with a public service mission, financed for more than 50% by public sources, whose internal procedures and accounts are subject to control by a public authority and for whose liabilities a public authority will accept responsibility in the event that the public body ceases its activities. ELENA supports the Covenant of Mayors (www.eumayors.eu) initiative of the European Commission, but it is not restricted to entities having signed it.

6. What is the first requirement for ELENA support?

Any public entity wishing to apply for ELENA must previously have identified an investment programme aiming at contributing to achieving the objectives of the European Union in the fields of energy and climate change, known as the "20-20-20" initiative.

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

7. 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 IEE participating country: all EU Member States, Norway, Iceland, Liechtenstein and Croatia;
 - eligibility of the planned investment programme;
 - potential bankability of the project;
 - applicant's financial and technical capacity to implement and complete the project;
 - expected contribution to the objectives of the "20-20-20" initiative in terms of reducing greenhouse gas emissions, increasing the share of renewables in energy consumption and improving energy efficiency;
 - expected Leverage Factor (the cost of the investment to be supported must be at least 25 times the amount of the ELENA contribution);
 - EU added value, in terms of compliance with EU policies, including:
 - the EU sustainable energy policies and priorities, targets and legislation.
 - the state of the art of the sustainable energy technologies to be implemented in the investment programme.
 - the needs of local communities and possible impacts on the local/regional development, including a positive impact on SMEs.
 - the contribution to dissemination of good practices or technologies at an early market penetration phase, within the EU.
 - the EU Cohesion Policy.
 - verification that financial assistance under this Facility will not be used for Investment Programmes 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;
 - absence of other EU support granted to the same applicant for ELENA in relation to the same project.
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8. What happens if the minimum leverage factor of 25 is not achieved?

One objective of the ELENA facility is to contribute to the development of investment programmes in order to achieve a minimum ratio (leverage) of 25 between the total investment costs of the investment programme supported and the total cost of the ELENA grant assistance. This requirement will be reflected in the funding agreement between the beneficiary of the assistance and the EIB. This funding agreement will stipulate the obligation of the beneficiary to reimburse, in part or in full, the amounts received if this minimum leverage is not achieved, except in circumstances beyond the control of the beneficiary.

9. Is there a link between EIB finance 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 the investment programme, ELENA assistance may facilitate access to financing from the EIB or other banks. The application for an EIB loan follows a different process than the request for an ELENA grant. Additional information about the procedure for requesting EIB financing can be obtained from the EIB website (www.eib.org).

10. Who should be the first point of contact when applying for an ELENA grant ?

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

Contacts to discuss a proposed project can be made in any form, by fax, e-mail or letter (the best way is by 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.

11. What is the procedure for applying for an ELENA grant?

There will be no calls for proposals and assistance will be granted on a first-come first-served basis within the limits of the given budget.

To start the discussion to seek assistance from ELENA, the following minimum information should be presented to the EIB in a pre-application stage:

- Brief description of the planned investment programme, including type of investments and approach for implementation of the programme;
- Expected investment cost and schedule to develop the programme;
- Amount, scope and main needs to be addressed by the requested technical assistance.

Based on the information provided in the pre-application stage, the EIB will assess whether the proposal meets the selection criteria, and the need for technical assistance of the specific investment programme. A positive outcome of this first assessment will allow for a request for assistance to be prepared and submitted to the EIB using the application form. The Bank will then present the proposal to the European Commission for approval. The selection procedure will take around three months.

12. 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 indicates that the investment is potentially eligible for ELENA, the project team will send an application form to the promoter to be completed with details related to the project, such as:

In relation to the investment programme/project

- Statement of candidate's commitment to the objectives of the Facility
- Description of the planned investment by sector
- Expected overall investment costs by sector
- 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, renewable energy production or reduction of greenhouse gas emissions

In relation to the ELENA technical support

- Total amount requested
- Description of the expected support and its scope
- Description of the major elements of the support
- Detailed cost breakdown of the support
- Implementation timetable and disbursement forecast
- Information on other subsidies or grants received, if applicable

- Description of the main expected impacts of the project development support
 - Market replication potential for other municipalities or public bodies
 - Draft of the Terms of Reference for launching the technical support
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13. If a proposal is approved by the Commission, what happens next?

A funding agreement will be established between the public authority and the EIB, based on the proposal approved jointly with the Commission. This funding agreement will define the eligible technical assistance costs, the reporting and monitoring requirements and the schedule for payment.

14. Who selects the providers of technical assistance?

Subcontractors in charge of implementing the technical assistance can be selected by the beneficiary or by the EIB. The best option in each case will be discussed with the EIB, with a preference however that the selection be carried out by the beneficiary. Subcontractors have to be selected according to the EU public procurement rules.

15. What are the ELENA disbursement procedures?

The disbursement will depend on the schedule of the technical assistance delivery and the expected development of the investment programme. The disbursement schedule will be agreed between the EIB and the promoter during the negotiation of the funding agreement.

16. How will the technical assistance be managed?

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

17. Can ELENA grants be combined with EU grants?

In principle, ELENA can be combined with EU or national grants. However, it cannot be combined with other financial assistance from the EU budget for the same purpose (technical assistance to support the development of the same investment programme to be supported by ELENA).

In addition, the applicant benefiting from ELENA should provide information of other European Commission support that it has obtained under other EU programmes.

18. What is the period during which proposals for ELENA support can be submitted to the Commission?

In principle proposals can be submitted and funding agreements signed, until the end of 2011, except if the amount allocated to the ELENA facility has been exhausted before that time. The ELENA facility is endowed with a fund of EUR 15 million from the IEE 2009 budget.

19. What are the minimum and maximum costs acceptable for ELENA?

In principle, there are no specific limits. However, the requested assistance should be commensurate with the amount of the investment programme to be prepared and its potential for market replication. In any case the leverage factor agreed upon must be respected (minimum of 25, see above).

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

The maximum duration of a project supported by ELENA is limited to three years.
