



IEE Financial Initiatives

1st February 2012

FOR A SUSTAINABLE FUTURE




Topics

- Introduction
- Market Replication projects – ELENA facility
- Integrated Initiatives - Mobilising Local Energy Investments – Project Development Assistance

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Introduction

Grant funding for Technical assistance (TA) /project development assistance (PDA) to help prepare and define bankable sustainable energy investment projects

1. **Market replication projects - ELENA facility** – implemented by Commission and financial institutions with rolling submission (first come-first served)
 - Large scale (EIB-ELENA facility projects/programmes over 50M€) and small-medium scale (KfW-ELENA facility projects/programmes up to 50M€) (leverage of 1:20)
2. **Promotion and dissemination projects** – Integrated Initiatives: **Mobilising Local Energy Investments-PDA** – implemented by EACI with submission deadline of 8th May 2012
 - Direct PDA to support public authorities requiring a minimum PDA of 400,000€ for an investment project minimum of 6M€* (leverage of 1:15)

* Different thresholds for convergence regions: Cornwall, Scilly Isles, West Wales & the Valleys

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1. ELENA facility

EIB-ELENA facility: Project Development assistance for energy efficiency and renewable energy projects in municipalities and regions with EIB – European Local Energy Assistance


- Leverage – factor of 20 between grant and investment
- Investment project/programme minimum 50M€

KfW-ELENA facility: Pilot facility for energy efficiency global loan, project development assistance and carbon crediting with the KfW Group

- Leverage – factor of 20 between grant and investment
- Investment project/programme up to 50M€

CEB-ELENA facility – not open to UK

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EIB-ELENA: Types of activity

Project development assistance: to include feasibility studies, technical studies, tendering activity and financial package preparation.

2012 Priorities :

- refurbishment of public and private buildings, including social housing and street and traffic lighting
- integration of RES into the built environment
- investment in renovating, extending or building new district heating/cooling networks
- environmentally-friendly transport or
- local infrastructure

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EIB/ELENA practicalities

- Apply directly to the EIB
- Discuss initial outline before preparing full application
- Final investment can be from any source
- Grant up to 90% of technical assistance/PDA cost

http://www.eib.org/products/technical_assistance/elena/index.htm

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KfW/ELENA practicalities

- Application must be made via Participating Financial Intermediary (none yet appointed in UK*)
- Obligation that KfW funds part of final investment
- Grant up to 90% of technical assistance/PDA cost

http://www.kfw.de/kfw/en/KfW_Group/About_KfW/Mission/Special_Tasks/ELENA_-_European_Local_ENergy_Assistance.jsp

* As of 1st February 2012

2. Mobilising Local Energy Investments - PDA

- Challenge: to assist small and medium sized authorities to prepare **sustainable energy projects** large enough to be considered "bankable" by financing institutions or EU financing facilities
- Target audience: **public authorities** (municipalities, cities, regions) or groupings of neighbouring authorities
- Eligible activity: **technical assistance** (TA) to prepare, mobilise financing and launch investments in sustainable energy projects. Grants DO NOT cover infrastructure costs
- Target sectors: public and private buildings, social housing, street and traffic lighting, urban transport, local energy infrastructure
- Exclusions: stand alone renewables, long distance transport infrastructure, industrial facilities
- Projects must deliver **tangible investments** which deliver **concrete measurable results** i.e. energy saved, RES supply increased, GHG reduced and/or local jobs created

Mobilising local energy investments 2012 call

- Grant: **up to 75%** of PDA costs
- Don't need EU partners
- Scale of funding: PDA costs of minimum **400,000 € or 200,000€ for convergence regions***
- Leverage factor: **1:15** i.e. minimum investment of 6M€ or 3M€* (from any source)
- Need authority commitment – investment projects should be identified in Sustainable Energy Action Plans or equivalent
- Project duration: **3 year** maximum duration for TA project during which tenders for investment **must** be issued
- Beware of "claw-back" implications if investment not forthcoming
- See MLEI PDA guide for proposers and call for proposals
- Submit technical details and cost of proposed PDA and investment (s)
- Deadline: **8th May 2012**

* UK regions - Cornwall, Scilly Isles, West Wales and the Valleys

Further information

- Ask for EU Energy Focus Financial Initiatives Factsheet
- Contact EU Energy Focus
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