EBRD-ELENA
(European Local Energy Assistance)

Supporting sustainable energy investments in municipalities

September 2013

EBRD-ELENA supports the preparation and mobilisation of financing for sustainable energy investments by local and regional authorities, and other public bodies. The facility will cover up to 90 per cent of the total technical cooperation (TC) support needed to structure and implement eligible investment projects.

EBRD-ELENA is funded by the European Union (EU) through the Intelligent Energy – Europe II (IEE II) programme. The facility contributes to the EU’s “20-20-20” initiative, which aims, by 2020, to:

► reduce greenhouse gas emissions by 20 per cent
► improve energy efficiency by 20 per cent
► increase the use of renewables in the EU energy mix by 20 per cent.

The EBRD has secured a grant from the EU, which is expected to mobilise more than €100 million of investments for sustainable energy by the end of 2017. The funds will be used for TC assignments to help municipalities and other public bodies prepare and implement viable investments, assisted by EBRD finance. Under this scheme, up to 90 per cent of eligible TC costs can be covered through the EBRD-ELENA facility.

At a glance

Participating countries:

• Bulgaria
• Croatia
• Estonia
• FYR Macedonia
• Hungary
• Latvia
• Lithuania
• Poland
• Romania
• Slovakia
• Slovenia

Eligible investment projects:
Energy efficiency or renewable energy projects in buildings, urban transport, utilities infrastructure, district heating

Technical cooperation projects:
Feasibility and market studies, structuring of programmes, business plans, energy audits, tendering and project implementation support, training
Eligible investment projects

The EBRD-ELENA facility can be used to support five types of EBRD-backed investment projects:

1. **Municipal building projects**, aimed at increasing the energy efficiency of municipal buildings and integrating renewable energy sources into the built environment;

2. **District heating projects**, aimed at investing in district heating/cooling networks, including combined heat and power (CHP) and decentralised CHP systems (at both the building or neighbourhood level);

3. **Urban transport projects**, aimed at improving energy efficiency and supporting the integration of renewable energy sources into transport modes. These include low energy transport systems, such as personal rapid transport (PRT), improving public transport and its seamless link to private transport, and investments in energy efficient solutions for freight logistics in urban areas;

4. **Local infrastructure projects**, including smart grids, information and communication technology infrastructure within the scope of urban transport projects, energy efficient urban equipment, inter-modal transport facilities, and refuelling infrastructure for alternative fuel vehicles;

5. **Utilities infrastructure**, including municipal waste-to-energy projects, municipal programmes for energy efficient equipment and appliances in small and medium-sized enterprises (SMEs) and households, and multi-technology approaches combining these activities within a comprehensive city-wide or regional approach.

Note: excluded projects are stand-alone renewable energy systems (not integrated into buildings), long-distance transport infrastructure, and industrial facilities projects such as industry delocalisation.

Selecting projects

Applications for access to the EBRD-ELENA facility will be developed by the EBRD together with the potential client. The Bank will then submit applications for review and final approval by the EU’s Directorate General for Energy.

In order to be eligible, projects need to demonstrate:

- the bankability of the proposed EBRD-backed investment project
- that the project will result in a reduction of greenhouse gas emissions.
- that the project will achieve an expected leverage factor of investment to ELENA-funded TC of at least 20:1

The investment project, or only a part of it, can be implemented through entities other than the public body, such as the holder or operator of a concession or an Energy Service Company (ESCO).

Timing

The final date for the signing of consultancy contracts to be funded by the EBRD-ELENA facility is 31 December 2014, with the aim to sign subsequent investment projects by 31 December 2017.

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