



15<sup>th</sup> April 2021

## Online E<sup>n</sup>R / EIB Training Workshop - Draft Minutes

### Participants:

#### E<sup>n</sup>R (15 agencies)

*Philippe Masset, Irina Dupouey, Véronique Tétu, Eléonor Guillaume, ADEME, France/ Luis Silva, Gorete Soares, Rui Fragoso, Neuza Rosa, Nuno Baptista, Claudia Monteiro, ADENE, Portugal/ Virginia Vivanco Cohn and Marisa Olano Rey, IDAE, Spain/ Tsvetomira Kulevska, Ognian Markovski, Ivaylo Aleksiev, SEDA, Bulgaria/ Lovorko Maric, EIHP, Croatia/ Barto Piersma, Rebecca van Leeuwen-Jones, Wiesje van Nunen, RVO, the Netherlands/ Emilie Carmichael, Philip Sellwood, Inga Jirgensone, Laura McGadie, Anna Cuckow, EST, UK/ Anna Sahiluoma, Motiva, Finland/ Paula Diaz, BFE, Switzerland/ Piotr Nowakowski and Ryszard Wnuk, KAPE, Poland/ Alessandro Federici and Alessandro Fiorini, ENEA, Italy/ Vassilis Kiliyas, Effie Korma, Charalampos Malamatenios, CRES, Greece/ Veronica Eade, SEA, Sweden/ Sonja Leidner, Dena, Germany/ Andreas Hirtl, AEA, Austria.*

#### European Commission (EC)

*Karlis Goldstein, CAB Simson, European Commission*

#### European Investment Bank (EIB)

*Ralf Goldmann and Dinis Rodrigues*

1	Welcome & Introduction	Resp.
	<p><i>Philippe Masset, Director Europe and International, ADEME</i> Philippe welcomed all participants to this training workshop in collaboration with the EIB. The workshop's purpose is to present the ELENA facility and the related guidelines, the preliminary analysis of the Resilience and Recovery Plans and the updated EIB energy lending policy eligibilities.</p> <p><i>Ralf Goldmann, Head of Division, EIB</i> Ralf underlined that EIB was satisfied to have established a good collaboration with E<sup>n</sup>R. ELENA facility has been in place for more than 10 years and EIB has a solid pipeline of EE projects, but there still are investment gaps and more technical assistance (TA) is needed to create project pipelines.</p>	<p><b>Philippe</b></p> <p><b>Ralf</b></p>
2	EIB guidelines document with national ELENA options	
	<ul style="list-style-type: none"> <li>▪ <b>Part I: ELENA Facility</b></li> </ul> <p>For more information about ELENA: <a href="http://www.eib.org/elena">www.eib.org/elena</a>            → The presentation is <a href="#">available on EnR website</a>, in the Members Area.</p> <p>Established in 2009 as European Local Energy Assistance, <b>ELENA facility</b> (EF) is funded by the Horizon 2020 programme. EIB manages it on behalf of the EC.</p> <p>General rules:</p> <ul style="list-style-type: none"> <li>- Minimum investment of 30 million euros</li> <li>- Grant covers up to 90% of costs related to project development</li> <li>- Budget allocation is on a first come first served basis - range of 30 – 50 m euros per year</li> </ul>	<p><b>Dinis</b></p>

- Implementation period timeframe is around 3-4 years
- Obligation of investment implementation – the importance & requirement of the **leverage factor**:
  - o 20 for sustainable energy projects
  - o 10 for residential buildings and transport

Both public and private sectors are eligible.

**Public sector:**

- EU MS
- Government organisations
- Regional, local and municipal authorities
- Public corporations
- Financial institutions

**Private sector:** Associations, mixed public/private, banks, social housing associations & homeowner associations. NB: **ELENA projects should not be profit making.**

**Eligible costs** under ELENA: technical studies, energy audits, business plans & financial advisory, legal advice, etc. but not the renovation works.

Multiple **sectors covered**: buildings (residential & non-residential), street lighting, district heating/cooling, smart grids, building integrated renewable energy sources and public transport.

Dinis gave examples for each of the **3 envelopes** of ELENA projects (120 projects supported):

- EE (93)
- Transport (9)
- Sustainable residential (18).

The **application process** was also presented in detail. As it is an interactive process, the end-to-end application procedure is estimated to take 9 months, but this can vary.

**Achieved results:**

- €212m disbursed and committed EU grant
- 120 ongoing and completed projects, mostly multi-sectoral
- €7.2 bn realised and expected investments
- Support to project “aggregators” (e.g. energy agencies)

There are no projects yet in Estonia, Bulgaria, Cyprus and Malta.

**Q&A session:**

- *Are there any existing examples of projects promoted by “aggregators”?*

Yes – in Poland, KAPE (district heating), in Portugal, ADENE acted as “aggregator”, in Spain (Primavera) and in Belgium (Leuven 2030). EIB can help final beneficiaries implementing “aggregator” type of projects.

- *What is the timeline in which the investment needs to be realised?*

It is complicated to answer. For private entities, the rules are strict, investment typically should be realised within the timeframe of the project (≈3 years). It is not as rigid for public entities (acting as contracting authorities), as the investments can be considered realized based on the publication of the tender procedure.

- *Can the non-eligible costs (travel, accommodation & overheads) count towards the match funding (10%)?*

No, EF funds up to 90% of eligible costs, so financial statement needs to include only eligible costs and non-eligible ones need to be taken out.

- *Have you been in touch with EnergieSprong – Germany, Netherlands & UK?*

Yes, but have withdrawn from the project. It is an interesting model to mobilise housing renovation projects.

- **Part II: National ELENA Options**

The purpose of this part was to present the internal EIB guidelines document and highlight different options developed for the scope of national ELENAs that agencies can inform about their national governments/managing authorities.

Dinis presented the current **ELENA structure**:

- EC provides funds for the projects to EIB and pays EIB management fees. EC is responsible for the formal approval of the projects. The success rate appears is quite high.
- EIB manages the EF, promotes the EF and provides advice to the applicants.

It is possible for one final beneficiary to have several projects as long as they are in a different scope of activities.

EIB developed **guidelines for national ELENA options** and submitted to the EC for feedback (**not to be disseminated yet; there might be changes to what has been presented**).

Some of the **benefits** of national EF:

- EIB support to MSs to set up EF
- National ELENA application process can be carried out in national language, if the MS sets up a National ELENA Facility
- ELENA can be used for higher usage of structural funds

EIB guidelines propose two models:

- ✓ **# MS sets up a National ELENA facility (NEF)**

MS has an overall responsibility and the EIB provides advice. EIB costs can be covered by InvestEU. A designated national entity (for example, energy agency) will have the responsibility to implement the NEF.

Main advantages:

- NEF can be set up in **local language**
- The **size and type of investments** can be adjusted. MS make their own decisions on the required scale for grant support (can be less than required EUR 30 m investment)
- Eligible costs under ELENA – can deviate from EIB rules
- Complementarity of EU funds: a MS-led ELENA can be established to align to the country's existing energy efficiency initiatives
- NEF could be complementary to an EIB-run EF

- ✓ **#Standard ELENA with MS INVEST EU Compartment**

EIB responsible for national funds management and implementation as now. The MS envelope counts as an additional envelope (e.g. residential & transport). It is an agreement between the MS and the EC. EIB costs are financed by InvestEU. It is up to the MS to identify other available funding possibilities that can be used to implement the national EF (ERDF, national funds, etc.). It is difficult for the EIB to manage projects with estimated investments below €15 million. Applications only in English or French.

	<p><b>NB:</b> for MS that will decide to allocate some funds available in Resilience and Recovery Plans (RRP) or next Structural Funds (SF) to the NEF, it is important to reference this in RRP or SF documents. It is a good moment to inform the national governments on this possibility. <b>EIB can provide the necessary documents and support for organisation of national workshops (also for existing ELENA promotion).</b></p> <p><b>Q&amp;A session:</b></p> <ul style="list-style-type: none"> <li>- <i>What is the method for validation of the total investments evoked within ELENA for public entities? Do you take into account the cheapest offer that has been submitted in public procurement?</i></li> </ul> <p>If the contract has been signed, the value of the contract is considered.. If the evaluation process has not been performed, it takes into account the value of the tender.</p> <ul style="list-style-type: none"> <li>- <i>Are there any constraints as to the number of MS/other entities working together on any ELENA projects?</i></li> </ul> <p>ELENA contracts are signed by the EIB and the final beneficiary in a “one-to-one” format, there are no multiple beneficiaries. The MS in question would then allocate the TA as it sees fit.</p> <ul style="list-style-type: none"> <li>- <i>What is the MS contribution in option 2?</i></li> </ul> <p>The MS will have to find funding sources to allocate to the project and define whether these funds will be made available to a particular sector. The MS can contact the EIB to agree on derogations from the general ELENA rules (e.g. leverage factor).</p> <ul style="list-style-type: none"> <li>- <i>How much should we allocate to Option 2?</i></li> </ul> <p>Depends on the MS and their level of ambition. The amount varies according to the number of projects carried by the country and the consistency of its requests for support. It also depends on the sector chosen, the pace of work, existing obstacles, but also the extension of the programming period. Something between EUR 5-10 million can be considered as an educated approach, but the EIB is available to further discuss it with each MS.</p>	
3	<p><b>E<sup>n</sup>R presentation of analysis of the recovery plans, partnership agreements &amp; long-term renovation strategies</b></p>	
	<p>Irina presented an overview of the preliminary results of the questionnaire developed by the EIB. Responses received from 10 agencies, although most answers are incomplete. Agencies are invited to send more information within the coming weeks. Input provided may also be used to complement the Renovation Wave benchmark study that ADEME will be carrying out in 2021.</p> <ul style="list-style-type: none"> <li>- Almost all respondents expected to be involved in the promotion and development of innovative EE programmes</li> <li>- Reference the need to provide TA to unlock EE investments not systematically mentioned in the RRP or no reference to budget to be allocated to TA activities</li> </ul> <p>TA mostly needed in residential buildings, EE in SMEs, district heating and cooling. Some of the market gaps to the energy efficient renovation of buildings:</p> <ul style="list-style-type: none"> <li>- Lack of understanding of energy use and potential savings</li> <li>- Limited information about the real estate stock</li> <li>- Lack of attractive financing products</li> <li>- Insufficient demand for EE renovation of buildings</li> </ul> <p><b>One-stop-shop projects (OSS):</b> almost all respondents have experience in implementing OSS related projects. <b>Some examples</b></p>	<p><b>all</b></p> <p><b>Irina</b></p>

	<ul style="list-style-type: none"> <li>- One stop shop casA + in Portugal (national reference platform for improving energy performance and efficient use of resources in buildings)</li> <li>- Home Energy Scotland support service via trained advisors</li> <li>- FAIRE – public service ADEME (Facilitating, accompanying and informing on energy renovation)</li> <li>- German Energiesprong team supporting serial renovation solutions and new standards for comfortable energy efficient renovations.</li> </ul> <p>Dinis mentioned that RRF in Bulgaria already referenced the need for TA.</p>	
<b>4</b>	<b>EIB training of E<sup>n</sup>R members on the updated EIB energy lending policy eligibilities</b>	
	<p>→ The <a href="#">presentation is available on the EnR website</a>, in the Members Area.</p> <p>Dinis presented an overview of the EIB, which provided €77.2 billion finance in 2020, with a focus on building-related issues. EE lending in on the increase with €12 billion in 2020. The 2021 Operational Plan has two additional targets, with 35% of funding related to Climate action and Environmental sustainability and 30% to Economic and Social Cohesion and Convergence.</p> <p>Main highlights of the Energy Lending Policy: phasing-out fossil fuels, focusing on EE &amp; decarbonisation, as well as engagement with MS and clients.</p> <ul style="list-style-type: none"> <li>- Unlocking EE</li> <li>- Decarbonising the energy supply</li> <li>- Supporting innovative technologies and new types of energy infrastructure</li> <li>- Securing the enabling infrastructure.</li> </ul> <p><b># Unlocking EE – key priorities</b></p> <ul style="list-style-type: none"> <li>- EE first principle</li> <li>- All EE activities are aligned with the Paris Agreement (very few exceptions)</li> <li>- Financing up to 75% of costs of EE projects</li> <li>- Focus on building rehabilitation and SMEs <ul style="list-style-type: none"> <li>o New Initiative for Building Renovation (EIB-R) in the context of the EU RW</li> <li>o Development of new sources</li> <li>o Tailored support to remove technical &amp; financial barriers</li> </ul> </li> </ul> <p>Around 65% of EE lending policy is <b>dedicated to buildings</b>.</p> <p><b>Initiative for Building Renovation (EIB-R)</b> objective is to increase the visibility to increase EE volumes. All buildings renovation projects are Paris aligned.</p> <p><b># Decarbonisation of energy supply</b></p> <p>All low carbon technologies are eligible. Financing up to 75% of costs for “high policy value” projects and where EIB’s involvement accelerates project implementation.</p> <p>Rui (ADENE) asked a question about the “Efficient Housing Programme” in Portugal and why it was not a success.</p> <p>Dinis replied that despite the existence of state owned bank, the banks’ interest rates were too high, the programme did not provide enough TA to move them forward and that didn’t include an effective communication strategy. The solution could be to establish a national development bank with additional TA and to generate more public relations on the programme for awareness raising.</p> <p>According to Ralf, there needs to be a driving force for people with a mix of barrier removal and large market incentives as well as a system of accompanying measures for energy advice (e.g. in Germany, a good system of energy councilors).</p>	<b>Dinis</b>

<b>5</b>	<b>Reflections &amp; updates from the EC</b>	
	<p>Karlis announced that workshops on Energy Performance of Buildings Directive (EPBD) revision would take place soon focusing on different pillars of EPBD as well as main political topics, social policy and energy poverty angles. In parallel to a public consultation currently being organised, this will allow the EC to see what direction to take and how the EPBD fits in the picture.</p> <p>EE and RE directives have an impact on buildings' renovation as well (discussions on impact assessments are ongoing &amp; final policy choices not made yet).</p> <p>No one single piece of legislation is going to make or break the RW.</p> <p>Possible extension of ETS system to buildings and transport under discussion.</p> <p>Set of measures announced by RW are on track and going on in parallel:</p> <ul style="list-style-type: none"> <li>- Affordable Housing Initiative under DG GROW with first projects intended to be selected by the end of the year;</li> <li>- New European Bauhaus prepared in collaboration with President's Cabinet &amp; JRC support: Conference on 22-23 April to select at least 5 projects by autumn</li> <li>- Covenant of Mayors 2.0 to be launched as part of the work with Covenant of Mayors.</li> </ul> <p>Important priority that the Commissioner Simson focuses upon now is the importance of advice – TA &amp; one-stop-shops. We need to focus on sectors where TA is most urgently needed. This is a direction for the Commission to follow and ensure there is an ecosystem and a framework both in terms of measures &amp; legislation to be on the track to reach the 2030 targets and beyond.</p> <p>DG ENER Workshops to gather targeted stakeholders' view on the EPBD revision:</p> <ul style="list-style-type: none"> <li>- Workshop 1: Setting a vision for buildings and a decarbonised buildings stock – 31<sup>st</sup> March</li> <li>- Workshop 2: Minimum energy performance standards for existing buildings – 15<sup>th</sup> April</li> <li>- Workshop 3: Strengthening buildings information tools (with focus on EPC) – 29<sup>th</sup> April</li> <li>- Workshop 4: Digitalisation and data management in buildings – 10-14 May</li> <li>- Workshop 5: Financing and energy poverty 24-28 May</li> </ul>	<b>Karlis</b>
<b>6</b>	<b>Wrap-up &amp; Closing</b>	
	<p>Ralf mentioned the importance of having these regular exchanges. Recovery funding will be one of the most important funding source in the next 2-3 years, especially in building renovation. Look forward to conversations on implementing national ELENAs and InvestEU agreements to bridge with the current ELENA facility.</p> <p>The way forward is a combination of work implemented at central level, but also at national &amp; regional levels where E<sup>n</sup>R can play a role in informing &amp; supporting national policy but also informing the EIB of the necessary improvements in financial products.</p> <p>Need for standardisation to reduce costs and make packages that are more attractive.</p> <p>National programmes set up by the energy agencies are important for the EIB and can provide ideas on how they can support the current activities.</p> <p>Ralf encouraged further collaboration and dialogue in order to set up the NEFs.</p> <p>Philippe pointed out the importance to disseminate this information to national actors on the NEF and the possibility to organise national workshops as a follow-up action of this meeting. Interested members are invited to inform the presidency of the organisation of such workshops. Philippe thanked everyone for their participation and underlined that E<sup>n</sup>R was pleased to have had this dialogue with the EIB and the EC.</p>	<b>Ralf</b>          <b>Philippe</b>