

ELENA

Energy Efficiency / Renewable Energy Investments of Small and Medium-sized Municipalities

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Die Zukunftsförderer



KfW Bankengruppe in brief.



- Promotional bank of the Federal Republic of Germany
- Founded in 1948 as Kreditanstalt für Wiederaufbau
- Shareholders: Federal Republic of Germany (80%), German federal states (20%)
- Headquarters: Frankfurt am Main, Branches: Berlin and Bonn
- Representative offices: around 60 offices and representations worldwide
- Around 4,500 employees as of 2010
- Balance sheet total at end-2010: EUR 442 billion
- Rating: AAA/Aaa/AAA
- Global Finance Magazine awarded KfW in 2010 as World's Safest Bank

A bank with a broad array of functions



Domestic promotional business

Promotion of
SMEs, entrepreneurs,
environmental and
climate protection
business start-ups

Promotion of
housing, education,
infrastructure and
social development

Financing of
municipal
infrastructure
projects and
promotion in
Europe

International
project and
export finance

Promotion of
developing and
transition countries





Total commitment in environmental and climate protection projects in 2010:

25.3 bn EUR (2009: 19.8 bn EUR)

- Germany **20.8 bn EUR** (16.5 bn EUR)
- Worldwide **4.6 bn EUR** (3.4 bn EUR)

Focus on energy efficiency and renewable energy

- **11.6 bn EUR** (10.6 bn EUR) energy efficiency
- **11.4 bn EUR** (6.4 bn EUR) renewable

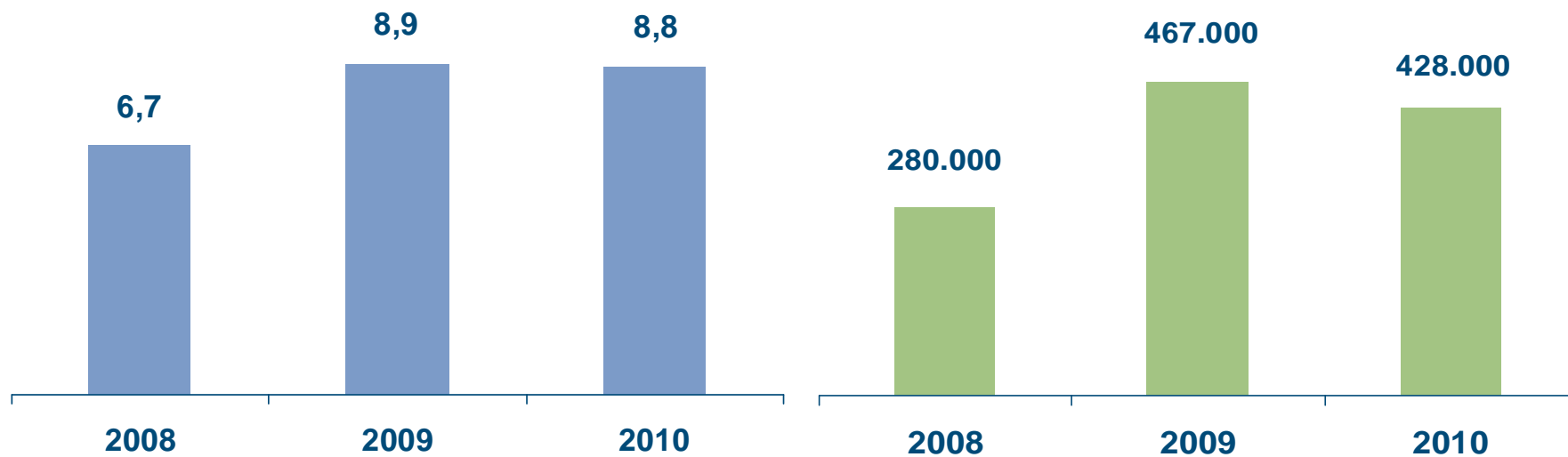
KfW Bankengruppe is one of the world's biggest financing institution for energy efficiency and renewable energy

Sample: Track record KfW national programs for „Energy-Efficient Construction and Refurbishment“



Total volume committed in bn EUR

supported housing units

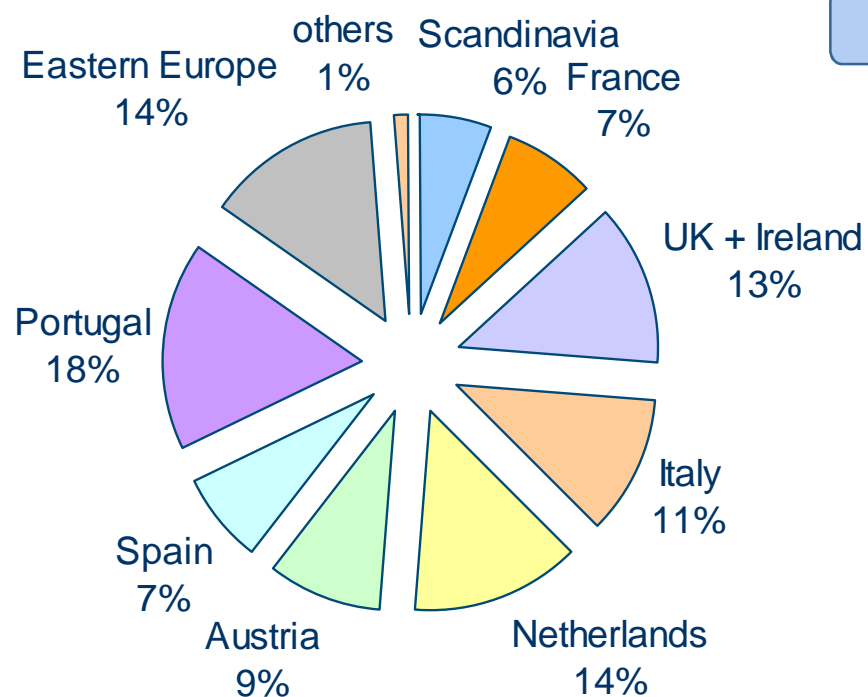


- Since 1991 support and advice in the setting up of promotional banks
- Since 1995 global loans to fund promotional credit programmes of promotional and commercial banks
- Since 2000 Implementation of EU-Programmes together with CEB (EU SME Facility, EU Municipal Finance Facility, EU Energy Efficiency Finance Facility etc.)

Special focus

SME Financing / Financing of environmental and energy efficiency investments

Total global loan volume without Germany 1995-2009

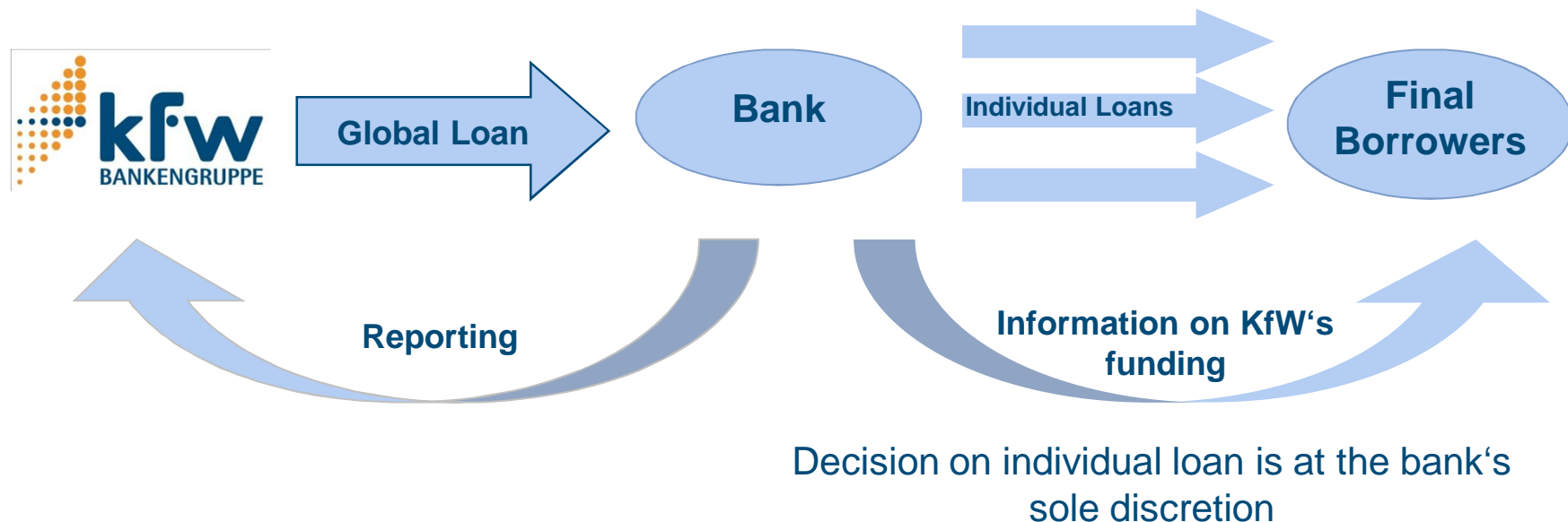


Total Loan Volume: € 14.3 billion

Structure of a Global Loan Transaction.



Basic idea: Offering attractive refinancing conditions to induce banks to create and extend capacities to finance investments into certain fields



- The new KfW-ELENA facility offers a complementary approach in order to mobilize **sustainable investments of small and medium sized municipalities.**
- KfW-ELENA consists of two innovative and complementary financing schemes
 - global loans to local participating financial intermediaries (PFIs) in order to reach **smaller investments (volume up to EUR 50 million)**
 - and **carbon crediting** as a new financing element.
- Global loan and carbon crediting can be combined or offered separately.

ELENA

Objective of the Facility

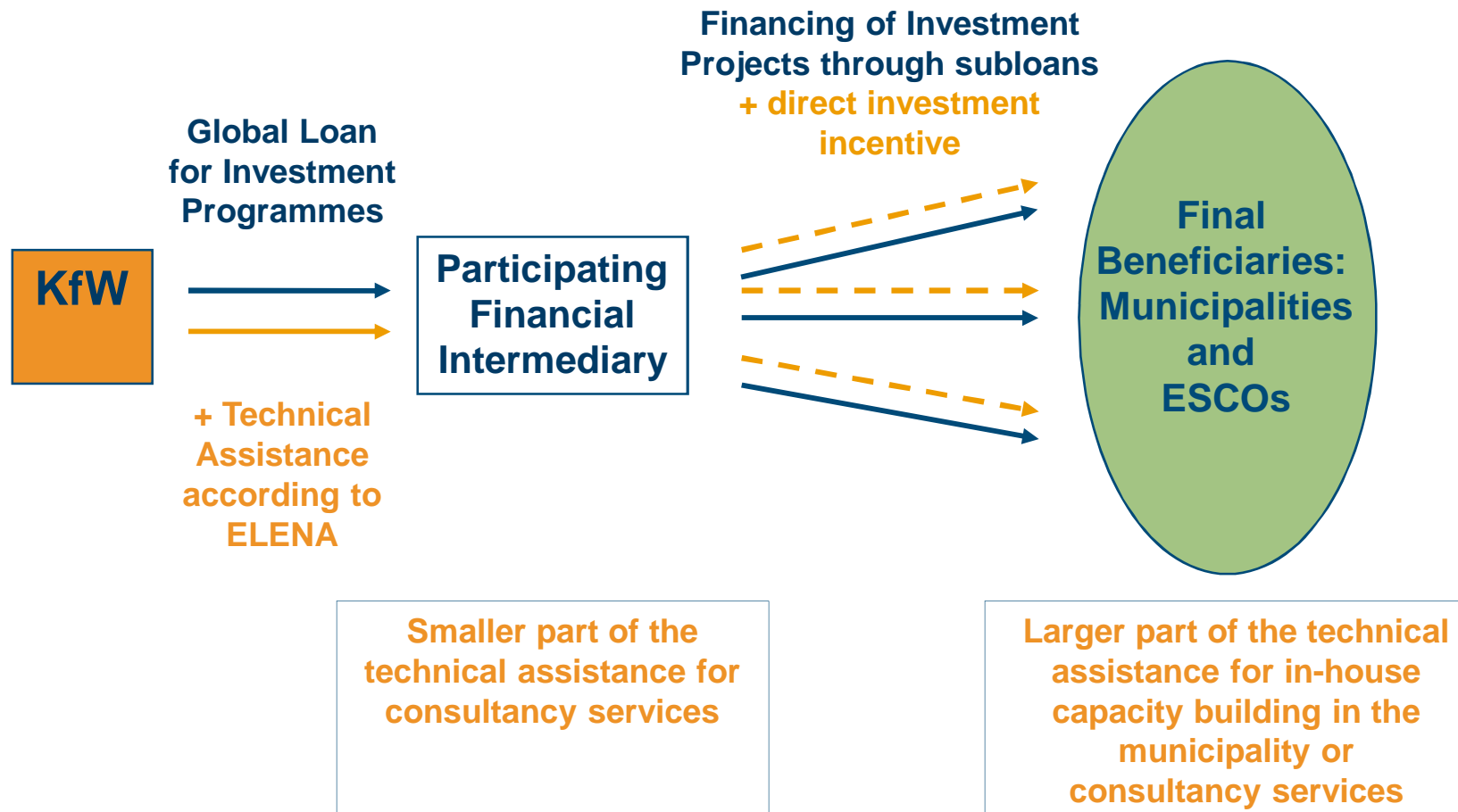


- ELENA: a IEE (Intelligent Energy Europe II) technical assistance facility in order to support the local and regional authorities in contributing to the “20-20-20” initiative of the European Union:
 - reduce greenhouse gas emissions by at least 20% and/or
 - increase the share of renewable energies in energy consumption to at least 20% and/or
 - improve energy efficiency by at least 20%, all by 2020.
- Since 2010 the EIB is running a pilot project on ELENA in order to support investments projects above EUR 50 million.

- Participating Financial Intermediaries
 - Banks operating in the eligible countries, including locally registered, licensed or incorporated entities and subsidiaries or branches of banks located in other countries
- Final Beneficiaries
 - Local or regional authorities and other public bodies or grouping of such bodies from the participating countries, mainly in the small and medium-sized range
 - Possibility for social/non-profit housing association with private ownership is the foundation of a partnership with the municipality (important: the public authority/body keeps full liability of the operation)

- energy efficiency investments for public and private buildings, including social housing (energetical refurbishment of buildings);
- integration of renewable energy sources into the built environment — such as solar photovoltaic, solar thermal collectors and biomass;
- investments in renovation, extension or new district heating/cooling networks;
- municipal waste-to-energy projects including biogas generation for small-scale heat production;
- municipal programmes for energy-efficient equipment and appliances in SMEs and households;
- multi-technology approaches combining the aforementioned activities within a comprehensive city-wide or regional approach.

- Eligible costs for ELENA support correspond to any technical support that is necessary to prepare, implement and finance the investment programme:
 - feasibility and market studies,
 - structuring of programmes,
 - business plans,
 - energy audits,
 - preparation of tendering procedures and contractual arrangements
 - project implementation units (incl. staff).
- ELENA covers up to 90% of eligible costs required for technical support related to a clearly identified investment programme.
- Cost of newly recruited staff assigned to develop the Investment Project(s) is an eligible cost.



KfW will base the selection of the PFI on the following:

- **Risk assessment criteria, market position and expertise of the PFI** and interest to participate and promote the KfW-ELENA Facility and its objectives
- In case the PFI is a state-owned bank it must have clear financial and commercial autonomy.
- **Expected contribution to the objectives of the EU '20-20-20' Initiative.**
- **Expected Leverage Factor** (at least 1/20).
- Absence of other European Commission support granted to the same Applicant for Technical Assistance for the same Investment Programme.

The PFIs will select the Investment Projects of the Final Beneficiaries in line with criteria agreed with KfW. The criteria will include:

- Eligibility of an applicant from a Participating Country.
- **Potential bankability of the Investment Project.**
- Applicant's **financial and technical capacity** to implement and complete the Project.
- Expected contribution to the objectives of the EU '20-20-20' Initiative
- Absence of other European Commission support granted to the same Applicant for Technical Assistance for the same Investment Project.
- **Credit and other banking risks** of the Investment Projects of the Final Beneficiaries will be **borne by the PFI** .

- Final beneficiaries can **only apply to the ELENA Technical Assistance via Partnering Financial Intermediaries.**
- As soon as the first agreements are signed between KfW and PFIs we will inform on our website.
- Application for ELENA Technical Assistance is combined with **application for financing of the Investment Project.**
- **KfW cannot receive direct applications from local and regional authorities.**

www.kfw.de/elena
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