

European Commission, EIB support EUR 1 bn investment by cities, regions in energy efficiency, renewables

The European Commission and European Investment Bank (EIB) expect the European Local Energy Assistance (ELENA) facility launched in December to support more than EUR 1 billion of energy efficiency and renewable energy projects in 2010. A first agreement with the province of Barcelona will be signed in April, it was announced at the launch of the EU's Sustainable Energy Week in Brussels. The EIB is currently in detailed discussions with 16 other cities or regions about their investment plans to increase energy efficiency and develop renewable energy.

European Energy Commissioner Günther Oettinger said: *"This is an example of how an idea presented during last year's Covenant of Mayors Ceremony is now a reality and having an impact on the ground. ELENA is a chance for cities and regions to help themselves by implementing Sustainable Energy Action Plans that create jobs, and at the same time help Europe as a whole meet its climate goals. After the strong response from cities and regions, we intend to double available ELENA funding to EUR 30 million."*

EIB President Philippe Maystadt said: *"ELENA is a good example of how limited budget money can be leveraged with EIB loans to support EU policy objectives. The response has shown there is real interest from cities and regions in this kind of assistance. We look forward to working with the Commission over the coming months on similar innovative financing products to support the EU's 2020 Strategy."*

Urban areas represent around 70% of the energy consumption of the EU, yet the scope for sustainable energy related investments remains largely unused. The ELENA facility is designed to help cities and regions unlock this potential by providing technical assistance to structure and implement projects in the most efficient way so they can attract finance from local banks or other sources, such as EIB. The technical assistance is funded from the Intelligent Energy Europe II (IEE) programme.

More than 200 cities or regions have already sought concrete information about the programme. The EUR 500 mn Barcelona project is alone projected to save 280 GWh of energy each year and reduce CO₂ emissions annually by the equivalent of 170,000 to 200,000 tonnes. Four other projects are being finalised which are expected to unlock a further EUR 500 mn of investment over the next 12 months.

Technical assistance, supported by the ELENA facility, can be provided to a local or regional authority or another public body or a grouping of such bodies coming from the countries participating in the IEE programme with a strategy to curb their CO₂ emissions. The investment programmes supported by the facility shall contribute to achieving the 20-20-20 objectives. Full details of the conditions attached to the grant financing and an explanatory brochure are available at: www.eib.org/elena.