



provincie **HOLLAND**  
**ZUID**

**CONTRACT**  
**FOR FINANCING OF**  
**PROJECT DEVELOPMENT SERVICES**

**between**

**EUROPEAN INVESTMENT BANK**

**and**

**PROVINCE OF ZUID-HOLLAND**

**CONTRACT NUMBER: ELENA-2019-127**

[Den Haag], \_\_\_\_\_ 2020

Luxembourg, \_\_\_\_\_ 2020

# Contents

<b>I — SPECIAL TERMS</b>	<b>7</b>
ARTICLE I.1 — PURPOSE	7
ARTICLE I.2 — DURATION	7
ARTICLE I.3 — ROLE OF THE FINAL BENEFICIARY	7
ARTICLE I.4 — FINANCING THE PROJECT DEVELOPMENT SERVICES	8
ARTICLE I.5 — PAYMENT ARRANGEMENTS	9
ARTICLE I.6 — SUBMISSION OF REPORTS AND OTHER DOCUMENTS	10
ARTICLE I.7 — BANK ACCOUNT	11
ARTICLE I.8 — GENERAL ADMINISTRATIVE PROVISIONS	11
ARTICLE I.9 — LAW APPLICABLE AND COMPETENT COURT	11
<b>II — GENERAL TERMS</b>	<b>13</b>
<b>PART A — LEGAL AND ADMINISTRATIVE PROVISIONS</b>	<b>13</b>
ARTICLE II.1 — LIABILITY	13
ARTICLE II.2 — CONFLICT OF INTERESTS	13
ARTICLE II.3 — OWNERSHIP/USE OF THE RESULTS	13
ARTICLE II.4 — CONFIDENTIALITY AND PROTECTION OF PERSONAL DATA	14
ARTICLE II.5 — VISIBILITY OF EU CO-FINANCING	15
ARTICLE II.6 — FORCE MAJEURE	15
ARTICLE II.7 — AWARD OF CONTRACTS BY THE FINAL BENEFICIARY	16
ARTICLE II.8 — TERMINATION OF THE CONTRACT	17
ARTICLE II.9 — MODIFICATIONS TO THE CONTRACT	18
<b>PART B — FINANCIAL PROVISIONS</b>	<b>19</b>
ARTICLE II.10 — ELIGIBLE COSTS	19
ARTICLE II.11 — GENERAL PROVISIONS ON PAYMENTS	21
ARTICLE II.12 — DETERMINING THE FINAL CO-FINANCING AMOUNT	21
ARTICLE II.13 — RECOVERY	22
ARTICLE II.14 — MONITORING, CONTROLS AND AUDITS	22
<b>SIGNATURES</b>	<b>23</b>
Annex I: Description of the Project Development Services (or Action) and the planned Investment Programme	25
Annex II: Estimated budget of the Project Development Services	40
Annex III: Eligibility of Investment Programmes that can be supported by ELENA co- financing	41
Annex IV: Technical implementation reports and financial statements	44
A.1. INCEPTION REPORT – DETAILED DESCRIPTION OF THE ACTION	46
A.2. BI-ANNUAL PROGRESS REPORT	47
A.3. INTERIM REPORT	53
A.4. FINAL REPORT	60
Annex V: Fiche for requesting ex-ante comments on the terms of reference (ToRs) of large subcontracts	67
Annex VI: Reference to ELENA - Horizon 2020 funding & legal disclaimer	68
Annex VII: ELENA PDS Factsheet	70
Annex VIII: A. Exclusion Criteria	71
B. Procurement procedures	
Annex IX: Financial Audit	73

## Definitions used in ELENA funding contracts between the Bank and Final Beneficiaries

<b>Covenant of Mayors Initiative</b>	means the initiative launched by the European Commission on 29 January 2008, under which the signatory cities have formally committed themselves to going beyond the objectives of the “20-20-20” Initiative in terms of reducing their CO <sub>2</sub> emissions through energy demand and renewable energy actions;
<b>ELENA Facility</b>	European Local Energy Assistance Facility, set up by the European Commission under the Intelligent Energy-Europe Programme II which continued under the Horizon 2020 Energy Efficiency Focus area implemented by the European Investment Bank (EIB);
<b>Eligible Costs</b>	means the costs relevant to the implementation of Project Development Services actually incurred by the Final Beneficiary that meet the requirements mentioned in Article II.10 of the Contract;
<b>EPPO</b>	means the European Public Prosecutor's Office in respect of those Member states participating in enhanced cooperation pursuant to Regulation (EU) 2017/1939 of 12 October 2017 implementing enhanced cooperation on the establishment of the European Public Prosecutor's Office (OJ L 283, 31.10.2017);
<b>Final Beneficiary</b>	means either public or private project promoter or entity involved in projects' preparation, recipient of financing from the ELENA Facility who is responsible for the implementation of the Project Development Services agreed with the Contract ;
<b>Third Party</b>	means one or more individuals or legal entities, to which financial support under the Facility may be paid by the Final Beneficiary in accordance with the Contract concluded between the EIB and the Final Beneficiary;
<b>Horizon 2020</b>	means “Horizon 2020 the Framework Programme for Research and Innovation (2014-2020)”, established by Regulation (EU) No 1291/2013 of the European Parliament and of the Council;
<b>Investment Programme</b>	means an investment project or a group of investment projects that meets the eligibility criteria referred to in Annex III of the Contract. The Investment Programme or part of it can be implemented through entities other than the Final Beneficiary;
<b>Materialised Investment</b>	means (a) the value of an investment project for which the investor has executed the necessary contract (s) and has fulfilled one of the following conditions: (i) has signed up the final acceptance of the construction works ordered or , (ii) has paid the final invoice related to works, services or supplies ordered , or (iii) has executed the relevant energy performance contract with an energy service company ;
<b>Investor</b>	means one or more individuals or legal entities which implement one or more investment projects under the Investment Programme;
<b>Leverage Factor</b>	means the ratio between the total investment costs of the Investment Programme supported and the total ELENA resources attributed to the Project Development Services;
<b>Participating Countries</b>	means EU member states or Horizon 2020 Associated Countries;

**Project Development Services (PDS)**

means technical assistance services necessary for the preparation, implementation and financing of an eligible Investment Programme contributing to the operational objectives of Horizon 2020 (also referred to as “the Action”);

**“20-20-20” Initiative**

means the European Union initiative which aims at reducing greenhouse gas emissions by at least 20%, increasing the share of renewables in energy consumption to at least 20% and improving energy efficiency by at least 20%, all by 2020.

# CONTRACT FOR FINANCING OF PROJECT DEVELOPMENT SERVICES

CONTRACT NUMBER: ELENA-2019-127

relating to the implementation of Project Development Services entitled “hier “Duurzame Wijkwarmte in Zuid-Holland” (DuWijZH) in the framework of the ELENA Facility (the “**Contract**”).

The **European Investment Bank (EIB)** (hereinafter referred to as the “**Bank**”), established at 98-100, boulevard Konrad Adenauer, L-2950 Luxembourg, Grand Duchy of Luxembourg, represented for the purposes of signature of this Contract by Mr Ralf Goldmann, Head of Division, and Ms Sonja Malkki, Head of Division,

on one part,

and

**[Full official name of the Final Beneficiary] [Acronym] [Full official address]** Provincie Zuid-Holland (PZH), Zuid-Hollandplein 1, 2596 AW Den Haag, The Netherlands, (hereinafter referred to as the “**Final Beneficiary**”), represented for the purposes of signature of this Contract by **[Mr/Ms] [first name + surname of the signatory] [position]** Mr Berend Potjer, Regional Minister for the Energy transition of the province of Zuid-Holland,

on the other part

collectively referred to as the “**Parties**” and each as a “**Party**”

## HAVE AGREED

The **Special Terms** and the **General Terms** below, and the following **Annexes**:

Annex I	Description of the Project Development Services (of Action) and the planned Investment Programme
Annex II	Estimated budget of the Project Development Services
Annex III	Eligibility of Investment Programmes that can be supported by ELENA co- financing
Annex IV	Technical implementation reports and financial statements
Annex V	Fiche for requesting ex-ante comments on the terms of reference (ToRs) of large subcontracts
Annex VI	Reference to ELENA - Horizon 2020 funding & legal disclaimer
Annex VII	ELENA PDS Factsheet
Annex VIII	A. Exclusion Criteria B. Procurement Procedures
Annex IX	Financial Audit

In the event of discrepancies, inconsistencies and/or conflict between the terms of this Contract, its provisions shall prevail in the following order:

- the Special Terms
- the General Terms
- Annex I
- Other Annexes

## I — SPECIAL TERMS

### ARTICLE I.1 — PURPOSE

I.1.1. The Bank has decided to award financing to partially cover the costs of implementation of the Project Development Services entitled “Sustainable Homes and Sustainable Heat for South Holland” under the terms and conditions set out in the Special Terms, the General Terms and the Annexes to the Contract.

I.1.2. The Final Beneficiary accepts the Contract and undertakes to do everything in its power to carry out the Project Development Services described in Annex I, acting under its own responsibility.

### ARTICLE I.2 — DURATION

The Contract shall enter into force on the first day of the next month following its signature by the last contracting Party and shall remain in full force and effect until both Parties have fulfilled their contractual obligations, unless terminated earlier in accordance with Article II.8.

The duration of the Action (Project Development Services) shall be [indicate according to sector:3 (three)] years starting from the entry into force of the Contract.

### ARTICLE I.3 — ROLE OF THE FINAL BENEFICIARY

I.3.1 The Final Beneficiary shall ‘inter alia’:

- (a) ensure that the Project Development Services are implemented in accordance with the Contract;
- (b) immediately inform the Bank on events that are likely to substantially affect the implementation of the Project Development Services or the Investment Programme;
- (c) be responsible for supplying all reports and information to the Bank which may be required under the Contract, and in particular in relation to the payment requests;
- (d) inform the Bank of transfers of budget, as provided in Article II.9.3;
- (e) establish the payment requests, detailing the actual costs incurred, in conformity with the relevant contractual provisions and the estimated budget included in Annex II.

I.3.2 The Final Beneficiary represents and warrants to the Bank (i) that no other financing from the EU Budget has been or will be received to support the preparation or development of the Investment Programme, as well as (ii) that the Investment Programme, in whole or in part, has not been and will not be quantified or somehow used to calculate the leverage factor required or equivalent performance indicator under any other action, program or instrument financed by the EU Budget.

I.3.3 By entering into the Contract the Final Beneficiary warrants and represents that it is not the target or otherwise subject of or in breach of any **Sanction**<sup>1</sup>; the Final Beneficiary warrants and represents that to the best of its knowledge and belief, no **Relevant Person**<sup>2</sup> is the target or otherwise subject of or in breach of any Sanction. Both Parties acknowledge that the Final Beneficiary’s representations and undertakings set out in any part of this Contract are only sought and given to the extent that to do so is permissible pursuant to any applicable anti-boycott rule of the European Union, such as Regulation (EC) 2271/96 of 22 November 1996 protecting against the effects of the extra-

---

<sup>1</sup> For the purposes of the Contract the term **Sanction** refers to the economic or financial sanctions laws, regulations, trade embargoes or other restrictive measures (including, in particular, but not limited to, measures related to the financing of terrorism) enacted, administered, implemented or enforced from time to time by any of the following: the United Nations, and/or the EU and any agency or person which is duly appointed, empowered or authorized by the United Nations and/or the EU to enact, administer, implement and /or enforce Sanctions or the United States Department of the Treasury Office of Foreign Assets Control (OFAC), the United States Department of State and/or the United States Department of Commerce.

<sup>2</sup> For the purposes of this Contract **Relevant Person** shall mean: i) For Final Beneficiaries with status of private entity: any member of its management bodies; or any of its employees or any other person acting on behalf of the Final Beneficiary or under the Final Beneficiary’s control, having the power to give directions and exercise control with respect to the Contract ii) For Final Beneficiaries with status of public entity: any official or representative, or any other person acting on its behalf or under its control, having the power to give directions and exercise control with respect to the Contract.

territorial application of legislation adopted by a third country, and actions based thereon or resulting therefrom as amended from time to time. The Final Beneficiary warrants and represents that it is not in any of the situations referred to in Annex VIII Section A of the Contract and that it assumes to inform the Bank immediately in the event that it is affected by any of the instances listed therein. The reference 'as per its public list' included in point (e) of Annex VIII Section A is not applicable to the Final Beneficiary.

#### **ARTICLE I.4 — FINANCING THE PROJECT DEVELOPMENT SERVICES**

I.4.1. The total Eligible Costs for the implementation of the Project Development Services are estimated at EUR 3,000,000 (three million), as shown in the estimated budget of Project Development Services (Annex II).

I.4.2. The Bank shall reimburse a maximum of 90% of the total Eligible Costs indicated in Article I.4.1 that may not exceed EUR 2,700,000 (two million and seven hundred thousand). A minimum of 10% of co-financing shall be borne by the Final Beneficiary. Co-financing may take the form of the Final Beneficiary's own resources and/or financial contributions received from third parties. The Final Beneficiary and any third party involved in the financing of the Project Development Services shall not fund all or part of any of the Project Development Services under the Contract or make any payment to the Bank out of proceeds derived from activities or businesses with entities or persons being target of (a) Sanction(s), or otherwise subject of any Sanction, entities or persons in breach of (a) Sanction(s) or in any manner that would directly result in a breach by the Bank of the Sanctions.

I.4.3. The volume of the Investment Programme defined under Article I.4.4 must be directly supported by the Project Development Services implemented under this Contract and reach at least 20 times the amount of the final financing provided by the Bank at the end of the Action (Leverage Factor). The Final Beneficiary and any other Investor involved shall not fund all or part of any Investment under the Contract out of proceeds derived from activities or businesses with entities or persons being target of (a) Sanction(s) or otherwise subject of any Sanction, entities or persons in breach of (a) Sanction(s) or in any manner that would directly result in a breach by the Bank of the Sanctions.

I.4.4 The volume of the Investment Programme corresponds to the sum of the Materialised Investments within the duration of the Action. Apart from the Materialised Investments, the following contract values will also be considered as part of the volume of the Investment Programme for the purpose of calculating the Leverage Factor, on the understanding that no works, services or supplies under the below referred contracts can simultaneously be considered as a Materialised Investment:

- (a) when the relevant Investor operates in a capacity of contracting authority as per the EU Procurement Directives, the estimated value of eligible investment evidenced by contract notice(s) published within the duration of the Action in accordance with public procurement rules. To qualify for the inclusion under this point, the related budget must have been fully secured prior to publication and hence the award cannot be made conditional upon the availability of budgetary resources. Evidence to that effect must be provided. An eventual cancellation of the public procurement procedure in accordance with applicable rules for reasons other than the non-availability of budgetary resources shall not affect the inclusion of the estimated value of the contract in the determination of the amount of the Investment Programme.
- (b) when the relevant Investor does not operate in a capacity of contracting authority as per the EU Procurement Directives, the investment evidenced with the signature of contracts within the duration of the Action that cover the provision of supplies, works and services that are to be delivered to the Final Beneficiary or other Investor(s) involved at a stage subsequent to the end date of the Action. Nevertheless, the investment evidenced in this way may (i) neither exceed 30% of the overall investment volume, to be approved by the Bank upon receipt of the final implementation report (ii), nor be planned to materialise in a period that is longer than 2 years starting from the end date of the Action.



## **ARTICLE I.5 — PAYMENT ARRANGEMENTS**

The Project Development Services shall be co-financed in accordance with the following payment provisions:

### **I.5.1. First pre-financing**

Within 45 (forty-five) calendar days from the entry into force of the Contract, a pre-financing payment of EUR 1,080,000 (one million and eighty thousand) representing 40% of the maximum amount specified in Article I.4.2, shall be made to the Final Beneficiary.

### **I.5.2. Second pre-financing**

The Final Beneficiary may request a second pre-financing payment of 30% of the amount specified in Article I.4.2. The request shall be accompanied by the interim progress report and financial statement mentioned in Article I.6 of the Contract.

Full payment of the second pre-financing shall be subject to the consumption of at least 70% of the first pre-financing. Where the consumption of the first pre-financing is less than the required the second pre-financing shall be reduced by the unused amounts of the previous pre-financing payment.

Payment shall be made to the Final Beneficiary upon approval of the interim progress report by the Bank. The Bank shall have 30 (thirty) calendar days from the receipt of the request for a second pre-financing to either:

(i) approve the interim progress report and financial statement; (ii) request additional supporting documents or information; (iii) request the submission of an updated interim progress report and/or financial statement or (iv) reject the report and /or financial statement in its/their totality and request its/their resubmission.

The Final Beneficiary shall have 15 (fifteen) calendar days to submit any of the elements referred to in cases (ii)-(iv) above. In this case, the payment of the second pre-financing shall be suspended by the Bank in accordance with the provisions of Article II.11.2.

### **I.5.3. Payment of the balance**

Following the completion of the Action, the Final Beneficiary shall submit a request for payment of the balance, accompanied by the documentation and within the deadlines provided for in Article I.6.

The balance of the maximum co-financing amount shall be paid to the Final Beneficiary (i) upon approval of the reports mentioned in Article I.6. and (ii) following verification that the Leverage Factor stipulated in Article I.4.3 has been achieved. If the agreed Leverage Factor has not been reached, the Bank reserves the right to recover all or part of the co-financing amount paid to the Final Beneficiary in accordance with the procedure described in Article II.13.

The Bank shall have 60 (sixty) calendar days from the receipt of the request for payment of the balance to either:

(i) approve the final implementation report and/or other documents provided for in Article I.6 (ii) request additional supporting documents or information, (iii) request the submission of an updated final implementation report and/or other documents provided for in Article I.6, or (iv) reject the final implementation report and/ or other documents provided for in Article I.6 in its/their totality and request its/their resubmission.

The Final Beneficiary shall have 20 (twenty) calendar days to submit any of the elements referred to in cases ii-iv above. In this case, the payment of the balance shall be suspended by the Bank in accordance with the procedure stipulated in Article II.11.2.

## **ARTICLE I.6 — SUBMISSION OF REPORTS AND OTHER DOCUMENTS**

I.6.1. The Final Beneficiary shall submit the following documentation to the Bank within the deadlines prescribed below and in the format defined as within Annex IV of the Contract:

(a) An inception report consisting of an updated description of the Action within 4 (four) months from the starting date specified in Article I.2.

(b) Bi-annual progress reports covering the implementation of the Action, the Investment Programme and rest of the elements referred to in the relevant Annex accompanied by signed financial statements as from the starting date specified in Article I.2 for the entire duration of the Action defined in Article 1.2. The bi-annual progress report shall be submitted within 30 (thirty) calendar days following the end of the reporting period in question.

(c) An interim progress report covering the implementation of the Action, the Investment Programme and rest of the elements referred to in the relevant Annex accompanied by signed financial statements; The interim progress report shall cover a period of 18 (eighteen) months following the starting date of the Action defined in Article I.2. The interim progress report shall be submitted within 30 (thirty) calendar days following the end of the reporting period in question.

(d) A final implementation report, covering the implementation of the Action, the Investment Programme and rest of the elements referred to in the relevant Annex accompanied by signed and audited financial statements in conformity with the requirements stipulated in Article II.14. The final implementation report shall be submitted within 30 (thirty) calendar days following the end of the Action. The financial statements referred to above shall include information on costs related to both the Project Development Services (Action) and the Investment Programme. An independent auditor in accordance with the requirements stipulated in Annex IX shall carry out the audit of the financial statements.

I.6.2. The reports and documents referred to in Article I.6.1 (c) and (d) shall be submitted to the Bank in English or French in both hard copy and electronic format. The reports and documents referred to in Article I.6.1 (a) and (b) may be submitted only in electronic format, unless the Bank explicitly requires also in hard copy format. In case of discrepancies, the information included in the hard copy format shall prevail.

I.6.3. Where the Final Beneficiary fails to present any of the required reports as per the agreed deadlines or provides them without the agreed level of information, fails to furnish an acceptable written explanation justifying his incapacity and propose appropriate mitigating measures, the Bank may declare the Final Beneficiary as being in material breach of its contractual obligations which, in its turn, may result in Contract termination and ensuing effects as per the provisions of Article II.8.

I.6.4. The Bank shall review and provide comments to all reports mentioned in Article I.6.1. Nevertheless, the Bank shall only approve the interim progress report and the final implementation report as well as the other documents that accompany them. Approval of the reports and their accompanying documents and execution of the respective payments by the Bank shall not imply recognition of the regularity, authenticity, completeness and correctness of the declarations or information contained therein.

## **ARTICLE I.7 — BANK ACCOUNT**

Payments shall be made to the Final Beneficiary's bank account or sub-account denominated in Euro, as indicated below:

Name of the bank: [BNG bank]  
Address of the branch: [Koninginnegracht 2  
2514 AA Den Haag  
The Netherlands]  
Precise denomination  
of the account holder: [PROVINCIE ZUID HOLLAND]  
Full account number  
(including bank codes): [...]  
IBAN account code: [NL61BNGH0285010573]  
BIC code: [BNGHNL2G]

This account or sub-account must make it possible to identify funds paid by the Bank.

The Final Beneficiary shall inform the Bank in writing without undue delay of any foreseen change of the above bank account details, which would come into force upon return letter of acceptance by the Bank of the new bank account details.

## **ARTICLE I.8 — GENERAL ADMINISTRATIVE PROVISIONS**

Any communication in connection with this Contract shall be in writing, in English or in French, indicating the number of the Contract and the title of the Project Development Services as per Article I.1. Information that, as per the provisions of the Contract, must be sent to the Bank in paper format shall be sent to the following addresses:

For the Bank:

European Investment Bank (EIB)  
Projects Directorate  
Energy Efficiency & Small Scale Energy Projects  
Mr Ralf Goldmann, Head of Division  
98-100, Boulevard Konrad Adenauer  
L-2950 Luxembourg

The information above shall be considered received on the date that it is formally registered by the Bank.

For the Final Beneficiary:

[Full official name] Provincie Zuid-Holland  
[Mr/Ms] [Insert first name + surname] [Function] Mr Berend Potjer, Regional Minister for the Energy transition of the province of Zuid-Holland  
[Full official address] Zuid-Hollandplein 1, 2596 AW Den Haag, The Netherlands

Electronic communication between the Bank and the Final Beneficiary shall be considered as received on the date it entered in each Party's respective information system.

## **ARTICLE I.9 — LAW APPLICABLE AND COMPETENT COURT**

The Contract is governed by its terms and by Luxembourg law.

Any dispute between the Parties as to the interpretation, application, or performance of this Contract, including its existence, validity or termination, not settled amicably within six (6) months from the notification of such dispute shall be submitted to the jurisdiction of the Courts of Luxembourg.

## II — GENERAL TERMS

### PART A — LEGAL AND ADMINISTRATIVE PROVISIONS

#### ARTICLE II.1 — LIABILITY

II.1.1 The Final Beneficiary shall be responsible for complying with all the laws and regulations applicable to it, including applicable legislation on the prevention of money laundering, the fight against terrorism and the fight against tax fraud.

II.1.2 In the absence of gross negligence, fraud or wilful misconduct, the Bank shall not be held liable in the event of a claim relating to damage of any nature sustained by the Final Beneficiary that may be caused in connection with or as a result of the implementation of the Action. Consequently, the Bank will not entertain any request for indemnity or reimbursement accompanying any such claim.

II.1.3 Except in cases of *force majeure*, the Final Beneficiary shall indemnify and hold harmless the Bank, its employees, officers, Governors, Directors, delegates or agents from and against any and all losses, claims, demands, damages or liabilities or fines of any kind relating or arising under, out of or in connection of implementation of the Action financed under the Contract.

II.1.4 The Final Beneficiary shall bear sole liability for damage of any kind resulting from the implementation of the Action.

II.1.5 The Final Beneficiary undertakes not to breach, nor cause the Bank to breach, any Sanctions and shall inform the Bank in writing as soon as possible of any “**Sanction Event**” occurs, that is where the Final Beneficiary or any Relevant Person breaches or becomes in breach of or becomes the target or otherwise the subject of a Sanction. The Final Beneficiary undertakes to exclude any Relevant Person, Investor or Third Party affected by a Sanction Event from any activities related to the Contract within a reasonable timeframe and keep the Bank informed. The Final Beneficiary undertakes not to maintain or enter into a business relationship in relation to the Contract including providing financing to Third Parties or make all or part of the proceeds under this Contract, available to or for the benefit of (directly or indirectly) any person or entity that is the target or otherwise subject to any Sanction. The Final Beneficiary undertakes to inform the Bank promptly on changes affecting its ownership, control or holding interest situation<sup>3</sup> that may result in a Sanction Event or cause the Bank to breach a Sanction. The Final Beneficiary shall ensure that it maintains appropriate internal controls and safeguards designed to prevent the violation of any Sanction.

#### ARTICLE II.2 — CONFLICT OF INTERESTS

The Final Beneficiary undertakes to take all the necessary measures to prevent any risk of conflict of interests which could affect the impartial and objective implementation of the Project Development Services. Such conflict of interests could arise in particular as a result of economic interest, political or national affinity, family or emotional ties, or any other shared interest.

Any situation constituting or likely to lead to a conflict of interests during the implementation of the Project Development Services must be brought to the attention of the Bank, in writing, without delay. The Final Beneficiary shall undertake to take whatever steps that are necessary to rectify this situation at once. The Bank reserves the right to verify that the measures taken are appropriate and may demand that the Final Beneficiary takes additional measures, if necessary, within a certain deadline.

#### ARTICLE II.3 — OWNERSHIP/USE OF THE RESULTS

II.3.1 Result(s) means any tangible or intangible output of the Action such as data, knowledge or information whatever its form or nature, whether it can be protected or not that is generated in implementation of the Action as well as rights attached to it including proprietary rights. Unless otherwise stipulated in the Contract, ownership of the results, including industrial and intellectual property rights attached to them shall be vested in the Final Beneficiary.

---

<sup>3</sup> For the purposes of a Sanction(s), the words “control”, “interest” and “ownership” shall be interpreted as defined by the relevant sanctions authority in relation with the relevant Sanctions

II.3.2 Without prejudice to Article II.3.1 and II.4 and any other limitations imposed by (pre) existing rights of third parties, the Final Beneficiary grants the Bank a non-exclusive, royalty-free licence for an indefinite duration to make use of the results of the Project Development Services for its own internal purposes and in order to meet its obligations under the ELENA Facility and the delegation agreement(s) signed with the European Union. Own internal purposes shall be understood as also encompassing evaluation studies relevant to the ELENA Facility Project Development Services conducted by EIB or other EU Institutions. The Final Beneficiary shall warrant that the Bank has the right to use any pre-existing industrial and intellectual property rights, which have been included in the results of the Action. Unless specified otherwise in the Special Conditions, those pre-existing rights shall be used for the same purposes and under the same conditions applicable to the right of use of the Action's results.

II.3.3. Without prejudice to Article II.4, in case of disclosure of results vested with proprietary rights to third parties by the Bank in conformity to its transparency policy, the Bank shall ensure that those parties are informed on the rights of the Final Beneficiary and instruct the third party to enter into a separate licence agreement with the Final Beneficiary in order to exploit or reproduce those results by any means. Information about the copyright owner shall be inserted when the result is divulged by the Bank. The copyright information shall read: "© – year – name of the copyright owner. All rights reserved. Licenced to the Bank under conditions." For the avoidance of doubt, the European Union shall not be considered as a third party for the purposes of this Article.

#### **ARTICLE II.4 — CONFIDENTIALITY AND PROTECTION OF PERSONAL DATA**

II.4.1 The Bank and the Final Beneficiary undertake to preserve the confidentiality of any document, information or other material directly related to the subject of the Contract that were indicated as such in good faith, explicitly and in writing. The Parties shall remain bound by this obligation beyond the fulfilment of their obligations under the Contract and for a period of four years following the payment of the balance.

II.4.2 The obligation under Article II.4.1 shall not prevent the Bank from disclosing confidential information in case:

- (i) the need for disclosure arises due to a legal obligation of any kind that is binding to the Bank;
- (ii) disclosure is made to the European Commission, the European Anti-Fraud Office (hereinafter referred to as the "**OLAF**") , the European Court of Auditors or the EPPO;
- (iii) disclosure is provided for within mandates/delegation agreements signed the European Union under which the Bank operates;
- (iv) of litigation, arbitration, administrative or other investigations, proceedings or disputes;
- (v) request(s) addressed to the Bank by any Court of competent jurisdiction or governmental, banking, taxation or other regulatory authority or similar body of the EU and its Member States;
- (vi) protection of the Bank's interests in the course of legal proceedings to which the Bank and the Final Beneficiary are parties;
- (vii) the Bank's Transparency Policy and Anti-Fraud policy as published in the Bank's website; and
- (viii) with the consent of the Final Beneficiary.

II.4.3 Any personal data included in the Contract or collected in implementation of it shall be processed by the Bank pursuant to Regulation (EU) 2018/1725 of the European Parliament and of the Council of 23 October 2018 on the protection of natural persons with regard to the processing of personal data by the Union institutions, bodies, offices and agencies and on the free movement of such data, and repealing Regulation (EC) No 45/2001 and Decision No 1247/2002/EC and any other EU Regulation amending or repealing it.

Such data shall be processed by the Bank solely for the purposes of the implementation, management and monitoring of the Contract, without prejudice to possible transfers to bodies charged with the monitoring or inspection tasks in application of European Union law. The Final Beneficiary shall have the rights provided for in the above mentioned Regulation (EU) 2018/1725, including the right of access, rectification and erasure of its personal data. Should the Final Beneficiary has any queries concerning the processing of his personal data, he shall address them to the Bank in writing. The Bank shall provide the Final Beneficiary with a reply within a maximum period of one month.

The Final Beneficiary shall have the right of recourse to the European Data Protection Supervisor at any time.

II.4.4. The Final Beneficiary remains responsible to ensure compliance with the provisions of the General Data Protection Regulation<sup>4</sup> and any other relevant legislation applicable to it regarding any processing operations that he performs in implementation of the Contract.

## **ARTICLE II.5 — VISIBILITY OF EU CO-FINANCING**

II.5.1 The Final Beneficiary shall take all appropriate measures to publicize the fact that the Project Development Services supporting the Investment Programme are financed through financial support from the European Union through the ELENA Facility under Horizon 2020 Programme, These measures shall include events and/or promotional activities to promote the role of ELENA as described in Annex I.

Any communication, report or publication including information on promotional materials (such as brochures, leaflets, posters, presentations, etc.) prepared by the Final Beneficiary about the Action, also in the context of a conference, training programme, seminar or symposium, shall indicate that the Action received financing from the ELENA Facility under the Horizon 2020 Programme.

Annex VI includes information on the branding of the Horizon 2020 Programme as well as the detailed visibility requirements that the Final Beneficiary must comply with. It also includes the legal disclaimer that has to be stipulated in any form of communication (e.g media, reports and publications) related to the Action co- financed under the Contract.

II.5.2 The Final Beneficiary authorises the Bank and/or the European Commission to publish the following information in any form and medium, including via the Internet:

- the Final Beneficiary's name and address
- the subject and purpose of the Action
- the total amount granted to the Final Beneficiary and the proportion of the total eligible costs of the Action covered by the co-financing.

Annex VII (ELENA PDS Factsheet) will serve as template for the above-mentioned publication by the Bank.

Upon a reasoned and duly substantiated request by the Final Beneficiary, the Bank may agree to forgo such publicity if disclosure of the information indicated above would risk compromising the Final Beneficiary's security or prejudicing his commercial interests.

## **ARTICLE II.6 — FORCE MAJEURE**

II.6.1 *Force majeure* shall mean any unforeseeable exceptional situation or event beyond the Parties control that was not attributable to error or negligence on their part, and proves insurmountable in spite of all due diligence, which prevents them from fulfilling any of their obligations under the Contract. Defects in equipment or material or delays in making them available (unless due to *force majeure*), labour disputes, strikes or financial difficulties cannot be invoked as *force majeure* by the defaulting Party.

---

<sup>4</sup> Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC



II.6.2 A Party faced with *force majeure* shall inform the other Party without delay by registered letter with advice of delivery or equivalent, stating the nature, probable duration and foreseeable effects. The affected Party will do its best to resume the implementation of the Action as soon as possible.

II.6.3 The party faced with *force majeure* shall not be held in breach of his obligations under the Contract if it is prevented from fulfilling them by *force majeure*. The Parties shall make every effort to minimise any damage due to *force majeure*.

## **ARTICLE II.7 — AWARD OF CONTRACTS BY THE FINAL BENEFICIARY**

II.7.1. Where the implementation of the Action requires the procurement of supplies, works or services (subcontracting), the Final Beneficiary shall award contracts in line with the principles of transparency, proportionality, sound financial management, equal treatment, non-discrimination, lack of conflict of interests and respect of internationally accepted standards. In doing so, the Final Beneficiary shall comply with the relevant provisions of the EIB Guide to Procurement, as the latter is published in the EIB website at the moment of the relevant purchase.

II.7.2. Subject to the provisions of Article II.7.1., if the Final Beneficiary operates in a capacity of contracting authority within the meaning of Directive [2014/24/EU](#) of the European Parliament and of the Council on public procurement repealing Directive 2004/18/EC or within the meaning of Directive [2014/25/EU](#) of the European Parliament and of the Council on procurement by entities operating in the water, energy, transport and postal services sectors repealing Directive 2004/17/EU, the Final Beneficiary shall abide by the public procurement rules transposing the above EU Directives to national law.

II.7.3. Subject to the provisions of Article II.7.1, procurement procedures conducted by the Final Beneficiary not acting in a capacity of contracting authority referred to in Article II.7.2 should comply with the principles of transparency, proportionality, equal treatment, best value for money, avoidance of conflict of interest and non-discrimination. The Final Beneficiary may refer to the guidance provided for in Section B of Annex VIII as a way to ensure compliance with the above mentioned principles.

II.7.4. The tasks subcontracted must be set out in Annex I and the corresponding estimated costs must be set out in detail in the Action's budget stipulated in Annex II.

II.7.5. The Final Beneficiary shall retain sole responsibility for carrying out the Action in compliance with the provisions of the Contract. The Final Beneficiary undertakes that any of the subcontracts contains provisions stipulating that the subcontractor has no rights vis-à-vis the Bank under the Contract.

II.7.6 The Final Beneficiary undertakes that the conditions applicable to him under Articles II.1, II.2, II.3, II.4, II.5 and II.14 of the Contract are also applicable to the subcontractor(s).

II.7.7. None of the subcontractors shall be in one of the situations described under Section A of Annex VIII. The Final Beneficiary may rely on representations which shall be confirmed in the respective contract entered into between the Final Beneficiary and its subcontractor that they are not in one of the exclusion situations mentioned in Annex VIII Section A of the Contract.

II.7.8. For sub-contracts with an estimated maximum value higher than EUR 214 000 (excluding VAT), or when the maximum value is not estimated, the Final Beneficiary undertakes to request the Bank's comments on the terms of reference (ToRs) or any other document describing the relevant services, supplies or works. The Final Beneficiary shall submit this request in accordance with Annex V of the Contract. The Bank will provide its comments within 15 (fifteen) working days.

II.7.9. For the avoidance of doubt, subcontracting costs shall be eligible provided that they are incurred after the entry into force of this Contract.



## **ARTICLE II.8 — TERMINATION OF THE CONTRACT**

### **II.8.1 Termination of the Contract by the Final Beneficiary**

In duly justified cases, the Final Beneficiary may request termination of the Contract at any time by giving 60 (sixty) days written notice, stating the reasons for the termination. Where the stated reasons are acceptable to the Bank, no compensation shall be due by the Final Beneficiary.

Where no reasons are given or the Bank does not consider the reasons to be acceptable, the Bank shall formally notify the Final Beneficiary specifying the grounds for rejecting his request. In such a case, the Contract shall be deemed to have been terminated improperly and the second subparagraph of Article II.8.4 shall apply.

### **II.8.2 Termination by the Bank**

The Bank may decide to terminate the Contract without any compensation or indemnity being due on its part, in the following circumstances:

- (a) in the event of a change to the Final Beneficiary's legal, financial, technical, organisational or ownership situation that is likely to affect implementation of the Contract substantially or to call into question the decision to award the co-financing;
- (b) if the Final Beneficiary fails to comply with any of its material obligations under the Contract including failure to ensure sound implementation of the Action or obvious inability to reach the agreed Leverage Factor;
- (c) in case of *force majeure*, notified in accordance with Article II.6 that lasts for more than 90 calendar days;
- (d) if the Final Beneficiary makes a resolution for its winding up, commences negotiations or makes an arrangement or composition with its creditors or makes an application to a court of competent jurisdiction for protection from its creditors or an administrative or a winding-up order is made or an administrator or receiver is appointed in relation to the Final Beneficiary or the Final Beneficiary is the subject of any other similar proceedings;
- (e) if the Final Beneficiary or any related person is guilty of misrepresentation of information submitted at the application stage or submits false or inaccurate information or reports to obtain the co-financing provided for in the Contract;
- (f) if the Bank has evidence that Final Beneficiary or any related person has intentionally or by negligence committed substantial error(s), or fraud either in the context of the application procedure or during the implementation of the Action;
- (g) If the Final Beneficiary acts in any manner which in the opinion of the Bank brings or is likely to bring the Bank into disrepute or is materially adverse to the interests of the Bank and the Final Beneficiary fails to comply with the Bank's request to cure;
- (h) If the Bank has evidence that the Final Beneficiary or any related person has engaged in other forms of prohibited conduct than fraud, as they defined in the relevant [policy documents](http://www.eib.org/attachments/strategies/anti_fraud_policy_20130917_en.pdf)<sup>5</sup> as currently published and available in the Bank's website;
- (i) The Final Beneficiary or any entity or person which directly or indirectly owns or controls or directs the Final Beneficiary or of which the Final Beneficiary acts on behalf of, or any Relevant Person is affected by the Sanction Event referred to in Article II.1.5.

For the purposes of points (e), (f), (h) above, "any related person" shall mean any natural person which has the power to represent the Final Beneficiary or to take decisions on its behalf.

---

<sup>5</sup> [http://www.eib.org/attachments/strategies/anti\\_fraud\\_policy\\_20130917\\_en.pdf](http://www.eib.org/attachments/strategies/anti_fraud_policy_20130917_en.pdf)

### **II.8.3 Termination procedure**

In the cases referred to in Article II.8.2, the Final Beneficiary shall have 30 (thirty) days from the date of the notification of the Bank's intention to terminate the Contract to submit its observations and take any measures necessary to ensure continued fulfilment of its contractual obligations. The Bank shall issue its decision on Contract termination after taking due account of the observations and eventual proposals brought forward by the Final Beneficiary. The Bank shall formally notify its decision to the Final Beneficiary. In case of termination, the Bank shall specify the facts and reasons justifying its termination decision and the date on which the termination takes effect.

### **II.8.4 Effects of termination**

In the event of termination of the Contract, payments by the Bank shall be limited to the Eligible Costs actually incurred by the Final Beneficiary up to the date when termination takes effect. Costs relating to commitments assumed by the Final Beneficiary that are not due to be executed until after termination takes effect shall not be taken into account. The Final Beneficiary shall have 60 (sixty) days from the date when termination of the Contract takes effect to produce a request for payment of the balance. The final implementation report shall cover the period from the beginning of the Action up to the date that the termination took effect.

Without prejudice to the provisions of the paragraph above, in the event of improper termination of the Contract attributable to the Final Beneficiary, or termination by the Bank on the grounds set out in points (b), (e), (f) or (h) of Article II.8.2, the Bank may reduce the amount of the co-financing in proportion to the gravity of the failings in question, after allowing the Final Beneficiary to submit his observations, and require the partial or total repayment of sums already paid under the Contract plus in any case a compensation equal to 6% of the allocated maximum grant amount as specified in Article I.4.2.

## **ARTICLE II.9 — MODIFICATIONS TO THE CONTRACT**

II.9.1 Amendments to this Contract shall be made in writing and shall become effective on the date agreed by the Parties or upon signature of the amendment by its last contracting Party. Any amendment request by either Party shall be submitted at least two (2) months prior to the end of the duration of the Action.

II.9.2 The amendment may not have the purpose or the effect of altering the contractual provisions in a way that would call into question the considerations substantiating the decision to grant co-financing under the ELENA Facility to the Final Beneficiary.

II.9.3 Changes affecting the budget which entail transfer of cost from one category to another, and which do not exceed 10% of the total budget, may be unilaterally decided by the Final Beneficiary, only once over the Contract duration. Such changes shall become effective once notified to the Bank.

## PART B — FINANCIAL PROVISIONS

### ARTICLE II.10 — ELIGIBLE COSTS AND RECORDS

II.10.1 Eligible Costs of the Action are costs actually incurred by the Final Beneficiary which fall within one of the cost categories mentioned in Article II.10.2 and meet the following general eligibility criteria:

- (a) they are incurred during the duration of the Action and indicated in the estimated budget attached in Annex II with the exception of costs relating to the production of the documents referred to in Article II.14.
- (b) they are incurred in connection with the Action and are necessary for its implementation;
- (c) they are identifiable and verifiable, in particular they are recorded in the Final Beneficiary's accounting records and determined according to the applicable accounting standards of the country where the Final Beneficiary is established and according to the Final Beneficiary's usual cost accounting practices;
- (d) they comply with the requirements of applicable tax and social legislation; and
- (e) they are reasonable, justified and comply with the principle of sound financial management, in particular regarding economy and efficiency.

II.10.2 Costs falling under the following categories shall be considered eligible, provided that they satisfy the general eligibility criteria mentioned in Article II.10.1:

II.10.2.1. Staff Costs. Staff costs may fall under the following subcategories:

(a) **Direct Staff Costs:** Direct Staff Costs are costs of personnel working under an employment contract or an equivalent appointing act with the Final Beneficiary and assigned to the Action provided that they are in line with the Final Beneficiary's usual remuneration policy. Direct staff costs shall comprise actual salaries including social security contributions and other statutory costs included in the remuneration.

Existing staff of the Final Beneficiary may be assigned, full or part-time to the implementation of the Action, if a side letter to their existing employment contract is signed. The side letter shall be co-signed by the staff member concerned and the manager in charge (who will act on behalf of the Final Beneficiary). It shall explicitly mention: (i) the time dedicated to the Project Development Services (ii) the nature of tasks to be performed by the staff member concerned and (iii) his/her overall salary cost per hour/day/month. This agreement shall be available to the Bank upon demand.

(b) **Cost of staff seconded to the Final Beneficiary:** Costs of natural persons seconded to the Final Beneficiary by a third party against payment provided that the following criteria are met: (i) the natural person works under the instructions of the Final Beneficiary and, unless otherwise agreed with the Final Beneficiary, in the Final Beneficiary's premises (ii) the result of the work belongs to the Final Beneficiary (iii) the respective costs are not significantly greater than the costs of staff performing similar tasks under an employment contract with the Final Beneficiary.

The Final Beneficiary and the third party seconding staff to the Final Beneficiary shall enter into an agreement in writing. The seconded staff member shall countersign the agreement. It shall explicitly mention: (i) the time dedicated to the Project Development Services (ii) the nature of tasks to be performed by the seconded staff member concerned and (iii) the cost per hour/day/month. This agreement will be available to the Bank upon demand.

The Final Beneficiary shall maintain paper or electronic timesheets for both staff subcategories referred to in Articles II.10.2.1 (a) and (b). The Final Beneficiary shall ensure that the staff member or seconded staff member record and justify their working hours. Each staff member and its manager shall validate the timesheets at least once per month. Such documentation will be available to the Bank upon request.

II.10.2.2. Subcontracting costs: costs entailed by subcontracts provided that the corresponding services are purchased in accordance with Article II.7. For the avoidance of doubt, costs for the engagement of external consultants (experts) falls under this cost category.

II.10.2.3. Financial Support to Third Parties by the Final Beneficiary: where the implementation of the Action requires the provision of financial support to Third Parties, and as long as, in the opinion of the Bank, the Final Beneficiary offers adequate guarantees as regards the recovery of amounts due to the Bank, the Final Beneficiary may give such financial support in accordance with the conditions specified in Annex I. The maximum amount of financial support for each Third Party paid by the Final Beneficiary shall not exceed EUR 60 000. The conditions specified in Annex I shall contain the following:

- (i) the criteria for determining the exact amount of the financial support;
- (ii) the different types of activity that may receive financial support, on the basis of a fixed list;
- (iii) a definition of the persons or categories of persons which may receive financial support and the criteria for providing it.

The Final Beneficiary must undertake to ensure that the conditions applicable to him under Articles II.1, II.2, II.3, II.4, II.5 and II.14 and Annex VIII Section A of the Contract are also applicable to the Third Parties receiving financial support. The Final Beneficiary may rely on representations which shall be confirmed in the respective contract entered into between the Final Beneficiary and the Third Party receiving financial assistance they are not in one of the exclusion situations mentioned in Annex VIII Section A of the Contract.

II.10.2.4. Costs arising directly from requirements imposed by the Facility (dissemination of information, specific evaluation of the project, audits, translations, reproduction), including the costs of requested financial guarantees, provided that the corresponding services are purchased in accordance with the rules referred to in Article II.7 and taking into account the principles of transparency, proportionality, equal treatment, best value for money, avoidance of conflict of interest and non-discrimination in awarding contracts.

II.10.2.5. Duties, taxes and charges paid by the Final Beneficiary, notably value added tax (VAT) provided that they are incurred in relation to any of the above-mentioned categories of eligible costs and are not deductible.

II.10.3 Indicatively, the following costs shall not be considered eligible:

- travel and related subsistence allowance costs;
- costs of renting or leasing equipment as well as depreciation costs of the equipment or other assets ;
- costs of consumables or supplies;
- interest owed;
- doubtful debts;
- exchange losses;
- deductible VAT;
- costs declared by the Final Beneficiary and covered by another action receiving a grant financed from the EU Budget. Such grants include grants awarded by a Member State and financed from the EU Budget and grants awarded by bodies other than the European Commission for the purpose of implementing the EU Budget;
- Indirect Costs including overheads: Indirect Costs are costs that are not directly linked to the implementation of the Action and cannot be attributed directly to it;
- excessive or reckless expenditure;
- any type of performance fees.

II.10. 4 The Final Beneficiary must keep records and other supporting documentation in order to prove implementation of the Action and the eligibility of the declared costs, including contracts, subcontracts, invoices and accounting records. Invoices substantiating payments shall be issued in accordance with national law and shall, at minimum, include unequivocal reference to the contract they relate to and a comprehensive description of the scope of works, services or supplies for which

the payment is due and the proof of payment shall be attached therein. The Final Beneficiary must keep the original documents. Without prejudice to the provisions of Article II.14, the Bank may accept non original documents if it considers that they offer a comparable level of assurance.

## **ARTICLE II.11 — GENERAL PROVISIONS ON PAYMENTS**

II.11.1 Payments shall be made by the Bank in Euros. If the currency for the cost occurred is not in Euro, the conversion into Euro shall be determined using the relevant foreign exchange reference rates published by the European Central Bank (which are based on the daily concertation procedure between central banks within and outside the European System of Central Banks) applicable on the first working day of the month following the period covered by the financial statement concerned.

Payments by the Bank shall be deemed to be effected on the date when they are debited to the Bank's account.

II.11.2 The Bank may suspend the period for payment at any time by notifying the Final Beneficiary that his request for payment cannot be met, either because it does not comply with the provisions of the Contract, or because the appropriate supporting documents have not been produced or because there is a suspicion that some of the expenses in the financial statements are not eligible and additional checks are being conducted.

The Bank may also suspend its payments at any time if a Final Beneficiary is found or presumed to have infringed the provisions of the Contract, in particular in the wake of the audits and checks provided for in Article II.14.

The Bank shall inform the Final Beneficiary of any such suspension by registered letter with advice of delivery or equivalent, setting out the reasons for suspension.

Suspension shall take effect on the date when notice is sent by the Bank. The remaining payment period shall start to run again from the date when a properly constituted request for payment is registered, when the supporting documents requested are received, or at the end of the suspension period as notified by the Bank.

II.11.3 The Final Beneficiary shall have 2 (two) months from the date of notification by the Bank of the final co-financing amount, as the latter is determined from the balance payment, or the notification of the recovery order pursuant to Article II.13, or, failing that, from the date on which the payment of the balance was received, to either contest the Bank's calculation and/or request further information regarding the Bank's calculation method. Such request must be addressed to the Bank in writing. The Final Beneficiary shall provide the reasons substantiating his contestation and any relevant supporting document. After lapse of this period, the Bank will no longer consider contestations. The Bank undertakes to reply in writing within 2 (two) months following the date on which the contestation was received. This procedure is without prejudice to the Final Beneficiary's right to appeal against the Bank's decision pursuant to Article I.9. in line with the provisions of the law applicable to the Contract.

## **ARTICLE II.12 — DETERMINING THE FINAL CO-FINANCING AMOUNT**

II.12.1 The total amount paid by the Bank may not exceed the maximum amount laid down in Article I.4.2, even if the total actual eligible costs exceed the estimated total Eligible Costs specified in Article I.4.1.

II.12.2 If the actual eligible costs approved by the Bank are lower than the estimated total eligible costs pursuant to Article I.4.1, the Bank's contribution shall be limited to the amount calculated by applying the grant percentage specified in Article I.4.2 to the actual eligible costs approved by the Bank.

II.12.3 The Final Beneficiary hereby agrees that the payment of the balance shall be limited to the amount necessary to balance the receipts and expenditures incurred in implementation of the Project Development Services and that it may not in any circumstances produce a profit for it.

II.12.4 Without prejudice to the right to terminate the Contract under Article II.8, if the Project Development Services are implemented poorly, partially or late, the Bank may reduce the co-financing initially provided for in line with the actual implementation of the Project Development Services on the terms laid down in the Contract.

II.12.5 The amount of the payment of the balance shall be determined by deducting from the final co-financing amount the total amount of pre-financing payment(s) already made. Where the aggregate amount of the payments already made exceeds the final co-financing amount, the Bank shall issue a recovery order for the surplus.

### **ARTICLE II.13 — RECOVERY**

II.13.1 Where an amount paid by the Bank to the Final Beneficiary is to be recovered under the terms of the Contract, the Final Beneficiary undertakes to repay the Bank the sum in question, on whatever terms and by whatever date the Bank may specify.

II.13.2 If the obligation to repay the amount due is not honoured by the date set by the Bank, the amount due shall bear interest. Interest on late payment shall cover the period between the date set for payment, exclusive, and the date when the Bank receives full payment of the amount owed, inclusive. Any partial payment shall first be entered against charges and interest on late payment and then against the principal.

II.13.3 If payment has not been made by the due date, sums owed to the Bank may be recovered by offsetting them against any sums owed to the Final Beneficiary after informing him accordingly by registered letter with advice of delivery or equivalent. In exceptional circumstances, justified by the necessity to safeguard the financial interests of the Bank/EU, the Bank may recover by offsetting before the due date of the payment. The Final Beneficiary's prior consent shall not be required. The Bank may opt to recover the amount due by taking legal action in accordance with Article I.9. For the avoidance of doubt, it will be at the Bank's discretion to decide how the sums due are to be recovered.

II.13.4 Bank charges occasioned by the recovery of the sums owed to the Bank shall be borne solely by the Final Beneficiary.

### **ARTICLE II.14 — MONITORING, CONTROLS AND AUDITS**

II.14.1 The Final Beneficiary undertakes to provide any information requested by the Bank for the latter to verify the technical and financial soundness of the Action's implementation and that all contractual obligations assumed by the Final Beneficiary are complied with.

II.14.2 The Final Beneficiary undertakes to provide the Bank with audited financial statements providing the Bank with the relevant elements to assess the eligibility of the Action's costs and those related to the Investment Program. The audit shall be carried out as per the requirements stipulated in Annex IX. The audited financial statements shall be submitted to the Bank together with the final implementation report referred to in Article I.6. and shall cover the whole duration of the Action.

II.14.3 The Final Beneficiary shall keep at the Bank's or at the European Commission's disposal all original documents, especially accounting and tax records, or, in exceptional and duly justified cases, certified copies of original documents relating to the implementation of the Contract, stored on any appropriate medium that ensures their integrity in accordance with the applicable national legislation, for a period of 5 (five) years from the date of payment of the balance specified in Article I.5.3. or the Contract's termination date. The Final Beneficiary undertakes to afford the European Court of Auditors and the OLAF and EPPO with all facilities, including access rights, documentation and information which they consider necessary for the comprehensive exercise of their tasks and competences, as the latter are set forth in the applicable legislation. The above mentioned requirement shall be three (3) years where the amount of financing provided to the Final Beneficiary or Third Party is lower than or equal to EUR 60.000.



II.14.4 The Final Beneficiary agrees that the Bank, the European Commission, OLAF the European Court of Auditors, and EPPO may carry out audits, investigations, controls including on the spot checks, inspections and prosecutions in accordance with the applicable legislation<sup>6</sup> and as per their respective tasks of the use made of the financial support, either directly by their own staff or by any other entity authorised to do so on its behalf. Such audits and controls may be carried out throughout the period of implementation of the Contract until the balance is paid and for a period of 5 (five) years from the date of payment of the balance. Where appropriate, the audit findings may lead to recovery decisions by the Bank.

II.14.5 The Final Beneficiary undertakes to allow the Bank's staff and outside personnel authorised by the Bank and/or the European Commission, OLAF and EPPO or the Court of Auditors the appropriate right of access to sites and premises where the Action is carried out and to all information (including information in electronic format) needed in order to conduct the operations referred to in paragraphs II.14.3 and II.14.4. .

## SIGNATURES

The Contract is executed in three counterparts in the English language, each of which represents an authentic original of this document.

**European Investment Bank**

**Province of Zuid-Holland**  
(Final Beneficiary)

Date: .....

Date: .....

.....  
Ralf Goldmann  
Head of Division

.....  
**Name**  
**Title**  
Mr Berend Potjer  
Regional Minister for the Energy transition of the  
province of Zuid-Holland

.....  
Sonja Malkki  
Head of Division

---

<sup>6</sup> Regulation (EU, Euratom) No 883/2013, Regulation (Euratom EC) No 2185/96 and Regulation (EC, Euratom) No 2988/95 and Regulation (EU) 2017/1939 as may be amended or supplemented from time to time

## Overview of contract annexes

### **Annex I**

Description of the Project Development Services (or Action) and the planned Investment Programme

### **Annex II**

Estimated budget of the Project Development Services

### **Annex III**

Eligibility of Investment Programmes that can be supported by ELENA co- financing

### **Annex IV**

Technical implementation reports and financial statements

### **Annex V**

Fiche for requesting ex-ante comments on the terms of reference (ToRs) of large subcontracts

### **Annex VI**

Reference to ELENA – Horizon 2020 funding and legal disclaimer

### **Annex VII**

ELENA PDS Factsheet

### **Annex VIII**

- A. Exclusion Criteria
- B. Procurement procedures

### **Annex IX**

Financial Audit



## Annex I: Description of the Project Development Services (or Action) and the planned Investment Programme

1. Location and Final Beneficiary Details
Location of the Project Development Services
Province of Zuid-Holland, The Netherlands
Description of the Final Beneficiary
The Province of Zuid-Holland is a regional authority in the Netherlands, responsible for i.a. roads, public transport, nature and spatial planning. It also focuses on strengthening the regional economy and facilitating the energy transition. It is one of the most densely populated regions in Europe and comprises 52 municipalities with responsibilities for local roads, social security, schools, etc. Using its position, knowledge and network, the Province of Zuid-Holland is working on the transition towards a sustainable economy.
Role of the Final Beneficiary in the Investment Programme to be prepared
The Province of Zuid-Holland will centrally co-ordinate the development and implementation of projects selected under the ELENA programme by the municipalities. As such, the Province will provide technical support to each and all selected projects at the request of participating municipalities, which will overall be more cost- and time-efficient. The Province will act as an aggregator and facilitator, managing the project development services (PDS), but without direct responsibility for the investment decision at the individual project level. However, the Province will be responsible for achieving the overall investment target under this contract and therefore will ensure that each participating municipalities delivers on its commitments and where there is a shortfall it will identify additional eligible investments.

2. Description of the Project Development Services
Aims and objectives of the Project Development Services and the main justification as to why support is needed
<p>The Province of Zuid-Holland has taken on the role of an aggregator of eligible projects at the local level in order to ensure faster and more efficient implementation. Out of a large number of potential projects, the Province has shortlisted 10 schemes that are most viable and mature and fall within the implementation timeframe required by ELENA.</p> <p>After the initial scoping and pre-feasibility phase for each of the 10 short-listed projects, the municipalities now face the challenge of their actual implementation. For a successful outcome, a well-synchronised approach is required at both the larger programme and individual project level in terms of aligning 1) the housing units, 2) the sustainable heat sources and 3) the heat networks.</p> <p>As such, there are organizational and financial challenges whereby the entire chain of technical, planning, financial and execution aspects needs to be co-ordinated. Crucially among them is the challenge of involving and motivating all participants.</p> <p>The ELENA support will help to tackle these challenges. New financing models among a plurality of stakeholders will be developed in order to speed up the final investment decisions (FID). In particular, home-owners/end-users need to be persuaded to make the necessary in-house investments to ensure compatibility with the sustainable heating solutions. Facilitating this process requires technical assistance for stakeholder engagement and communication, feasibility studies, planning and permitting, procurement, and legal tasks. Municipalities often do not have the means</p>

to hire the necessary expertise or where resources are available the allocation process is slow and fragmented leading to significant investment delays.

ELENA will therefore contribute to significantly accelerate and consolidate the preparatory stage of investments and enable faster implementation, while also lessening the financial burden on municipalities.

Indicative activities included in the Project Development Services and related Eligible Costs (staff costs, services to be subcontracted, etc.) indicating the link between the Project Development Services and the Investment Programme

Estimated total budget for the Action including a detailed budget breakdown according to activities

Overall, the ELENA TA will be used for the following tasks:

- Engage with homeowners and Home Owner Associations (HOA) – this will be carried out in the form of ‘townhall meetings’ for general information and discussions at regular intervals, as well as targeted visits to the residential areas to persuade both private and social residents of the benefits of the scheme. Each sub-project is different and at a different stage of development. Therefore, engagement will depend of the specific context and cannot be quantified in terms of number of meetings, rather as days input by the contracted experts.
- Engage with municipalities on planning and permitting – all 9 municipalities are involved by default are have already signed letters of intent. Continuous engagement will be necessary to ensure their respective projects are moving forward and barriers are being removed. The consultants will assist with identifying bottlenecks and how to resolve these, as well as to further facilitate the communication between municipalities and other stakeholders.
- Carry out energy audits of the proposed building projects – a significant number of energy audits will be delivered for the projects and buildings where this has not already been done. For social housing, the audits are expected to be for the entire multi-residence building, while for private homes the audit will be individual. The annual numbers of energy audits presented in the table are indicative.
- Carry out feasibility studies, largely focusing on DH networks and heat sources – one of the recourse/financial barriers for the programme as a whole is the high cost for municipalities to commission feasibility studies. With ELENA’s support, each municipality will be able to request funding ; however, given the difference in project size and complexity, these studies will also vary in cost and timeframe. As such, the best way to estimate annual progress is by the overall budget expenditure and number of input days.
- Prepare technical and investment plans for each project site – this is an important element since the only through ELENA there is an opportunity to integrate well the EE refurbishment of buildings with the development of sustainable heat networks. The consultants will support both SHCs/HOAs and DH Operators with developing viable plans – but most importantly, will assist the municipalities with launching the required tenders and permitting procedures.
- Tendering and contracting for suppliers, building and construction companies, energy supply and services companies, etc. – this is a typical challenge for large infrastructure projects and the participating municipalities will benefit significantly from consultants helping to structure and draft tender documents. Each sub-project will have its own scope for this activity and as for the other tasks the deliverables are difficult to quantify other than by an aggregate days input.
- Financial engineering and financial facilitation – this is critical element of the investment programme since each sub-project needs to demonstrate economic viability to both suppliers and end-users. The consultants will look into the economic and business model of the proposed DH schemes and advise on issues such as improving the economic

performance, accessing public grants and subsidies, exploring financing options through banks, funds and co-operative solutions.

- Project management – co-ordination, accounting, legal support, monitoring & reporting for each sub-project, which could be a challenging task given the multiple elements involved in parallel, Each municipality will define their needs for project management and make a request to the Province for external input expressed in number of days.
- Monitoring and reporting, as well as liaison with EIB – preparing progress reports and responding to queries is envisaged to be outsourced.

More specifically, the following overall activities will be implemented for the programme as a whole, mainly using external services:

Activity	Investment priority	How does activity relate to investment priority	Expected results	No. days of work	Est. daily rate	Total costs
Energy audits	EE, PV	Insight in insulation measures possible	Draft for insulation measures pro house	673	520	350.000
Facility Studies	EE,PV,WN	Choice of system	Clarity about technical choices	304	760	231.000
Financial engineering	WN	Sound business case	Business case	320	920	294.000
Marketing	EE,PV,WN	Attractive offer for private owners, organisation/business case heat grid	Attractive offer for home-owners and operator of the district heating network	359	640	230.000
Project management	EE,PV,WN	Effective preparation	In time delivery of the final investment decisions	356	800	285.000
Communication / participation	EE,PV,WN	Commitment of owners and tenants, willingness to invest and to connect to the heat network	Investments by private owners, consent of tenants and apartment owners, signing delivery contracts for district heating, support of local government and society	1158	600	695.000
Technical studies	EE,PV,WN	Trustworthy solutions for house owners, trustworthy design of heat source and network	Design, calculations and sketches	1103	680	750.000
Tender Process	EE,PV,WN	Selecting the appropriate supplier	Commissioning	229	720	165.000
<b>Total</b>				<b>4503</b>		<b>3.000.000</b>

Each of the above activities will be available on demand to all participating sub-projects and their corresponding municipalities. Given that each sub-project is at a different stage of implementation and has different PDS needs, there will be a varying demand for the range of PDS, however the Province will aim to provide a relatively equal amount of PDS to each sub-project – EUR 300,000 - with the following forecast based on preliminary consultations with the municipalities:

Project name	Energy Audits (in €)	Feasibil. Studies (in €)	Financial Engineer. (in €)	Marketing (in €)	Project Mgt (in €)	Stakeholder engag. (in €)	Tech. studies (in €)	Tender process (in €)	
Oudshoorn	50,000	40,000	40,000	40,000		40,000	50,000	40,000	
Warm in de Wijk Vrucchtenbuurt	10,000	36,000	24,000	15,000	70,000	70,000	40,000	35,000	
Warmtenet Gildenwijk	25,000	40,000	20,000	40,000	65,000	40,000	50,000	20,000	
Rijnsaterwoude/Leimuiden	50,000	20,000	20,000		50,000	90,000	50,000	20,000	
Wijk Hoornes	75,000		50,000			80,000	95,000		
Hoogbouwwijken	15,000	75,000	25,000	40,000	30,000	75,000	40,000		
Bospolder -	75,000		25,000			125,000	75,000		

Tussendijken									
Prinsenland-Lageland			70,000	55,000		125,000		50,000	300,000
Groennoord							300,000		300,000
Hoge Rijndijk	50,000	20,000	20,000	40,000	70,000	50,000	50,000		300,000
Total	350,000	231,000	294,000	230,000	285,000	695,000	750,000	165,000	3,000,000

The above estimates are based on average hourly and day rates for each type of activity and at this stage it is difficult to provide estimates for the number of deliverables (e.g. number of energy audits).

Estimated tariff	Energy Audits (in €)	Feasibil. Studies (in €)	Financial Engineer. (in €)	Marketing (in €)	Project mgt (in €)	Stakeholder engag. (in €)	Tech. studies (in €)	Tender process (in €)	
Hourly	65	95	115	80	125	75	85	90	
Daily	520	760	920	640	1000	600	680	720	
Total workdays	673	304	320	359	285	1,158	1,103	229	

Indicative implementation timetable for the Project Development Services, indicating the link between the Project Development Services and the Investment Programme

Technical assistance will be made available to the participating projects and municipalities as soon as the ELENA subsidy is granted and the contract with the EIB is signed. Each participating project is different with its own structure, planning and timeframe, and therefore will require different elements of technical assistance. Projects will be able to request technical assistance from the Province and the Province will procure the required services. Depending on the type and volume of required services, different procurement approaches will be applied.

Due to this demand-driven model of delivering PDS, the implementation timetable is based on the expected level of demand for each year of the ELENA support, as presented in the table below. In any case, the Province has already started collecting requests for technical support and has an idea of what services and what volumes would be needed and this allows for aggregating requests and preparing tenders for framework contracts for services.

Activity	Total costs	Year 1 (June 2020-May 2021)	Year 2 (June 2021-May 2022)	Year 3 (June 2022-May 2023)
Energy audits	350.000	150.000	150.000	50.000
Facility Studies	231.000	131.000	100.000	0
Financial engineering	294.000	170.000	124.000	0
Marketing	230.000	75.000	75.000	80.000
Project management	285.000	100.000	95.000	90.000
Communication/Participation	695.000	484.000	106.000	105.000
Technical studies	750.000	400.000	300.000	50.000
Tender Process	165.000	50.000	80.000	35.000
<b>Totals</b>	<b>3.000.000</b>	<b>1.560.000</b>	<b>1.030.000</b>	<b>410.000</b>

Milestones	Year 1 (June 2020-May 2021)	Year 2 (June 2021-May 2022)	Year 3 (June 2022-May 2023)
Energy audits	300	300	50
HOAs and SHCs meetings	10	10	10
Utility and supplier meetings	10	10	10
<b>Final investment decisions – EE :</b>			
> Private owners (5% of the investments)	325	200	150
> House Owners associations (2%)	0	7	2
> Social Housing corporations (37%)	3	5	4
> Final investment decisions – Heat source	1	3	5
> Final investment decisions – DH network	1	3	5

### Description of the existing or planned structure/organisation of the Project Development Services supporting the preparation of the Investment Programme

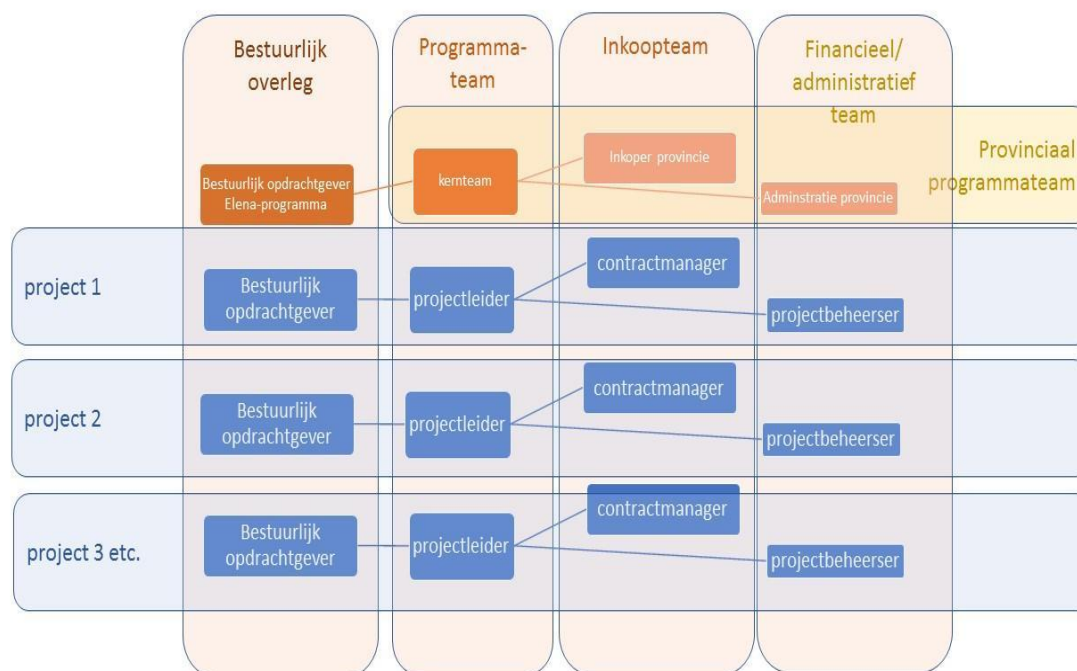
The Province of Zuid-Holland will be the Final Beneficiary of the ELENA support.

The main counterparts are the participating Municipalities, which are involved in the shortlisted projects. All 9 municipalities involved have signed Letters of Intent to work with the Province. Once the ELENA grant is awarded, all municipalities will sign a contract with the Province committing them to the same financial, reporting and auditing obligations as in the EIB contract with the Province. This approach will ensure that the investment volumes will be respected in terms of leverage factor since each municipality will be responsible for delivering its share of investment in exchange for receiving PDS support. Each municipality has a dedicated team supervising and facilitating implementation of the project(s), including planning, permitting and procurement, as well as technical, financial and legal aspects.

Other key stakeholders include:

- Social housing corporations (SHC) which own or manage residential buildings, that would be part of the refurbishment effort. Their tenants are also important stakeholders.
- Home-owners and Home Owner Associations (HOA) who privately own properties, that will be targeted for energy efficiency upgrade and connection to DH networks
- Operators of DH networks and heat sources who will develop the networks and supply heat to the residents
- Contractors and suppliers

The programme as a whole and each project individually represents a matrix of key stakeholders and support teams, as illustrated in the figure below:



In addition, stakeholders that will play a role in the programme include:

- Water board and/or Drinking water company
- Gas and electricity suppliers
- Local, regional and national financing partners
- Public space stakeholders

#### Final Beneficiary's commitment to facilitate dissemination of experiences and results (see art. II.5)

As a starting point, by collaborating in the programme, the various projects will utilise each other's experiences and knowledge in order to address the challenges they are facing. There is a strong need among municipalities to exchange experiences and information. During the application process, a number of meetings with all participating municipalities were organised and the plan is to continue these meetings on a regular basis when the implementation phase starts. Furthermore, an online platform has been established so municipalities can easily share information, studies/reports etc.

As other municipalities in the province progress with their own projects, they will be invited to join ELENA meetings, as well as have access to the online information portal. In this way, all the valuable lessons learnt by implementing this investment programme will be to the benefit of the entire region, and perhaps beyond.

The final beneficiary (Province of Zuid-Holland) is committed to disseminate the experience and results of the programme across all 42 municipalities of the region. The outcomes and lessons learnt will also be widely shared with the peer administrations of other regions. Dissemination will be ensured at public events and conferences at the national and EU level. In addition, the Province of Zuid-Holland carries out continuous communication activities at the local and regional level which will be used as platforms to demonstrate the added value of the ELENA support. Other potential avenues include media interviews and articles e.g. newsletters, local advertisement events and publications in the local newspapers.

In particular, the Province, most of the municipalities and some of the other project stakeholders are involved in the Programma Aardgasvrije Wijken (Network around Natural Gas-free Neighbourhoods), which has a knowledge and learning branch, and the National Aquathermal Network. These are suitable platforms to disseminate the experiences and result of the ELENA project. Stakeholders such as the housing associations and heat network operators have their own platforms, which also will be used to inform other organisations about the results.

### 3. Presentation of Investment Programme

Location (s) where the planned Investment Programme will materialise

Province of South Holland (Zuid Holland), in The Netherlands

Description of the planned Investment Programme

*[Energy efficiency investments, investments in the production of renewable energy, ...]*

The Investment Programme will cover three main areas:

- Energy Efficiency (EE) in housing units
- District Heating (DH) networks (for the same housing units)
- Renewable Energy (RE) as a source for some of the DH networks, also PV

A pipeline of 10 projects has been identified, located 9 municipalities (2 are in Rotterdam):

1. Alphen aan de Rijn (Planetenbuurt)
2. Den-Haag (Vruchtenbuurt)
3. Kaag en Braassem (Rijnsaterwoude/Leimuider)
4. Katwijk (Hoornes)
5. Gorinchem (Gildewijk)
6. Rijswijk (Te Werve)
7. Rotterdam (Bospolder/Tussendijken)
8. Rotterdam (Prinsenland/Lageland)
9. Schiedam (Groenord)
10. Zoeterwoude (Hoge Rijndijk)



The Final Beneficiary will focus on these 10 projects, however additional schemes may be identified in order to increase the overall investment and/or replace any scheme(s) that may drop out. Three such projects are on this longlist already:

11. Nieuwkoop (Schoterveld)
12. Sliedrecht
13. Delft

The scope of interventions for each of the 10 individual projects is shown in the table below and broadly covers three priorities, as follows:

Project	Energy Efficiency	Renewable Energy	District Heating
Alphen aan den Rijn			
Den-Haag			
Gorinchem			
Kaag en Braassem			
Katwijk			
Rijswijk			
Rotterdam (B/T)			
Rotterdam (P/L)			
Schiedam			
Zoeterwoude			

#### Energy efficiency:

In most projects (6 out of 10), improving the energy efficiency of residential buildings plays a major role. Depending on the actual state of the buildings, a tailored range of EE measures will be implemented based on energy audits and technical studies. Typically, insulation (walls, floors, and roofs), sealing of cracks and in some cases replacing windows will be covered. In some individual cases, solar PV panels will also be installed.

#### Adaptation of residential buildings to be connected to a district heating system

In 6 out of 10 projects, measures to adapt buildings in order to connect to a district heating network have to be implemented. (NB: in the remaining 4 projects these measures are also planned, but will not be part of this ELENA programme). Specific modifications include removing the gas heating installation, putting in a delivery set and indoor pipes. Depending on the quality of the residential unit(s) and the temperature of the heat to be delivered, additional measures are planned such as replacing the radiators and internal heat network, installing a hot water booster, and introducing electric induction cooking. For some projects, individual heat pumps could be used as the new heating system.

Investments in energy efficiency and the adaptation to connecting to a district heating system will be carried out in one integrated process and therefore these investments are not presented separately. In two projects (Gorinchem, Alphen aan den Rijn) the scope may also include non-residential buildings (to be confirmed).

#### New district heating networks:

Nine out of the 10 projects will be connected to district heating networks - in 7 projects, a new network will be constructed and in 2 projects, the existing DH will be extended (Rotterdam). Depending on the heat sources available and the state of the buildings, the DH network will be designed to deliver heat at different delivery temperatures: 90 oC (Rotterdam, Schiedam), 70 oC (Alphen a.d. Rijn, Den Haag, Katwijk, Gorinchem, Rijswijk) or a combination of 40 oC and 70 oC (Zoeterwoude). The investment includes building the network from the heat source to the delivery set in the building that is to be connected.

#### Exploitation of one or more heat sources

In 3 or 4 projects (Rotterdam, Schiedam and possibly Rijswijk), the DH network will be fed by the existing and well developed regional residual heat network which uses waste heat from various industrial facilities. In Schiedam, the heat transfer station will be part of the eligible costs. In 5 or 6 projects, heat will be extracted from water sources, where the heat generation installation will be part of the eligible costs. In one project (Zoeterwoude), local residual heat (using waste heat from local industrial facilities) is also considered as a source. As the heat demand varies in function of the season (with high demand in the winter), and, given that heat extraction from water peaks in the summer (availability of heat), underground heat storage is an element of all aquathermal projects – this will be developed in the form of pumping heat in deep underground aquifers at around 200m below the surface, where conditions are stable and the water is static. Since most projects will have a 70 °C heat network, central heat pumps will be used. In some projects (Zoeterwoude), the choice between individual heat pumps and central heat pumps (or a combination of both) has to be made, depending on the insulation state of the residential buildings.

The heat production systems also require a peak and calamity unit in case of extremely cold periods, scheduled maintenance or failures. In most projects, initially, this will be a natural gas driven unit, with the intention to switching to a renewable energy powered backup unit, as soon as this is feasible.

The above-described components of the new heating systems are highly interdependent: house-owners/occupiers will only accept a DH network if it is affordable and trustworthy. On the one hand, for lower-temperature DH networks of 70° C or 40° C, the building needs to achieve at least energy rating of B or even A – i.e. insulation reducing the heat demand - in order to guarantee a warm house. On the other hand, a DH network/heat source will only be developed if there is sufficient demand to make the investment economically viable. As such, the production, distribution, delivery and insulation measures have to be developed in coherence.

Energy Efficiency in buildings		Details or Value				
For each building, where available						
Characteristics	Floor Area to be retrofitted [m²]	Average 87 m² per residential unit				
	Specific energy consumption before [kWh/(m²a)]	Average 230				
	Specific energy consumption expected after [kWh/(m²a)]	Average 130				
	Energy class of building before	Average D/E				
	Energy class of building expected after	Average B/C				
Proposed measure	Type of proposed measure	<ul style="list-style-type: none"><li>• Insulation of roof, floor, walls</li><li>• Replacing windows</li><li>• Sealing of cracks</li><li>• Insulation of heat pipes</li></ul>				
Summary of buildings						
Characteristics	Total number of houses (or home equivalents) to be retrofitted	3,645				
	Total Floor Area retrofitted [m²]	314 200				
	Specific investment [EUR/m²]	135				
Energy consumption	Breakdown of energy consumption by energy use in the buildings (e.g. heating, cooling, lighting, domestic hot water, etc.) [MWh/%]	Heating	Cooking	Lighting	Hot water	Appliances
		65%	2%	3 %	15%	15%
		The focus of the programme is on heating. Gas consumption is generally 80% for heating and 16% for hot water production. Cooking is				



		only max. 4% of the gas consumption. This will mostly be replaced by electric cooking, but has a minor effect on CO <sub>2</sub> emissions and has been excluded from the calculations.
<b>Describe each proposed measure</b>	Envelope insulation	Yes
	Windows	Yes
	HVAC	Where a district heating network will be developed, existing heat systems will be removed and heat delivery stations will be put in place. In some situations (low temperature heat networks), individual heat pumps can be part of the system.
	Lighting	Not in the programme, but in the individual energy audits for home-owners and users installing led-lighting can be part of the advice.
	etc.	

<b>PV in buildings</b>		<b>Details or Value</b>
		In some projects, solar PV will be installed
<b>Characteristic s</b>	Number and Type of PV panels	2,040 (types will differ depending on the choice of the owners of the buildings)
	Surface of PV panels installed [m <sup>2</sup> ]	3,265
	Total expected capacity [kWp]	612
<b>Energy output</b>	Energy output expected [kWh/kWp]	830

<b>Connecting buildings to the heat network</b>		<b>Details or Value</b>
<b>Characteristic s</b>	Number, type and efficiency of new boilers	Boilers will be replaced by a delivery set that connects to a district heating network.
	Number, type and efficiency of old boilers	Most of the homes are heated by boilers of diverse types and age. Apartment buildings are sometimes heated by a collective heating system with larger centrally placed boilers.
		Gas cooking systems will be replaced by electric cooking systems (induction). Where necessary the electric installation will be renewed.
		Where necessary radiators will be replaced by lower temperature ones.
		The in-house connection between the heating network and the delivery set is included

**District heating**

<b>District heating</b>		<b>Details or Value</b>
<b>New or replacement</b>	Outline of new network or replacement works	New district heating networks
<b>Characteristic s of the heat source:</b>	Fuel to be used	Depending on the location of each project: aquathermal (surface, effluent, drinking water), or residual heat (local low or regional high temperature). For peak load and emergencies, central gas boilers will be used in some projects, until other sources become available.
	(Old Fuel used, if applicable)	All buildings are now heated by natural gas

	Generation capacity [MWth]	To be determined for each project
	Efficiency [%]	To be determined for each project
<i>Demand</i>	Size and details of clients connected / to be connected	5,526 houses to be connected, average heat demand for housing unit 6.96 MWth/year (after insulation)
<i>Lines</i>	Length of transmission lines [km]	NA
	Length of distribution lines [km]	28
<i>Heat price and heat supply</i>	Average cost of current heat tariff [EUR/MWh]	92.1 EUR/MWh for natural gas, which is currently the predominant fuel for residential heating (2019 prices)
	Expected future energy heat tariff for customer [EUR/MWh]	Set by the supplier for each project (depends on the business case), but it is capped by law. For most projects the approach is: 'not higher costs for the consumer'. The expected tariff will vary between 73 EUR/MWh and 108 EUR/MWh As such the average is 88 EUR/MWh
	Annual heat production [MWth]	for the buildings to be connected: 43.386
	Annual heat sold [MWth]	for the buildings to be connected: 40.430

#### Description of the approach to implement the Investment Programme

The Investment Programme will be implemented as a close collaboration between the Province, Municipalities, building owners/managers, DH operators and the other identified stakeholders. The Final Investment Decisions (FID) will be made for each project by the parties involved. The Municipalities are responsible for linking the projects to the overall regional programme.

#### Energy Efficiency and adaptations for the heat network

Building-related EE measures and any adaptive measures to connect the residence to a DH network will be delivered by the building owners and they make the FID.

**Social housing corporations (SHCs)** own some 68% of the target properties and need to make 37% of the overall IP investments. Typically, they need the consent of 70% of tenants before works can start. Therefore, communication and financial design form the central part of the preparations. Once the required level of consent is reached, the Board can make the FID and procure the works. In most cases, such works (insulation and heat system adaptation) take approximately one year. All SHCs involved have already been contacted and consulted and responses have been predominantly positive – because the projects (switching away from gas) are a national social and environmental priority. SHCs see this as their responsibility to contribute to the national policy goals; they also see direct benefit to their tenants. Therefore, well-organised tenant consultations are expected to bring the desired outcome well within the timeframe needed for ELENA implementation. The table below shows the corresponding SHC for each of the 10 selected projects:

Short-listed project	Social Housing Corporation involved
Alphen a/d Rijn	Woonforte
Den Haag	N/A
Gorinchem	Poort 6
Kaag en Braassem	Woondiensten Aarweide, Stichting Meerwonen
Katwijk	Dunavie
Rijswijk	Vidomes en Rijswijk Wonen
Rotterdam Bosp-Tussendijkenolder	Havesteder
Rotterdam Prinsenland-Lageland	Havesteder
Schiedam	Woonplus
Zoeterwoude	Rijnhard Wonen

Some 20% of properties in the programme are privately owned flats (of which 8% are apartments in multi-family buildings of > 25 apartments). In these cases, the owners decide together through their **home owner association** to invest in EE and DH connection. These investments cover about 2% of the total IP. For each local scheme, a comprehensive proposal will be developed for the HOA, consisting of technical measures, financing options and procurement of the construction works. Once the FID is made, works typically take a year to complete.

The **private owners** of individual, ground-bound houses comprise 12% of the IP portfolio and represent 5% of the total investment. They decide each for themselves about the EE measures to be installed and the connection to a heat network. Most PDS for this category will focus on preparing technically, financially and practically viable refurbishment specifications, ideally in the form of package deals. Once a package is accepted by an owner, the works can start immediately and could be completed within 6 months.

In a few projects, public buildings are involved (1% of the investments). In these cases, the building owner prepares the measures and decides to invest. The investments will be realised within a year.

#### District heating networks and heat sources

Constructing DH networks and their corresponding heat sources generally requires two main steps. The first step is to develop the business case for the network – technical and economic design. In most shortlisted projects, this step has, to some extent, already been taken, but must be further detailed and finalised. The outcome of this step is that an entity is contracted as a network operator to produce, transport and deliver heat. In some projects, this entity is already known or selected, in others, the process is less advanced.

The second step is the detailed design and preparation for the construction of both the heat source and heat network, including contracting a construction company. Typically, the network operator makes the FID and selects the construction company. If conditions are favourable, implementation could take as little as 1,5 years. This investment element concerns 55% of the total IP.

A summary of the status with the involved Heat source and Heat network operators for each shortlisted project is presented in the table below.

Short-listed project	Heat source		Heat network
	Water board	Heat producer/supplier	Operator of heat network
Alphen a/d Rijn	<b>Hoogheemraadschap van Rijnland</b> owns the effluent-pipe and has to agree in order to use it as a heat source. They are participating in the project and will sign the Letter of Intent	The heat producer (the same as the operator of the heat network) will be selected by a tendering process finished end 2020	The operator will be selected by a tendering process by end 2020
Den Haag	N/A	As owner of the water transportation pipe, <b>Dunea</b> has expressed their intention to deliver heat, derived from the pipe. They are going to sign the intention agreement.	<b>Netverder (Stedin)</b> (public owned network operator) is invited to develop the heat network and is intending to sign the intention agreement.
Gorinchem	<b>Waterschap Rivierenland</b> has given a letter of support	<b>HVC</b>	<b>HVC</b> has signed the intention agreement and is selected to realise the heat network and the sources. HVC is a publicly owned company for waste processing and heat distribution
Kaag en Braassem	N/A	N/A	N/A
Katwijk	<b>Hoogheemraadschap van Rijnland</b> is one of the leading parties in the project and expressed their will to participate in the heat	See: heat network	A market canvas is in progress. By early June 2020, the City council will discuss the role of the municipality and commercial partners. After that, the selection

	production.		procedure of the operator can commence.															
Rijswijk	Hoogheemraadschap van Delfland	See: heat network	The network operator has to be selected. This is planned in 2020-2021.															
Rotterdam Bosp-Tussendijkenolder	N/A	AVR/Warmtebedrijf Rotterdam: is and will be contracted by Eneco	Eneco warmte-bedrijf has an existing concession for the heat network in the neighbourhood and will start building in 2021															
Rotterdam Prinsenland-Lageland	N/A	AVR/Warmtebedrijf Rotterdam	Based on further investigation of the best solutions, the tendering of a heat network operator is expected in 2021															
Schiedam		Eneco transports regional heat along the neighbourhood	Eneco warmte-bedrijf has been selected after a market consultation. As owner of an adjacent part of the regional heat network, they are in a preferred supplier position.															
Zoeterwoude	Hoogheemraadschap van Rijnland	Heineken Hoogheemraadschap van Rijnland, Warmtebedrijf Rotterdam	It is expected that after further development of the plan, selection of the heat network operator can be realised in 2021.															
Expected results in terms of increase in energy efficiency, decrease in energy consumption, renewable energy production and reduction of greenhouse gas emissions																		
<ul style="list-style-type: none"><li>• Energy Efficiency in Residential Buildings – total annual energy saved of 33.8 GWh/year representing a reduction of 36% compared to the baseline</li><li>• Renewable energy (heat) generation – total annual energy supplied of 32 GWh/year</li><li>• CO<sub>2</sub> reductions – Annual total reductions of 10,500 tCO<sub>2</sub> eq, representing a 55% reduction compared to the baseline.</li></ul>																		
Expected other relevant results																		
Jobs retained or created – 275 jobs will be maintained and/or created through the supply chain																		
Expected overall investment costs																		
<table><tr><th>Investment component</th><th>%</th><th>Investments (EUR)</th></tr><tr><td>EE in residential buildings</td><td>45%</td><td>42,286,000</td></tr><tr><td>District Heating networks</td><td>40%</td><td>37,714,000</td></tr><tr><td>Renewable heat sources</td><td>15%</td><td>13,659,000</td></tr><tr><td>Total</td><td>100%</td><td>93,659,000</td></tr></table>				Investment component	%	Investments (EUR)	EE in residential buildings	45%	42,286,000	District Heating networks	40%	37,714,000	Renewable heat sources	15%	13,659,000	Total	100%	93,659,000
Investment component	%	Investments (EUR)																
EE in residential buildings	45%	42,286,000																
District Heating networks	40%	37,714,000																
Renewable heat sources	15%	13,659,000																
Total	100%	93,659,000																
Preliminary financing plan for the Investment Programme																		
<u>Energy Efficiency (EE) in residential buildings</u>																		
<p><b>Social housing corporations</b> will be able to finance these investments to a large extent out of their existing maintenance budgets. They can finance investments guaranteed by the Waarborgfonds Sociale Woningbouw. It is also expected that, in 2022, tax breaks for sustainable investments will become available again. The investments will lead to cost reductions (less maintenance and less substitution of heat boilers) and, in some instances, to higher incomes as tenants can be asked to pay an energy performance contribution in addition to the rent (EPV). From 2020 onwards, subsidies will become available for social housing corporations to make their</p>																		

properties free of natural gas and to connect them to district heating networks ([SAH](#)).

For social housing associations, the rate of return under current conditions is very low. In order to improve this, the following measures are undertaken (both on a national and local level):

- Cost reductions by scaling up the solutions for insulation and heat network connections. Development of new subsidy programmes to stimulate innovation.
- Re-opening the tax reduction facility for social housing associations (SEEH) to stimulate insulation measures (national level).
- Access to project grants (e.g. Proeftuinen Aardgasvrije Wijken, up to € 8.000/WEQ).

With the availability of these additional facilities, the participating housing associations expect that they can realize the projects and fulfil the obligations they agreed to in the National Climate Agreement

**Private home-owners and Home Owner Associations** each have their own financial situation and possibilities. Most of the investments in energy saving can be redeemed through a lowering of structural energy costs. The investments can be financed by own capital, private loans or publicly guaranteed loans. As energy savings are an important goal of national, regional and local sustainability policies, grants are available as well on all three levels of government.

#### District Heating (DH) networks

Investments in DH will be financed by the heat network and heat source operators. These companies are perfectly able to get loans from financial institutions to finance these investments. Whether these investments will be realised is dependent on the (financial) feasibility of the business case. There are two important, uncertain parameters that influence this feasibility:

- The price they can charge connected households. The prices are maximised by law and now linked to the price of natural gas (heating from a heat network is generally not more expensive than heating by natural gas). It is expected that new price regulations will be developed in the new Heat Law, which will most likely be introduced in 2022.
- The timing in which households can connect to the new energy infrastructure, and thus the amount of energy supplied to these households.

As there is no legal obligation for consumers to connect to a heat network, the price of the delivered heat and the costs of connecting to the heat network should be attractive in order to persuade them to connect. In the business cases developed for the different projects, a heat network is the most attractive alternative for using natural gas. A business case becomes feasible when a large number of households can be timely connected to the network and when the costs of the in-house adaptations can be financed. In most projects, the social housing associations are therefore important as a launching customer (and thus responsible for financing the in-house adaptation costs).

A large number of financial incentives are available in the form of subsidies, guaranteed loans or fiscal schemes in order to accelerate the energy transition. The most important and impactful arrangements are outlined below. Subsidies are subject to continuous evaluation and adaptation, but based on the 2019 NL Climate Agreement the expectation is that the number of subsidies, guaranteed loans and fiscal instruments available will **increase** over the next three years.

#### Preliminary implementation timetable for the Investment Programme

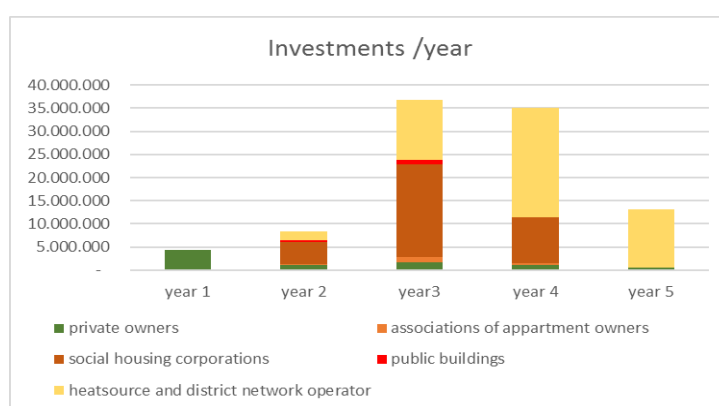
The Investment Programme is envisaged to start in January 2021 after the ELENA project has been fully set up and some feasibility studies have been completed. On this basis, a series of 'final investment decisions' (FID) need to be made by the stakeholders concerned in order to sign contracts for works. Full implementation of the IP is expected to take up to 5 years, nevertheless, by the end of the ELENA support period, 50% of the works will have started and, and for another 30% contracts will have been signed.

All 10 projects will be pursued in parallel, but each one will have its own pace in terms of planning and decision-making. Overall, Energy efficiency measures in the residential units will be implemented first as a precondition for connecting them to predominantly low-temperature DH networks. The DH networks, with their corresponding renewable heat supply, will be constructed as a follow-up phase.

Investment component	Expected start	By end of ELENA	Expected end
Energy Efficiency (EE) in housing units	Jan 2021	100%	2024
District Heating (DH) networks	Jan 2022	50%*	2025
Renewable Energy (RE) sources	Jan 2022	50%*	2025

\* another 30% will be based on signed contracts for works

The annual investment is shown in the chart below, indication also the share by type of investor.



#### 4. Overview table: Milestones presentation for measuring attainment of the leverage factor

Reporting time (end of year)	Estimated budget Project Development Services			Milestones for Investment Programme implementation (indicate here the part of the total Investment Programme which is planned to be launched at the indicated reporting time)						Cumulative Leverage factor
	Staff costs	External experts / subcontracts	Annual Sub-total	Short description of area, technologies concerned <sup>7</sup>	Identification of investor <sup>8</sup>	Estimated total costs (of energy saving and other investment measures) [in EUR]	Estimated annual final energy saved for EE projects <sup>9</sup> [in GWh/y]	Estimated annual final energy production by RES <sup>6</sup> [in GWh/y]	Estimated annual reduction of CO <sub>2</sub> eq [in t/y]	(Estimated total costs) / (0.9 x Annual Sub-total)
		[in EUR]	[in EUR]							
Year 1	N.A	1.560.000	1.560.000	EE in buildings	SHC / HOA	1,000,000	1	0.5	100	
				DH networks	DH operator	0				
				Total year 1		1,000,000				N/A
Year 2	N.A	1.030.000	1,030,000	EE in buildings	SHC / HOA	7,000,000	2.8	1.5	700	
				DH networks	DH operator	4,600,000				
				Total year 2		11,600,000				5.4
Year 3	N.A	410.000	410,000	EE in buildings	SHC / HOA	34,000,000	30	30	9,500	
				DH networks	DH operator	47,000,000				
				Total year 3		81,000,000				35
TOTALS <sup>10</sup>	N.A	3.000.000	3.000.000			93,600,000	33.8	32	10,300	35
Interim report (month 18)	N.A	2,000,000	2,000,000			6,800,000	1	2.3	520	4

<sup>7</sup> Specifying which main area concerned (i.e. EE, RES, transport or urban infrastructure) and which technology(ies)/measure(s) implemented

<sup>8</sup> Indicate the final investor, the one who will order the work to be carried out

<sup>9</sup> Indicate the main type of energy saved or produced (thermal or electrical)

<sup>10</sup> Total of estimated budget should be the same as in budget table or in Investment Programme presentation



## Annex II: Estimated budget of the Project Development Services

ESTIMATED ELIGIBLE COSTS				
Staff costs				
Categories of staff to work on the project (e.g. senior expert, expert, junior expert; project assistant, etc.)	Monthly salary (EUR) <b>(A)</b>	Number of work months on project <b>(B)</b>	% involved in ELENA TA <b>(C)</b>	Direct Staff costs (EUR) <b>(A x B)</b>
N/A				0
<b>Subtotal staff costs</b>				<b>0</b>
Subcontracting and other eligible costs (according II.10.2.4 and II.10.2.5)				
Type of activities / support	Estimated man-days required	Expected daily rates (EUR)	Total [EUR]	
Energy audits	373	520	350 000	
Feasibility studies	304	760	231 000	
Financial engineering	320	920	294 000	
Marketing	359	640	230 000	
Project management	356	800	285 000	
Community engagement	1 158	600	695 000	
Technical studies	1 103	680	750 000	
Tender process	229	720	165 000	
<b>Subtotal subcontracting</b>				<b>3 000 000</b>
<b>Staff costs</b>				<b>0</b>
<b>Subcontracts</b>				<b>3 000 000</b>
<b>Estimated TOTAL eligible costs [in EUR]</b>				<b>3 000 000</b>
FINANCING				
Requested funding from ELENA facility [in EUR]; maximum 90%	in%	90.0%	2 700 000	
Own funding [in EUR]	in%	10.0%	300 000	
Other sources [EUR]	in%	00.0%	0	
<b>TOTAL funding [in EUR]</b>				<b>3 000 000</b>
<b>Within the ELENA facility the eligible costs are defined in the contract in Article II.10</b> No other cost categories shall be considered eligible.				
<b>Changes between cost categories:</b> For changes between cost categories please refer to Article II.9 of the Contract. The maximum co-financing agreed with the Contract cannot be increased. The Final Beneficiary shall assume costs of the Action exceeding the ones initially foreseen.				



## **Annex III: Eligibility of Investment Programmes that can be supported by ELENA co- financing**

The following eligibility criteria have to be met by the Investment Programme that will be supported by the Project Development Services.

### **1. Eligible Investment areas**

Co- financing for the implementation of Project Development Services shall only be provided for the development of Investment Programmes relating to energy efficiency and distributed renewable energy (in line with the Horizon 2020 work programme 2018-2020 for “secure, clean and efficient energy”).

Investment Programmes could cover one or more of the following areas:

- i. Investment to significantly increase the energy performance of public and private buildings in the residential sector, including measures to decrease energy consumption in heating/cooling and electricity – e.g. thermal insulation, energy efficient heating, air conditioning and ventilation systems, efficient lighting, and measures for the integration of renewable energy sources into the built environment – e.g. solar photovoltaic (PV), solar thermal collectors and biomass.
- ii. Investment to significantly increase the energy performance of public and private buildings in the non-residential sector, including measures to decrease energy consumption in heating/cooling and electricity – e.g. thermal insulation, energy efficient heating, air conditioning and ventilation systems, efficient lighting, and measures for the integration of renewable energy sources into the built environment – e.g. solar photovoltaic (PV), solar thermal collectors and biomass.
- iii. Investments into renovating, extending or building new district heating/cooling networks, including networks based on combined heat and power (CHP); decentralised CHP systems (building or neighbourhood level);
- iv. Investments in energy efficient local infrastructure including street and traffic lighting, smart grids leading to energy efficiency improvements, information and communication technology infrastructure for energy efficiency, energy-efficient urban equipment and link with transport.

### **2. Further eligibility criteria of Investment Programme regarding energy efficiency and renewable energies in buildings**

Investments in this area can be considered as eligible:

if they relate to the energy efficiency improvement of an **existing building**. The following investments measures are considered as eligible as they will lead to a reduction of the energy consumption or an increased use of renewable energy sources:

- (i) Investments related to the building envelope:
  - 1) Insulation: Investments in insulation materials (including water vapour barriers, weather membranes, measures to ensure air-tightness, measures to reduce the effects of thermal bridges and scaffolding) and products for application of the insulation to the building envelope (mechanical fixings, adhesive, etc.):
  - 2) Windows and doors: Glazing and/or glazing enhancement, frame, gaskets and sealants and their installation costs;
  - 3) Other building-envelope related measures with impact on thermal performance: This investment may include inter alia external shading devices, solar control systems, and passive systems;
- (ii) Investments related to the building system:
  - 1) Space heating: Investments related to heat generation (e.g. boiler, heat generation controls), storage (e.g. storage tank), distribution (e.g. circulator, circuit valves,

- distribution controls) and dispersion (e.g. radiators, ceiling/floor heating, fan coils, controls);
- 2) Domestic hot water: Investments related to hot water generation (e.g. solar thermal systems, boiler, heat controls), storage (e.g. storage tank), distribution (e.g. circulator, circuit valves/mixing valves, distribution controls, insulation of the system and pipes) and delivery (e.g. tap valves, shower heads);
  - 3) Ventilation systems: Investments related to heat generation and recovery equipment (e.g. heat exchanger, pre-heater, heat recovery unit, heat generation controls), distribution (e.g. fans, circulators, valves, filters, distribution controls) and dispersion (e.g. ducts, outlets, controls);
  - 4) Cooling: Investments related to cooling generation (e.g. air conditioning generators, heat-cold pump, compressors, generation controls), distribution (e.g. circulator, circuit valves, distribution controls) and dispersion (e.g. ceiling/floor/beams; fan coils, controls). Passive cooling measures (e.g. insulation of roofs, external shading) are also eligible building envelope related measures.
  - 5) Lighting: Investments related to efficient light sources and luminaires;
  - 6) Building automation and control: Investments related to building management systems which introduce supervising functions, technical intelligence, controls (e.g. centralised control of generation, distribution, emitters, circulators) and required communication systems (e.g. wires, transmitters);
  - 7) Connection to energy supplies: Investments related to the connection to energy grid or storage facilities (e.g. district heat, PV-system) and necessary related installations;
  - 8) Decentralised renewable energy production: Investments related to the supply systems based on energy from renewable sources installed within the building site, whose primary objective is to produce energy for own-consumption;
- (iii) Other investments identified by an energy audit in line with EN 16247 European Standards (or equivalent) and/or by an energy performance certificate in line with the Energy Performance of Buildings Directive 2010/31/EU (the “EPBD”), provided that they comply with the applicable country minimum energy performance requirements for renovated buildings.

### 3. Excluded areas of investment

The following investment areas shall be excluded from receiving Project Development Services co-financing under ELENA:

- stand-alone renewable energy systems, not integrated in buildings, e.g. wind farms, stand-alone PV, concentrated solar power, hydropower and geothermal electricity production;
- long-distance transport infrastructure;
- large industrial facilities (falling under the ETS directive)<sup>11</sup>, and reduced greenhouse gas emissions due to industry delocalisation.

### 4. Excluded Activities of investments

According to the relevant EIB policy, the following activities excluded from Bank lending cannot benefit from Project Development Services co-financing under ELENA:

- ammunition and weapons, military/police equipment or infrastructure;
- projects which result in limiting people's individual rights and freedom, or violation of human rights;
- projects unacceptable in environmental and social terms;

<sup>11</sup> Consolidated version of Directive 2003/87/EC - <http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:02003L0087-20140430&from=EN>

- ethically or morally controversial projects;
- activities prohibited by national legislation (only where such legislation exists).

#### **5. Definition of Investment Cost**

The investment cost shall consist of coherent and clearly defined capital investments needed for the realisation of the Investment Programme, as the latter is defined in Annex I. Implementation of the Programme shall result in saving energy, increasing the use of renewable energy or improving the performance of urban mobility. Those capital investments comprise all elements of a permanent nature (whether tangible or intangible) that are necessary for achieving the results that the Investment Programme is designed to deliver. The total investment cost of an Investment Programme includes engineering, civil works, equipment and installation. In case of leasing contracts the value of the leased assets is considered as an investment cost. Financing costs, future operation and maintenance costs, future energy purchase and deductible VAT are not considered as investment costs.

## Annex IV: Technical implementation reports and financial statements

### 1. Dispatch of information and reporting obligations: designation of the person responsible

The information and reports to be sent as presented below has to be sent to the Bank under the responsibility of the person mentioned in Article I.8. In addition, the following contact person will be in copy of every exchange between the Parties, for administrative purposes:

Company	Provincie Zuid-Holland
Contact person	Marianne de Nooij
Title	Mrs
Function / Department	Program Coordinator
Address	Zuid-Hollandplein 1, 2596 AW Den Haag, The Netherlands
Phone	0031 6 55190839
Email	m.de.nooij@pzh.nl

The Final Beneficiary shall inform the EIB immediately in case of any change in this contact person.

### 2. Regular reporting on the implementation of the Action

The Final Beneficiary shall inform the Bank of any significant changes of the estimated cost, timing or definition regarding constituent elements of the Action.

Document Type Naming Convention	Time Period to be covered	Information to be provided	Deadline (due)
<b>Inception Report</b> INCEPREP	From Action starting date to end of month 3	A detailed description of the PDS <i>(Refer to template in A.1 below)</i>	<i>At month 4 (3+1) after Action starting date</i>
Progress Report 1 PR 1	From Action starting date to end of month 6	<i>(Refer to templates in A.2 below)</i>	<i>at month 7 (6+1) after Action starting date</i>
Progress Report 2 PR 2	From Action starting date to end of month 12	<i>(Refer to templates in A.2 below)</i>	<i>at month 13 (12+1) after Action starting date</i>
<b>Interim Progress Report</b> (Report 3) PR 3	<b>From Action starting date to end of month 18</b>	should reflect the actual costs, details and results of PDS <i>(Refer to templates in A.3 below)</i>	<i>at month 19 (18+1) after Action starting date</i>
Progress Report 4 PR 4	From Action starting date to end of month 24	<i>(Refer to templates in A.2 below)</i>	<i>at month 25 (24+1) after Action starting date</i>
Progress Report 5 PR 5	From Action starting date to end of month 30	<i>(Refer to templates in A.2 below)</i>	<i>at month 31 (30+1) after Action starting date</i>

Final Implementation Report FINREP	<b>From Action starting date to end of month 36</b> <i>(the whole duration of the Action)</i>	This Information should reflect the costs actually incurred, details and results of the PDS and be provided in chronological order <i>(Refer to templates in A.4 below)</i>	<i>at month 37 (36+1) after Action starting date</i>
---------------------------------------	--	--	--

Language of reports	English or French
---------------------	-------------------

Templates to be used by the Final Beneficiary in the context of submission of reports:

- A.1 Inception Report – Detailed description of the Action
- A.2 Bi-annual Progress Report
- A.3 Interim Progress Report including (signed) financial statements
- A.4 Final Implementation Report including (signed and audited) financial statements

## A.1. INCEPTION REPORT – DETAILED DESCRIPTION OF THE ACTION

Identification of Project Development Services (PDS):

ELENA Contract reference:

Reporting period: [Action starting date dd-mm-yyyy + 3 months]

---

The Inception Report shall consist of:

1. An updated, detailed description of the PDS (consolidated description of the Action).
  2. This consolidated description shall include, at least:
    - Progress on hiring or allocation of staff needed for the PDS (status on the procedure for additional staff hired or existing staff allocated to the ELENA project, external services contracted etc.)
    - Changes in relation to initially foreseen activities (e.g. project development support, investment programme) and their justification; underpinning tasks, schedule for implementation and pre-established milestones
    - Identified issues, if any, affecting the implementation of the Action
- 

Date of report:

## A.2. BI-ANNUAL PROGRESS REPORT

Identification of the Project Development Services (PDS):

ELENA Contract reference:

Reporting period: from [Action starting date dd-mm-yyyy] to [end of month 6 dd-mm-yyyy]  
 or  
 from [Action starting date dd-mm-yyyy] to [end of month 12 dd-mm-yyyy]  
 or  
 from [Action starting date dd-mm-yyyy] to [end of month 24 dd-mm-yyyy]  
 or  
 from [Action starting date dd-mm-yyyy] to [end of month 30 dd-mm-yyyy]

1. Progress regarding PDS (the Action) implementation
  - Progress and achieved results against initial objectives of the Action and identified issues, if any, affecting its implementation. This includes:
    - Budget allocation per eligible cost category: e.g. progress on hiring or allocation of staff needed for the PDS (e.g. status of the procedure(s) for the hiring of additional staff and/or allocating existing staff to the ELENA project and/or for the subcontracting of external services, etc.)
    - When available, please provide copies of reports, studies underpinning the action or other results/deliverables of subcontracted activities such as terms of reference (ToRs) and published calls for external services
2. Progress regarding the Investment Programme implementation
  - Progress and achieved results against initial objectives of the Investment Programme (e.g. materialised investments or considered as achieved in accordance with Art. I.4.4)
  - Include a description of the PDS activities that supported the above described implemented investments
3. Identified problems and risks affecting sound implementation of the Investment Programme (including Final Beneficiary's assessment of these problems/risks, and corrective actions taken or to be taken)
4. Tabular presentation of contracts supporting the Project Development Services (e.g. subcontracts for external expertise) committed/completed during the reporting period, linked to the started/planned investments  
(use attached table in Annex A.2.1.a)
5. Tabular description of the staff activities within the Project Development Services committed/completed during the reporting period in relation to the started/planned investments  
(use attached table in Annex A.2.1.b).
6. Updated list of completed/committed and planned investment projects during the reporting period, with the reference to the work performed by the Project Development Services.  
(use attached table in Annex A.2.2.).
7. Any changes to the planned activities under the Project Development Services or to the Investment Programme in comparison to the original planning, and other useful information
8. Financial statement for PDS expenses (for the covered six month period)  
(use attached table Annex A.2.3.)

Date of report:



### A.2.1.a Subcontracting relevant to the Project Development Services implementation signed/completed during the reporting period

	Subcontracting identification	Name of sub-contractor	Short description of scope	Expected, incurred total costs of sub-contracts [EUR]	Duration of sub-contracts [start and end date]	Procurement procedure applied	Tender publication reference (if applicable)  (e.g. OJEU publication)	Comments
During Reporting Period	Please use a code and reference numbers as this is required for making the link to the supported investments in table A.2.2 (e.g. PDS 1 for a project development service, which can be linked to an investment presented in table A.2.2)							
	PDS 2							
	<i>etc.</i>							
	<b>TOTAL</b>							
During Action (Cumulative)	PDS 1							
	PDS 2							
	<i>etc.</i>							
	<b>TOTAL</b>							

**A.2.1.b Project Development Services implementation committed/completed by staff during the reporting period**

	<b>Project Development Services by staff</b>	<b>Name of staff (employed or seconded)</b>	<b>Short description of work performed</b>	<b>Number of person hours</b>	<b>Comments</b>
During Reporting Period	Staff implementing PDS (STA) Please use code and reference numbers as this is required for table A.2.2 (e.g. STA 1 for a staff activity supporting an investment listed in table A.2.2)				
	STA 2				
	<i>etc.</i>				
During Action (Cumulative)	e.g. STA 1				
	STA 2				
	<i>etc.</i>				

### A.2.2. Updated list of (1) Materialised Investment projects; and (2) planned investment projects.

Use these templates to produce four separate tables: two for (1) and two for (2)

A – Contractual related table										
Investment Project (IP) identification code	Name of IP	Sector(s) <sup>12</sup>	Project Development Services identification code	Identification of investor <sup>13</sup>	(Planned) Date of publication of the public tender	(Planned) Contract signature Date	Implementation plan (start and end date of works)	Incurred or paid total costs	Relevant documents <sup>14</sup>	Comments
Please use code and reference numbers			(from tables A.4.1.a, A.4.1.b and A.4.1. c)		(e.g. OJEU publication)			[in EUR]		
IP xxx			Project Development Services subcontracted (use the naming convention from Table A.3.1.a (e.g. PDS 1)							
IP xxx			Staff implementing Project Development Services (use the naming convention from Table A.3.1.b e.g. STA 2)							
IP xxx										
<b>TOTAL</b>										

<sup>12</sup> Please select the appropriate sectors (multiple options possible): EE in non-residential buildings, EE in residential buildings, Renewable energy sources, Street lighting, District heating, Smart grids, Others

<sup>13</sup> Indicate the investor, who will assume the investment

<sup>14</sup> Indicate the name of the documents and the pages where the investment cost is presented

<b>B – Impact related table</b>																
<b>Investment Project (IP) identification code</b>	<b>Name of IP</b>	<b>Sector(s)<sup>15</sup></b>	<b>Short Description<sup>16</sup></b>	<b>Incurred or paid total costs</b>	<b>Energy consumption before</b>	<b>Energy consumption after</b>	<b>Estimated annual final energy saved for EE projects</b>	<b>Estimated annual final energy production by RES</b>	<b>Estimated annual reduction of CO<sub>2</sub> eq emissions</b>	<b>KPI 1 (floor area of renovated buildings)</b>	<b>KPI 2 (additional RES installed capacity)</b>	<b>KPI 3 (lighting points replaced)</b>	<b>KPI 4 (additional / renovated DH network length)</b>	<b>KPI 5 (additional / renovated DH network capacity)</b>	<b>Relevant documents<sup>17</sup></b>	<b>Comments</b>
Please use code and reference numbers				[in EUR]	[in GWh]	[in GWh]	[in GWh]	[in GWh]	[in t]	[m <sup>2</sup> ]	[kWp]	[n.º]	[m]	[kW]		
IP xxx																
IP xxx																
IP xxx																
<b>TOTAL</b>																

<sup>15</sup> Please select the appropriate sectors (multiple options possible): EE in non-residential buildings, EE in residential buildings, Renewable energy sources, Street lighting, District heating, Smart grids, Others

<sup>16</sup> Please select the measures targeted by the IP (multiple options possible): Envelope, HVAC, RES, Indoor lighting, Street lighting, IT systems, District heating, Others

<sup>17</sup> Indicate the name of the documents and the pages where the project impacts are estimated

**A.2.3. Financial Statement for PDS eligible costs Progress Report No. x**

European Investment Bank ELENA - European Local Energy Assistance Financial Statement for PDS eligible costs						
<b>Name of Project Development Services:</b>						
<b>ELENA Contract reference:</b>						
<b>Reporting period from:</b> dd-mm-yyyy to dd-mm-yyyy						
<b>Currency used:</b> (three letter abbreviation)						
<b>STAFF COSTS</b>						
During Reporting period		Name	Category name (e.g. senior expert, engineer, etc.)	Number of person-hours (A)	Hourly rate (B)	Staff costs amount (A x B)
	1					
	2					
		<b>Total</b>		<b>0.00</b>		<b>0.00</b>
During Contract (cumulative)		Name	Category name (e.g. senior expert, engineer, etc.)	Number of person-hours (A)	Hourly rate (B)	Staff costs amount (A x B)
	1					
	2					
		<b>Total</b>		<b>0.00</b>		<b>0.00</b>
Staff costs as per the provisions of Articles II.10.1, II.10.2.1 and II.10.2.2 of the Contract.						
<b>SUBCONTRACTING AND OTHER ELIGIBLE COSTS</b>						
During Reporting period		Name of Subcontractor	Description of the work undertaken	Invoice N°	Date of invoice [dd-mm-yyyy]	Amount
	1					
	2					
		<b>Total</b>				<b>0.00</b>
During Contract (cumulative)		Name of Subcontractor	Description of the work undertaken	Invoice N	Date of invoice [dd-mm-yyyy]	Amount
	1					
	2					
		<b>Total</b>				<b>0.00</b>
<b>CUMULATIVE TOTAL ELIGIBLE COSTS</b>						
Staff costs						
Subcontracting						
<b>Total</b>						<b>0.00</b>

### A.3. INTERIM REPORT

Name of Project Development Services (PDS):

ELENA Contract reference:

Reporting period: from [Action starting date dd-mm-yyyy] to [end of month 18 dd-mm-yyyy]

1. Progress regarding PDS (the Action) implementation
  - Progress and achieved results against initial objectives of the PDS activities including:
    - Detail description of PDS activities presented in Table A.3.1.a, Table A.3.1.b and Table A.3.1.c. Please indicate for which planned investments these activities have been performed,
    - When available, please provide copies of reports, studies underpinning the action or other results/deliverables of subcontracted activities such as terms of reference (ToRs) and published calls for external services
2. Progress regarding the Investment Programme implementation
  - Progress and achieved results against initial objectives of the Investment Programme (i.e. materialised investments or considered as achieved in accordance with Art. I.4.4).
  - Include a description of the PDS activities that supported, in relation to the preparation, these investments and/or published tender)
3. Identified problems and risks affecting the sound implementation of the Investment Programme (including Final Beneficiary's assessment of these problems/risks,, and corrective actions taken or to be taken)
4. Tabular presentation of contracts supporting Project Development Services (e.g. subcontracts for external expertise) committed/completed during the reporting period in relation to the started/planned investments  
(Use attached Table A.3.1.a)
5. Tabular description of the staff activities within the Project Development Services committed/completed during the reporting period in relation to the started/planned investments  
(Use attached Table A.3.1.b).
6. Updated list of completed/committed and planned investment projects during the reporting period with the reference to the work performed by the PDS  
(Use attached table A.3.2.).
7. Any changes to the planned activities under the PDS or in the Investment Programme in comparison to the original planning and other useful information
8. Calculation of the leverage factor achieved
9. Description of the communication activities carried out  
[Please provide copies of photos, press releases, articles, webpages and other materials related with the communication and dissemination of the Elena project]
10. Other useful comments or information's
11. Request for changes in the PDS activities and/or budget allocation (according to needs indicate the request for changes already presented or to be presented in parallel to the interim report)
12. Supporting documents to provide (when available, copies of consultants' reports, studies or other sub-contracted activities such as terms of reference (ToRs) and published calls for external services; (including published calls for tenders for external services); political decisions (by council or board) for launching the tenders or framework contracts and the investment programme)

13. Financial statement for PDS expenses (for the covered 18 month period - use attached table A.3.3.)
  14. Outlook (main achievements and milestones planned for the next six months)
- 

Date of report:

Signature by the responsible person mentioned in Art I.8:



### A.3.1.a Subcontracting relevant to the Project Development Services implementation signed/completed during the reporting period

	Subcontracting identification	Name of sub-contractor	Short description of scope	Expected, incurred total costs of sub-contracts [EUR]	Duration of sub-contracts [start and end date]	Procurement procedure applied	Tender publication reference (if applicable)  (e.g. OJEU publication)	Comments
During Reporting Period	Please use a code and reference numbers as this is required for making the link to the supported investments in table A.3.2 (e.g. PDS 1 for a project development service, which can be linked to an investment presented in table A.3.2)							
	PDS 2							
	<i>etc.</i>							
	<b>TOTAL</b>							

**A.3.1.b Project Development Services implementation committed/completed by staff during the reporting period**

	<b>Project Development Services by staff</b>	<b>Name of staff (employed or seconded)</b>	<b>Short description of work performed</b>	<b>Number of person hours</b>	<b>Comments</b>
During Reporting Period	Staff implementing PDS (STA) Please use code and reference numbers as this is required for table A.3.2 (e.g. STA 1 for a staff activity supporting an investment listed in table A.3.2)				
	STA 2				
	<i>etc.</i>				

### A.3.2. Updated list of (1) materialised investment projects; and (2) planned investment projects.

Use these templates to produce four separate tables: two for (1) and two for (2)

A – Contractual related table										
Investment Project (IP) identification code  Please use code and reference numbers	Name of IP	Sector(s) <sup>18</sup>	Project Development Services identification code  (from tables A.4.1.a, A.4.1.b and A.4.1. c)	Identification of investor <sup>19</sup>	(Planned) Date of publication of the public tender  (e.g. OJEU publication)	(Planned) Contract signature Date	Implementation plan (start and end date of works)	Incurred or paid total costs  [in EUR]	Relevant documents <sup>20</sup>	Comments
IP xxx			Project Development Services subcontracted (use the naming convention from Table A.3.1.a (e.g. PDS 1)							
IP xxx			Staff implementing Project Development Services (use the naming convention from Table A.3.1.b e.g. STA 2)							
IP xxx			e.g. FS 3)							
<b>TOTAL</b>										

<sup>18</sup> Please select the appropriate sectors (multiple options possible): EE in non-residential buildings, EE in residential buildings, Renewable energy sources, Street lighting, District heating, Smart grids, Others

<sup>19</sup> Indicate the investor, who will assume the investment

<sup>20</sup> Indicate the name of the documents and the pages where the investment cost is presented

<b>B – Impact related table</b>																
<b>Investment Project (IP) identification code</b>  Please use code and reference numbers	<b>Name of IP</b>	<b>Sector(s)<sup>21</sup></b>	<b>Short Description<sup>22</sup></b>	<b>Incurred or paid total costs</b>  [in EUR]	<b>Energy consumption before</b>  [in GWh]	<b>Energy consumption after</b>  [in GWh]	<b>Estimated annual final energy saved for EE projects</b>  [in GWh]	<b>Estimated annual final energy production by RES</b>  [in GWh]	<b>Estimated annual reduction of CO<sub>2</sub> eq emissions</b>  [in t]	<b>KPI 1</b> (floor area of renovated buildings)  [m <sup>2</sup> ]	<b>KPI 2</b> (additional RES installed capacity)  [kWp]	<b>KPI 3</b> (lighting points replaced)  [n.º]	<b>KPI 4</b> (additional / renovated DH network length)  [m]	<b>KPI 5</b> (additional / renovated DH network capacity)  [kW]	<b>Relevant documents<sup>23</sup></b>	<b>Comments</b>
IP xxx																
IP xxx																
IP xxx																
<b>TOTAL</b>																

<sup>21</sup> Please select the appropriate sectors (multiple options possible): EE in non-residential buildings, EE in residential buildings, Renewable energy sources, Street lighting, District heating, Smart grids, Others

<sup>22</sup> Please select the measures targeted by the IP (multiple options possible): Envelope, HVAC, RES, Indoor lighting, Street lighting, IT systems, District heating, Others

<sup>23</sup> Indicate the name of the documents and the pages where the project impacts are estimated

### A.3.3. Financial Statement for PDS expenses Interim Progress Report

European Investment Bank ELENA - European Local Energy Assistance Financial Statement for PDS eligible costs						
<b>Name of Project Development Services:</b>						
<b>ELENA Contract reference:</b>						
<b>Reporting period from:</b> dd-mm-yyyy to dd-mm-yyyy						
<b>Currency used:</b> (three letter abbreviation)						
<b>STAFF COSTS (Justification for labour costs may be requested by the Bank)</b>						
During reporting period		Name	Category name (e.g. senior expert, engineer, etc.)	Number of person-hours <b>(A)</b>	Hourly rate <b>(B)</b>	Staff costs amount <b>(A x B)</b>
	1					
	2					
			<b>Total</b>	<b>0.00</b>		<b>0.00</b>
Staff costs as per the provisions of Articles II.10.1, II.10.2.1 and II.10.2.2 of the Contract.						
<b>SUBCONTRACTING AND OTHER ELIGIBLE COSTS</b>						
During reporting period		Name of Subcontractor	Description of the work undertaken	Invoice N°	Date of invoice [dd-mm-yyyy]	Amount
	1					
	2					
			<b>Total</b>			<b>0.00</b>
<b>CUMULATIVE TOTAL ELIGIBLE COSTS</b>						
Staff costs						
Subcontracting						
<b>Total</b>					<b>0.00</b>	

#### Statement by the Final Beneficiary

We certify that:

- the above costs correspond to the resources employed for the Action under the Contract and that those resources were necessary for the Action,
- the costs were incurred and fall within the definition of eligible costs,
- where necessary, authorisations have been obtained from the EIB, and
- all the documents supporting the allowable costs reported above, including the time records are available for the purposes of audit by the EIB, EC, the OLAF and its authorised representatives or the Court of Auditors and reflect the costs actually incurred.

Date:

Signature by the responsible person mentioned in Art I.8:

## A.4. FINAL REPORT

Name of Project Development Services (PDS):

ELENA Contract reference:

Reporting period: from [Contract starting date dd-mm-yyyy] to [end of month 36 dd-mm-yyyy]

- 
1. Progress of the action and achievements  
[Achieved results against initial objectives of the PDS activities and planned Investment Programme, sectors covered]
  2. Final list of Project Development Services carried out by sub-contracts  
(Use attached table A.4.1.a)
  3. Final list of Project Development Services carried out by staff  
(Use attached table A.4.1.b)
  4. Final list of the implemented investment projects  
[Detailed list of measures and projects and partners implementing the Investment Programme]  
(Use attached table A.4.2.)
  5. Financial statement for PDS expenses  
[For the whole duration of the action]  
(Use attached table A.4.3.)
  6. Financial statement for amount of investments implemented  
[For the whole duration of the action]  
(Use attached table A.4.4.)
  7. Calculation of the leverage factor achieved and compliance with set objective
  8. Description of the communication activities carried out  
[Please provide copies of photos, press releases, articles, webpages and other materials related with the communication and dissemination of the Elena project]
  9. Other useful comments or information
  10. Supporting documents to provide  
[When available, copies of consultants' reports, studies or other sub-contracted activities such as terms of reference (ToRs) and published calls for external services; (including published calls for tenders for external services);]
  11. Conclusions  
[Lessons learnt and to pass over to other local authorities, next steps planned in the implementation of the Investment Programme]
- 

Date of report:

Signature by the responsible person mentioned in Article I.8:

**A.4.1.a Subcontracting relevant to the Project Development Services implementation signed/completed during the reporting period**

Subcontracting identification	Name of sub-contractor	Short description of scope	Expected, incurred total costs of sub-contracts [EUR]	Duration of sub-contracts [start and end date]	Procurement procedure applied	Tender publication reference (if applicable) (e.g. OJEU publication)	Comments
Please use a code and reference numbers as this is required for making the link to the supported investments in table A.4.2 (e.g. PDS 1 for a project development service, which can be linked to an investment presented in table A.4.2)							
PDS 2							
<i>etc.</i>							
<b>TOTAL</b>							



**A.4.1.b Project Development Services implementation committed/completed by staff during the reporting period**

<b>Project Development Services by staff</b>	<b>Name of staff (employed or seconded)</b>	<b>Short description of work performed</b>	<b>Number of person hours</b>	<b>Comments</b>
Staff implementing PDS (STA) Please use code and reference numbers as this is required for table A.4.2 (e.g. STA 1 for a staff activity supporting an investment listed in table A.4.2)				
STA 2				
<i>etc.</i>				

#### A.4.2. Updated list of (1) materialised investment projects; and (2) planned investment projects.

Use these templates to produce four separate tables: two for (1) and two for (2)

A – Contractual related table										
Investment Project (IP) identification code	Name of IP	Sector(s) <sup>24</sup>	Project Development Services identification code	Identification of investor <sup>25</sup>	(Planned) Date of publication of the public tender	(Planned) Contract signature Date	Implementation plan (start and end date of works)	Incurred or paid total costs	Relevant documents <sup>26</sup>	Comments
Please use code and reference numbers			(from tables A.4.1.a, A.4.1.b and A.4.1. c)		(e.g. OJEU publication)			[in EUR]		
IP xxx			Project Development Services subcontracted (use the naming convention from Table A.3.1.a (e.g. PDS 1)							
IP xxx			Staff implementing Project Development Services (use the naming convention from Table A.3.1.b e.g. STA 2)							
IP xxx			e.g. FS 3)							
<b>TOTAL</b>										

<sup>24</sup> Please select the appropriate sectors (multiple options possible): EE in non-residential buildings, EE in residential buildings, Renewable energy sources, Street lighting, District heating, Smart grids, Others

<sup>25</sup> Indicate the investor, who will assume the investment

<sup>26</sup> Indicate the name of the documents and the pages where the investment cost is presented

<b>B – Impact related table</b>																
Investment Project (IP) identification code	Name of IP	Sector(s) <sup>2</sup>	Short Description <sup>28</sup>	Incurred or paid total costs	Energy consumption before	Energy consumption after	Estimated annual final energy saved for EE projects	Estimated annual final energy production by RES	Estimated annual reduction of CO <sub>2</sub> eq emissions	KPI 1 (floor area of renovated buildings)	KPI 2 (additional RES installed capacity)	KPI 3 (lighting points replaced)	KPI 4 (additional renovated DH network length)	KPI 5 (additional renovated DH network capacity)	Relevant documents <sup>29</sup>	Comments
Please use code and reference numbers				[in EUR]	[in GWh]	[in GWh]	[in GWh]	[in GWh]	[in t]	[m <sup>2</sup> ]	[kWp]	[n.º]	[m]	[kW]		
IP xxx																
IP xxx																
IP xxx																
<b>TOTAL</b>																

Use this template to provide a breakdown of the investment sources used:

<b>C – Financing related table</b>								
ELENA Total Eligible Investment	European Structural and Investment Funds – ESIF <sup>30</sup>	Equity <sup>31</sup>	Debt <sup>32</sup>	European Funds for Structural Investment (EFSI) of InvestEU <sup>33</sup>	ESCO/EPC <sup>34</sup>	3rd Party Financing <sup>35</sup>	Other grants/subsidies/tax rebates <sup>36</sup>	Energy supplier obligations <sup>37</sup>
[€]	[%]	[%]	[%]	[%]	[%]	[%]	[%]	[%]

<sup>27</sup> Please select the appropriate sectors (multiple options possible): EE in non-residential buildings, EE in residential buildings, Renewable energy sources, Street lighting, District heating, Smart grids, Others

<sup>28</sup> Please select the measures targeted by the IP (multiple options possible): Envelope, HVAC, RES, Indoor lighting, Street lighting, IT systems, District heating, Others

<sup>29</sup> Indicate the name of the documents and the pages where the project impacts are estimated

<sup>30</sup> Financing provided by ESIF

<sup>31</sup> Own financing sources

<sup>32</sup> Financing provided by banks and other financial institutions (shall exclude the financing included in the next footnote)

<sup>33</sup> Financing provided by the EIB under EFSI or InvestEU

<sup>34</sup> Financing provided by ESCOs

<sup>35</sup> Financing provided by other third parties than ESCOs, banks or financial institutions (e.g. crowdfunding)

<sup>36</sup> Financing provided by national support schemes, namely grants, subsidies and tax rebates

<sup>37</sup> Financing provided by energy efficiency obligations, as described in the Energy Efficiency Directive

### A.4.3 Financial Statement for PDS expenses Final Implementation Report

European Investment Bank ELENA - European Local Energy Assistance Financial Statement for PDS eligible costs					
Name of Project Development Services:					
ELENA Contract reference:					
Reporting period from: dd-mm-yyyy to dd-mm-yyyy					
Currency used: (three letter abbreviation)					
<b>STAFF COSTS (Justification for labour costs may be requested by the Bank)</b>					
	Name	Category name (e.g. senior expert, engineer, etc.)	Number of person-hours (A)	Hourly rate (B)	Staff costs amount (A x B)
1					
2					
Total			0.00		0.00
Staff costs as per the provisions of Articles II.10.1, II.10.2.1 and II.10.2.2 of the Contract.					
<b>SUBCONTRACTING AND OTHER ELIGIBLE COSTS</b>					
	Name of Subcontractor	Description of the work undertaken	Invoice N°	Date of invoice [dd-mm-yyyy]	Amount
1					
2					
Total					0.00
<b>CUMULATIVE TOTAL ELIGIBLE COSTS</b>					
Staff costs					
Subcontracting					
Total			0.00		

The final beneficiary shall indicate in the following table the number of subcontracts and staff members.

PDS Overview						
n.º of Subcontracts				n.º of Staff		
Total	≤ 35k	>35k and ≤ 214k	> 214k	Total	Direct	Seconded

#### Statement by the Final Beneficiary

We certify that:

- the above costs correspond to the resources employed for the Action under the Contract and that those resources were necessary for the Action,
- the costs were incurred and fall within the definition of eligible costs,
- where necessary, authorisations have been obtained from the EIB, and
- all the documents supporting the allowable costs reported above, including the time records are available for the purposes of audit by the EIB, EC, the OLAF and its authorised representatives or the Court of Auditors and reflect the costs actually incurred.

Date:

Signature by the responsible person mentioned in Article I.8:

#### A.4.4. Financial Statement for amount of supported Investments Final Implementation Report

<b>European Investment Bank</b> <b>ELENA - European Local Energy Assistance</b> <b>Financial Statement for amount of supported investments</b>								
<b>Name of Project Development Services (PDS):</b>								
<b>ELENA Contract reference:</b>								
<b>Reporting period from:</b> dd-mm-yyyy to dd-mm-yyyy								
<b>Currency used:</b> (three letter abbreviation)								
<b>Investment Project (IP)<sup>38</sup> identification code</b>  Please use code and reference numbers	<b>Name of IP</b>	<b>Short description of area / technology concerned<sup>39</sup></b>	<b>Identification of investor<sup>40</sup></b>	<b>Estimated or signed total costs</b>  [in EUR]	<b>Contract signature Date</b>	<b>Date of publication of the public tender</b>  (e.g. OJEU publication)	<b>Implementation plan (start and end date of works)</b>	<b>Comments</b>
IP xxx								
<b>TOTAL</b>								

The final beneficiary shall indicate in the following table the number of Investment Projects which benefited from ELENA support.

n.º of Investment Projects			
Total	≤ 35k	>35k and ≤ 500k	> 500k

#### Statement by the Final Beneficiary

We certify that:

- the Investment Projects fall within the definition of eligible Investment Programmes,
- all the documents supporting Investment Project costs reported above, including Terms of Reference, Contracts, Commissioning reports, etc, are available for the purposes of audit by the EIB, EC, the OLAF and its authorised representatives or the Court of Auditors and reflect the Investments actually made.

Date:

Signature by the responsible person mentioned in Article I.8:

<sup>38</sup> IP = Investment Project

<sup>39</sup> Specifying which main area concerned (EE in non-residential buildings, EE in residential buildings, Renewable energy sources, Street lighting, District heating, Smart grids, Others ) and which technology(ies)/measure(s) implemented

<sup>40</sup> Indicate the investor, who has or will assume the investment

## **Annex V: Fiche for requesting ex-ante comments on the terms of reference (ToRs) of large subcontracts**

### Introduction:

In the case the Final Beneficiary would need to rely on subcontracting in order to implement part of the Action and the estimated subcontract value is higher than 214,000 Euro (excluding VAT) or when the maximum value is not estimated, the terms of reference / description of the requested service need to be communicated to EIB for comments prior to their publication or launch for consultation. The present fiche needs to be properly filled in and sent by e-mail to the EIB / ELENA contact point communicated to the Final Beneficiary with the supporting documents described below. The Bank will provide an answer to the request within fifteen working days.

Name of Final Beneficiary:

Name of Project Development Services (PDS):

ELENA Contract reference:

1. Reasons for relying upon subcontracting
2. Short description of the service(s) to be received by the Final Beneficiary - how it serves the implementation of the PDS and how these services are related to the Investment Programme
3. Estimated value of the service contract and procurement procedure to be followed (public procurement rules or other)
4. Planned duration of the contract
5. Supporting document requested
  - terms of reference / description of the requested service(s)

Date of expedition of request:

## **Annex VI: Reference to ELENA - Horizon 2020 funding & legal disclaimer**

In line with the article II.5 of the Contract the Final Beneficiary will assure that in any communication, report or publication about the action a reference to the received financing from the ELENA facility under the Horizon 2020 Programme is displayed. The instructions for displaying the support received from the Horizon 2020 programme are presented in the following annex.

### **The visual identity**

The European Commission introduced a single visual identity in order to have a recognisable image and a more coherent voice when communicating and to reduce costs. In this context, EU programmes should phase out their existing logos and no new logos will be created for upcoming programmes.

The names of programmes, such as Horizon 2020 shall be used as verbal brands, i.e. references to them will be made without a regulated visual mark or logo.

Article 38 “Promoting the Action — Visibility of EU Funding” of the Horizon 2020 Annotated Model Grant Contract provides communication guidelines. See the document at:

[http://ec.europa.eu/research/participants/data/ref/h2020/grants\\_manual/amga/h2020-amga\\_en.pdf](http://ec.europa.eu/research/participants/data/ref/h2020/grants_manual/amga/h2020-amga_en.pdf)

Further information for the EU funding support presentation can be found:

[http://ec.europa.eu/research/participants/docs/h2020-funding-guide/grants/grant-management/acknowledge-funding\\_en.htm](http://ec.europa.eu/research/participants/docs/h2020-funding-guide/grants/grant-management/acknowledge-funding_en.htm)

Beneficiaries of EU funding shall use the European Union emblem in their communication to acknowledge the support received under EU programmes, mentioning “Co-funded by the Horizon 2020 Programme of the European Union” in their communication.

### **The EU emblem**

The name of the EU programme (in this case Horizon 2020) can appear with the EU emblem. However, no graphical mark (i.e. logo) shall be created using the EU emblem and name of the programme. The minimum height of the EU emblem shall be 1 cm.

If used on websites, please link the EU emblem image, together with the Horizon 2020 name, to the webpage of the ELENA facility ([www.eib.org/elena](http://www.eib.org/elena)).

For more information on visual identity, all versions of the EU emblem and the rules governing their correct use, please consult the European Commission's guidelines for beneficiaries and other third parties available at:

<http://publications.europa.eu/code/en/en-5000100.htm>

### **Please find below some practical examples of how to proceed:**

- ELENA PDS project specific website: please display the EU emblem image, together with the Horizon 2020 name, in the header or footer of all sub-sites, including any national sub-websites, and the disclaimer in the footer of your homepage.
- Reports/brochures: please use your ELENA PDS project logo (if available), the EU emblem image, together with the Horizon 2020 name, and the disclaimer.
- Published papers: it is recommended that you add a short text acknowledging that the Horizon 2020 Programme is co-funding the ELENA PDS project at the end of the paper including the disclaimer.
- Slides: please use your institution or company logo and the EU emblem image, together with the Horizon 2020 name on slides, e.g. on the first slide, presented at conferences, workshops, etc.

Please do not hesitate to contact the ELENA Team in case of any questions about publications related to Project Development Services supported by ELENA.



**Instructions for displaying the correct legal disclaimer**

In addition to the received support by the Horizon 2020 Programme, you will also need to display the following legal disclaimer on any written information produced for your Project Development Services or for any related event:

*The sole responsibility for the content of this [webpage, publication etc.] lies with the authors. It does not necessarily reflect the opinion of the European Union. Neither the European Investment Bank nor the European Commission are responsible for any use that may be made of the information contained therein.*

*Le contenu de cette [page web, publication, etc.] n'engage que la responsabilité de son auteur et ne représente pas nécessairement l'opinion de l'Union européenne. Ni la Banque européenne d'Investissement ni la Commission européenne ne sont responsables de l'usage qui pourrait être fait des informations qui y figurent.*

*Die alleinige Verantwortung für den Inhalt dieser [Webseite, Publikation usw.] liegt bei den AutorInnen. Sie gibt nicht unbedingt die Meinung der Europäischen Union wieder. Weder die Europäische Investitionsbank noch die Europäische Kommission übernehmen Verantwortung für jegliche Verwendung der darin enthaltenen Informationen.*

*El contenido de esta [página web etc.] sólo compromete a su autor y no refleja necesariamente la opinión de la Unión Europea. Ni el Banco Europeo de Inversiones ni la Comisión Europea son responsables de la utilización que se podrá dar a la información que figura en la misma.*

(...)

This disclaimer can be written in small font size and it can be put in places, which are less prominent than those used for the main logo, e.g. at the bottom of websites or in the editorial information of publications. However, it needs to be displayed and it needs to be readable.

The ELENA Team is available for any further assistance which you may require: [elena@eib.org](mailto:elena@eib.org).

### Annex VII: ELENA PDS Factsheet

<b>Location of planned investments</b>	Province of Zuid Holland, the Netherlands
<b>Final Beneficiary</b>	Provincie Zuid Holland)
<b>Sector(s) of investment</b>	Energy efficiency in residential buildings, sustainable district heating and integrated renewable energy (PV)
<b>Total Project Development Services (PDS) cost</b>	EUR 3,000,000
<b>ELENA co- financing</b>	EUR 2,700,000
<b>Project Development Services (PDS) financed by ELENA</b>	<ul style="list-style-type: none"> <li>• Co-operation among public stakeholders to develop already identified investment projects;</li> <li>• Engagement with social housing operators and private home-owners to implement EE measures;</li> <li>• Feasibility studies, financial engineering and implementation plans that make projects attractive to energy suppliers</li> <li>• Preparing tender packages for district heating networks;</li> <li>• Providing energy audits;</li> </ul>
<b>PDS Timeframe</b>	Q3 2020 – Q3 2023
<b>Investment programme description</b>	As part of the national effort to phase out natural gas, the Province of South Holland will promote 10 local residential projects whereby the existing gas heating will be replaced with primarily low-temperature, renewable energy district heating networks. This will require also insulating the dwelling to an average energy class B. Some 3,645 dwellings will be retrofitted and 28 km of district heating networks will be built.
<b>Investment amount to be mobilized</b>	EUR 93.6m
<b>Description of the approach to implement the Investment Programme</b>	The Province will support municipalities and stakeholders involved through the process of making a final Investment decision (FID) which will trigger implementation. Investments by both the end-users and energy suppliers will be based on a proven business case and will require taking out loans, along with public grants.
<b>Expected results of investments planned</b>	Energy Efficiency – annual total energy saved 33.8 GWh Renewable energy – annual generation/extraction 32 GWh CO <sub>2</sub> reductions – annual total reductions of 10,500 tCO <sub>2</sub> eq
<b>Leverage factor (Minimum 20)</b>	35
<b>Status</b>	Contract signed on XX/XX/2020
<b>Contact person at ELENA beneficiary</b>	Xxx Marianne de Nooij

## Annex VIII

### A. *Exclusion criteria*

Should they be in one of the situations described below, economic operators/tenderers shall be excluded from procurement procedures launched by the Final Beneficiary:

- (a) they are bankrupt, are subject to insolvency, are being wound up, are having their affairs administered by a liquidator or by the courts, are in an arrangement with creditors, are having their business activities suspended, or are in any analogous situation arising from a similar procedure provided for in national legislation or regulations;
- (b) in the past five years, they have been the subject of a final judgment or final administrative decision for being in breach of their obligations relating to the payment of taxes or social security contributions in accordance with the applicable law and where such obligations remain unpaid unless a binding arrangement has been established for payment thereof;
- (c) in the past five years, they or persons having powers of representation, decision-making or control over them have been convicted of an offence concerning their professional conduct by a final judgment, which would affect their ability to implement a supplies, services or works contract and which is for one of the following reasons:
  - (i) negligently providing misleading information that may have a material influence or fraudulently misrepresenting information required for the verification of the absence of grounds for exclusion or the fulfilment of selection criteria or in the performance of a contract or an agreement;
  - (ii) entering into agreements with other persons aimed at distorting competition;
  - (iii) attempting to unduly influence the decision-making process of the contracting authority during the award procedure;
  - (iv) attempting to obtain confidential information that may confer upon it undue advantages in the award procedure.
- (d) in the past five years, they or persons having powers of representation, decision-making or control over them have been the subject of a final judgment for:
  - (i) fraud;
  - (ii) corruption;
  - (iii) participation in a criminal organisation;
  - (iv) money laundering or terrorist financing;
  - (v) terrorist offences or offences linked to terrorist activities, or inciting, aiding, abetting or attempting to commit such offences;
  - (vi) child labour and other forms of trafficking in human beings;
- (e) they are subject to a decision on exclusion contained in the early detection and exclusion system database (EDES) of the European Commission<sup>41</sup> as per its published list.

### B. **Procurement procedures to be followed by Final Beneficiaries not operating in a capacity of contracting authority as per the EU Procurement Directives**

In order to claim subcontracting costs as eligible, the Final Beneficiary needs to ensure that:

- Eligibility and other requirements stipulated in the contract are complied with;
- The procurement procedure undertaken by the Final Beneficiary in order to award the contract are compliant with the principles of transparency, proportionality, equal treatment, best value for money, avoidance of conflict of interest and non-discrimination.

<sup>41</sup> [https://ec.europa.eu/info/strategy/eu-budget/how-it-works/annual-lifecycle/implementation/anti-fraud-measures/edes\\_en#the-database](https://ec.europa.eu/info/strategy/eu-budget/how-it-works/annual-lifecycle/implementation/anti-fraud-measures/edes_en#the-database)

The Final Beneficiary may opt to apply its internal procurement rules in matter of award of contracts *as long as the latter ensure compliance with the above mentioned principles*. In case such rules do not exist or are not deemed appropriate by the Final Beneficiary, it may opt to comply with the following provisions:

<b>Estimated value of the subcontract (without VAT)</b>	<b>Minimum number of qualified bidders to be consulted</b>	<b>Publication Requirements/ Procedure</b>
≤ EUR 35 000	one	No publication required-negotiations to obtain best value for money possible
> EUR 35 000, but ≤ EUR 214 000	At least five	No publication required-negotiations to obtain best value for money
> EUR 214 000	At least five	Publication via appropriate means (website, newspaper etc.) – negotiations to obtain best value for money

In line with the relevant provisions of the contract, the Final Beneficiary undertakes to maintain archives documenting the conduct of the above mentioned procedures that are to be kept at the disposal of EIB, EC or other entities mentioned as per Articles II.14.2 to II.4.5 of the Contract.

## **Annex IX: Financial Audit**

### **Table of content**

1. Introduction
2. Terms of Reference for an Independent Report of Factual Findings on costs and investment amounts declared under ELENA Project Development Services Contract
3. Independent Report of Factual Findings on costs declared under ELENA Project Development Services Contract
4. Agreed-upon procedures to be performed and standard factual findings to be confirmed by the Auditor
5. Sampling Approaches for ELENA Audited Financial Statements

## 1. Introduction

This Annex sets out the requirements and the methodology applicable to the Financial Audits, as specified in article I.6.1 (d) of the Contract.

Section 2 of this Annex refers to the Terms of Reference ("ToR") whose provisions shall be included by the Final Beneficiary in the service contract to be signed with an independent auditor (the "**Auditor**") following the procurement process to subcontract the Financial Audit. Copy of the service contract signed by the Final Beneficiary and the Auditor, including the provisions set in Section 2 of this Annex, shall be provided by the Final Beneficiary to the Bank. The service contract with the Auditor shall be awarded in accordance with Article II.7.

Section 3 of this Annex refers to the Independent Report of Factual Findings and Section 4 refers to the Standard Factual Findings to be followed by the Auditor. These documents must be produced by the Auditor and delivered by the Final Beneficiary to the Bank.

Finally, Section 5 of this Annex sets out the methodology to be used in the sampling processes related to the Financial Audit.

The documents included in Section 3 and 4 shall be produced and signed by the Auditor and sent by the Final Beneficiary with the final implementation report.

## 2. Terms of Reference for an Independent Report of Factual Findings on costs and investment amounts declared under ELENA Project Development Services Contract

This document sets out the 'Terms of Reference (ToR)' under which

*[insert name of the final beneficiary] ('the Final Beneficiary')]*

agrees to engage

*[insert legal name of the auditor] ('the Auditor')*

to produce an independent report of factual findings ('the Report') concerning the Financial Statements<sup>42</sup> drawn up by the *[Final Beneficiary]* for the ELENA Project Development Services Contract *[insert number of the Contract, title of the action, acronym and duration from/to]* ('the Contract'), and

to issue a 'Audited Financial Statement (AFS)' referred to in Article II.14.2 of the Contract based on the compulsory reporting template stipulated by the European Investment Bank (the "Bank").

The Contract has been concluded under the ELENA Facility between the *[Final Beneficiary]* and the Bank.

The Bank is mentioned as a signatory of the Contract with the Beneficiary only. The Bank is not a party to this engagement.

### 2.1 Subject of the engagement

With the final implementation report, to be submitted 30 (thirty) calendar days following the end of the reporting period in question, the Final Beneficiary shall submit a AFS as reimbursement of actual costs and unit costs calculated on the basis of its usual cost accounting practices (see Article II.10 of the Contract). The AFS shall cover all reporting periods and all cost categories. In addition, the AFS has to cover also the submitted list of the supported eligible Investment Projects and their amount (see Article I.4.4 of the Contract).

The AFS is composed of two separate documents:

- The copy of the Contract related to the Audited Financial Statement signed by the Final Beneficiary and the Auditor;
- The Auditor's Independent Report of Factual Findings ('the Report') to be issued on the Auditor's letterhead, dated, stamped and signed by the Auditor (or the competent public officer) which includes the agreed-upon procedures ('the Procedures') to be performed by the Auditor, and the standard factual findings ('the Findings') to be confirmed by the Auditor.

The AFS shall be included in the final report in accordance with Article I.6.1 of the Contract, and therefore the request for final payment cannot be made without the AFS. However, the payment for reimbursement of costs covered by the AFS does not preclude the Bank, the Commission, the European Anti-Fraud Office and the European Court of Auditors from carrying out checks, reviews, audits and investigations in accordance with Article II.14.4 of the Contract.

<sup>42</sup> By which PDS costs and amount of supported investments under the Contract are declared (see template 'Model Financial Statements' Table A.4.3 and Table A.4.4 in annex IV of the Contract).

## 2.2 Responsibilities

The *[Final Beneficiary]*:

- shall draw up the Financial Statements for the action financed by the Contract in compliance with the obligations under the Contract. The Financial Statements shall be drawn up according to the *[Final Beneficiary's]* accounting and book-keeping system and the underlying accounts and records and for the supported Investment Projects by substantiating documents;
- shall send the Financial Statements to the Auditor;
- is responsible and liable for the accuracy of the Financial Statements;
- is responsible for the completeness and accuracy of the information provided to enable the Auditor to carry out the Procedures. It shall provide the Auditor with a written representation letter supporting these statements. The written representation letter shall state the period covered by the statements and shall be dated;
- accepts that the Auditor cannot carry out the Procedures unless it is given full access to the *[Final Beneficiary's]* staff and accounting as well as any other relevant records and documentation.

The Auditor:

- *[Option 1 by default: is qualified to carry out statutory audits of accounting documents in accordance with Directive 2006/43/EC of the European Parliament and of the Council of 17 May 2006 on statutory audits of annual accounts and consolidated accounts, amending Council Directives 78/660/EEC and 83/349/EEC and repealing Council Directive 84/253/EEC or similar national regulations].*
- *[Option 2 if the Final Beneficiary has an independent Public Officer: is a competent and independent Public Officer for which the relevant national authorities have established the legal capacity to audit the Final Beneficiary].*

The Auditor:

- shall be independent from the Final Beneficiary, in particular, it shall not have been involved in preparing the *[Final Beneficiary's]* Financial Statements;
- shall plan work so that the Procedures may be carried out and the Findings may be assessed;
- shall adhere to the Procedures laid down and the compulsory report format;
- shall carry out the engagement in accordance with this ToR;
- shall document matters which are important to support the Report;
- shall base its Report on the evidence gathered;
- shall submit the Report to the *[Final Beneficiary's]*.

The Bank sets out the Procedures to be carried out by the Auditor. The Auditor is not responsible for their suitability or pertinence. As this engagement is not an assurance engagement, the Auditor does not provide an audit opinion or a statement of assurance.

## 2.3 Applicable Standards

The Auditor shall comply with these Terms of Reference and with<sup>43</sup>:

- the International Standard on Related Services ('ISRS') 4400 *Engagements to perform Agreed-upon Procedures regarding Financial Information* as issued by the International Auditing and Assurance Standards Board (IAASB);

<sup>43</sup> Supreme Audit Institutions applying INTOSAI-standards may carry out the Procedures according to the corresponding International Standards of Supreme Audit Institutions and code of ethics issued by INTOSAI instead of the International Standard on Related Services ('ISRS') 4400 and the Code of Ethics for Professional Accountants issued by the IAASB and the IESBA.



- the *Code of Ethics for Professional Accountants* issued by the International Ethics Standards Board for Accountants (IESBA). Although ISRS 4400 states that independence is not a requirement for engagements to carry out agreed-upon procedures, the Bank requires that the Auditor also complies with the Code's independence requirements.

The Auditor's Report shall state that there is no conflict of interests in establishing this Report between the Auditor and the Final Beneficiary, and shall specify - if the service is invoiced - the total fee paid to the Auditor for providing the Report.

## 2.4 Reporting

The Report shall be written in English or French.

Under Article II.14.4 of the Contract, the Commission, the Bank, the European Anti-Fraud Office and the Court of Auditors have the right to audit any work that is carried out under the action and for which costs are declared from the European Union budget. This includes work related to this engagement. The Auditor shall provide access to all working papers (e.g. recalculation of hourly rates, verification of the time declared for the action, review of investment amount documentation) related to this assignment if the Commission, the Bank, the European Anti-Fraud Office or the European Court of Auditors requests them.

## 2.5 Timing

The Report shall be provided by [dd Month yyyy].

## 2.6 Other terms

*[The [Final Beneficiary] and the Auditor can use this section to agree other specific terms, such as the Auditor's fees, liability, applicable law, etc. Those specific terms shall not contradict the terms specified above.]*

[legal name of the Auditor]

[name & function of authorised representative]

[dd Month yyyy]

Signature of the Auditor

[legal name of the Final Beneficiary]

[name & function of authorised representative]

[dd Month yyyy]

Signature of the Final Beneficiary

### 3. Independent Report of Factual Findings on costs declared under ELENA Project Development Services Contract

(To be printed on the Auditor's letterhead)

To  
 [ name of contact person(s)], [Position]  
 [ [Final Beneficiary] name ]  
 [ Address]  
 [ dd Month yyyy]

Dear [Name of contact person(s)],

As agreed under the terms of reference dated [dd Month yyyy]

with: [insert name of the final beneficiary] ('the Final Beneficiary'),

we

[name of the auditor ] ('the Auditor'),

established at

[full address/city/state/province/country],

represented by

[name and function of an authorised representative],

have carried out the procedures agreed with you regarding the costs for project development services and the amount of supported investment projects declared in the Financial Statements<sup>44</sup> of the *Final Beneficiary's* concerning the project development services Contract [insert specific agreement reference: number, title of the action and acronym] ('the Contract'),

with

- a total cost for project development services declared of EUR [total amount] and
- a total amount of supported investment projects declared of EUR [total amount],

and

- a total of actual project development services costs in accordance with the ELENA cost eligibilities declared of EUR [sum of total actual project development costs audited] and
- a total, actual amount of supported investment projects substantiated through appropriate documentation of EUR [sum of total actual investment project costs audited] and
- with a sampling process developed in accordance with the methodology described in Section 5 of Annex IX, based on the figures provided by the final Beneficiary within the Financial Statements,

and **hereby provide our Independent Report of Factual Findings ('the Report')** using the compulsory report format agreed with you.

#### **The Report**

Our engagement was carried out in accordance with the terms of reference ('the ToR') appended to this Report. The Report includes the agreed-upon procedures ('the Procedures') carried out and the standard factual findings ('the Findings') examined.

The Procedures were carried out solely to assist the Bank in evaluating whether the *Final Beneficiary's* costs for project development services and the amount of supported investment

<sup>44</sup> By which PDS costs and amount of supported investments under the Contract are declared (see template 'Model Financial Statements' Table A.4.3 and Table A.4.4 in annex IV of the Contract).

projects in the accompanying Financial Statements were declared in accordance with the Contract. The Bank draws its own conclusions from the Report and any additional information it may require.

The scope of the Procedures was defined by the Bank. Therefore, the Auditor is not responsible for their suitability or pertinence. Since the Procedures carried out constitute neither an audit nor a review made in accordance with International Standards on Auditing or International Standards on Review Engagements, the Auditor does not give a statement of assurance on the Financial Statements.

Had the Auditor carried out additional procedures or an audit of the Final Beneficiary's Financial Statements in accordance with International Standards on Auditing or International Standards on Review Engagements, other matters might have come to its attention and would have been included in the Report.

### **Not applicable Findings**

We examined the Financial Statements stated above and considered the following Findings not applicable:

#### ***Explanation (to be removed from the Report):***

*If a Finding was not applicable, it shall be marked as 'N.A.' ('Not applicable') in the corresponding row on the right-hand column of the table and means that the Finding did not have to be corroborated by the Auditor and the related Procedure(s) did not have to be carried out.*

*The reasons of the non-application of a certain Finding shall be one of the below i.e.*

- i) if no cost was declared under a certain category then the related Finding(s) and Procedure(s) are not applicable;*
- ii) if the condition set to apply certain Procedure(s) are not met the related Finding(s) and those Procedure(s) are not applicable. For instance, for Partners with accounts established in a currency other than euro' the Procedure and Finding related to 'beneficiaries with accounts established in euro' are not applicable.*

#### **List here all Findings considered not applicable for the present engagement and explain the reasons of the non-applicability.**

....

### **Exceptions**

Apart from the exceptions listed below, the *Final Beneficiary* provided the Auditor all the documentation and accounting information needed by the Auditor to carry out the requested Procedures and evaluate the Findings.

#### ***Explanation (to be removed from the Report):***

- If the Auditor was not able to successfully complete a procedure requested, it shall be marked as 'E' ('Exception') in the corresponding row on the right-hand column of the table. The reason such as the inability to reconcile key information or the unavailability of data that prevents the Auditor from carrying out the Procedure shall be indicated below.*
- If the Auditor cannot corroborate a standard finding after having carried out the corresponding procedure, it shall also be marked as 'E' ('Exception') and, where possible, the reasons why the Finding was not fulfilled and its possible impact shall be explained here below.*

**List here any exceptions and add any information on the cause and possible consequences of each exception, if known. If the exception is quantifiable, include the corresponding amount.**

....

*Example (to be removed from the Report):*

1. *The Final Beneficiary was unable to substantiate the Finding number 1 on ... because ...*
2. *Finding number 9 was not fulfilled because the methodology used by the Final Beneficiary to calculate unit costs was different from the one approved by the Bank. The differences were as follows: ...*
3. *After carrying out the agreed procedures to confirm the Finding number 8, the Auditor found a difference of EUR \_\_\_\_\_. The difference can be explained by ...*

### **Further Remarks**

In addition to reporting on the results of the specific procedures carried out, the Auditor would like to make the following general remarks:

*Example (to be removed from the Report):*

1. *Regarding Finding number 2 the conditions for personnel costs record were considered as fulfilled because ...*
2. *In order to be able to confirm the Finding number 34 we carried out the following additional procedures: ....*

### **Use of this Report**

This Report may be used only for the purpose described in the above objective. It was prepared solely for the confidential use of the [Final Beneficiary] and the Bank, and only to be submitted to the Bank in connection with the requirements set out in Article II.14.3 of the Contract. The Report may not be used by the Final Beneficiary or by the Bank for any other purpose, nor may it be distributed to any other parties. The Bank may only disclose the Report to authorised parties, in particular to the European Anti-Fraud Office (OLAF) and the European Court of Auditors.

This Report relates only to the Financial Statements submitted to the Bank by the [Final Beneficiary] for the Contract. Therefore, it does not extend to any other of the Final Beneficiary's Financial Statement(s).

There was no conflict of interest<sup>45</sup> between the Auditor and the Final Beneficiary in establishing this Report.

The total fee paid to the Auditor for providing the Report is EUR [ ] (including EUR [ ] of [deductible/non-deductible] VAT).

We look forward to discussing our Report with you and would be pleased to provide any further information or assistance.

[legal name of the Auditor]

[name and function of an authorised representative]

[dd Month yyyy]

Signature of the Auditor

<sup>45</sup> A conflict of interest arises when the Auditor's objectivity to establish the certificate is compromised in fact or in appearance when the Auditor for instance:

- was involved in the preparation of the Financial Statements;
- stands to benefit directly should the certificate be accepted;
- has a close relationship with any person representing the Partner;
- is a director, trustee or partner of the Partner; or
- is in any other situation that compromises his or her independence or ability to establish the certificate impartially.

#### 4 Agreed-upon procedures to be performed and standard factual findings to be confirmed by the Auditor

The Bank reserves the right to i) provide the auditor with additional guidance regarding the procedures to be followed or the facts to be ascertained and the way in which to present them (this may include sample coverage and findings) or to ii) change the procedures, by notifying the Final Beneficiary in writing. The procedures carried out by the auditor to confirm the standard factual finding are listed in the table below.

The 'result' column has three different options: 'C', 'E' and 'N.A.':

- 'C' stands for 'confirmed' and means that the auditor can confirm the 'standard factual finding' and, therefore, there is no exception to be reported;
- 'E' stands for 'exception' and means that the Auditor carried out the procedures but cannot confirm the 'standard factual finding', or that the Auditor was not able to carry out a specific procedure (e.g. because it was impossible to reconcile key information or data were unavailable);
- 'N.A.' stands for 'not applicable' and means that the Finding did not have to be examined by the Auditor and the related Procedure(s) did not have to be carried out. The reasons of the non-application of a certain Finding shall be obvious i.e. i) if no cost was declared under a certain category then the related Finding(s) and Procedure(s) are not applicable; ii) if the condition set to apply certain Procedure(s) are not met then the related Finding(s) and Procedure(s) are not applicable. For instance, for 'beneficiaries with accounts established in a currency other than the euro' the Procedure related to 'beneficiaries with accounts established in euro' is not applicable.

Ref	Procedures	Standard factual finding	Result (C / E / N.A.)
<b>A</b>	<b>ACTUAL PERSONNEL COSTS AND UNIT COSTS CALCULATED BY THE FINAL BENEFICIARY IN ACCORDANCE WITH ELENA ELIGIBILITIES</b>		
	<p>The Auditor draws a sample of persons whose costs were declared in the Financial Statement to carry out the procedures indicated in the consecutive points of this section A.</p> <p><i>(The sample should be sized according to the methodology defined in Section 5 of this Annex and be selected randomly)</i></p> <p><b>The Auditor sampled [ ] people out of the total of [ ] people, representing EUR [ ] of staff costs.</b></p>		
A.1	<p><b>PERSONNEL COSTS</b></p> <p>For the persons included in the sample and working under an employment contract or equivalent act (<u>general procedures for individual actual personnel costs and personnel costs declared as unit costs</u>)</p> <p>To confirm standard factual findings 1-5 listed in the next column, the Auditor reviewed the following information/documents provided by the Final Beneficiary:</p>	<p>1) The employees were i) directly hired by the Final Beneficiary in accordance with its national legislation, ii) under the Final Beneficiary's sole technical supervision and responsibility, iii) remunerated in accordance with</p>	

	<ul style="list-style-type: none"> <li>a list of the persons included in the sample indicating the period(s) during which they worked for the Action, their position (classification or category) and type of contract;</li> <li>the total number of payslips of the employees included in the sample;</li> <li>reconciliation of the personnel costs declared in the Financial Statement(s) with the accounting system (project accounting and general ledger) and payroll system;</li> <li>information concerning the employment status and employment conditions of personnel included in the sample, in particular their employment contracts or equivalent;</li> <li>the Final Beneficiary's usual policy regarding payroll matters (e.g. salary policy, overtime policy, variable pay);</li> <li>applicable national law on taxes, labour and social security; and,</li> <li>any other document that supports the personnel costs declared.</li> </ul> <p>The Auditor also verified the eligibility of all components of the retribution (see Article II.10.1 of the Contract) and recalculated the personnel costs for employees included in the sample.</p>	the Final Beneficiary's usual practices, and iv) for existing staff a new contract or a side letter was signed, as referred in Article II.10.1 of the Contract.	
		2) Personnel costs were recorded in the Final Beneficiary's accounts/payroll system.	
		3) Costs were adequately supported and reconciled with the accounts and payroll records.	
		4) Personnel costs did not contain any ineligible elements.	
		5) There were no discrepancies between the personnel costs charged to the Action and the costs recalculated by the Auditor.	
	<p><u>For personnel seconded by a third party and included in the sample (not sub-contractors)</u></p> <p>To confirm standard factual findings 6-8 listed in the next column, the Auditor reviewed following information/documents provided by the Final Beneficiary:</p> <p>their secondment contract(s) notably regarding costs, duration, work description, place of work and ownership of the results;</p> <ul style="list-style-type: none"> <li>if there is reimbursement by the Final Beneficiary to the third party for the resource made available: any documentation that supports the costs declared (e.g. contract, invoice, bank payment, and proof of registration in its accounting/payroll, etc.) and reconciliation of the Financial Statement(s) with the accounting system (project accounting and general ledger) as well as any proof that the amount invoiced by the third party did not include any profit;</li> <li>any other document that supports the costs declared (e.g. invoices, etc.).</li> </ul>	6) Seconded personnel reported to the Final Beneficiary and worked on the Final Beneficiary's premises (unless otherwise agreed with the Beneficiary).	
		7) The results of work carried out belong to the Final Beneficiary, or if not, the Final Beneficiary has obtained all necessary rights to fulfil its obligations as if those results were generated by itself.	
		<p><i>If personnel is seconded against payment:</i></p> <p>8) The costs declared were supported with documentation and recorded in the Final Beneficiary's accounts. The third party did not include any profit.</p>	

A.2	<p><b>PRODUCTIVE HOURS</b></p> <p>To confirm standard factual findings 9-15 listed in the next column, the Auditor reviewed relevant documents, especially national legislation, labour agreements and contracts and time records of the persons included in the sample, to verify that:</p> <ul style="list-style-type: none"> <li>the annual productive hours applied were calculated in accordance with one of the methods described below,</li> <li>the full-time equivalent (FTEs) ratios for employees not working full-time were correctly calculated.</li> </ul>	<p>9) The Final Beneficiary applied method [choose one option and delete the others]</p> <p>[A: 1720 hours] [B: the 'total number of hours worked'] [C: 'annual standard productive hours' used correspond to usual accounting practices]</p>	
	<p>If the Final Beneficiary applied method B, the auditor verified that the correctness in which the total number of hours worked was calculated and that the contracts specified the annual workable hours.</p>	<p>10) Productive hours were calculated annually.</p>	
	<p>If the Final Beneficiary applied method C, the auditor verified that the 'annual productive hours' applied when calculating the hourly rate were equivalent to at least 90 % of the 'standard annual workable hours'. The Auditor can only do this if the calculation of the standard annual workable hours can be supported by records, such as national legislation, labour agreements, and contracts.</p>	<p>11) For employees not working full-time the full-time equivalent (FTE) ratio was correctly applied.</p>	
	<p><i>FINAL BENEFICIARY'S PRODUCTIVE HOURS' FOR PERSONS WORKING FULL TIME SHALL BE ONE OF THE FOLLOWING METHODS:</i></p> <p><i>A. 1720 ANNUAL PRODUCTIVE HOURS (PRO-RATA FOR PERSONS NOT WORKING FULL-TIME)</i></p> <p><i>B. THE TOTAL NUMBER OF HOURS WORKED BY THE PERSON FOR THE FINAL BENEFICIARY IN THE YEAR (THIS METHOD IS ALSO REFERRED TO AS 'TOTAL NUMBER OF HOURS WORKED' IN THE NEXT COLUMN). THE CALCULATION OF THE TOTAL NUMBER OF HOURS WORKED WAS DONE AS FOLLOWS: ANNUAL WORKABLE HOURS OF THE PERSON ACCORDING TO THE EMPLOYMENT CONTRACT, APPLICABLE LABOUR AGREEMENT OR NATIONAL LAW PLUS OVERTIME WORKED MINUS ABSENCES (SUCH AS SICK LEAVE OR SPECIAL LEAVE).</i></p> <p><i>C. THE STANDARD NUMBER OF ANNUAL HOURS GENERALLY APPLIED BY THE FINAL BENEFICIARY FOR ITS PERSONNEL IN ACCORDANCE WITH ITS USUAL COST ACCOUNTING PRACTICES (THIS METHOD IS ALSO REFERRED TO AS 'STANDARD ANNUAL PRODUCTIVE HOURS' IN THE NEXT COLUMN). THIS NUMBER SHALL BE AT LEAST 90% OF THE STANDARD ANNUAL WORKABLE HOURS.</i></p>	<p><i>If the Final Beneficiary applied method B.</i></p> <p>12) The calculation of the number of 'annual workable hours', overtime and absences was verifiable based on the documents provided by the Final Beneficiary.</p> <p>13) The Final Beneficiary calculates the hourly rates per full financial year following procedure A.3 (method B is not allowed for beneficiaries calculating hourly rates per month).</p>	
	<p><i>'ANNUAL WORKABLE HOURS' MEANS THE PERIOD DURING WHICH THE PERSONNEL SHALL BE WORKING, AT THE EMPLOYER'S DISPOSAL AND CARRYING OUT HIS/HER ACTIVITY OR DUTIES UNDER THE EMPLOYMENT CONTRACT, APPLICABLE COLLECTIVE LABOUR AGREEMENT OR NATIONAL WORKING TIME LEGISLATION.</i></p>	<p><i>If the Final Beneficiary applied method C.</i></p> <p>14) The calculation of the number of 'standard annual workable hours' was verifiable based on the documents provided by the Final Beneficiary</p>	



		15) The 'annual productive hours' used for calculating the hourly rate were consistent with the usual cost accounting practices of the Final Beneficiary and were equivalent to at least 90 % of the 'annual workable hours'.	
A.3	<p><b>HOURLY PERSONNEL RATES</b></p> <p>The Auditor:</p> <ul style="list-style-type: none"> <li>reviewed the documentation provided by the Final Beneficiary, including manuals and internal guidelines that explain how to calculate hourly rates;</li> <li>recalculated the hourly rates of staff included in the sample (recalculation of all hourly rates if the Final Beneficiary uses annual rates, recalculation of three months selected randomly for every year and person if the Final Beneficiary uses monthly rates) following the results of the procedures carried out in A.1 and A.2;</li> <li>(only in case of monthly rates) confirmed that the time spent on parental leave is not deducted, and that, if parts of the basic remuneration are generated over a period longer than a month, the Final Beneficiary has included only the share which is generated in the month.</li> </ul> <p><u>"UNIT COSTS CALCULATED BY THE FINAL BENEFICIARY IN ACCORDANCE WITH ITS USUAL COST ACCOUNTING PRACTICES":</u></p> <p>IT IS CALCULATED BY DIVIDING THE TOTAL AMOUNT OF PERSONNEL COSTS OF THE CATEGORY TO WHICH THE EMPLOYEE BELONGS VERIFIED IN LINE WITH PROCEDURE A.1 BY THE NUMBER OF FTE AND THE ANNUAL TOTAL PRODUCTIVE HOURS OF THE SAME CATEGORY CALCULATED BY THE FINAL BENEFICIARY IN ACCORDANCE WITH PROCEDURE A.2.</p> <p><u>HOURLY RATE FOR INDIVIDUAL ACTUAL PERSONAL COSTS:</u></p> <p>IT IS CALCULATED FOLLOWING ONE OF THE TWO OPTIONS BELOW:</p> <p>A) [OPTION BY DEFAULT] BY DIVIDING THE ACTUAL ANNUAL AMOUNT OF PERSONNEL COSTS OF AN EMPLOYEE VERIFIED IN LINE WITH PROCEDURE A.1 BY THE NUMBER OF ANNUAL PRODUCTIVE HOURS VERIFIED IN LINE WITH PROCEDURE A.2 (FULL FINANCIAL YEAR HOURLY RATE);</p> <p>B) BY DIVIDING THE ACTUAL MONTHLY AMOUNT OF PERSONNEL COSTS OF AN EMPLOYEE VERIFIED IN LINE WITH PROCEDURE A.1 BY 1/12 OF THE NUMBER OF ANNUAL PRODUCTIVE HOURS VERIFIED IN LINE WITH PROCEDURE A.2 (MONTHLY HOURLY RATE).</p>	<p>16) The individual rates re-calculated by the Auditor were the same as the rates applied by the Final Beneficiary (considering ELENA eligible staff costs).</p> <p>17.1) The Beneficiary used only one option (per full financial year or per month) throughout each financial year examined.</p> <p>17.2) The hourly rates do not include additional remuneration (e.g. overhead costs, travel costs shall be excluded).</p>	



A.4	<p><b>TIME RECORDING SYSTEM</b></p> <p>To verify that the time recording system ensures the fulfilment of all minimum requirements and that the hours declared for the action were correct, accurate and properly authorised and supported by documentation, the Auditor made the following checks for the persons included in the sample that declare time as worked for the action on the basis of time records:</p> <ul style="list-style-type: none"> <li>• description of the time recording system provided by the Final Beneficiary (registration, authorisation, processing in the HR-system);</li> <li>• its actual implementation;</li> <li>• time records were signed at least monthly by the employees (on paper or electronically) and authorised by the project manager or another manager;</li> <li>• the hours declared were worked within the project period;</li> <li>• there were no hours declared as worked for the action if HR-records showed absence due to holidays or sickness (further cross-checks with travels are carried out in B.1 below) ;</li> <li>• the hours charged to the action matched those in the time recording system.</li> </ul> <p><i>ONLY THE HOURS WORKED ON THE ACTION CAN BE CHARGED. ALL WORKING TIME TO BE CHARGED SHOULD BE RECORDED THROUGHOUT THE DURATION OF THE PROJECT, ADEQUATELY SUPPORTED BY EVIDENCE OF THEIR REALITY AND RELIABILITY.</i></p>	<p>18) All persons recorded their time dedicated to the action on a <b>daily/ weekly/ monthly</b> basis using a <b>paper/computer-based</b> system. (delete the answers that are not applicable)</p> <p>19) Their time-records were authorised at least monthly by the project manager or other superior.</p> <p>20) Hours declared were worked within the project period and were consistent with the presences/absences recorded in HR-records.</p> <p>21) There were no discrepancies between the number of hours charged to the action and the number of hours recorded.</p>	
-----	--	--	--

B	COSTS OF SUBCONTRACTING		
B.1	<p><b>The Auditor obtained the detail/breakdown of the costs of each subcontract and sampled _____ cost items selected randomly, representing EUR _____ of subcontracting costs.</b>  <i>(The sample should be sized according to the methodology defined in Section 5 of this annex and be selected randomly.)</i></p> <p>To confirm standard factual findings 22-26 listed in the next column, the Auditor reviewed the following for the items included in the sample:</p> <ul style="list-style-type: none"> <li>the use of sub-contractors was foreseen in Annex I of the Contract;</li> <li>subcontracting costs were declared in the subcontracting category of the Financial Statement;</li> <li>supporting documents on the selection and award procedure were followed;</li> <li>the Final Beneficiary ensured best value for money (key elements to appreciate the respect of this principle are the award of the subcontract to the bid offering best price-quality ratio, under conditions of transparency and equal treatment. In case an existing framework contract was used the Final Beneficiary ensured it was established on the basis of the principle of best value for money under conditions of transparency and equal treatment).</li> </ul> <p>In particular,</p> <ol style="list-style-type: none"> <li>if the Final Beneficiary acted as a contracting authority within the meaning of Directive 2004/18/EC (or 2014/24/EU) or of Directive 2004/17/EC (or 2014/25/EU), the Auditor verified that the applicable national law on public procurement was followed and that the subcontracting complied with the Contract.</li> <li>if the Final Beneficiary did not fall under the above-mentioned category the Auditor verified that the Final Beneficiary followed procurement procedures equivalent to the ones presented in the "Optional guidance for procurement undertaken by Final Beneficiaries with Private Status" in annex VIII of the Contract.</li> </ol> <p>For the items included in the sample the Auditor also verified that:</p> <ul style="list-style-type: none"> <li>there were signed agreements between the Final Beneficiary and the subcontractor;</li> <li>there was evidence that the services were provided by the subcontractor.</li> </ul>	<p>22) The use of claimed subcontracting costs was foreseen in Annex I and costs were declared in the Financial Statements under the subcontracting category.</p>	
		<p>23) Procurement rules, principles and guides were followed. There were documents of requests to different providers, different offers and assessment of the offers before selection of the provider in line with the applicable European Public Procurement Directives or, for private promoters, with the guidance procedures in annex VIII of the contract. Subcontracts were awarded in accordance with the principle of best value for money.</p> <p><i>(When different offers were not collected the Auditor explains the reasons provided by the Final Beneficiary under the caption "Exceptions" of the Report. The Bank will analyse this information to evaluate whether these costs might be accepted as eligible)</i></p>	
		<p>24) Subcontracts costs are in line with Article II.10 of the Contract</p>	

		25) All subcontracts were supported by signed agreements between the Final Beneficiary and the subcontractor.	
		26) There was evidence that the services were provided by the subcontractors.	
<b>D</b>	<b>USE OF EXCHANGE RATES</b>		
D.1	<p>For Final Beneficiaries with accounts established in a currency other than euros</p> <p><b>The Auditor verified that the exchange rate used for converting the total amount of PDS costs in the financial statement from other currencies into euros were in accordance with the following rules established in the Contract</b></p> <p>Cost recorded in the accounts in a currency other than Euro shall be converted into Euro following the rules stipulated in the Contract in article II.11.1:</p> <p>"If the currency for the cost occurred is not in Euro, the conversion into Euro shall be determined using the relevant foreign exchange reference rates published by the European Central Bank (which are based on the daily concertation procedure between central banks within and outside the European System of Central Banks) applicable on the first working day of the month following the period covered by the financial statement.</p>	27) The exchange rate used to convert other currencies into Euros were in accordance with the rules established in the Contract and there was no difference in the final figures for the total amount of PDS costs.	
<b>E</b>	<b>INVESTMENT PROGRAMME</b>		
E.1	<p><b>The Auditor sampled _____ Investment Projects, representing EUR _____ of investment costs, in accordance with the description of the Investment Programme included in Annex I of the Contract, selected randomly.</b></p> <p><i>(The sample should be sized according to the methodology defined in Section 5 of this annex and be selected randomly).</i></p> <p>To confirm standard factual findings 34–38, listed in the next column, the Auditor reviewed the following for the items included in the sample:</p> <ul style="list-style-type: none"> <li>a) the investment project sector(s) was foreseen in Annex I of the Contract;</li> <li>b) the costs of the investment projects were declared in relevant Financial Statement;</li> <li>c) costs of the investment projects are eligible according to Annex III of the Contract;</li> <li>d) the implementation of the investment projects is compliant with Article I.4.4 of the Contract;</li> </ul>	<p>28) The investment projects was foreseen in Annex I of the Contract.</p> <p>29) The costs of the investment projects were declared in the relevant Financial Statement</p> <p>30) The costs of the investment projects are eligible according to Annex III of the Contract.</p> <p>31) The implementation of the investment projects is compliant with the</p>	

	e) the Final Beneficiary made available supporting information and documents (e.g. invoices, contracts, tender documents) confirming the implementation of the investment projects.	requirements stated in Article I.4.4 of the Contract. 32) The Final Beneficiary made available supporting information and documents (e.g. invoices, contracts, tender documents) confirming the implementation of the investment projects.	
--	---	---	--

## 5. Sampling Approaches for ELENA Audited Financial Statements

As described in Article I.6.1 of the Contract, the final implementation report shall include an audited financial statement (Audit) covering the Project Development Service costs and the Investment Projects, for all ELENA projects.

This document describes the minimum requirements and methodologies applicable to the referred Audits, and shall be used by the Final Beneficiary to define the terms of reference to subcontract those services.

### General Principles:

*Final Beneficiaries shall apply the following stratification strategy:*

1. The methodology shall be applied individually for each cluster identified;
2. For staff cost, two clusters shall be considered:
  - 2.1 Direct staff;
  - 2.2 Seconded staff;
3. For subcontracts, three clusters shall be considered<sup>46</sup>:
  - 3.1 ≤ EUR 35k;
  - 3.2 > EUR 35k and ≤ EUR 214k;
  - 3.3 > EUR 214k;
4. For Investment Projects, three clusters shall be considered<sup>47</sup>:
  - 4.1 ≤ EUR 35k;
  - 4.2 > EUR 35k and ≤ EUR 500k;
  - 4.3 > EUR 500k.

The thresholds previously referred shall only be applied for the sampling process related to the audited financial statements.

### Note:

This document only refers to the sampling procedures to be applied in the financial audit.

Final Beneficiaries shall tender the Project Development Services and the Investor(s) shall tender the Investment Projects in accordance with the national public procurement rules or in accordance with the Bank's Guide to procurement, as applicable.

<sup>46</sup> Considering the total value of each subcontract;

<sup>47</sup> Considering the total value or the estimated value of each Investment Project.

**Sampling Methodology:**

The following methodology shall be applied individually for each cost category (staff costs, subcontracts, Third Parties and investment projects).

1. Minimum sample size calculation: Considering the total number of the population (subcontracts, staff members or investment projects), please calculate the minimum size of each sample. Full coverage is required if there are fewer than 10 items, otherwise the sample shall have a minimum of 10 item, or 10% of the total, whichever number is highest. The result shall be rounded up to units.
2. Sample size per cluster: Calculate the number of samples for each cluster, multiplying the minimum size of the sample (as described in 1) by the share of each cluster in the population. The result shall be rounded up to units;
3. Final Sample Size: The final sample size will be the sum of the number of samples per cluster (as described in point 2). During the audit process, the auditor shall comply with the final sample size and with the sample size per cluster (as calculated in point 2);
4. Staff costs sampling: If staff costs both include direct staff and seconded staff, two cluster shall be considered and the sample shall include elements from both. Their share in the sample shall be the same than their share in the population (as described in point 2);

The auditor shall randomly select the individual financially supported activities to be audited.

For ELENA projects included in the ELENA Residential envelope, the Final Beneficiary can request to the Bank, with the latest Progress Report, to use an alternative sampling methodology fulfilling the requirements described below. The request shall include the description of the methodology to be adopted for each population (subcontracts, staff and investment projects, if applicable), highlighting the fulfilment of the requirements described in the standard or alternative sampling methodology, specifying the sample size for each one of the previously referred populations.

**Example 1:**

In the following table can be found the characterization of the number of Project Development Services subcontracts, number of staff and investment projects related to a hypothetical ELENA project, as report included in the Final Report.

PDS Overview							n.º of Investment Projects			
n.º of Subcontracts				n.º of Staff						
Total	≤ 35k	>35k and ≤ 214k	> 214k	Total	Direct	Seconded	Total	≤ 35k	>35k and ≤ 500k	> 500k
16	6	9	1	13	4	9	101	12	87	2

1. Minimum sample size calculation (minimum of 10 item, or 10% of the total, whichever number is highest):
  - a) Subcontracts:  $10 \text{ or } 10\% \times 16 \rightarrow 10 \text{ or } 1.6 \rightarrow 10$
  - b) Staff:  $10 \text{ or } 10\% \times 13 \rightarrow 10 \text{ or } 1.3 \rightarrow 10$
  - c) Investment Projects:  $10 \text{ or } 10\% \times 101 \rightarrow 10 \text{ or } 10.1 \rightarrow 11$
  
2. Sample size per cluster (minimum of 10 item, or 10% of the total, whichever number is highest):
  - a) Subcontracts:
    - i) ≤ 35k:  $10 \times \frac{6}{16} = 3.75 \rightarrow 4$
    - ii) > 35k and ≤ 214k:  $10 \times \frac{9}{16} = 5.63 \rightarrow 6$
    - iii) > 214k:  $10 \times \frac{1}{16} = 0.63 \rightarrow 1$
  - b) Staff:
    - i) Direct:  $10 \times \frac{4}{13} = 3.08 \rightarrow 4$
    - ii) Seconded:  $10 \times \frac{9}{13} = 6.92 \rightarrow 7$
  - c) Investment Projects:
    - i) ≤ 35k:  $11 \times \frac{12}{101} = 1.31 \rightarrow 2$
    - ii) > 35k and ≤ 500k:  $11 \times \frac{87}{101} = 9.48 \rightarrow 10$
    - iii) > 500k:  $11 \times \frac{2}{101} = 0.22 \rightarrow 1$
  
3. Final sample size
  - a) Subcontracts:  $4 + 6 + 1 = 11,$
  - b) Staff:  $4 + 7 = 11$
  - c) Investment Projects:  $2 + 10 + 1 = 13$

When sampling, and for each one of the populations, the auditor shall comply with the final sample size, as described in point 3, and with the sample size per cluster, as described in 2.

**Example 2:**

In the following table can be found the characterization of the number Project Development Services subcontracts, number of staff and investment projects related to a hypothetical ELENA project, as report included in the Final Report.

PDS Overview							n.º of Investment Projects			
n.º of Subcontracts				Staff						
Total	≤ 35k	>35k and ≤ 214k	> 214k	Total	Direct	Seconded	Total	≤ 35k	>35k and ≤ 500k	> 500k
6	1	1	4	9	1	8	1851	521	1328	2

- Minimum sample size calculation (minimum of 10 item, or 10% of the total, whichever number is highest):
  - Subcontracts:  $10 \text{ or } 10\% \times 6 \rightarrow 10 \text{ or } 0.6 \rightarrow 6$  (population is 6)
  - Staff:  $10 \text{ or } 10\% \times 9 \rightarrow 10 \text{ or } 0.9 \rightarrow 9$  (population is 9)
  - Investment Projects:  $10 \text{ or } 10\% \times 1851 \rightarrow 10 \text{ or } 185.1 \rightarrow 186$
- Sample size per cluster (minimum of 10 item, or 10% of the total, whichever number is highest):
  - Subcontracts:
    - ≤ 35k:  $6 \times \frac{1}{6} = 1 \rightarrow 1$
    - > 35k and ≤ 214k:  $6 \times \frac{1}{6} = 1 \rightarrow 1$
    - > 214k:  $6 \times \frac{4}{6} = 4 \rightarrow 4$
  - Staff:
    - Direct:  $9 \times \frac{1}{9} = 1 \rightarrow 1$
    - Seconded:  $9 \times \frac{8}{9} = 8 \rightarrow 8$
  - Investment Projects:
    - ≤ 35k:  $186 \times \frac{521}{1851} = 52.35 \rightarrow 53$
    - > 35k and ≤ 500k:  $186 \times \frac{1328}{1851} = 133.45 \rightarrow 134$
    - > 500k:  $186 \times \frac{2}{1851} = 0.20 \rightarrow 1$
- Final sample size
  - Subcontracts:  $1 + 1 + 4 = 6$
  - Staff:  $1 + 8 = 9$
  - Investment Projects:  $53 + 134 + 1 = 188$

When sampling, and for each one of the populations, the auditor shall comply with the final sample size, as described in point 3, and with the sample size per cluster, as described in 2.