

## 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

<b>1. Location and Final Beneficiary Details</b>
Location of the Project Development Services
The Project Development Services will be performed by Košický Samosprávny Kraj (KSK) – Košice Self-governing Region administration and will be realised in the Košice Region.
Description of the Final Beneficiary
The Košice Self-governing Region ( <a href="http://web.vucke.sk/sk/">web.vucke.sk/sk/</a> ) is a self-governing higher territorial unit (regional public authority) — one of the eight regions of the Slovak Republic (SR). The Region has 799 217 inhabitants (as of 12/2018), which represents 14.66 % of the total number of inhabitants of the Slovak Republic.
Role of the Final Beneficiary in the Investment Programme to be prepared
The KSK will act as a coordinator of the Investment Programme for the Region and the participating municipalities. The ELENA TA provided will significantly increase the number of investment projects in the KSK and will ensure a high quality level for these investments, resulting in significant energy savings and reduction of CO <sub>2</sub> emissions. The investments projects in 55 buildings and 8 municipal street lighting systems will be prepared through competent technical external expertise, which is not available within the KSK. By bundling of projects, KSK wants to maximise economies of scale to reduce public expenditure and at the same time increase the private investments with the majority of the renovations of public buildings being implemented through EPC.

<b>2. Description of the Project Development Services</b>
Aims and objectives of the Project Development Services and the main justification as to why support is needed
<p>Support from the ELENA TA will substantially contribute to the creation of a legal, technical and financial framework which will enable the first cooperation between the participating municipalities within the Košice Region. The result will be a new form of cooperation, new shared working methods and the financially efficient implementation of energy efficiency investments projects envisaged in the region.</p> <p>The ambitious Investment Programme with challenging energy targets require intensive preparation, is technically demanding and very time-consuming. The KSK authorities only have very limited own resources and are not able, without the ELENA TA support, to implement such an Investment Programme. The ELENA TA will allow KSK authority and all participating partners to prepare in the coming three years investments in energy efficiency and renewable energy sources in their public buildings and public lighting systems for more than EUR 51m.</p> <p>The ELENA Implementation Unit will consist of four new hired staff to strengthen the capacity and improve the expertise of the Energy Department within the KSK. The four new staff members will be hired on the market and the estimated direct staff cost amount to EUR 290 000 for the full duration of the ELENA project.</p> <p>The KSK administration will be supported by external service providers, which will assist the KSK in the preparation of the investment programme, beginning with the technical assessment of the buildings and street lighting till the publication and the evaluation of the tenders for the implementation of the investment programme. The expected costs for these external activities</p>

are estimated at approx. EUR 1 310 000. This amount is based on some 55 estimated energy audits for buildings and 8 energy audits for street lighting with technical design documentation and support provided to the KSK for the preparation and evaluation of the investment tenders, to be performed over the next three years.

These costs are estimated based on an average daily rate of EUR 300 for an external service provider. The requested amount is equivalent to 7 FTE working for the whole duration of the ELENA project.

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

With the ELENA TA support, the KSK intends to perform, if possible, a comprehensive deep energy renovation of 10 buildings owned by the KSK and 45 buildings which belong to the municipal partners. In addition, KSK will support 8 municipal partners to modernise the public lighting system. The goals of this investment programme supported by ELENA TA are to increase operational efficiency, improve energy performance and reduce greenhouse gas emissions. The deep energy renovation of these buildings as well as the modernisation of the street lighting should be performed through EPC services.

The planned investment programme will be prepared by an Implementation Unit within the KSK administration (Energy Department). As the KSK administration does not have the in-house knowledge nor the capacity to prepare the technical documentation required for the publication and contracting of the EPC service, it will contract an external service provider to successfully prepare, implement and operate the foreseen investment programme over the next 3 years.

In order to ensure a high quality management and to also have the technical knowledge and capacity to manage the ELENA TA programme, the KSK will hire 4 staff for project management and implementation with experience in the field of energy efficiency. The ELENA Implementation Unit within KSK will include a Programme Manager, Data Manager, Assistant Coordinator and Technical Controller.

**Activities to be performed by the Direct Staff of KSK:**

*Programme Manager* - Coordination and management of project preparation

- Conducting coordination meetings with the KSK departments (education, culture, social affairs, health care) - informing the KSK departments, ensuring the communication
- Close communication with the external service provider - especially when coordinating contract performance procedures and ensuring the effective communication between the external service provider and KSK departments
- Ensuring smooth cooperation between external service contractor and ELENA TA municipalities partner – preparation of documentation and information on the energy assessment, informing about the decision of the regional management/regional council

*Data Manager* - Monitoring the contract with external service provider during the preparation stage

- Continuous monitoring and reporting to the KSK on the performance, deadlines, costs, scope and quality of the activities specified in the contract with the external service provider.

*Technical Controller* - Preparation and development of reports for the regional management and for the needs of ELENA TA

- Preparation and processing of interim reports for KSK management, in particular, verifying the scope and costs of projects following the EPC Building Suitability Analysis
- Providing expert and methodological activities in the field of energy savings within project preparation processes
- Ensuring a consultation point for interested parties about the use and capabilities of ELENA TA, about the current state of project preparation, about energy savings including the EPC method

- Consultations/meetings with external service contractor on proposals for specific energy measures, if such a request is from its contributory organizations within KSK or municipalities partner

*Assistant Coordinator* – provide assistant to the ELENA TA Implementation Unit

- Providing assistance during the implementation of the ELENA TA to the Implementation Unit.

The expected costs for the direct staff working within the ENREKO ELENA project are estimated at EUR 290 000.

**In the preparation of the investments, the KSK will be supported by external service provider.**

### **Part 1 – Preparation of the investments in the public buildings**

Part 1 consists of the preparation of energy efficiency projects, where EPC implementation will be the preferred option and in accordance with the EPC National Agreement. The activities connected with preparation of required documentation and assessment of the energy savings which can be achieved through EPC, will be performed by an external service provider. The external service provider will also assist the KSK and the partner municipalities in the preparation of the EPC tender documentation and later on for the evaluation of the tenders. The whole project preparation procedure supposed to be financed by ELENA TA will take approx. 24 months.

Activities connected with EPC development

*Technical reports and Energy Audits* - Verification of initial analysis with specification of energy savings measures for each building selected for EPC

The energy audit will be carried out in accordance with Act no. 321/2014 Z.z. on energy efficiency, which defines its structure. It includes the following steps:

- Identification of the subject of the energy audit,
- Description and evaluation of the current state of the building
- Statement of energy consumption
- Specification of energy saving measures
- Setting of investment costs and economic evaluation of each measure
- Estimation of energy savings to be achieved after project implementation
- Estimation of CO<sub>2</sub> savings to be achieved after project implementation.

The technical report on energy audits and energy assessment shall propose technical measures which should be implemented, provide calculations on the expected energy savings and shall include a financial assessment on the potential financial sources to be used.

*Feasibility study* - Analysis of EPC method

- Selection of buildings suitable for renovation using EPC on the basis of existing documentation, onsite inspection and technical reports based on the energy audits
- Analysis of measures and costs of eligible investments in accordance with the national EPC model
- Bundling appropriate measures and costs for multiple buildings with EPC
- Identify energy saving and investment amount

The Energy Audit for each building will define measures which will be appropriate for EPC implementation and for investments which should be covered by KSK own resources. The implementing ESCO will have the opportunity to modify the proposed measures under the contractual obligation to achieve the minimum required savings.

Pursuant to the national binding EPC contract template, which has been in force since 2019, the EPC contract will most likely be divided into 2 parts:

1. Investments realised through EPC,
2. Investment which will be financed from own resources, where a simple technical study will be needed.

All other detailed technical plans will be realized by the contractor at their own expense. The same applies also for EPC investments, and the implementing ESCO will carry out the entire project documentation (detailed technical proposals, plans) at their own expense.

#### **Activities connected with EPC procurement**

- Development and support for the preparation of documentation for EPC tender procedure.
- Preparation and revision of the existing (e.g.: City of Bratislava) EPC tender documentation
- Evaluation of the expected investment costs based on the feasibility studies and development of a financial plan (EPC, PPP, EU funds, credit resources...) for the investments
- Providing assistance to KSK in preparation and execution of procurement for EPC in accordance with the Slovak Public Procurement Act
- Providing technical assistance in preparation of contracts with the implementing ESCOs

The external service provider will assist KSK during preparation and later on during the implementation of the EPC public procurement procedure. In addition, the external service provider will assist KSK during the negotiation with the contractors for construction work (investments financed by KSK/partners own resources) and will provide advice on financial coverage of individual investments.

#### **Part 2 – Preparation of the investments in municipal street lighting**

Part 2 consists of the preparation of energy efficiency projects to be implemented under EPC methodology and in accordance with the EPC National Agreement. The activities connected with preparation of required documentation and assessment of the energy savings which can be achieved through EPC, will be performed by external service provider. The external service provider will also assist the KSK/partner municipalities in the preparation of the EPC tender documentation and later on in the evaluation of the tenders. The whole project preparation procedure supposed to be financed by ELENA will take approx. 12 months.

#### **Activities connected with EPC development**

*Technical report* - Verification of initial analysis with specification of energy savings measures

- Preparation of a technical report including first detailed technical analysis of public lighting with specification of energy saving measures
- Estimation on investment costs, allocation of eligible and not eligible costs in accordance with the national EPC model
- Calculation the amount of costs that should be covered by KSK/municipalities own resources
- Estimated energy and CO<sub>2</sub> savings to be achieved after project implementation

#### **Activities connected with ESCO procurement**

*Development and completion of documentation for tender procedure.*

As for the buildings, the external service provider will assist KSK/partner municipalities in the implementation of the public procurement procedure for street lighting, the external service provider will provide financial advice on each of the investment and advice KSK/partner municipalities during the EPC contracts negotiation.

Technical assistance activity	Investment component supported	Details of how technical assistance activity will support investment component	Deliverables	Expected Man-days	Daily rates [EUR]	Total costs [EUR]
<b>technical advice</b>						
Energy auditor	BUILDINGS	drawing up of energy audits of buildings, including proposals for the best renovation	report of EA	1200	275	330 000
Technical Expert for public lighting	PUBLIC LIGHTING	processing technical assessments and feasibility studies of public lighting refurbishment, providing technical advice to municipalities	feasibility studies and technical reports	291	275	100 000
Technical Expert for buildings	BUILDINGS	processing studies on the refurbishment of the buildings, preparing proposal for individual measures for the energy efficiency renovation of buildings	feasibility studies	1709	275	470 000
<b>legal advice</b>						
Legal Expert	BUILDINGS, PUBLIC LIGHTING	legal advice on financial possibilities, advisory work on preparation of contractual documents	legal advice, contract template	111	450	75 000
<b>advice on public procurement</b>						
Senior Expert for Public Procurement, EPC Expert	BUILDINGS, PUBLIC LIGHTING	advisory work on preparation of the public procurement	advice on public procurement, number of developed/implemented EPC	625	400	250 000
<b>financial advice</b>						
Financial Expert for public-private cooperation projects	BUILDINGS, PUBLIC LIGHTING	proposal for a process of funding through financial instruments which shall not increase the financial burden of the KSK and the partner municipalities and the overall financial advice on the implementation of individual investment projects	proposed method of financing	111	450	75 000

The expected costs for the external service provider are estimated at EUR 1 310 000. The average technical support provided per building is approximately EUR 16 000 and equivalent to 7 EUR/m<sup>2</sup>. These costs also include the assistance delivered by the external service providers to the KSK for the preparation and evaluation of the EPC tenders for the implementation of the investments.

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

The Implementation Unit will be established within 3 months from the start of the project. The tender for the external service provider will be launched within a month from the start of the ELENA TA. The tender documents for the external service provider will be prepared by KSK. The tender will be published in the Journal of the Public Procurement Office and the European Public Procurement Journal. (eTed). The duration of the procurement process is estimated to take up to 6 months. The KSK will assess the bids and choose the best tender, sign a contract with the selected provider.

The external service provider will have around 15 months to prepare all the EPC tender documentation for all buildings. The publication of the EPC tenders for the public buildings should be done continuously. KSK estimates that all tenders will be published within 30 months from project start. It is expected that the external service provider will start to prepare the EPC tender documentation for street lighting systems from month 18. The preparation of the EPC documentation will take around 12 months and the tender should be published around 30 months after project start. Each of the project preparation activities within the performance of the contract will be monitored, coordinated and managed by the Implementation Unit within the Energy Department.

The indicative implementation time table for the ENREKO ELENA TA

	start	end
Creation of Implementing Unit	M01	M03
Selection of the external service provider	M01	M06
Signature of partnership agreements with towns and villages	M01	M06
Buildings + lighting — Energy audits	M07	M24
Buildings + lighting — Feasibility studies	M10	M27
Developing financial structures	M03	M05
Drawing up and agreeing on the implementing timetable for PT	M07	M09
Buildings + Lighting, preparation of technical documentation and budgets for PT	M11	M28
Buildings + Lighting, Process PT + contracting suppliers	M13	M36
Buildings + Lighting, Implementation of projects	M15	M36
Buildings + Lighting, Monitoring results	M13	M36

The detail implementation time table will be available after the external service provider has been contracted. Such detail implementation timetable will be available in the 1<sup>st</sup> Progress Report.

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

**Organisational structure and decision making process**

Košice Self-governing Region will have a major role and responsibility in managing the ENREKO ELENA TA facility. The KSK will create an Implementation Unit (IU) responsible for the implementation, coordination and management of the ELENA TA. The IU will be included within the Directorate of the KSK Office, under the Energy Department.

The KSK has signed a Partnership Agreement with the participating municipalities. The Agreement will be regulated on the basis of mutual cooperation, specific obligations and rights in the implementation of the ELENA TA facility. The KSK and its partners in the preparatory stage approved a binding resolution on the ELENA TA cooperation. Municipalities will deliver maximum cooperation and will provide all the information and documents necessary for the successful implementation of the ELENA TA and the Investment Programme.

KSK will support their partner municipalities within the ELENA TA by:

- preparing of energy audits, technical studies, documentations for building projects and public lighting;
- advising on the appropriate financial structure for the investments;
- coordination of activities leading to the preparation of contracts and tender documents underlying investments;
- monitoring and ensuring proper communication with the European Investment Bank, including reporting on the implementation of the ELENA TA and the Investment Programme;
- ensuring cooperation with citizens and stakeholders;

The Implementation Unit will be the entity responsible for the overall coordination of the ELENA TA activities supporting the implementation of the Investment Programme. Its task will be to select, award, coordinate and control the activities of the external service provider.

The external service provider shall perform the following tasks:

- drawing up of energy audits of buildings in accordance with Act No 321/2014 on energy efficiency, including proposals on the potential energy savings;
- assess the current state of energy losses in buildings, technical state of energy installations, prepare the assessment of structural parts of buildings, claddings, roofs, windows, doors, ventilation systems and other parts which affect the energy consumption of buildings;
- processing technical assessments and feasibility studies for public lighting refurbishment projects in towns and villages;
- provide technical expertise and propose adequate measures for the reconstruction of the selected buildings and prepare the preliminary design;
- prepare a proposal for funding through financial instruments which shall not increase the financial burden of the KSK and provide financial advice on the implementation of individual investment projects;
- provide advice on the preparation of the contracts and the procurement process

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

Experience and results will be shared on the official website of the KSK. KSK intends to organise coordination meetings with other regions in Slovakia, where information on the use of the ELENA TA will be shared. At the same time, KSK will participate in dedicated conferences and inform about the results of their ENREKO ELENA project and the benefits and possibility of using the ELENA TA in the planning of the preparation of investments in the area of energy savings. Information on the use of ELENA TA will be published in an open media space through a press release / press releases - sharing with citizens, institutions, organizations, etc. The KSK sees the possibility of using ELENA as an important opportunity to support the development of the region and a unique opportunity to become the first region to use the ELENA TA in Slovakia for the preparation of EPC investments on such a scale.

### 3. Presentation of Investment Programme

Location (s) where the planned Investment Programme will materialise

The Investment Programme will be realised in the Košice Region.

Description of the planned Investment Programme

The investment programme consists of investments in deep energy efficiency refurbishment in 55 public buildings, 8 street lighting systems and small installation of renewable energies (PV) on public buildings. Part of the deep energy efficiency refurbishment in the buildings will be implemented through EPC, as well as the street lighting systems will be implemented through EPC.



**Buildings:**

The investment programme supported by the ELENA TA will address deep energy renovation of 10 buildings owned by KSK. Total floor area of those buildings is 53 400 m<sup>2</sup>. Within partner cities and municipalities will ELENA TA will address deep energy renovation of 45 buildings of nursery and primary schools, swimming pools, administrative buildings, cultural houses, town halls, municipal offices, or health centres. Total floor area of those buildings is 70 600 m<sup>2</sup>.

Deep energy renovation of buildings will focus on:

- thermal insulation of the building
- replacement of windows, external doors
- reconstruction of heating systems (including replacement and connection to the heat source)
- reconstruction of ventilation systems
- energy management systems
- installation of RES in the energy retrofitted buildings
- lighting replacement in existing buildings

**Public lighting:**

The investment programme supported by the ELENA TA will renovate public lighting in the 8 partner cities and municipalities with a total number of 2 500 lighting points to be retrofitted. The replacement will include exchange of the fluorescent lamps and installation of smart lighting regulation system.

In the next three years, the KSK plans to publish investment tenders of EUR 51m.

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

Public Procurement of ESCO companies will be carried out continuously and will be bundled in investment packages. Indicatively, the first package of investments should be scheduled for Q1 2021, when part of the audits, technical studies and street lighting technical studies will be developed and it will be known which investments are suitable for which type of public procurement and financing. As soon as the audits and studies will be completed, the public procurement investment tenders will be announced.
--

ESCOs will deliver project of buildings renovation with energy efficiency measure installation, energy management and the contractual guaranteed energy savings for contractual time period. The implementation of the street lighting refurbishment will also be performed by ESCOs.
---

Expected results in terms of increase in energy efficiency, decrease in energy consumption, renewable energy production and reduction of greenhouse gas emissions.
--

The total estimated contributions are:
--

- |   |
|---|
| <ul style="list-style-type: none"> <li>• Energy Efficiency – Annual total energy saved 11.6 GWh.</li> <li>• Renewable Energy – Annual total generation 0.2 GWh,</li> <li>• CO<sub>2</sub> reductions – Annual total reductions of 2 560 CO<sub>2</sub> eq t.</li> </ul> |
|---|

Expected other relevant results
---------------------------------

The implementation of the investment programme will induce the creation of specialised jobs at local and regional levels and reinforce the competitiveness of local businesses and thus contribute to the economic recovery at local level. The employment to be created is estimated at approx. 480 FTE during implementation.
---

The other expected impacts are:
---------------------------------

- |   |
|---|
| <ul style="list-style-type: none"> <li>• Life span extension of buildings and improvements/economic savings in the operation and maintenance costs of buildings.</li> <li>• Sharing knowledge and experience with other regions in Slovak Republic</li> </ul> |
|---|

### Expected overall investment costs

The investments for each of the schemes are expected as follows:

Investment component	Total investment cost [EUR]	% of total investment cost
Energy efficiency in buildings	49 000 000	96.1%
Energy efficiency in street lighting	1 700 000	3.3%
PV in existing buildings	300 000	0.6%
<b>TOTAL</b>	<b>51 000 000</b>	<b>100%</b>

### Preliminary financing plan for the Investment Programme

The Slovak government in 2018 approved the Concept on Development EPC and has presented recently a methodological guidance on its application, including a binding contract for the public sector. It is assumed that the municipalities will adopt the methodology which is confirmed by Eurostat recommendations. This will ensure that the EPC investment projects will not be included into the government debt. For the other investments, KSK and the partner municipalities will be able to fully use the loan resources to cover the outstanding costs as their debt limit has not been reached. The split between the investments financed by the ESCO through the energy cost savings and the other investments financed directly by the KSK/municipalities is an estimate based on the expected savings in energy and maintenance costs. The final choice of financing will be made based on the energy audits and the feasibility studies.

As the availability of the Structural Funds from the next MFF is not currently known and secured, KSK confirmed that its debt capacity will allow them and KSK is willing to take an additional loan from the EIB or a commercial loan to cover the outstanding financing in case the Structural Funds are not available in time for the planned investments.

### Preliminary implementation timetable for the Investment Programme

The implementation will start after the first public tender for the investments will be awarded. It is expected that this will happen in Q1 2021. The further announcements of public tenders will be performed continuously, so that within the three years of the ELENA TA duration, public tenders for the investment value of EUR 51m will be published.

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

Reporting time (end of year)	Estimated budget Project Development Services (PDS) per reporting time			Milestones for Investment Programme implementation (indicate here the part of the total Investment Programme which is planned to be launched in the indicated reporting time, per year)						Cumulative Leverage factor
	Staff costs [in EUR]	Sub-contracts and other eligible costs [in EUR]	Annual PDS Sub-total [in EUR]	Short description of area, technologies concerned <sup>7</sup>	Identification of investor <sup>8</sup>	Estimated total investment costs [in EUR]	Estimated annual 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]	
Year 1	98,000	500,000	598,000	EE in Public Buildings, Street Lighting and RES	KSK and partners municipalities	-	-	-	-	Estimated total investment costs" (cumulated each year) / 0.9 x "Annual Sub-total" (cumulated each year)  (Estimated "Total investment costs" for year 1) / (0.9 x "Annual PDS Sub-total" for year 1)
Year 2	96,000	500,000	596,000	EE in Public Buildings, Street Lighting and RES	KSK and partners municipalities	-	-	-	-	(Estimated "Total investment costs" for year 1 and year 2) / (0.9 x "Annual PDS Sub-total" for year 1 and Year 2)
Year 3	96,000	310,000	406,000	EE in Public Buildings, Street Lighting and RES	KSK and partners municipalities	51,000,000	11.63	0.12	2,560	(Estimated "Total investment costs" for year 1 and year 2 and year 3) / (0.9 x "Annual PDS Sub-total" for year 1 and year 2 and year 3)
<b>TOTALS<sup>10</sup></b>	<b>290,000</b>	<b>1,310,000</b>	<b>1,600,000</b>	<b>EE in Public Buildings, Street Lighting and RES</b>	<b>KSK and partners municipalities</b>	<b>51,000,000</b>	<b>11.63</b>	<b>0.12</b>	<b>2,560</b>	(same as leverage factor for year 3)
Interim report (month 18)	140,000	800,000	940,000	EE in Public Buildings, Street Lighting and RES	KSK and partners municipalities	-	-	-	-	Estimated "Total investment costs" at month 18) / (0.9 x "Annual PDS Sub-total" at month 18)

<sup>7</sup> Specifying which main area concerned (i.e. 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>8</sup> Indicate the investor, who will assume the investment

<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 Investment Programme presentation

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

<b>ESTIMATED ELIGIBLE COSTS</b>				
<b>Staff costs</b>				
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>
Programme Manager	2,500	36	100%	90,000
Assistant Coordinator	1,750	36	100%	63,000
Data Manager	1,800	36	100%	64,800
Technical Controller	2,000	36	100%	72,000
<b>Subtotal staff costs</b>				<b>290,000</b>
<b>Subcontracting and other eligible costs (according II.10.2.4 and II.10.2.5)</b>				
Type of activities / support	Description of tasks to be carried out			Total [EUR]
External Service Provider	The external service provider will assist KSK during preparation and later on during the implementation of the EPC public procurement. In addition, the external service provider will assist KSK during the negotiation with the contractors for construction work (investments financed by KSK/ partners own resources) and will provide advice on financial coverage of individual investments.			1,310,000
<b>Subtotal subcontracting</b>				<b>1,310,000</b>
<b>Staff costs</b>				290,000
<b>Subcontracts</b>				1,310,000
<b>Estimated TOTAL eligible costs [in EUR]</b>				<b>1,600,000</b>
<b>FINANCING</b>				
Requested funding from ELENA facility [in EUR]; maximum 90%	in%	90%	1,440,000	
Own funding [in EUR]	in%	10%	160,000	
Other sources [EUR]	in%	0%	0	
<b>TOTAL funding [in EUR]</b>				<b>1,600,000</b>
<p><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.</p>				
<p><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.</p>				

## 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;

<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>

- projects unacceptable in environmental and social terms;
- 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	Slovakia
Contact person	Ľudovít Hintoš
Title	Ing., PhD.
Function / Department	Head of energy department
Address	Námestie Maratónu mieru 1, 042 66 Košice
Phone	055/7268409
Email	ludovit.hintos@vucke.sk

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 (Report 3)</b> 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					
		etc.					
		<b>TOTAL</b>					
During Action (Cumulative)		PDS 1					
		PDS 2					
		etc.					
		<b>TOTAL</b>					

AP

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

	Project Development Services by staff	Name of staff (employed or seconded)	Short description of work performed	Number of person hours	Comments
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 etc.				
During Action (Cumulative)	e.g. STA 1 STA 2 etc.				

**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 signature Date	(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

HP

## B – Impact related table

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

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)						
STAFF COSTS						
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>
During Contract (cumulative)		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.						
SUBCONTRACTING AND OTHER ELIGIBLE COSTS						
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>
CUMULATIVE TOTAL ELIGIBLE COSTS						
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 under pinning 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
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)							
<b>TOTAL</b>							

During Reporting Period

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

	Project Development Services by staff	Name of staff (employed or seconded)	Short description of work performed	Number of person hours	Comments
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				
	etc.				

HP

**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	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 – Impact related table																
Investment Project (IP) identification code Please use code and reference numbers	Name of IP	Sector(s) <sup>21</sup>	Short Description <sup>22</sup>	Incurred or paid total costs [in EUR]	Energy consumed on before	Energy consumed on 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) [m <sup>2</sup> ]	KPI 2 (additional RES installed capacity) [kWp]	KPI 3 (lighting points replaced) [n.°]	KPI 4 (additional/renovated DH network length) [m]	KPI 5 (additional/renovated DH network capacity) [kW]	Relevant documents <sup>23</sup>	Comments
IP xxx					[in GWh]	[in GWh]	[in GWh]	[in GWh]	[in t]							
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

AP

**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)						
STAFF COSTS (Justification for labour costs may be requested by the Bank)						
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.						
SUBCONTRACTING AND OTHER ELIGIBLE COSTS						
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>
CUMULATIVE TOTAL ELIGIBLE COSTS						
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
<p>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)</p>							
PDS 2							
<i>etc.</i>							
<b>TOTAL</b>							

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

Project Development Services by staff	Name of staff (employed or seconded)	Short description of work performed	Number of person hours	Comments
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				
etc.				

AP

**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

3 - Impact related table

Investment Project (IP) identification code	Name of IP	Sector(s) <sup>27</sup>	Short Description <sup>28</sup>	Incurred or paid total costs	Energy consumption before	Energy consumption after	Estimated annual 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 I 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
				[in EUR]	[in GWh]	[in GWh]	[in GWh]	[in GWh]	[in t]	[m <sup>2</sup> ]	[kWp]	[n.]	[m]	[kW]		
IP xxx																
IP xxx																
IP xxx																
TOTAL																

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

C - Financing related table		European Structural 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>	
ELENA Total Eligible Investment	[€]	[%]	[%]	[%]	[%]	[%]	[%]	[%]	[%]	[%]	[%]	[%]	[%]	[%]	[%]	[%]	[%]

<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

HP

**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)					
STAFF COSTS (Justification for labour costs may be requested by the Bank)					
	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.					
SUBCONTRACTING AND OTHER ELIGIBLE COSTS					
	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>
CUMULATIVE TOTAL ELIGIBLE COSTS					
Staff costs					
Subcontracting					
<b>Total</b>			<b>0.00</b>		

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

PDS Overview						
N° of Subcontracts				N° 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**

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

HP

## **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>	The Investment Programme will be realised in the Košice Region in Slovakia.
<b>Final Beneficiary</b>	The Košice Self-governing Region (web.vucke.sk/sk/) is a self-governing higher territorial unit (regional public authority) in Slovakia.
<b>Sector(s) of investment</b>	Energy Efficiency and RES in public buildings, street lighting.
<b>Total Project Development Services (PDS) cost</b>	EUR 1 600 000
<b>ELENA co- financing</b>	EUR 1 440 000
<b>Project Development Services (PDS) financed by ELENA</b>	<p>The planned investment programme will be prepared by an Implementation Unit within the KSK administration (Energy Department). As the KSK administration does not have the in-house knowledge nor the capacity to prepare the technical documentation required for the publication and contracting of the EPC service, it will contract an external service provider to successfully prepare, implement the foreseen investment programme over the next 3 years.</p> <p>The ELENA Implementation Unit will consist of four new hired staff to strengthen the capacity and improve the expertise of the Energy Department within the KSK. The KSK administration will be supported by external service providers, which will assist the KSK in the preparation of the investment programme, beginning with the technical assessment of the buildings and street lighting till the publication and the evaluation of the tenders for the implementation of the investment programme.</p>
<b>PDS Timeframe</b>	2020 – 2022
<b>Investment programme description</b>	The investment programme consists of investments in deep energy efficiency refurbishment in 55 public buildings, 8 street lighting systems and small installation of renewable energies (PV) on public buildings. Part of the deep energy efficiency refurbishment in the buildings will be implemented through EPC, as well as the street lighting systems will be implemented through EPC.
<b>Investment amount to be mobilized</b>	EUR 51m
<b>Description of the approach to implement the Investment Programme</b>	Public Procurement of ESCO companies will be carried out continuously and will be bundled in investment packages. After the completion of audits technical studies and assessments for investments in buildings and street lighting will be developed. Based on these assessments the different public procurement investment tenders (EPC or investments contracts) will be prepared and published.

	ESCOs will deliver the building renovations with energy efficiency measure installation, energy management and contractual guaranteed energy savings. The implementation of the street lighting refurbishment will also be performed by ESCOs.
<b>Expected results of investments planned</b>	The total estimated contributions are: <ul style="list-style-type: none"><li>• Energy Efficiency – Annual total energy saved 11.6 GWh.</li><li>• Renewable Energy – Annual total generation 0.2 GWh,</li><li>• CO<sub>2</sub> reductions – Annual total reductions of 2 560 CO<sub>2</sub> eq t.</li></ul>
<b>Leverage factor (Minimum 20)</b>	35
<b>Status</b>	ongoing
<b>Contact person at ELENA beneficiary</b>	Ing. Ludovít Hintoš, PhD., Head of energy department

## 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.

<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)

## 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.

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:

Estimated value of the subcontract (without VAT)	Minimum number of qualified bidders to be consulted	Publication Requirements/ Procedure
≤ 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 projects in the accompanying Financial Statements were declared in accordance with the

<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).

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>		
	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.  <i>(The sample should be sized according to the methodology defined in Section 5 of this Annex and be selected randomly)</i>  The Auditor sampled _____ people out of the total of _____ people, representing EUR _____ of staff costs.		
A.1	<b>PERSONNEL COSTS</b> For the persons included in the sample and working under an employment contract or equivalent act (general procedures for individual actual personnel costs and personnel costs declared as unit costs)  To confirm standard factual findings 1-5 listed in the next column, the Auditor reviewed the following information/documents provided by the Final Beneficiary:	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	

	<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>	<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.</p>
<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>	<p>2) Personnel costs were recorded in the Final Beneficiary's accounts/payroll system.</p> <p>3) Costs were adequately supported and reconciled with the accounts and payroll records.</p> <p>4) Personnel costs did not contain any ineligible elements.</p> <p>5) There were no discrepancies between the personnel costs charged to the Action and the costs recalculated by the Auditor.</p> <p>6) Seconded personnel reported to the Final Beneficiary and worked on the Final Beneficiary's premises (unless otherwise agreed with the Beneficiary).</p> <p>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> <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>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>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><b>FINAL BENEFICIARY'S PRODUCTIVE HOURS' FOR PERSONS WORKING FULL TIME SHALL BE ONE OF THE FOLLOWING METHODS:</b></p> <p>A. 1720 ANNUAL PRODUCTIVE HOURS (PRO-RATA FOR PERSONS NOT WORKING FULL-TIME)</p> <p>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).</p> <p>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.</p> <p>'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.</p>	
9)	<p>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>	
10)	<p>Productive hours were calculated annually.</p>	
11)	<p>For employees not working full-time the full-time equivalent (FTE) ratio was correctly applied.</p> <p>If the Final Beneficiary applied method B.</p>	
12)	<p>The calculation of the number of 'annual workable hours', overtime and absences was verifiable based on the documents provided by the Final Beneficiary.</p>	
13)	<p>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>If the Final Beneficiary applied method C.</p>	
14)	<p>The calculation of the number of 'standard annual workable hours' was verifiable based on the documents provided by the Final Beneficiary</p>	

AP



		<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'.</p>	
<p>A.3</p>	<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> 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>
-----	---	--	--	---	--

AP

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. (The sample should be sized according to the methodology defined in Section 5 of this annex and be selected randomly.)</b></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>i. 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>ii. 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>

		<p>25) All subcontracts supported by signed agreements between the Final Beneficiary and the subcontractor.</p> <p>26) There was evidence that the services were provided by the subcontractors.</p>	<p>were signed</p>
		<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.</p>	
<b>D</b>	<b>USE OF EXCHANGE RATES</b>		
D.1	<p>For Final Beneficiaries with accounts established in a currency other than euros <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>		
<b>E</b>	<b>INVESTMENT PROGRAMME</b>		
E.1	<p>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.</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> <p>a) the investment project sector(s) was foreseen in Annex I of the Contract;</p> <p>b) the costs of the investment projects were declared in relevant Financial Statement;</p> <p>c) costs of the investment projects are eligible according to Annex III of the Contract;</p> <p>d) the implementation of the investment projects is compliant with Article I.4.4 of the Contract;</p>	<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.
32) 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.

## 1. 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° of Subcontracts				n° of Staff			n° of Investment Projects			
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

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