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EUROPEAN COMMISSION

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COMMISSION DECISION

of 18/01/2011

**establishing the 2011 Work Programme for implementation of the
'Intelligent Energy - Europe II' programme**

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THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Decision No 1639/2006/EC of the European Parliament and of the Council of 24 October 2006 establishing a Competitiveness and Innovation Framework Programme (2007 to 2013)¹, and in particular Articles 37 to 45 thereof,

Having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities², and in particular Articles 75(2) and 110(1) thereof,

Having regard to Commission Regulation (EC, Euratom) No 2342/2002 of 23 December 2002 laying down detailed rules for the implementation of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities³, and in particular Articles 90 and 166 thereof,

Having regard to Commission Decision 2007/372/EC of 31 May 2007 amending Decision 2004/20/EC in order to transform the Intelligent Energy Executive Agency into the Executive Agency for Competitiveness and Innovation (hereinafter referred to as "the EACI")⁴, and to Decision C (2007) 3198 of 9 July 2007 entrusting the EACI with certain management tasks linked to implementation of the Entrepreneurship and Innovation Programme under the Competitiveness and Innovation Framework Programme, the Intelligent Energy – Europe Programme under the Competitiveness and Innovation Framework Programme and the Marco Polo Programme in the field of transport,

Whereas:

- (1) The annual work programme is to be established in accordance with Article 45 of Decision No 1639/2006/EC establishing a Competitiveness and Innovation Framework Programme (2007 to 2013) in line with the objectives set out in Articles 37 and 38 of the same Decision.

¹ OJ L 310, 9.11.2006, p. 15.

² OJ L 248, 16.9.2002, p. 1, as amended by Regulation (EC, Euratom) No 1995/2006 (OJ L 390, 30.12.2006, p. 1).

³ OJ L 357, 31.12.2002, p. 1, as last amended by Regulation (EC, Euratom) No 478/2007 (OJ L 111, 28.4.2007, p. 13).

⁴ OJ L 140, 1.6.2007, p. 52.

- (2) In accordance with Article 75 of the Financial Regulation and Article 90(1) of the Implementing Rules, the commitment of expenditure from the European Union budget shall be preceded by a financing decision setting out the essential elements of the action involving expenditure and adopted by the institution or the authorities to which powers have been delegated by the institution.
- (3) The 2011 work programme being a sufficiently detailed framework in the meaning of Article 90(2) and (3) of the Implementing Rules, the present decision constitutes a financing decision for the expenditure provided in the work programme for grants and procurement.
- (4) The IEE Management Committee set up under Article 46(1)(c) of Decision No 1639/2006/EC establishing a Competitiveness and Innovation Framework Programme (2007 to 2013) has been consulted on the 2011 Work Programme for implementation of the “Intelligent Energy – Europe II” Programme and has endorsed it.
- (5) An analysis was carried out under the auspices of Intelligent Energy Europe Programme I (2003-2006) which led to the conclusion that, for grants under Intelligent Energy — Europe II Programme, 60% of eligible staff costs would be an acceptable level of overheads. This flat rate would notably simplify the management of contracts, both for beneficiaries and for the Commission. It will be reviewed in the framework of ex-post financial controls and revised as appropriate.

HAS ADOPTED THIS DECISION:

Article 1

The 2011 work programme for the implementation of the "Intelligent Energy- Europe II" Programme, as set out in Annex 1, is hereby adopted. It constitutes a financing decision in the meaning of Article 75 of the Financial Regulation.

Article 2

The maximum contribution authorised by this Decision for the implementation of the Programme is set at EUR 107 616 636⁵ to be financed from the following Budgetary Line of the General Budget of the European Union for 2011:

- Budgetary Line no 320406: EUR 107 616 636

These appropriations may also cover interest due for late payment.

Article 3

Cumulated changes of the allocations to the specific actions not exceeding 20% of the maximum contribution authorised by this Decision are not considered to be substantial

⁵ This amount includes additional contributions from third countries participating in the programme on the basis of specific agreements.

provided that they do not significantly affect the nature and objective of the work programme. This may include the increase of the maximum contribution authorised by this Decision up to 20%.

The authorising officer may adopt such changes in accordance with the principles of sound financial management and of proportionality.

Article 4

The Commission hereby authorises the use of flat rate for the funding of the beneficiaries indirect staff costs as set out in Annex 1.

Done at Brussels,

For the Commission

Member of the Commission

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I. GENERAL PROVISIONS

1. INTRODUCTION AND BACKGROUND

1.1 Policy background

The European Union faces serious and unprecedented energy challenges relating to sustainability, greenhouse gas emissions, and energy security. In March 2007 the European Council agreed a new energy policy designed to meet the EU energy objectives of sustainability, competitiveness and security of supply.

Accordingly, the EU has committed itself to the ‘20-20-20’ initiative: reducing greenhouse gas emissions by 20%, increasing the share of renewables in energy consumption to 20% (compared to 8.5% today), and improving energy efficiency by 20%, all by 2020. To put this into effect, the EU adopted a comprehensive and clearly targeted energy and climate policy aimed at providing a secure and predictable investment climate for EU industry.

Furthermore, with a view to energy efficiency and savings, the Commission is currently working on a new European Energy Efficiency Strategy up to 2020. Its aim is to give a high profile to energy efficiency, provide a clear commitment and set key areas for priority action.

The objective of the Intelligent Energy — Europe II Programme (‘IEE II’) is to contribute to secure, sustainable and competitively priced energy for Europe, by providing for action⁶:

- to foster energy efficiency and the rational use of energy resources;
- to promote new and renewable energy sources and support energy diversification;
- to promote energy efficiency and the use of new and renewable energy sources in transport.

IEE II builds on the experience of the first Intelligent Energy — Europe (IEE) Programme, which has become the main EU instrument for tackling non-technological barriers to the efficient use of energy and to the use of new and renewable energy sources.

As recommended in the mid-term evaluation of the IEE Programme⁷, IEE II has been built into the overarching Competitiveness and Innovation Framework Programme (CIP)⁸ with a view to achieving the EU energy policy objectives and to implementing the Lisbon Agenda.

⁶ Decision No 1639/2006/EC of the European Parliament and of the Council of 24 October 2006 establishing a Competitiveness and Innovation Framework Programme (2007 to 2013), OJ L 310, 9.11.2006, p.15, Article 37.

⁷ Commission Staff Working Paper, Annex to the Communication from the Commission to the Council, the European Parliament, the European Economic and Social Committee and the Committee of the Regions: Mid-term Evaluation of the Multiannual Programme for Action in the Field of Energy ‘Intelligent Energy — Europe, 2003-2006’, Summary of the Evaluators’ Report, March 2006 (COM(2006) 357).

⁸ Articles 37 to 45 of Decision No 1639/2006/EC of the European Parliament and of the Council of 24 October 2006 establishing a Competitiveness and Innovation Framework Programme (2007 to 2013).

IEE II also aims to give effect to energy-specific legislation. The objectives and priorities set out in this Work Programme tie in with the following policy communications and legislation:

- EUROPE 2020 — A strategy for smart, sustainable and inclusive growth⁹;
- Energy 2020 — A strategy for competitive, sustainable and secure energy¹⁰
- An energy policy for Europe¹¹;
- 20 20 by 2020, Europe’s climate change opportunity¹²;
- Second Strategic Energy Review — An EU Energy Security and Solidarity Action Plan¹³;
- Green Paper ‘Towards a secure, sustainable and competitive European energy network’¹⁴;
- Action Plan for Energy Efficiency¹⁵;
- Energy efficiency: delivering the 20% target¹⁶;
- Moving forward together on energy efficiency¹⁷;
- Directive on the energy performance of buildings¹⁸;
- Directive on the energy performance of buildings (recast)¹⁹;
- Directive on cogeneration of heat and power²⁰;
- Europe can save more energy by combined heat and power generation²¹;

⁹ Communication from the Commission — EUROPE 2020 — A strategy for smart, sustainable and inclusive growth, COM(2010) 2020.

¹⁰ Communication from the Commission — Energy 2020 — A strategy for competitive, sustainable and secure energy, COM(2010) 639.

¹¹ Communication from the Commission — An energy policy for Europe, COM(2007) 1.

¹² Communication from the Commission — 20 20 by 2020, Europe’s climate change opportunity, COM (2008) 30.

¹³ Communication from the Commission — An EU Energy Security and Solidarity Action Plan, SEC(2008) 2795.

¹⁴ Green Paper ‘Towards a secure, sustainable and competitive European energy network’, COM(2008)782.

¹⁵ Communication from the Commission — Action Plan for Energy Efficiency: Realising the Potential COM(2006)545 final.

¹⁶ Communication from the Commission — Energy efficiency: delivering the 20% target, COM(2008) 772.

¹⁷ Communication from the Commission on a first assessment of national energy efficiency action plans as required by Directive 2006/32/EC on energy end-use efficiency and energy services — Moving forward together on energy efficiency, COM(2008) 11.

¹⁸ Directive 2002/91/EC of the European Parliament and of the Council of 16 December 2002 on the energy performance of buildings.

¹⁹ Directive 2010/31/EU of the European Parliament and of the Council of 19 May 2010 on the energy performance of buildings.

²⁰ Directive 2004/8/EC of the European Parliament and of the Council of 11 February 2004 on the promotion of cogeneration based on a useful heat demand in the internal energy market and amending Directive 92/42/EEC and Commission Decision of 19 November 2008 establishing detailed guidelines for the implementation and application of Annex II to Directive 2004/8/EC of the European Parliament and of the Council.

- Directive on energy end-use efficiency and energy services²²;
- Ecodesign Directive on energy-related products²³;
- Directive on the indication by labelling and standard product information of the consumption of energy and other resources by energy-related products²⁴;
- Regulation on labelling of tyres with respect to fuel efficiency and other essential parameters²⁵;
- Energy Star Agreement²⁶;
- Biomass Action Plan²⁷;
- Renewable energy road map — Renewable energies in the 21st century: building a more sustainable future²⁸;
- Directive on electricity from renewable energy sources²⁹;
- Directive on the promotion of liquid biofuels for transport³⁰;
- Directive on the promotion of the use of energy from renewable sources³¹;
- Offshore Wind Energy: Action needed to deliver on the energy policy objectives for 2020 and beyond³²;
- Green Paper: ‘Towards a new culture for urban mobility’³³;

²¹ Communication from the Commission — Europe can save more energy by combined heat and power generation, COM(2008)771.

²² Directive 2006/32/EC of the European Parliament and of the Council of 5 April 2006 on energy end-use efficiency and energy services and repealing Council Directive 93/76/EEC.

²³ Directive 2009/125/EC of the European Parliament and of the Council of 21 October 2009 establishing a framework for the setting of ecodesign requirements for energy-related products (recast).

²⁴ Directive 2010/30/EU of the European Parliament and of the Council of 19 May 2010 on the indication by labelling and standard product information of the consumption of energy and other resources by energy-related products.

²⁵ Regulation No 1222/2009 of the European Parliament and of the Council of 25 November 2009 on labelling of tyres with respect to fuel efficiency and other essential parameters, OJ L 342/46. .

²⁶ Council Decision 2006/1005/EC of 18 December 2006 concerning conclusion of the Agreement between the Government of the United States of America and the European Community on the coordination of energy-efficiency labelling programmes for office equipment, OJ L 381, 28.12.2006.

²⁷ Communication from the Commission — Biomass Action Plan (SEC(2005) 1573).

²⁸ Communication from the Commission — Renewable energy road map — Renewable energies in the 21st century: building a more sustainable future, COM (2006) 848.

²⁹ Directive 2001/77/EC of the European Parliament and of the Council of 27 September 2001 on the promotion of electricity produced from renewable energy sources in the internal electricity market.

³⁰ Directive 2003/30/EC of the European Parliament and of the Council of 8 May 2003 on the promotion of the use of biofuels or other renewable fuels for transport.

³¹ Directive 2009/28/EC of the European Parliament and of the Council of 23 April 2009 on the promotion of the use of energy from renewable sources and amending and subsequently repealing Directives 2001/77/EC and 2003/30/EC.

³² Communication from the Commission — Offshore Wind Energy: Action needed to deliver on the energy policy objectives for 2020 and beyond, COM(2008) 768.

³³ Green Paper: ‘Towards a new culture for urban mobility’, COM(2007) 551.

- Action Plan on Urban Mobility³⁴;
- Directive on the promotion of clean and energy-efficient road transport vehicles³⁵;
- revised Fuel Quality Directive³⁶;
- A European strategic energy technology plan (SET Plan) — Towards a low carbon future³⁷;
- Investing in the Development of Low Carbon Technologies (SET Plan)³⁸;
- A European Economic Recovery Plan³⁹;
- Regulation (EC) No397/2009 amending Regulation (EC) No1080/2006 on the European Regional Development Fund as regards the eligibility of energy efficiency and renewable energy investments in housing⁴⁰.

1.2 Link with other EU programmes

IEE II opens up new opportunities for synergy with actions under the other CIP specific programmes. The possibility of having access to the instruments, networks and facilities for small and medium-sized enterprises (SMEs) provided for the whole CIP is one example.

The CIP is designed to complement the 7th Framework Programme for research and technological development activities (FP7), including technology platforms for such areas as biofuels, photovoltaics, wind energy, the forest sector, heating and cooling and sustainable chemistry. For IEE II, the field of activity includes best available energy technologies and non-technological action, whereas the energy component of FP7 focuses on research, development and demonstration.

Under Cohesion Policy, at least EUR 9 billion of structural and cohesion policy funds is earmarked for investments in energy efficiency (EE) and renewable energies (RES) in 2007-2013. Following a recent amendment of the ERDF regulation, expenditure on energy efficiency improvements and on the use of renewable energy in existing housing sector for all MS can now go up to 4 % of the total national ERFD allocation. Assuming that all MS use this possibility, up to an additional EUR 8 billion could be re-allocated for EE and RES in the residential sector in the EU. Expenditure could therefore be boosted, serving the purpose of

³⁴ Communication from the Commission — Action Plan on Urban Mobility, COM(2009) 490.

³⁵ Directive 2009/33/EC of the European Parliament and of the Council of 23 April 2009 on the promotion of clean and energy-efficient road transport vehicles.

³⁶ Directive 2009/30/EC of the European Parliament and of the Council of 23 April 2009 amending Directive 98/70/EC as regards the specification of petrol, diesel and gas-oil and introducing a mechanism to monitor and reduce greenhouse gas emissions and amending Council Directive 1999/32/EC as regards the specification of fuel used by inland waterway vessels and repealing Directive 93/12/EEC.

³⁷ Communication from the Commission — A European strategic energy technology plan (SET-plan) — Towards a low carbon future, COM(2007)723.

³⁸ Communication from the Commission — Investing in the Development of Low Carbon Technologies (SET Plan), COM(2009)519.

³⁹ Communication from the Commission — A European Economic Recovery Plan, Brussels, COM(2008)800 final.

⁴⁰ Regulation (EC) no 397/2009 of the European Parliament and the Council OJ L 126/3, 21 May2009.

contributing to the EPBD implementation and the national targets for RES and energy savings. Synergies with actions financed under Cohesion Policy should be explored and promoted; proposers are encouraged to establish links with local managing authorities for the Cohesion Policy funds to find out more about complementary projects and schemes in their Member State/region.⁴¹

Support for rural development in the EU is financed through the European Agricultural Fund for Rural Development⁴² (EAFRD), and renewable energy is one of the priorities to be taken in account when Member States or regions draw up and implement their Rural Development programmes. Rural Development policies can support supply and use of renewable energy in rural areas through a range of actions like financial support for investing in building installations, compensation for planting dedicated energy crops and short rotation coppice, and training, communication and infrastructure in the area of renewable energy. Total EU funding for Rural Development in 2007-2013 is EUR 90.8 billion, to which the 'Health Check' reform of the Common Agricultural Policy and the European Economic Recovery Plan added EUR 4.4 billion in 2008.

As a general rule, in line with Article 111(1) of the Financial Regulation, each project may give rise to the award of only one grant from the EU budget to any one beneficiary.

Due attention will be paid to coordination between areas which are supported by the IEE Programme, on the one hand, and the FP7 research programme, on the other.

For 'dissemination and promotion' projects, the IEE Programme will focus on promoting energy products and systems which are ready for rapid market growth and on tackling non-technological market barriers, whereas FP7 will support research, demonstration and dissemination of new knowledge about innovative energy technologies and the results of technological research and demonstration projects.

1.3 Link with national initiatives

The action should complement other actions taken within or by Member States and participating countries. To maximise the impact of IEE II projects, proposers are encouraged to link their proposals to national, regional or local programmes.

1.4 Annual programming

The CIP common provisions (Article 5) call for an annual work programme for all specific programmes, taking into account the need to adjust to future developments. As provided for in the CIP Decision (Article 45), this Work Programme contains the following elements:

- measures needed for implementation of the Programme;
- priorities;
- related qualitative and quantitative objectives;

⁴¹ http://ec.europa.eu/regional_policy/manage/authority/authority_en.cfm.

⁴² Council Regulation (EC) No 74/2009 of 19 January 2009 amending Regulation (EC) No 1698/2005 on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) Council Decision 2009/61/EC of 19 January 2009 amending Decision 2006/144/EC on the Community strategic guidelines for rural development (programming period 2007 to 2013)

- appropriate evaluation criteria and qualitative and quantitative indicators to analyse effectiveness in delivering outcomes that will contribute to achieving the objectives of the IEE Programme and the CIP;
- operational timetables;
- the rules for participation; and
- the submission, selection, evaluation and award criteria.

The annual work programmes are adopted by Commission decision after prior consultation of the Member States, via the Intelligent Energy — Europe Management Committee (IEEC)⁴³.

1.5 The Executive Agency for Competitiveness and Innovation

The Executive Agency for Competitiveness and Innovation (EACI) was established by a Commission decision⁴⁴. It is responsible for managing EU action in the fields of energy, entrepreneurship, innovation and sustainable freight transport under the CIP and the second Marco Polo Programme (2007–2013) established by Regulation (EC) No 1692/2006 of the European Parliament and of the Council⁴⁵. The EACI's mission consists of efficient management of these programmes and thereby contributes to achieving their objectives.

As part of this mandate, the EACI has been entrusted with certain tasks related to management of the Intelligent Energy – Europe II Programme. Exercising the powers delegated to it and as programmed by the Commission, the Agency carries out all operations necessary for implementing the parts of the Programme entrusted to it, in particular those connected with the award of contracts (procurement) and grants⁴⁶.

The EACI works on the basis of delegated powers, which are laid down in the ‘Act of Delegation’⁴⁷. It works in close cooperation with its parent Commission departments, i.e. — for Intelligent Energy Europe — the Directorate-General for Energy and the Directorate-General for Mobility and Transport.

⁴³ Article 46(1)(c) of Decision No 1639/2006/EC establishing a Competitiveness and Innovation Framework Programme (2007 to 2013).

⁴⁴ Commission Decision 2004/20/EC of 23 December 2003, as amended by Commission Decision 2007/372/EC of 31 May 2007 (OJ L 140, 1.6.2007, p. 52).

⁴⁵ OJ L 328, 24.11.2006, p. 1.

⁴⁶ Commission Decision C (2007) 3198 of 9 July 2007 delegating powers to the Executive Agency for Competitiveness and Innovation with a view to performance of tasks linked to implementation of the Intelligent Energy — Europe Programme 2003-2006, the Marco Polo Programme 2003-2006, the Competitiveness and Innovation Framework Programme 2007-2013 and the Marco Polo Programme 2007-2013 comprising in particular implementation of appropriations entered in the Community budget.

⁴⁷ Commission Decision C (2007) 3198 of 9 July 2007 delegating powers to the Executive Agency for Competitiveness and Innovation with a view to performance of tasks linked to implementation of the Intelligent Energy — Europe Programme 2003-2006, the Marco Polo Programme 2003-2006, the Competitiveness and Innovation Framework Programme 2007-2013 and the Marco Polo Programme 2007-2013 comprising in particular implementation of appropriations entered in the Community budget.

1.6 Participation of third countries

In line with the CIP Decision and its provisions on the CIP Framework Programme, the IEE Programme is open to participation by EU Member States plus:

- (a) European Free Trade Association (EFTA) countries which are members of the European Economic Area (EEA), in accordance with the conditions laid down in the EEA Agreement;
- (b) accession countries and candidate countries benefiting from a pre-accession strategy, in accordance with the general principles and general terms and conditions for the participation of those countries in EU programmes established in the relevant Framework Agreements and Association Council Decisions;
- (c) countries of the Western Balkans, in accordance with the provisions to be determined with those countries following the establishment of Framework Agreements concerning their participation in EU programmes;
- (d) other third countries, when Agreements and procedures so allow.

At present (besides EU Member States) EFTA countries which are members of the EEA (Iceland, Liechtenstein, Norway) and Croatia participate in the IEE Programme.

1.7 The two parts of the Work Programme

(1) General provisions

Part I covers the background to the Work Programme and how it is embedded in the CIP. It also highlights the link with other EU or MS instruments and the role of any Executive Agency. It sets out the objectives of the Programme and describes the means of implementation. The subject of grants, the main instrument for implementing the IEE II Programme, is covered in detail. The relevant chapters describe the instruments used, the rules for participation, the funding limits, the evaluation process, the negotiation and award procedures and the question of property rights. The general provisions also describe the expected outputs and programme indicators with a view to future evaluations and adjustments.

(2) Technical priorities

Part II covers the technical priorities for grants and procurement for 2011. It includes the sectoral objectives, priorities for action, key actors and target groups and specific sectoral indicators. This Work Programme includes only the result of a strict selection procedure for technical priorities. There is no gradation of priorities, and anything not mentioned here is not considered a top priority for this particular annual work programme.

2. STRUCTURE AND MEANS OF IMPLEMENTATION

Most of IEE II is implemented by the competitive allocation of financial support to independent parties proposing action in line with the Programme's priorities (grant procedure). Any decision to propose action obviously lies exclusively with the proposers. Responsibility for carrying it out lies entirely with the contractors.

IEE II projects normally aim to trigger market mechanisms or to induce third parties to take action in line with the Programme's objectives. The impact of IEE projects then extends far beyond the results of any individual project.

Consequently, the quantitative impact of IEE II will be measured by performance indicators agreed upon by the contractors and the Commission. See Section 2.3 for further details of performance indicators.

2.1 Scope of the IEE Programme

Action to **foster energy efficiency and the rational use of energy resources (SAVE)**⁴⁸ may include:

- improvement of energy efficiency and the rational use of energy, in particular in the building and industry sectors;
- supporting the preparation of legislative measures and their application.

Action to **promote new and renewable energy resources (ALTENER)**⁴⁹, may include:

- promoting new and renewable energy sources for centralised and decentralised production of electricity, heat and cooling, and thus supporting the diversification of energy sources;
- integrating new and renewable energy sources into the local environment and the energy systems;
- supporting the preparation of legislative measures and their application.

Action to **promote energy efficiency and the use of new and renewable energy sources in transport (STEER)**⁵⁰ may include:

- supporting initiatives relating to all energy aspects of transport, and the diversification of fuels;
- promoting renewable fuels and energy efficiency in transport;
- supporting the preparation of legislative measures and their application.

Integrated initiatives⁵¹ combine several of the specific fields referred to SAVE, ALTENER and STEER or relating to certain EU priorities. Action within integrated initiatives may include:

⁴⁸ Article 39 of Decision No 1639/2006/EC establishing a Competitiveness and Innovation Framework Programme (2007 to 2013).

⁴⁹ Article 40 of Decision No 1639/2006/EC establishing a Competitiveness and Innovation Framework Programme (2007 to 2013).

⁵⁰ Article 41 of Decision No 1639/2006/EC establishing a Competitiveness and Innovation Framework Programme (2007 to 2013).

⁵¹ Article 42 of Decision No 1639/2006/EC establishing a Competitiveness and Innovation Framework Programme (2007 to 2013).

- integrating energy efficiency and renewable energy sources in several sectors of the economy;
- combining various instruments, tools and actors within the same action or project.

Wherever possible, action financed by the Intelligent Energy — Europe Programme will promote integration and synergies between different priorities.

2.2 Programme performance indicators

2.2.1 Indicators to assess the Programme's impact

To measure overall IEE programme performance, the following set of indicators will be used:

- Investments made by European stakeholders in sustainable energy, triggered by the IEE programme (measurement unit EUR)
- Cumulative renewable energy production triggered by actions supported by the IEE programme (measurement unit toe)
- Cumulative energy savings triggered by actions supported by the IEE programme (measurement unit toe)
- Cumulative reductions of greenhouse gas emissions triggered by actions supported by the IEE programme (measurement unit tCO₂e).

By its nature, IEE II requires a bottom-up approach to evaluate its impact. Programme indicators will be built up from individual project indicators plus complementary activities on harmonisation and rationalisation, along with an estimation of the knock-on effect.

The objectives of using indicators are:

- to ensure a results-driven approach;
- to help contractors focus on core tasks;
- to introduce an effective management tool;
- to allow continuous monitoring of the activities;
- to help improve performance and the effectiveness of tasks.

It should be made clear from the outset that indicators are not a measure of the contractors' performance *per se*, but a quantitative assessment of projects' impact. They will be used to measure the impact of projects from year to year and the impact of the Programme as a whole.

Inclusion of appropriate performance indicators is a necessary condition during the evaluation process for awarding contracts and during the negotiations for concluding contracts.

2.2.2. Indicators to assess the effectiveness of the Programme

In addition to impact-related programme indicators, IEE II has the following targets:

- Balanced participation by public and private, non-profit and profit-making beneficiaries, with a view to meeting the pre-competitive objectives of the Programme.

Indicator: percentages of public and private beneficiaries (applicants and beneficiaries)

- Involvement of relevant stakeholders (as identified earlier).

Indicators: participation rates of stakeholders, duly categorised, and qualitative analysis of the benefits of various combinations of stakeholders

- Active participation by applicants from all participating countries.

Indicator: number of applicants and beneficiaries per eligible country

- A good share of new applicants and beneficiaries, particularly from EU-12 and countries with only limited involvement so far.

2.3 Means of implementation

The IEE Programme is implemented by means of two main instruments:

- (a) **Grants:** grant agreements, in the case of proposals selected on the basis of either a call for proposals or concerted action, or direct grants under special conditions;
- (b) **Procurement:** public procurement contracts for proposals selected on the basis of a call for tenders.

Grants and public procurement are defined by the Financial Regulation⁵². Grants are direct financial contributions to co-finance action intended to help achieve an objective forming part of a European Union policy.

In the case of public procurement, in return for payment the Commission or the EACI obtains a product or service, which it needs and defines itself.

As regards contractual arrangements, the Commission's standard model contracts will be applied. For grant agreements the Commission/EACI will draw up models suitable for the different types of action supported under the IEE Programme.

The IEE Programme will be implemented largely by means of grant agreements.

Additionally, the CIP allows the possibility of cooperation with European and international financial institutions (IFIs), in which case part of the annual budget may be managed by the relevant financial institutions.

Since 2009, this option has been used for the setting up and operation of the ELENA⁵³ Facility in cooperation with the European Investment Bank. In 2011 it is foreseen to continue supporting the EIB-ELENA Facility and extending the cooperation to other financial institutions namely, KfW Group (KfW) and Council of Europe Development Bank (CEB).

⁵² Articles 88 and 108(1) of the Financial Regulation applicable to the general budget of the European Communities (Regulation No 1605/2002 of 25 June 2002), as amended by Council Regulation (EC, Euratom) No 1995/2006 of 13 December 2006.

⁵³ http://www.eib.org/products/technical_assistance/elena/index.htm?lang=en

Contribution agreements between the financial institutions and the Commission will be signed, laying down detailed terms and conditions governing the tasks to be carried out by the financial institutions, management fees to be paid to the financial institutions and the monitoring and reporting requirements.

2.4 Financial perspective

In line with the Council and European Parliament Decision, the total budget allocated to the Intelligent Energy — Europe II Programme for 2007-2013 is EUR 727.3 million⁵⁴. For this 2011 Work Programme, EUR 104 499 000 has been allocated⁵⁵.

2.5 Complementarity between financial instruments

Each action may give rise to the award of only one grant from the budget to any one beneficiary⁵⁶. An action which receives financial support for the same purpose from any other EU financial instrument, including the other specific programmes under the CIP, the 7th Framework Programme for Research and Development, the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the LIFE+ Programme, the European Agricultural Fund for Rural Development and the European Fisheries Fund, will not receive funding from the IEE Programme.

Beneficiaries applying for funding from the IEE Programme will have to provide information on any funding they have received from the EU budget and on any relevant applications for funding which are still pending (reporting to the Commission for centrally financed measures or to a national agency or financial institution for delegated measures).

Synergy and complementarity with other EU instruments will be sought.

3. PROCUREMENT

3.1 General principles for procurement

The Financial Regulation applicable to the general budget of the European Union defines 'procurement' as contracts for pecuniary interest concluded between one or more economic operators and one or more contracting authorities in writing by a contracting authority (e.g. a Commission department) in order to obtain, against payment of a price paid in whole or in part from the budget, the supply of movable or immovable assets, the execution of works or the provision of services.

Procurement will be used to obtain any studies and services the Commission or the EACI need to achieve the objectives underlying the IEE Programme. The areas covered are likely to include consultancy services or technical assistance, and to involve carrying out studies, conducting information, promotion and communication campaigns, purchasing publications and organising conferences.

⁵⁴ Not including contributions from third countries.

⁵⁵ Not including contributions from third countries.

⁵⁶ Article 111(1) of the Financial Regulation applicable to the general budget of the European Communities (Regulation No 1605/2002 of 25 June 2002), as amended by Council Regulation (EC, Euratom) No 1995/2006 of 13 December 2006.

Any procurement financed wholly or partly by the IEE Programme must comply with the principles of transparency, proportionality, equal treatment and non-discrimination.

3.2 Calls for tenders

The Commission and the EACI⁵⁷ will issue calls for tenders for projects under the IEE Programme, in accordance with the requirements laid down in the annual work programme.

The invitation to tender and the attached specifications must provide a full, clear and precise description of the subject, terms and conditions of the contract, together with a clear and precise description of the different criteria to be applied throughout the entire process, up to and including selection of the contractor.

The Commission and the EACI are not legally bound with regard to an economic operator until the contract is signed. Up to the point of signature, they may either abandon the procurement or cancel the award procedure without the candidates or tenderers being entitled to any compensation.

3.3 Participation in tendering procedures

Participation in tendering procedures is open to any natural or legal person or consortium. Participation must be open on equal terms to all natural and legal persons coming within the scope of the Treaties and to all natural and legal persons in a third country which has a special agreement with the European Union in the field of public procurement under the conditions laid down in the relevant agreement.

Where the Multilateral Agreement on Government Procurement concluded within the World Trade Organisation applies, the contracts must also be open to nationals of the states which have ratified that agreement, under the conditions laid down in the agreement.

4. GRANTS — RULES FOR PARTICIPATION AND TYPES OF ACTION

4.1 General principles for grants

Any legal entity, whether public or private, established in a Member State or in an associated country⁵⁸ or in a third country, as defined below, may propose action within the IEE Programme, provided the minimum conditions laid down in this document are met and the content of the proposal is in line with the priorities set in the annual work programme.

‘Legal entity’ means any entity created under the national law of its place of establishment, EU law or international law, which has legal personality and which, acting under its own name, may exercise rights and be subject to obligations.

⁵⁷ Pursuant to Decision C (2007) 3198 of 2 July 2007, the Commission has delegated powers to the Executive Agency for Competitiveness and Innovation for work linked to the IEE II Programme. The Agency may therefore call for specific tenders under the IEE Programme.

⁵⁸ Under Article 4 of Decision No 1639/2006/EC, the Competitiveness and Innovation Framework Programme is open to EFTA countries which are members of the EEA, candidate countries and countries of the Western Balkans, all in accordance with the conditions laid down in the specific agreements and Memoranda of Understanding. Participation is also open to any other third country, when agreements so allow.

Applicants that do not have legal personality may apply for grants provided that the representatives of these applicants prove that they have the capacity to undertake legal obligations on behalf of the applicant and provided that they offer financial guarantees equivalent to those provided by legal persons.

‘Public body’ means a body created by a public authority or a legal entity governed by private law with a public service mission, financed totally or to a large extent (i.e. more than 50%) by public sources, whose internal procedures and accounts are subject to control by a public authority and for whose liabilities a public authority will accept responsibility in the event that the public body ceases its activities.

4.2 Specific provisions

Joint Research Centre

The Joint Research Centre of the European Commission (JRC) may participate in actions under the IEE Programme on the same footing (and with similar rights and obligations) as a legal entity established in a Member State.

International organisations⁵⁹

‘International organisation’ means any legal entity arising from an association of states, other than the EU, established on the basis of a treaty or similar act, having common institutions and an international legal personality distinct from that of its Member States.

Any international organisation may take part in action under the IEE Programme, subject to the conditions set out in this document. It may receive, if necessary, an EU financial contribution for carrying out the action.

4.3 Types of action

The CIP Decision draws a distinction between two principal kinds of action: **promotion and dissemination projects** and **market replication projects**.

4.3.1 *Promotion and dissemination projects*

Article 43 of the CIP Decision spells out the following groups of action for which EU funding can be provided:

- (a) strategic studies on the basis of shared analysis and regular monitoring of market developments and energy trends for the preparation of future legislative measures or for the review of existing legislation, including with regard to the functioning of the internal energy market, for the implementation of medium- and long-term strategy in the energy field to promote sustainable development, as well as for the preparation of long-term voluntary commitments with industry and other stakeholders and for the development of standards, labelling and certification systems, where appropriate also in cooperation with third countries and international organisations;

⁵⁹ Including International Energy Agency (IEA) and International Renewable Energy Agency (IRENA).

- (b) creation, enlargement or reorganisation of structures and instruments for sustainable energy development, including local and regional energy management, and the development of adequate financial products and market instruments;
- (c) promotion of sustainable energy systems and equipment in order to further accelerate their penetration of the market and stimulate investment to facilitate the transition from the demonstration to the marketing of more efficient technologies, awareness campaigns and the creation of institutional capabilities;
- (d) development of information, education and training structures, the utilisation of results, the promotion and dissemination of know-how and best practices involving all consumers, dissemination of results of the action and projects and cooperation with the Member States through operational networks;
- (e) monitoring of the implementation and the impact of EU legislative and support measures.

4.3.2 *Market replication projects*

Article 44 of the CIP Decision provides that ‘The Community shall provide support to projects concerned with the market replication of innovative techniques, processes, products or practices of Community relevance, which have already been technically demonstrated with success. These shall be designed to promote broader utilisation of such techniques, processes, products or practices within the participating countries and facilitate their market uptake.’

4.3.3 *Specific activities for restricted target groups*

Action with standardisation bodies

EU legislation and policy in the field of energy efficiency and renewable energy sources often entail a degree of standardisation at EU level. Where this is the case, only recognised standardisation institutes will be targeted and special means of implementation will be applied⁶⁰.

Concerted action with Member States and participating countries (CA)

Concerted action with Member States (MS) and participating countries (CA) concerns a limited number of specific activities in relation to implementation of EU legislation and policy. It aims at fostering exchanges of information and experience between MS and participating countries with regard to implementation of EU legislation and policy. It covers only topics where coordination and/or harmonisation of approaches would be beneficial, but is not required by EU legislation. A concerted action is therefore designed to provide added value compared with measures taken by each MS acting on its own and to achieve an optimum combination of the various instruments at the disposal of both the EU and the MS.

For such cases, a call for tenders or call for proposals would be inappropriate because there would be only one organisation in each MS eligible to carry out the task. Because of this

⁶⁰ In principle, action will be supported under specific agreements with CEN/CENELEC executed in accordance with the Framework Partnership Agreement between CEN/CENELEC and the European Commission.

specificity, which has to be demonstrated in each individual case, a concerted action meets the conditions laid down in Article 168(1)(f) of the rules implementing the Financial Regulation,⁶¹ and the relevant procedures will be applied. Concerted actions will be undertaken by organisations designated by the MS and countries participating in the CA. The Commission has the role of coordinating this kind of action with the countries concerned.

Each concerted action will be allocated to a consortium of organisations designated and entrusted by the participating countries, under the coordination of one member of the consortium.

A concerted action is addressed only to national authorities transposing and implementing a specific item of EU legislation and policy, or to bodies appointed by the national authorities to implement a specific EU legislation and policy. As national transposition has already started, the national actors involved in transposition and implementation of the directive are identified and national work has been defined. These national actors when nominated for participating in a concerted action qualify for an application of Art 168(1)(f) of the Implementing Rules.

4.4 Minimum conditions for promotion and dissemination project consortia

The minimum conditions for participation in and implementation of IEE promotion and dissemination projects are as follows:

4.4.1. General rule

Unless otherwise specified in the call for proposals, consortia participating in IEE promotion and dissemination projects must be made up of **at least three independent legal entities, each established in a different eligible country.**

In this respect, two legal entities will be regarded as independent of each other if neither is under the direct or indirect control of the other or under the same direct or indirect control as the other.

Control may, in particular, take either of the following forms:

- (a) a direct or indirect holding of more than 50% of the nominal value of the issued share capital in the legal entity concerned or of a majority of the voting rights of the shareholders or associates of that entity;
- (b) direct or indirect holding, in fact or in law, of decision-making powers in the legal entity concerned.

However, the following relationships between legal entities are not in themselves deemed to constitute control:

- (a) the same public investment corporation, institutional investor or venture-capital company has a direct or indirect holding of more than 50% of the nominal value of

⁶¹ Article 168(1)(f): Grants may be awarded without a call for proposals for actions with specific characteristics that require a particular type of body on account of its technical competence, its high degree of specialisation or its administrative power, on condition that the actions concerned do not fall within the scope of a call for proposals.

the issued share capital or a majority of voting rights of the shareholders or associates;

- (b) the legal entities concerned are owned or supervised by the same public body.

4.4.2 Joint Research Centre (JRC) and/or international organisations

If one of the participants is the JRC or an international organisation, it is deemed to be established in a Member State or associated country other than any Member State or associated country in which another participant in the same action is established.

4.5 Specific provisions for grants to specific target groups

- Local and regional energy agencies which were established with and are still beneficiaries of EU contributions from the IEE Programme are eligible to participate in IEE projects (a) if they provide evidence that their resources are sufficient to cover the additional activities and that those additional activities do not overlap with the work programme of their existing IEE grant agreement or (b) if the submission deadline for the call for proposals lies at least 24 months after the starting date of their activities, as specified in the relevant grant agreement.
- Any action involving standardisation bodies must involve one standardisation body which has signed a framework agreement with the European Commission.
- Concerted action with Member States and participating countries will be undertaken only if a critical mass of Member States and participating countries support the action concerned. Justification for the participation of each designated body in terms of its technical competence, its high degree of specialisation or its administrative power will be duly substantiated in the award decision. The actions concerned do not fall within the scope of the call for proposals.
- Any action developed by the IFIs will be subject to dedicated contribution agreements between IFIs and the Commission.

5. GRANTS — EU FINANCIAL CONTRIBUTION

5.1 General

The EU financial contribution to grants is based on reimbursement of the eligible costs of the action.

5.2 Upper funding limits

As a general rule, the following ceilings for the EU contribution apply:

- *promotion and dissemination projects*: up to 75 % of the total eligible cost;
- *promotion and dissemination projects funded under the Building Workforce Training and Qualification Initiative*: up to 90 % of the total eligible cost;
- *funding under the ELENA Facilities*: up to 90% of the total eligible cost.

5.3 Grants to specific target groups

- *Action with standardisation bodies*: up to 95 % of the total eligible cost.
- *Concerted action with Member States and participating countries*: only the additional costs arising from coordination of the activity, together with other costs necessary to give the activity an EU dimension will be eligible. They will be 100 % funded.

5.4 Co-financing requirements

Any action supported by grants must be co-financed at least at the minimum rates laid down for each type of action. The EU contribution to reimburse eligible costs must not give rise to any profit. The sources of co-funding must be transparent and set out such that they are clearly identifiable and accountable.

If necessary, the call for proposals may lay down specific provisions concerning the form which co-financing from sources other than EU financing may or may not take, depending on the nature of the action and/or the beneficiaries concerned, to guarantee sound financial management and to ensure that the financial contributions between co-funders are balanced.

6. GRANTS — CALLS FOR PROPOSALS: SUBMISSION, EVALUATION, SELECTION AND AWARD PROCEDURES⁶²

Grants are generally implemented via calls for proposals. The Commission will issue calls for proposals for actions under the Intelligent Energy — Europe Programme, in accordance with the requirements laid down in this Work Programme⁶³.

Exceptions to calls for proposals

IEE II grants may be awarded without a call for proposals only in the cases provided for by Article 168(1)(f) of the rules implementing the Financial Regulation, i.e. for actions with specific characteristics that require a particular type of body on account of its technical competence, its high degree of specialisation or its administrative power — on condition that the actions concerned do not fall within the scope of a call for proposals, duly substantiated in the award decision. This could be standardisation and certification to be undertaken by recognised standardisation bodies or provision of statistics by recognised statistical offices plus concerted action with Member States and other participating countries.

For these exceptions, which are described in Section 15 of this document, procedures will be established in accordance with the Financial Regulation and the associated implementing rules.

⁶² The procedures for calls for tender are as set out in the relevant regulations and will be published with each call.

⁶³ Pursuant to Decision C (2007) 3198 of 2 July 2007, the Commission has delegated powers to the Executive Agency for Competitiveness and Innovation with a view to performance of tasks linked to the IEE Programme. Pursuant to Article 5 of that Decision, the Agency is empowered to execute calls for proposals.

6.1 Principal evaluation procedure

With the exception of the actions referred to above, proposals are submitted in response to calls for proposals ('calls'). The content, indicative budget and timing of calls are described in Part II of the annual work programme.

Calls will be published on the dedicated Programme website and will be announced in the Official Journal of the European Union. Additional publicity will be sought through specific information channels, including information days, and via the national contact points set up by the MS and the associated countries. Potential applicants can obtain all the information they need from the dedicated website.

In particular, there are user manuals (Guides for Proposers) which explain the conditions and deadlines for submission of proposals, along with the related evaluation, selection and award procedures. The EACI will also provide information on and set out the procedures for redress for applicants, and will adopt rules for consistent verification of the legal status and financial capacity of participants.

The EACI will evaluate all the proposals on the basis of the principles for evaluation and the eligibility, selection and award criteria set out in the annual work programme. Proposals which do not fulfil the stipulated conditions are liable not to be selected. Such proposals may be excluded from the evaluation procedures at any time. Where appropriate, the EACI may appoint independent external experts to assist with evaluating and monitoring a call for proposals. At the end of the evaluation, proposals will be ranked on the basis of the evaluation results. Funding decisions will be made on the basis of this ranking and within the limits of the available budget. Proposals with an identical score next to the budget cut-off limit will be sub-ranked, taking into account the indicative distribution of the 2011 budget by field (see Section 20). A limited number of proposals may be placed on a reserve list, following the sub-ranking.

The evaluation results for successful proposals will include recommendations for the negotiations, including possible technical adaptations to or clarification of the proposed work programme (see Section 6.4).

6.2 Eligibility, selection and award criteria for grants

6.2.1 Eligibility criteria and check

Proposals must meet all the eligibility criteria if they are to be accepted for evaluation. These criteria are applied rigorously. If it becomes clear before, during or after the evaluation phase that any of the eligibility criteria have not been fulfilled, the proposal will be declared ineligible by the EACI and excluded from further examination. If there is any doubt about the eligibility of a proposal, the EACI reserves the right to proceed with the evaluation, pending a final decision on eligibility. The fact that a proposal is evaluated in such circumstances does not constitute proof that it is eligible.

The following eligibility criteria are checked by the EACI for all proposals submitted in response to a call:

- receipt of the proposal by the EACI on or before the date and time established in the call, if applicable;

- minimum number of participants, as referred to in Section 4.4.1;
- completeness of the proposal, i.e. presence of all the requested administrative forms and the description of the proposal (NB The completeness of the information contained in the proposal will be assessed at a later stage (see award criteria); the sole purpose of the eligibility checks is to make sure that all the relevant parts of the proposal are present);
- scope of the call: the content of the proposal must relate to the part of the Work Programme addressed in the call. A proposal will be deemed ineligible on grounds of ‘scope’ only in clear-cut cases (NB The scope will be checked when assessing the technical quality of the proposal (see award criteria); the sole purpose of the eligibility checks is to make sure that the indicated scope of the proposal complies);
- correct funding scheme: the proposal must come under one of the funding schemes specified for the relevant topic in the call for proposals.

6.2.2 *Grounds for exclusion*

In accordance with Article 114(3) of the Financial Regulation, grants may not be awarded to applicants who, at the time of the award procedure, are in one of the situations referred to in Articles 93, 94 and 96(2)(a) of that Regulation.

Applicants must certify that they are not in one of the situations referred to in these articles. A declaration to that effect must accompany the application form.

As provided for in Articles 93 to 96 of the Financial Regulation and in the rules implementing those articles, administrative and financial penalties of an effective, proportionate and dissuasive nature may be imposed on applicants who are excluded under Article 114(2) of the Financial Regulation.

Such penalties may also be imposed on beneficiaries who have made false declarations or substantial errors, or committed irregularities or fraud, and on beneficiaries who have been found in serious breach of their contractual obligations, in accordance with the conditions laid down in Article 134(b) of the implementing rules and in proportion to the value of the grants in question.

The call for proposals must specify the grounds for exclusion and the administrative and financial penalties applicable.

6.2.3 *Selection criteria*

The selection criteria cover the financial and technical capacity of each applicant. Each applicant must have stable and sufficient sources of funding to maintain the activity throughout the period during which the action is being carried out and to participate in funding the action. The applicant must have the professional skills and qualifications required to complete the proposed action.

The selection criteria will be assessed by the Evaluation Committee. Failure to comply with these criteria will result in a proposal not being evaluated further by the Evaluation Committee. The Evaluation Committee may ask an applicant to provide additional information or to clarify the supporting documents, in particular where there is an obvious clerical error.

The EACI will adopt and publish rules for consistent verification of the existence, legal status and financial capacity of participants in IEE projects.

Financial capacity of applicants

Applicants must show that they exist as a legal entity and have the financial and operational capability to complete the proposed action and must provide their balance sheet for the last financial year for which the accounts have been closed. The latter requirement does not apply to public bodies and international organisations. In accordance with Article 173(4) of the rules implementing the Financial Regulation, if the application concerns grants in excess of EUR 500 000, an audit report produced by an approved external auditor must be submitted. That report must certify the accounts for the last financial year available. In the case of agreements linking the EACI and more than one beneficiary this threshold will apply to each individual beneficiary.

Technical capacity of applicants

Applicants must have the technical and operational capability to complete the proposed action and should provide supporting documents. Guidance on the supporting documents required (e.g. CVs of those responsible for carrying out the action, description of projects and activities undertaken in the last three years, etc.) will be provided in the Guide for Proposers.

6.2.4 Award criteria

The action will be evaluated against five award criteria relating to the technical quality of the proposal and its team.

The five award criteria will carry equal weighting within the overall assessment. If a proposal is to be classified as worth funding, the grand total of the marks for all the award criteria should be at least 70% of the maximum total score. In addition, a mark of over 50% will be required for each criterion. Proposals that pass these thresholds will be considered for funding. A ranking (see Section 6.1) will be established by the Evaluation Committee and approved by the authorising officer.

Award criteria for promotion and dissemination activities

1. Relevance of the proposed action (score 0-10), including:

- 1.a Extent to which the proposed action is consistent with the IEE Call priorities;
- 1.b Extent to which the proposed action responds to important user needs and market barriers;
- 1.c Extent to which the proposed action complements other related activities.

2. Quality of implementation methodology (score 0-10), including:

- 2.a Suitability of the proposed approach and extent to which the proposed action engages the target groups and stakeholders;
- 2.b Clarity of the work packages, project planning and suitability of performance monitoring;

- 2.c Quality of communication plan for the uptake of solution(s).
- 3. Ambition and credibility of the impacts of the proposed action (score 0-10), including:**
- 3.a Services / outcomes produced by the action (deliverables, hours of training, etc.);
- 3.b Impact within and beyond the project lifetime assessed with specific, measurable, accepted, realistic and time-dependent (SMART) indicators;
- 3.c Sustainability of the solutions offered by the proposed action beyond the project lifetime.
- 4. EU added value (score 0-10), including:**
- 4.a Evidence that collaboration / team working across national borders will lead to greater benefits than separate actions at national / local level in the same countries;
- 4.b Appropriate geographical focus of the proposed action, including learning and exchanges among stakeholders;
- 4.c Transferability of the solutions offered by the proposed action.
- 5. Resources allocated to the proposed action (score 0-10), including:**
- 5.a Management and composition of the team, balance of skills, experience, and responsibilities;
- 5.b Appropriate levels of hours per partner and per work package;
- 5.c Justification of costs (sub-contracts, travel costs, and other specific costs) and co-financing.

Within the general conclusions, the evaluation will provide a qualitative judgment on the overall value for money — comparing the projected achievements of the action with the resources involved.

6.3 Assistance by independent experts

Independent experts may be invited to assist the Commission and the EACI in evaluating proposals. This may be done fully or partially at their home or place of work ('remote evaluation') or in Brussels. Experts will be chosen with due regard to:

- the skills and knowledge appropriate to the tasks;
- geographical distribution;
- gender balance; and
- a reasonable proportion of new experts in each evaluation.

The independent experts will be identified and selected on the basis of calls for expression of interest from individuals⁶⁴. When appointing an independent expert, the Commission will take all necessary steps to ensure that the expert is not faced with a conflict of interests. The Commission will adopt a model appointment letter, which will include a declaration that the independent expert has no conflict of interest at the time of appointment and undertakes to inform the Commission if any such conflict of interest should arise in the course of providing his or her opinion or carrying out his or her duties. It will include a declaration on the confidentiality of the evaluation process. The Commission will draw up an appointment letter for each independent expert.

The Commission will publish periodically in an appropriate medium the list of independent experts who have assisted it.

6.4 Technical/financial adaptations and award decision

Following formal approval by the authorising officer of the rankings of the proposals recommended for EU funding established by the Evaluation Committee and acting on the recommendations made by the Evaluation Committee, the Commission may enter into negotiations with the applicants selected. This process is designed to clarify technical and financial aspects of the proposals selected in order to facilitate subsequent management. The principles of transparency and equal treatment must be guaranteed throughout the negotiation process.

When opening negotiations, the Commission will simultaneously launch an inter-service consultation (ISC) of Directorates-General and other departments which might be interested in the action proposed for financing, to make sure that the action in question is not already being financed from the EU budget.

Based on the results of the negotiations and within the limits of the annual budget available, the authorising officer then approves the individual award decision for each of the grant agreements.

If proposals involving legal entities from countries other than Member States are selected, no grant agreement will be signed until the necessary steps allowing those countries to join the IEE Programme have been taken. Up-to-date information on which countries are participating in the IEE Programme is available on the Programme website at: <http://ec.europa.eu/energy/intelligent/>.

6.5 Main elements of grant agreements

6.5.1 Eligibility of costs

The Financial Regulation provides the framework for determining which costs qualify for EU funding. Specific conditions for eligibility under the IEE Programme will be set out in the model grant agreement. As a general guideline, for costs to be eligible they must:

- be incurred within the duration of the action or of the work programme with the exception of costs relating to final reports and audit certificates;

⁶⁴ Call for expression of interest for the setting-up of a list of external experts for evaluation activities in connection with the following programmes: Intelligent Energy-Europe, Eco-Innovation and Marco Polo, EACI/2008/001, OJ C112/15 of 7 May 2008.

- be indicated in the estimated overall budget of the action or work programme;
- be necessary for implementation of the action or of the work programme which is the subject of the grant;
- be identifiable and verifiable, in particular being recorded in the accounting records of the beneficiary and determined according to the applicable accounting standards of the country where the beneficiary is established and according to the usual cost accounting practices of the beneficiary;
- comply with the requirements of applicable tax and social legislation;
- be reasonable, justified, and consistent with the requirements of sound financial management, in particular regarding economy and efficiency.

6.5.2 *Cost categories*

For **promotion and dissemination projects**, the following applies:

- *Direct costs*: typical costs directly related to the action funded under the IEE Programme would include, for example, costs of technical staff assigned to the action, travel costs incurred by these staff, costs for subcontracting and other specific costs, such as for workshops or publications. They may include depreciation for small items of equipment needed for the action, such as measurement devices;
- *Indirect costs*: these include general costs for the infrastructure and administrative expenses necessary for carrying out the action. The Commission authorises use of a flat rate of up to 60% of the eligible staff costs as an acceptable level of overheads.

Indirect costs are not eligible as part of a project grant awarded to a beneficiary who is already receiving an operating grant from the Commission during the period in question or who is receiving an ongoing grant for establishment of a local or regional energy agency.

6.5.3 *Provisions concerning ownership/use of results and access rights*

Where appropriate, the grant agreement will establish the obligations of individual participants with regard to access rights and the use and dissemination of background, in so far as those obligations have not been laid down in this chapter.

For this purpose, the following definitions apply:

‘background’ means information which is held by participants prior to their accession to the grant agreement, along with any copyright or other intellectual property rights pertaining to such information, for which an application has been filed before their accession to the grant agreement and which is needed for carrying out the action or for making use of the results of the action;

‘foreground’ means the results, including information, generated by the action, whether or not they can be protected. Such results include copyright, design rights, patent rights or similar forms of protection.

Ownership of foreground

Unless stipulated otherwise in the grant agreement, ownership of foreground, including industrial and intellectual property rights, and of any reports relating to it, will be vested in the beneficiaries (i.e. participants).

Without prejudice to this, the beneficiaries must grant the EU the right to make free use of the results of the action as it deems fit, provided it does not breach its confidentiality obligations or existing industrial property rights in the process.

Unless stipulated otherwise in the grant agreement, ownership of deliverables and other documents relating to the action falls in the public domain. Where deliverables may lead to commercial application, access rights for use and dissemination will be granted to the EU under fair and reasonable conditions to be agreed for a period of one/two year(s) after completion of the action.

Where appropriate to the nature and objectives of the action, the grant agreement may specify additional conditions on the transfer and protection of ownership of foreground.

Use and dissemination

Participants must use the foreground which they own or ensure that it is used. Each participant must ensure that the foreground owned by them is disseminated as swiftly as possible. If they fail to do so, the Commission may do it instead.

Dissemination activities must be compatible with intellectual property rights, confidentiality and the legitimate interests of the owner of the foreground. Prior notice of any dissemination activity must be given to the other participants concerned. Following notification, any of those participants may object if they consider that their legitimate interests in relation to the foreground concerned could suffer disproportionate harm. In such cases, no dissemination may take place unless appropriate steps are taken to safeguard these legitimate interests.

Any dissemination of foreground must be accompanied by a statement that the foreground concerned was generated with financial support from the EU. The terms of that statement will be established in the grant agreement.

Access rights to background and foreground

For the purpose of this section, ‘access rights’ means licences and rights to use foreground or background.

(a) General principles

Participants may define the background needed for the purposes of the action in a written agreement and, where appropriate, may exclude specific background. All requests for access rights must be made in writing. Unless otherwise agreed by the owner of the foreground or background, access rights confer no right to grant sub-licences.

Exclusive licences for foreground or background may be granted, subject to written confirmation by all the other participants concerned that they waive their access rights thereto. Without prejudice to this, any agreement giving participants or third parties access rights to foreground or background must be such as to ensure that potential access rights for other participants are maintained.

Participants in the same action must inform each other as soon as possible of any limitation on granting access rights to background or of any other restriction which might substantially affect the granting of access rights.

Termination of participation in an indirect action in no way affects any participant's obligation to grant access rights to the remaining participants in the same action under the terms and conditions established by the grant agreement.

(b) Access rights for implementation of action

Access rights to foreground must be granted to other participants in the same action if they need it to do their own work. Such access rights must be granted royalty-free.

Access rights to background must be granted to other participants in the same action if they need it to do their own work, provided the participant concerned is entitled to grant them. The access rights must be granted royalty-free, unless otherwise agreed by all participants beforehand.

(c) Access rights for use

Participants in the same action enjoy access rights to foreground if they need it to use their own foreground. The access rights must be granted either under fair and reasonable conditions or royalty-free.

Participants in the same action must be given access rights to background if they need it to use their own foreground, provided the participant concerned is entitled to grant them. The access rights must be granted either under fair and reasonable conditions or royalty-free.

Subject to the participants' legitimate interests, access rights may be requested under the conditions laid down in the previous paragraph up to two years after the end of the action or after a participant's involvement has ended, whichever falls earlier, unless the participants have agreed on a longer period.

6.6 Specific provisions for the Integrated Initiative: Building Workforce Training and Qualification Initiative in the field of energy efficiency and renewable energy — Pillar I actions

6.6.1 Eligibility criteria

The following specific eligibility criteria will be checked by the EACI on receipt of proposals. Failure to comply with these will result in the proposal not being evaluated further:

- Applications must be submitted by a team of independent legal entities, established in the same country.

6.6.2 Award criteria

There are four award criteria, which will carry equal weighting within the overall assessment. For a proposal to be classified as worth funding, the grand total of the marks for all the award criteria should be at least 70% of the maximum total score. In addition, a mark of over 50% will be required for each criterion. Proposals that pass these thresholds will be considered for

funding. A ranking (see Section 6.1) will be established by the Evaluation Committee and approved by the authorising officer.

1. Relevance of the proposed action (score 0-10), including:

- 1.a Extent to which the proposed action is consistent with the objectives of the initiative;
- 1.b Extent to which the proposed action builds on existing national training frameworks and initiatives and takes into account existing policy initiatives in the energy and building fields.

2. Capability of the proposed action to mobilise the relevant market actors (score 0-10), including:

- 2.a Extent to which the proposed action effectively engages the relevant market actors (e.g. industries, public authorities, chambers of commerce, trade associations) in the Member State, as regards drawing up the roadmap and setting up the platform;
- 2.b extent to which the proposed action ensures that the national roadmap is endorsed by the relevant actors (e.g. national or regional authorities) at the end of the process.

3. Quality of implementation methodology (score 0-10), including:

- 3.a Suitability of the proposed approach to drawing up the roadmap and its associated implementation plan;
- 3.b Clarity of the work plan (description of work packages and tasks, allocation of responsibilities, time schedules).

4. Consortium composition and resources allocated to the proposed action (score 0-10), including:

- 4.a Extent to which the consortium⁶⁵ includes essential skills, such as moderating and communicating, life-long learning and energy expertise;
- 4.b Appropriate levels of hours per partner and per work package; justification of costs, and transparency of co-financing.

6.7 Specific provisions for the Integrated Initiative: Mobilising local energy investments

6.7.1 Eligibility criteria

The following specific eligibility criteria will be checked by the EACI on receipt of proposals (failure to comply with these will result in the proposal not being evaluated further):

- 1. Proposals must be submitted by one or more local or regional public authorities (municipality, city, province, region) or other public bodies based within a single

⁶⁵ Organisation involved in developing and awarding qualifications as well as providing education and training which aims to equip people with knowledge, know-how, skills and/or competences required in particular occupations or more broadly on the labour market or representing such organisations.

country or in more than one country. Groupings of local authorities must represent neighbouring local authorities located in a determined geographic area.

2. Proposals must include full technical details and costs of the preparatory and finance mobilisation tasks to be supported by IEE under the proposed technical assistance, together with technical details and estimates of costs of the proposed mobilised investments in plant and equipment. (IEE will not provide financial support for hardware investments.)
3. Grants for technical assistance within this priority must lead to investments with a minimum leverage factor of 15 (each Euro of technical assistance costs must lead to investments of at least EUR 15).
4. Proposals must involve minimum technical assistance costs of EUR 400 000, leading to a minimum investment of EUR 6 000 000.

6.7.2 Other specific provisions

1. IEE grants for technical assistance will only be paid in full if planned investments are launched or relevant investment contracts/permits are signed before the end of the project period, up to 36 months from the signature of the contract. In the event of failure to deliver the planned investments, the EU contribution will have to be reimbursed by the beneficiary, although some costs may be eligible for support if adequately justified, on a pro-rata basis.
2. Performance indicators must include concrete, measurable results in terms of energy saved (MWh/yr), RES supply increased (MWh/yr), CO₂ reduced (Tons/yr), investments mobilised (mio-€), and/or local jobs created.

7. OPERATIONAL SCHEME FOR COOPERATION WITH THE EUROPEAN INVESTMENT BANK

The European Local EnErgy Assistance Facility (ELENA) was set up under the 2009 IEE Work Programme and has since been run by the Commission and the European Investment Bank (EIB) under joint management in pursuance of Article 53(d) of the Financial Regulation and the corresponding provisions of the Implementing Rules.

To implement the 2011 budget allocation, the Commission and the EIB will conclude a contribution agreement, laying down detailed terms and conditions governing the tasks to be carried out by the EIB, including monitoring, reporting and management fees to be paid to the EIB. DG Energy will sub-delegate the execution of commitments, including payments and recoveries, to DG Economic and Financial Affairs.

The EIB will manage the Facility and ensure that Project Development Services are being awarded to local and regional public authorities or other eligible public bodies in accordance with the principles of transparency, proportionality, sound financial management, equal treatment and non-discrimination, lack of conflict of interests and compliance with internationally accepted standards.

‘Project Development Services’ means technical assistance that facilitates the preparation, implementation and financing of eligible Investment Programmes and implements operational

objectives of the IEE programme laid down in Article 38 of the CIP Decision. The technical assistance will be provided to the Final Beneficiary in relation to feasibility and market studies, project structuring, business plans, energy audits, preparation of tendering procedures and contractual arrangements and include any other assistance necessary to develop Investment Programmes, excluding subsidies to investment (hardware) costs.

‘Eligible Costs’ for Project Development Services means costs of external experts contracted by the European Investment Bank or the Final Beneficiary, or additional staff hired by the Final Beneficiary (e.g. for setting up project implementation units), to carry out technical assistance to facilitate the preparation, implementation and financing of the investment programme.

The implementation of this Facility shall be supervised by a Steering Committee. A Technical Committee will exercise routine guidance such as Investment Programme selection and the monitoring of progress and results of the Facility's work.

The EIB may commit funds in signed contracts for the provision of Project Development Services from the date of signature of the cooperation agreement until 31 December 2013.

7.1 Submission and selection of Investment Programme proposals

Request for Project Development Services shall be addressed to the EIB according to the standard procedure for the submission of projects to the EIB. Applications are open to all participating countries and are not restricted by the availability of local financial institutions of the EIB in a specific country.

Proposals must meet all eligibility criteria. The EIB will check the eligibility criteria, and pre-select the Investment Programmes to be supported by the Project Development Services. The pre-selected and validated applications shall be submitted to the Commission services for approval.

The EIB shall define the need for Project Development Services for selected Investment Programmes. The Project Development Service providers will be selected by the EIB or by the Final Beneficiary in accordance with the relevant EIB procurement procedures.

The funds will be allocated to applications meeting the eligibility and selection criteria on a ‘first come, first served’ basis.

7.1.1 Eligibility criteria

The following eligibility criteria will be checked by the EIB for all proposals received:

1. Participating Countries

Countries participating in the Intelligent Energy-Europe II Work Programme 2011.

2. Final Beneficiaries

Eligible Final Beneficiaries of Project Development Services are:

- a) local or regional authorities and other public bodies⁶⁶, including those under the Covenant of Mayors Initiative; or groupings of such bodies, and
- b) other public bodies lending support to such bodies as mentioned under a),

presenting Investment Programme proposals which contribute to achieve the objectives of the EU sustainable energy policy, i.e. with reduction of greenhouse gas emissions by at least 20%, and/or increase of the share of renewable energies in energy consumption to at least 20% and/or improve energy efficiency by at least 20%, all by 2020.

Each Investment Programme can only give rise to Project Development Services once only. Furthermore, support under the Project Development Services and other support provided under the IEE Programme for the same Final Beneficiary and the same Investment Programme shall not be cumulative.

A Final Beneficiary which receives or has received financial support for the same Investment Programme and the same purposes as those which are meant to be covered by Project Development Services from any other European Union financial instrument, including the specific programmes under the CIP, the FP7, the Structural Funds (the European Regional Development Fund, the European Social Fund, the European Agricultural Fund for Rural Development and the European Fisheries Fund), the Cohesion Fund⁶⁷, the LIFE+ Programme⁶⁸, IPA, or the Economic Recovery Package Regulation will not receive support from Project Development Services.

Final Beneficiaries applying for Project Development Services will have to provide information on any funding related to the Investment Programme they have received from the European Union budget and on any relevant applications for funding related to the Investment Programme which are still pending.

3. Eligible Investment Programmes for support by the Project Development Services

In principle, Project Development Services can be provided for the development of Investment Programmes within the following areas:

- public and private buildings, including social housing and street and traffic lighting, to support increased energy efficiency (refurbishment of buildings aimed at significantly decreasing energy consumption (both heat and electricity) — such as thermal insulation, efficient air conditioning and ventilation, efficient lighting); integration of renewable energy sources (RES) into the built environment — such as solar photovoltaic (PV), solar thermal collectors and biomass; investments in renovation, extension or new district heating/cooling networks including the ones based on combined heat and power (CHP); decentralised CHP systems (building or neighbourhood level);
- urban transport to increase energy efficiency and support integration of renewable energy sources, e.g. clean and energy-efficient road transport vehicles, trams, trolleybuses, metros

⁶⁶ Public body means a body created by a public authority or a legal entity governed by private law with a public service mission, with more than 50% of its finance from public sources, whose internal procedures and accounts are subject to control by a public authority and for whose liabilities a public authority will accept responsibility in the event that the Public Body ceases its activities.

⁶⁷ http://ec.europa.eu/regional_policy/funds/cf/index_en.htm.

⁶⁸ <http://ec.europa.eu/environment/life/>.

and trains; investments to improve public transport and its seamless link to private transport; investments in clean and energy-efficient solutions for freight logistics in urban areas. Transport infrastructure has to be specifically targeted at energy savings, utilisation of renewable energy sources and/or reduction of greenhouse gas emissions (GHG);

- local infrastructure including smart grids, information and communication technology infrastructure for energy efficiency, energy-efficient urban equipment, inter-modal transport facilities and refuelling infrastructure for alternative fuel vehicles.

The following areas are excluded:

- 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;
- industrial facilities, and reductions of greenhouse gas emissions due to industry delocalisation.

7.1.2 Selection criteria for Investment Programmes

The European Investment Bank will select the Investment Programmes to be supported by the Project Development Services on the following selection criteria:

1. Eligibility of an applicant from a Participating Country.
2. Eligibility of Investment Programme.
3. Potential bankability of the Investment Programme⁶⁹.
4. Applicant's financial and technical capacity to implement and complete the Investment Programme.
5. Expected contribution to the objectives of the EU '20-20-20' Initiative in terms of reducing greenhouse gas emissions, increasing the share of renewable energies in energy consumption, and improving energy efficiency.
6. Expected Leverage Factor (the ratio between the total investment costs of the Investment Programme supported and the total cost of Project Development Services coming from the EIB-ELENA Facility; the minimum leverage factor will be 20).
7. European Union added value, in terms of compliance with EU policies, including:
 - a) EU sustainable energy policies and priorities, targets and legislation;
 - b) state of the art of sustainable energy technologies, taking into account previous action in the context of the EU energy policy objectives and relevant action by the Applicant;

⁶⁹ The aim of the EIB-ELENA Facility is to facilitate the development of large investment programmes; grouping similar projects to reduce transaction costs and to make small projects bankable will be encouraged, with a view to achieving a significant investment volume.

- c) the EU Cohesion Policy;
 - d) the needs of local communities and possible impacts on local/regional development, including a positive impact on SMEs;
 - e) contribution to dissemination of good practices or technologies at an early market penetration phase, within the EU.
8. Verification that any financial assistance under this Project Development Service will not be used for Investment Programmes can be better supported by other similar EU funds and facilities, including Cohesion and Structural Funds. If funding can be obtained from other facilities, the Applicant must justify why the use of the Project Development Service is more appropriate.
9. Absence of other EC support granted to the same Applicant for Project Development Services for the same Investment Programme.

7.2 Information and communication

The EIB shall use all reasonable efforts to develop market awareness of financing possibilities under Project Development Services, in particular through the network of its financing partners.

The information for potential applicants will be published on the EIB website⁷⁰ and the dedicated IEE Programme website⁷¹. Additional publicity will be sought through specific communication channels (e.g. the Covenant of Mayors website⁷² or ManagEnergy website⁷³) and via the national contact points set up by the countries participating in the IEE Programme.

Furthermore the EIB shall ensure that all information materials will indicate clearly that the EIB-ELENA Facility is funded under the IEE Programme. The EIB agrees to share its experience, and commit to facilitate know-how transfer through the distribution of information and participation in events relevant for the Project Development Services, in particular relating to the Covenant of Mayors, when appropriate. The EIB shall also ensure that all Final Beneficiaries are made aware of the financial support, either in the contract with the Final Beneficiary, or in a cover letter accompanying that contract, by inserting the following sentence in the relevant EU language 'This financing benefits from a grant under the Intelligent Energy Europe Programme'.

Final Beneficiaries of Project Development Services will be asked to share information and experience as well as facilitate dissemination of the results as long as this does not conflict with Intellectual Property Rights.

⁷⁰ <http://www.eib.org/>.

⁷¹ <http://ec.europa.eu/energy/intelligent/>.

⁷² <http://www.eumayors.eu/>.

⁷³ <http://www.managenergy.net/>.

8. OPERATIONAL SCHEME FOR COOPERATION WITH KfW GROUP (KfW).

The KfW-ELENA Facility will be set up under this Work Programme and will be implemented by the Commission and the KfW by indirect centralised management in conformity with Article 54(2)(c) of the Financial Regulation and its Implementing Rules).

To implement the 2011 budget allocation, the Commission and the KfW will conclude a contribution agreement, laying down detailed terms and conditions governing the tasks to be carried out by the KfW, including monitoring, reporting and management fees to be paid to the KfW. DG Energy will sub-delegate the execution of commitments, including payments and recoveries, to DG Economic and Financial Affairs.

The KfW will manage the Facility and ensure that Project Development Services are being awarded to eligible financial institutions and/or final beneficiaries in accordance with the principles of transparency, proportionality, sound financial management, equal treatment and non-discrimination, lack of conflict of interests and compliance with internationally accepted standards.

‘Project Development Services’ means technical assistance that facilitates the preparation, implementation and financing of eligible Investment Programme and implements operational objectives of the IEE programme laid down in Article 38 of the CIP Decision. The technical assistance will be provided to the Final Beneficiary and/or Eligible Financial Intermediary for feasibility and market studies, project structuring, business plans, energy audits, preparation of tendering procedures and contractual arrangements, and will include any other assistance necessary to develop Investment Programmes, excluding subsidies for investment (hardware) costs.

‘Eligible Costs’ for Project Development Services means the costs of external experts contracted by the KfW, PFIs or the Final Beneficiary, or additional staff hired by the Final beneficiary (e.g. for setting up project implementation units), to carry out technical assistance to facilitate the preparation, implementation and financing of the investment programme.

The implementation of this Facility shall be supervised by a Steering Committee. A Technical Committee will exercise routine guidance such as Investment Programme selection and the monitoring of progress and results of the Facility's work.

The KfW may commit funds in signed contracts for the provision of Project Development Services from the date the cooperation agreement is signed until 31 December 2013.

8.1 Submission and selection of PFIs’ Investment Programme and Final Beneficiaries’ Investment Project proposals

Requests for Project Development Services should be made to the KfW under the standard procedure. Applications are open to all participating countries and are not restricted by the availability of local financial institutions of the KfW in a specific country.

Proposals must meet all eligibility criteria. The KfW will check the eligibility criteria, and pre-select the operations to be supported by the Project Development Services. The pre-selected and validated applications shall be submitted to the European Commission services for approval.

The funds will be allocated for applications meeting the eligibility and selection criteria on a ‘first come, first served’ basis.

8.1.1 Eligibility criteria

The following eligibility criteria will be checked by the KfW for all proposals received:

1. Participating Countries

Countries participating in the Intelligent Energy-Europe II Work Programme 2011

2. Participating Financial Institutions (PFIs) or, for ‘carbon only’ projects, participating coordinating entities.

Eligible Financial Institutions are:

- a) local banks, i.e. banks operating in the eligible countries, including locally registered, licensed or incorporated entities, and subsidiaries or branches of banks located in other countries;
- b) state-owned banks of one of the eligible countries, motivated to expand their lending to municipalities for the financing of sustainable energy projects, to extend loans over longer maturities and to enhance their capacity to assess and monitor the related risks.

Eligible participating coordinating entities must have the required institutional capacity and experience to coordinate a carbon programme.

3. Final Beneficiaries

Eligible Final Beneficiaries of Project Development Services are:

- a) local or regional authorities and other public bodies⁷⁴, including those under the Covenant of Mayors Initiative; or groupings of such bodies, mainly in the small and medium-sized range, and
- b) other public bodies lending support to such bodies as mentioned under a),

presenting Investment Project proposals with a size of up to EUR 50 million which contribute to achieve the objectives of EU sustainable energy policy, i.e. reduce greenhouse gas emissions by at least 20%, and/or increase the share of renewable energies in energy consumption to at least 20% and/or improve energy efficiency by at least 20%, all by 2020.

Each Investment Project can only give rise to Project Development Services once only. Furthermore, support under the Project Development Services and other support provided under the IEE Programme for the same Final Beneficiary and the same Investment Project shall not be cumulative.

A Final Beneficiary who receives or has received financial support for the same Investment Project and the same purposes as were meant to be covered by Project Development Services

⁷⁴ Public body means a body created by a public authority or a legal entity governed by private law with a public service mission, with more than 50% funding from public sources, whose internal procedures and accounts are subject to control by a public authority and for whose liabilities a public authority will accept responsibility in the event that the Public Body ceases its activities.

from any other European Union financial instrument, including the specific programmes under the CIP, the FP7, the Structural Funds (the European Regional Development Fund, the European Social Fund, the European Agricultural Fund for Rural Development and the European Fisheries Fund), the Cohesion Fund⁷⁵, the LIFE+ Programme⁷⁶, IPA, and the Economic Recovery Package Regulation, will not receive support from Project Development Services.

Final Beneficiaries applying for Project Development Services will have to provide information on any funding related to the Investment Project they have received from the European Union budget and on any relevant applications for funding related to the Investment Project which are still pending.

4. Eligible Investment Projects for support by the Project Development Services

In principle, Project Development Services can be provided for the development of Investment Projects within the following areas:

- public and private buildings, including social housing and street and traffic lighting, to support increased energy efficiency (refurbishment of buildings aimed at significantly decreasing energy consumption (both heat and electricity) — such as thermal insulation, efficient air conditioning and ventilation, efficient lighting);
- integration of renewable energy sources (RES) into the built environment — such as solar photovoltaic (PV), solar thermal collectors and biomass;
- investments in renovation, extension or new district heating/cooling networks, including any based on combined heat and power (CHP); decentralised CHP systems (building or neighbourhood level);
- urban transport to increase energy efficiency and support integration of renewable energy sources, e.g. clean and energy-efficient road transport vehicles, trams, trolleybuses, metros, and trains; investments to improve public transport and its seamless link to private transport;
- investments in clean and energy-efficient solutions for freight logistics in urban areas. Transport infrastructure has to be specifically targeted at energy savings, renewable energy sources and/or reducing greenhouse gas emissions (GHG);
- local infrastructure including smart grids, information and communication technology infrastructure for energy efficiency, energy-efficient urban equipment, inter-modal transport facilities and refuelling infrastructure for alternative fuel vehicles;
- municipal waste-to-energy projects including biogas generation for small-scale heat production;
- municipal programmes for energy-efficient equipment and appliances in SMEs and households;

⁷⁵ http://ec.europa.eu/regional_policy/funds/cf/index_en.htm.

⁷⁶ <http://ec.europa.eu/environment/life/>.

- multi-technology approaches combining the aforementioned activities within a comprehensive city-wide or regional approach.

The following areas are excluded:

- 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;
- industrial facilities, and reduced greenhouse gas emissions due to industry delocalisation.

8.1.2 Selection criteria for Investment Programmes of participating financial institutions (PFIs)

The KfW will select the Investment Programmes of the PFIs to be supported by the Project Development Services on the following selection criteria:

1. Eligibility of an applicant from a Participating Country.
2. Eligibility of Investment Programme.
3. KfW will base its selection on the following:
 - a) risk assessment criteria, such as financial strength, creditworthiness, operational capacities, management competence,
 - b) market position of PFI — this includes regional presence, geographic location, business potential,
 - c) expertise of PFI, this includes the previous record in municipal lending and interest to participate and promote the KfW-ELENA Facility and its objectives.

In addition, a state-owned bank must have clear financial and commercial autonomy.

4. Applicant's financial and technical capacity to implement and complete the Investment Programme.
5. Expected contribution to the objectives of the EU '20-20-20' Initiative in terms of reducing greenhouse gas emissions, increasing the share of renewable energies in energy consumption and improving energy efficiency.
6. Expected Leverage Factor (the ratio between the total investment costs of the Investment Programme supported and the total cost of Project Development Services coming from the the KfW-ELENA Facility; the minimum leverage factor will be 20).
7. European Union added value, in terms of compliance with EU policies, including:
 - a) EU sustainable energy policies and priorities, targets and legislation;
 - b) state of the art of sustainable energy technologies, taking into account previous action in the context of the EU energy policy objectives and relevant action by the Applicant;

- c) EU Cohesion Policy;
 - d) the needs of local communities and possible impacts on local/regional development, including a positive impact on SMEs;
 - e) contribution to dissemination of good practices or technologies at an early market penetration phase, within the EU.
8. Verification that any financial assistance under this Project Development Service will not be used for Investment Programmes which are better supported by other EU funds and facilities, including the Cohesion and Structural Funds. If funding can be obtained from other facilities, the Applicant must justify why the use of the Project Development Service is more appropriate.
 9. Absence of other EC support granted to the same Applicant for Project Development Services for the same Investment Programme.
 10. Where the Investment Programme will involve a carbon crediting component, the following additional conditions must be met:
 - (a) the emission reductions induced by the individual investments are not double-counted under the EU Emission Trading System (EU ETS);
 - (b) the Final Beneficiary has not and will not participate in any other programme which aims to create carbon credits;
 - (c) the Final Beneficiary will transfer the rights to the emission reductions to the PFIs or, where no PFI is involved, to the coordinating entity.

8.1.3 Selection criteria for Investment Projects of Final Beneficiaries

The PFIs will select the Investment Projects of the Final Beneficiaries to be supported by the Project Development Services in line with criteria agreed within the Global Loan Agreement with KfW. The criteria will include:

1. Eligibility of an applicant from a Participating Country.
2. Eligibility of Investment Project.
3. Potential bankability of the Investment Project. (The aim of this scheme is to make small projects bankable).
4. Applicant's financial and technical capacity to implement and complete the Investment Project.
5. Expected contribution to the objectives of the EU '20-20-20' Initiative in terms of reducing greenhouse gas emissions, increasing the share of renewable energies in energy consumption and improving energy efficiency.
6. European Union added value, in terms of compliance with EU policies, including:
 - a) EU sustainable energy policies and priorities, targets and legislation;

- b) state of the art of sustainable energy technologies, taking into account previous action in the context of the EU energy policy objectives and relevant action by the Applicant;
 - c) EU Cohesion Policy;
 - d) the needs of local communities and possible impacts on local/regional development, including a positive impact on SMEs;
 - e) contribution to dissemination of good practices or technologies at an early market penetration phase, within the EU.
7. Verification that the financial assistance under this Project Development Service will not be used for Investment Projects which can be better supported by other similar EU funds and facilities, including the Cohesion and Structural Funds. If funding can be obtained from other facilities, the Applicant must justify why the use of the Project Development Service is more appropriate.
8. Absence of other EC support granted to the same Applicant for Project Development Services for the same Investment Project.

8.2 Information and communication

The KfW will make all reasonable efforts to develop market awareness of financing possibilities under Project Development Services, in particular through the network of its financing partners.

The information for potential applicants will be published on the KfW website⁷⁷ and the dedicated IEE Programme website⁷⁸. Additional publicity will, if deemed necessary, be sought through specific communication channels (e.g. the Covenant of Mayors website⁷⁹ or ManagEnergy website⁸⁰) and via the national contact points set up by the countries participating in the IEE Programme.

The KfW will also ensure that all information material will clearly state that the cooperation scheme is funded under the IEE Programme. The KfW agrees to share its experience, and undertakes to facilitate know-how transfer by distributing information and by taking part in events relevant for the Project Development Services, in particular relating to the Covenant of Mayors, where appropriate. The KfW will further ensure that all PFIs and Final Beneficiaries are made aware of the financial support, either in the contract with the PFIs and the Final Beneficiary, or in a covering letter accompanying that contract, by inserting the following sentence, in the relevant EU language ‘This financing benefits from a grant under the Intelligent Energy Europe Programme’.

Final Beneficiaries of Project Development Services will be asked to share information and experience as well as facilitate dissemination of the results as long as this does not conflict with Intellectual Property Rights.

⁷⁷ <http://www.kfw.de>.

⁷⁸ <http://ec.europa.eu/energy/intelligent/>.

⁷⁹ <http://www.eumayors.eu/>.

⁸⁰ <http://www.managenergy.net/>.

9. OPERATIONAL SCHEME FOR COOPERATION WITH THE COUNCIL OF EUROPE DEVELOPMENT BANK (CEB).

The CEB-ELENA Facility will be set up under 2011 IEE Work Programme and will be implemented by the Commission and the Council of Europe Development Bank (CEB) by joint management following Article 53 (d) of the Financial Regulation and the corresponding provisions of the Implementing Rules.

To implement the 2011 budget allocation, the Commission and the CEB will conclude a contribution agreement, laying down detailed terms and conditions governing the tasks to be carried out by the CEB, including monitoring, reporting and management fees to be paid to the CEB. DG Energy will sub-delegate the execution of commitments, including payments and recoveries to DG Economic and Financial Affairs.

The CEB will manage the facility and ensure that Project Development Services are being awarded to Project Sponsors in accordance with the principles of transparency, proportionality, sound financial management, equal treatment and non-discrimination, lack of conflict of interests and compliance with internationally accepted standards.

‘Project Development Services’ means technical assistance that facilitates the preparation, implementation and financing of eligible Investment Programme and implements operational objectives of the IEE programme laid down in Article 38 of the CIP Decision. The technical assistance will be provided to the Project Sponsor for feasibility and market studies, project structuring, business plans, energy audits, preparation of tendering procedures and contractual arrangements, and will include any other assistance necessary to develop projects, excluding subsidies for investment (hardware) costs.

‘Eligible Costs’ for Project Development Services means the costs of external experts contracted by the CEB or the Final Beneficiary, or additional staff hired by the Project Sponsor (e.g. for setting up project implementation units), to carry out technical assistance to facilitate the preparation, implementation and financing of the investment programme.

The implementation of this Facility shall be supervised by a Steering Committee. A Technical Committee will exercise routine guidance such as Investment Programme selection and the monitoring of progress and results of the Facility's work.

The CEB may commit funds in signed contracts for the provision of Project Development Services from the date the cooperation agreement is signed until 31 December 2013.

9.1 Submission and selection of project proposals

Requests for Project Development Services should be made to the CEB under the standard procedure for the submission of projects to the CEB. Proposals must meet all eligibility criteria. The CEB will check compliance with eligibility criteria, and pre-select the projects to be supported by the Project Development Services. The pre-selected and validated applications shall be submitted to the European Commission for approval.

The CEB will define the need for Project Development Services for selected projects. The Project Development Service providers will be selected by the CEB or by the Project Sponsor in accordance with the relevant EU procurement procedures. The funds will be allocated for applications meeting the eligibility and selection criteria on a ‘first come, first served’ basis.

9.1.1 Eligibility criteria

The following eligibility criteria will be checked by the CEB for all proposals received:

1. Participating Countries

Countries that are both participants in the Intelligent Energy-Europe II Work Programme 2011 and members of CEB.

2. Project Sponsors

Project Sponsors eligible for Project Development Services are:

- (a) participating countries;
- (b) any legal entity approved and guaranteed by a participating country;
- (c) any legal entity approved by a participating country if the Administrative Council/Executive Committee deems the loan to carry sufficient guarantees.

Project Sponsors include:

- (a) local or regional authorities and other public bodies⁸¹, or groupings of such bodies, and other public bodies lending support to such bodies;
- (b) Participating Financial Institutions (PFIs). PFIs are banks establishing a project with the CEB and who will lend to end beneficiaries. The PFIs are banks operating in the participating countries, including locally registered, licensed or incorporated entities and subsidiaries of EU banks.

presenting Investment Project proposals with a size of up to EUR 50 million, which contribute to achieve the objectives of EU sustainable energy policy, i.e. reduce greenhouse gas emissions by at least 20%, and/or increase the share of renewable energies in energy consumption to at least 20% and/or improve energy efficiency by at least 20%, all by 2020.

Each project can give rise to Project Development Services once only. Furthermore, support under the Project Development Services and other support provided under the IEE Programme for the same Project Sponsor and the same project shall not be cumulative.

A Project Sponsor who receives or has received financial support for the same project and the same purposes as were meant to be covered by Project Development Services from any other European Union financial instrument, including the specific programmes under the CIP, the FP7, the Structural Funds (the European Regional Development Fund, the European Social Fund, the European Agricultural Fund for Rural Development and the European Fisheries Fund), the Cohesion Fund⁸², the LIFE+ Programme⁸³, IPA, and the Economic Recovery Package Regulation will not receive support from Project Development Services.

⁸¹ Public body means a body created by a public authority or a legal entity governed by private law with a public service mission, financed more than 50% by public sources, whose internal procedures and accounts are subject to control by a public authority and for whose liabilities a public authority will accept responsibility in the event that the Public Body ceases its activities.

⁸² http://ec.europa.eu/regional_policy/funds/cf/index_en.htm.

Project Sponsors applying for Project Development Services will have to provide information on any funding related to the project they have received from the European Union budget and on any relevant applications for funding related to the project which are still pending.

3. Eligible projects for support by the Project Development Services

To be eligible for Project Development Services, project proposals must help achieve the objectives:

- (a) of the CEB. As a multilateral development bank with a social vocation, the Bank strives to strengthen social cohesion in Europe through the implementation of social investment projects. The Opinion of Admissibility issued by the Secretary General of the Council of Europe for each project proposal ensures the coherence of CEB's interventions with the social and political aims of the Council of Europe.
- (b) and of EU sustainable energy policy, i.e. to reduce greenhouse gas emissions by at least 20%, and/or increase the share of renewable energies in energy consumption to at least 20% and/or improve energy efficiency by at least 20%, all by 2020.

In principle, Project Development Services can be provided for the development of projects with the following aims:

(a) Public and private buildings

Eligible actions:

- i. increasing energy efficiency (refurbishment of buildings aimed at significantly decreasing energy consumption of both heat and electricity — such as thermal insulation, efficient air conditioning and ventilation, efficient lighting);
- ii. integrating renewable energy sources (RES) — such as solar photovoltaic (PV), solar thermal collectors and biomass;
- iii. investing in the renovation, extension or new district heating/cooling networks including any based on combined heat and power (CHP); decentralised CHP systems (building or neighbourhood level).

Eligible building types:

- i. housing for people on low incomes, corresponding to social housing criteria where these are defined by national legislation;
- ii. reception centres, temporary and permanent social housing for refugees, migrants and displaced persons;
- iii. health infrastructure: public and private hospitals, public or private medical service infrastructure, nursing homes for the elderly and welfare centres.

⁸³ <http://ec.europa.eu/environment/life/>.

Private establishments and infrastructure must be state-approved (in compliance with state criteria for this type of establishment);

- iv. educational and vocational training infrastructure: school and university establishments, including sports and cultural equipment and university halls of residence; housing for school and university students, vocational training centres; public or private research and development centres. Private establishments must be state-approved (recognition of diplomas at national level, eligible for government scholarships);
- v. infrastructure of administrative and judicial public services: buildings intended for national, regional or local government, or for technical agencies in which these bodies have a majority interest, and any related infrastructure. This could be the case, for example, for penitentiary infrastructures, fire/police stations, training centres or buildings connected to municipal/local/regional administrations.

(b) Public local transport infrastructure

Increasing energy efficiency and integrating renewable energy sources in public local transport infrastructure, such as buses, trams, trolleybuses and metros.

(c) Public utilities infrastructure

Increasing energy efficiency and integrating renewable energy sources in public utilities infrastructure, such as infrastructure for the treatment of solid and liquid waste and waste water, not produced by the enterprises themselves; investing in the renovation, extension or new infrastructure for the production of clean, renewable energies.

The following areas are excluded:

- (a) stand-alone renewable energy systems, not integrated in buildings, e.g. wind farms, stand-alone PV, concentrated solar power, hydropower and geothermal electricity production;
- (b) long-distance transport infrastructure;
- (c) industrial facilities, and reduced greenhouse gas emissions due to industry delocalisation.

9.1.2 Selection criteria

The CEB will select the projects to be supported by the Project Development Services on the following selection criteria:

1. Eligibility of applicant.
2. Eligibility of project.

3. Potential bankability of the project⁸⁴.
4. Applicant's financial and technical capacity to implement and complete the project.
5. Conformity of the project with the political and social aims of the Council of Europe and compliance of the project with the CEB Policy for Loan and Project Financing (see 9.1.1. paragraph 3a).
6. Expected contribution to the objectives of the EU '20-20-20' Initiative in terms of reducing greenhouse gas emissions, increasing the share of renewable energies in energy consumption and improving energy efficiency.
7. Expected Leverage Factor (the ratio between the total investment costs of the Investment Programme supported and the total cost of Project Development Services coming from the CEB-ELENA Facility; the minimum leverage factor accepted will be 20).
8. European Union added value, in terms of compliance with EU policies, including:
 - a) EU sustainable energy policies and priorities, targets and legislation;
 - b) state of the art of sustainable energy technologies, taking into account previous action in the context of EU energy policy objectives and relevant action by the Applicant;
 - c) EU Cohesion Policy;
 - d) the needs of local communities and possible impacts on local/regional development, including a positive impact on SMEs;
 - e) contribution to dissemination of good practices or technologies at an early market penetration phase, within the EU.
9. Verification that the financial assistance under this project Development Service shall not be used for projects which can be better supported by other similar EU funds and facilities, including Cohesion and Structural Funds. If funding can be obtained from other facilities, the Applicant must justify why the use of the project Development Service is more appropriate.
10. Absence of other EC support granted to the same Applicant for Project Development Services for the same project.

9.1.3 Project monitoring

The CEB loan agreement provides for the Bank to carry out technical and administrative monitoring of projects from approval to completion. Monitoring consists in ensuring that the project is carried out in accordance with the provisions approved by the Bank when examining the project.

⁸⁴ Grouping of similar projects to reduce transactions costs and make small projects bankable will be encouraged to reach a significant investment size.

Disbursements may be suspended if the general conditions relative to the project are not complied with — in particular, the contractual provisions for project monitoring and the expected leverage factor.

CEB shall require the inclusion in the framework loan agreement a recovery clause and any other clause considered appropriate to ensure compliance with the eligibility criteria or any other obligation arising pursuant to this facility (see Section 9.1.2 paragraph 7).

9.2 Information and communication

The CEB will make all reasonable efforts to develop market awareness of financing possibilities under Project Development Services, in particular through the network of its financing partners.

The information for potential applicants will be published on the CEB website⁸⁵ and the dedicated IEE Programme website⁸⁶. Additional publicity will be sought through specific communication channels (e.g. the Covenant of Mayors website⁸⁷ or ManagEnergy website⁸⁸) and via the national contact points set up by the countries participating in the IEE Programme.

The CEB will also ensure that all information material will clearly state that this cooperation scheme is funded under the IEE Programme. The CEB agrees to share its experience, and undertakes to facilitate know-how transfer by distributing information and by taking part in events relevant for the Project Development Services, where appropriate. The CEB will further ensure that all Project Sponsors are made aware of the financial support, either in the contract with the Final Beneficiary, or in a covering letter accompanying that contract, by inserting the following sentence, in the relevant EU language "This financing benefits from a grant under the Intelligent Energy Europe Programme".

Project Sponsors of Project Development Services will be asked to share information and experience as well as facilitate dissemination of the results as long as this does not conflict with Intellectual Property Rights.

10. MONITORING AND EVALUATION OF THE PROGRAMME AND ACTION

10.1 Monitoring and evaluation of the action

The Commission will monitor implementation of the action, mainly on the basis of progress, interim and final reports, but also by on-the-spot inspections and any other means deemed appropriate. Beneficiaries must undertake to facilitate this key work by all means, particularly by:

- including in the proposals appropriate performance indicators and sets of expected results and adapting them to the recommendations made in the evaluation;
- making arrangements to provide all information required for ex-post impact analysis;

⁸⁵ <http://www.coebank.org/>.

⁸⁶ <http://ec.europa.eu/energy/intelligent/>.

⁸⁷ <http://www.eumayors.eu/>.

⁸⁸ <http://www.managenergy.net/>.

- including a work package for dissemination purposes;
- including a small standard work package to respond to specific requests for information by the Commission;
- informing the Commission, before starting the action, about any restrictions on the dissemination of information for confidentiality reasons;
- submitting information and reports on time.

The Commission may appoint independent experts to advice on implementation of the programme.

10.2 Monitoring and evaluation of the Programme

Annual report on financial implementation, plus the results and impact of the activities supported.

Final evaluation of the Programme will be finalised by 31 December 2011.

Under Article 8 of the CIP Decision the annual implementation reports and the results of the evaluations must be communicated to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions.

* * *

II. TECHNICAL PRIORITIES FOR 2011 (IEE OPERATIONAL BUDGET, INCLUDING ALL METHODS OF IMPLEMENTATION)

11. OBJECTIVES

11.1 Overall objectives

The Intelligent Energy — Europe Programme will provide for action, in particular:

- (a) to foster energy efficiency and the rational use of energy resources;
- (b) to promote new and renewable energy sources and to support energy diversification;
- (c) to promote energy efficiency and the use of new and renewable energy sources in transport.

11.2 Operational objectives

The Intelligent Energy – Europe Programme aims to:

- (a) provide the elements necessary for the improvement of sustainability, the development of the potential of cities and regions, as well as for the preparation of the legislative measures needed to attain the related strategic objectives; develop the means and instruments to follow up, monitor and evaluate the impact of the measures adopted by the European Union and its Member States in the fields addressed by that programme;
- (b) boost investment across Member States in new and best performing technologies in the fields of energy efficiency, renewable energy sources and energy diversification, including in transport, by bridging the gap between the successful demonstration of innovative technologies and their effective, broad market uptake in order to attain leverage of public- and private-sector investment, promote key strategic technologies, bring down costs, increase market experience and contribute to reducing the financial risks and other perceived risks and barriers that hinder this type of investment;
- (c) remove the non-technological barriers to efficient and intelligent patterns of energy production and consumption by promoting institutional capacity-building at, *inter alia*, local and regional level, by raising awareness, notably through the educational system, by encouraging exchanges of experience and know-how among the main players concerned, business and citizens in general and by stimulating the spread of best practices and best available technologies, notably by means of their promotion at EU level.

12. PROMOTION AND DISSEMINATION PROJECTS

In order to assess the impact of each project, the following indicators will be used:

- Investments made by European stakeholders in sustainable energy triggered by the project (measurement unit: EUR).
- Cumulative renewable energy production triggered by the project (measurement unit: toe).
- Cumulative energy savings triggered by the project (measurement unit: toe).
- Cumulative reductions of greenhouse gas emissions triggered by the project (measurement unit: tCO₂e).

12.1 SAVE: Energy efficiency

Energy efficiency is a cornerstone of European energy policy. It is by far the most effective way to improve the security of energy supply, to reduce carbon emissions and to foster competitiveness.

Activities funded under SAVE aim to tap the large potential for energy savings by improving energy efficiency and the rational use of energy resources, in particular in buildings, products and industry. Activities to promote energy efficiency in transport are covered separately under STEER.

Activities under SAVE may facilitate implementation of the EU legislation relating to energy efficiency, support preparation of new legislative measures and influence energy behaviour, so that society uses less energy while enjoying the same or an even better quality of life.

In 2011 SAVE will cover the two following Key Actions:

Energy-efficient products: for actions to help transform the market towards more energy-efficient products and systems, supporting and complementing the legislation in this area.

Industrial excellence in energy: for actions to increase the competitiveness of European industries, in particular of SMEs, by empowering them to save energy.

Note: Energy efficiency in buildings is also addressed separately under the two integrated initiatives (see Sections 12.4.3 and 12.4.4).

12.1.1 SAVE — Energy-efficient products

Explanatory Note

The aim of this Key Action is to help transform the market towards more energy-efficient products and systems, supporting and complementing the main EU policy tools namely: the Ecodesign Directive to ban the least efficient products from the market and the Energy Labelling Directive to allow consumers to consider energy efficiency in their purchasing decisions. The new Regulation on the labelling of tyres will enter into force in 2012 and initiatives to facilitate implementation of the Regulation were announced during the adoption process in the European Parliament and the Council.

The adoption of twelve ecodesign measures over the period 2008-2010 and the recent adoption of a revised energy label for energy-related products (including new classes) and for tyres call for strengthening market surveillance and networking between national enforcement authorities. The IEE Programme can support national market surveillance authorities to develop and coordinate checks on compliance with the EU requirements, protect compliant producers from free riders and build confidence among consumers.

The new Energy Labelling Directive encourages Member States to facilitate take-up of the most energy-efficient products by means of public procurement. The IEE Programme should provide support for replication of the best energy-efficiency procurement practices across Europe, including joint procurement initiatives.

Energy-efficient products — Priorities for action in 2011

- Actions resulting in a **higher market share** of sustainable and energy-efficient products covered by relevant EU legislation (Ecodesign and Energy Labelling Directives, Energy Star and Tyre Labelling Regulations).
- Actions fostering **procurement** of the most sustainable and energy-efficient products, in particular by public authorities.
- Actions for **market surveillance** of the ecodesign and/or labelling requirements.

12.1.2 SAVE — Industrial excellence in energy

Explanatory Note

Over the last twenty years, industry has improved its energy efficiency more than any other sector. However, the potential for savings remains high⁸⁹, so there is still a strong case for carefully focused actions in this sector.

Small and medium-sized enterprises (SMEs), for instance, are generally aware of the importance and benefits of using energy more efficiently, but often lack the information and resources to do so.

A recent survey⁹⁰ conducted on more than 2000 SMEs in 12 countries revealed that up to 70% considered energy an important issue. However, only about 25% of those surveyed had carried out an energy audit or turned to an energy consultant or expert in the previous three years. The study concluded that better information and advice, along with funding schemes and financial incentives, would deliver considerable improvements in energy-efficiency among Europe's 20 million SMEs.

The importance of addressing energy efficiency in SMEs was further stressed during the public consultation held from June to August 2009 on revision of the EU Energy Efficiency Action Plan.

⁸⁹ In the order of 25% in manufacturing industry according to the EU Energy Efficiency Action Plan (2006).

⁹⁰ IEE project 'CHANGE' (www.eurochambres.eu/change).

It was therefore decided to reopen the Key Action on ‘Industrial Excellence in Energy’ in 2011. Building on past successes in this field, a twofold approach is proposed in order to make an effective impact in terms of savings and associated benefits.

The first approach consists of targeting and engaging specific branches of industry. This approach builds on successful IEE projects specifically targeted at individual industry sectors. The sectors covered so far include the wider food and drink industry, dairy farming, textile producers and finishers, plastics processors and polymer producers, wine producers, graphic media (print and packaging), the ceramics industry, surface-finishing industries, metal foundries and chemical SMEs. There is scope to cover other sectors where the potential savings are large (see database on energy-saving potential at: www.eepotential.eu).

The second complementary approach consists of establishing energy-efficiency schemes across several sectors, in particular for SMEs (e.g. audit or financing schemes) or for waste heat recovery (e.g. partnerships between district heating companies and industry seeking demand for their waste heat). A sine qua non for these schemes is that they should be large-scale and sustainable in the medium to long term. This approach builds on the success of IEE projects establishing, for example, training schemes with an interest in/commitment to sustaining the schemes and associated networks beyond the end of the project.

In both approaches, the involvement of trade and industry associations (multipliers) is considered essential. By showing a strong commitment to supporting energy efficiency in their sector, they have the capacity to increase the outreach of the project and to help sustain the activities.

Industrial excellence in energy — Priorities for action in 2011

- **Sector-specific actions** to reap the maximum savings in specific branches with large untapped potential. These projects should show a sound understanding of the sectors concerned and of their relevant energy issues.
- Establishment of **cross-sector large-scale energy conservation schemes**, in particular audit or financing schemes targeted on SMEs or waste heat recovery schemes. These projects should aim to continue and expand the schemes beyond the duration of the project.

Both types of projects should involve industrial associations and ensure a strong commitment from business leaders. They should aim to add value and employ existing tools and resources and should achieve a ‘critical mass’ or multiplier effect at industry level. They should convincingly demonstrate improved value for money, going beyond the pilot scale in terms of the number of companies and other stakeholders affected and actual energy savings achieved. The latter should be quantified and significant. Every Euro contributed by the EU is expected to lead to primary energy savings of several hundred kWh per year.

12.2 ALTENER: New and renewable energy resources

Renewable energy sources (RES) can provide a wide range of sustainable energy services. Renewable energy can be produced locally within the EU, delivering secure supplies of electricity, heating and cooling and energy for transport without additional greenhouse gas emissions or negative effects on climate change. RES are becoming more competitive. Policies supporting use of RES are making manufacture and supply of RE technologies and production of bioenergy sources (solid, gaseous and liquid) more attractive as business

opportunities. Action supported under ALTENER should build on existing EU policies and legislation and help to increase use of RES in the EU.

The new RES Directive sets an overall binding target of a 20% share of renewable energy sources in energy consumption by 2020 with binding national targets in line with the overall EU target of 20% and a 10% binding minimum target for renewable fuels in transport to be achieved by each Member State. Details of how these targets will be achieved in each Member State are given in National Renewable Energy Action Plans (NREAPs).

The new RES Directive makes recommendations for specific action to be taken by the public and private sectors across the EU and puts in place a number of legal obligations, which require the Member States to implement policies and support measures aiming to increase use of renewable energy sources at national, regional and local levels.

Grid infrastructure development will be a key factor for further deployment of renewable energy plants in Europe, both small and large-scale, onshore and offshore. Apart from a strong increase in small decentralised production, large-scale projects making massive use of renewable resources — wind energy in the northern seas, solar in the south, hydro in the centre and the north — will be needed.

Offshore wind will be an important part of the solution. However, this requires building offshore grids and adapting onshore infrastructure to transport electricity to the major consumption centres. The Commission Communication on the new energy infrastructure priorities for 2020 and beyond includes guidance on preparation of a blueprint for the northern seas' offshore grid. This will analyse future offshore wind scenarios and grid development options, identifying the action necessary to construct such a grid.

From 2011 onwards ALTENER will focus on action contributing to implementation of the new RES Directive and on accelerating the growth of renewable energy markets to meet the EU 2020 target.

ALTENER projects may include one or more of the following Key Actions:

- **Electricity from renewable energy sources (RES-e):** for actions to increase the share of renewable electricity in Europe's final energy consumption.
- **Renewable heating/cooling (RES-H/C):** for actions promoting use of RES for heating and cooling applications.
- **Bioenergy:** for actions promoting increased production and use of biomass, bio-liquids and biogas in energy markets.

Note: Renewable energy in buildings is also addressed separately under the two integrated initiatives (see Sections 12.4.3 and 12.4.4).

12.2.1 ALTENER — Electricity from renewable energy sources (RES-e)

Explanatory Note

In previous IEE calls, this Key Action supported strategic analyses helping to formulate the new RES Directive and sector-specific action aiming to remove market barriers. However,

there is now a need for more market analysis and firm action to support implementation of the RES Directive and the new infrastructure priorities for 2020 and beyond⁹¹.

In 2011 priority will be given to supporting implementation of Article 16 of the RES Directive by addressing access to electricity grids and by introducing smarter grid management. Other priorities in 2011 include increasing the social acceptance of new grid developments and of new RES generators along with supporting strategic initiatives which address the objectives of the new infrastructure priorities for 2020 and beyond. Action aiming to simplify construction and licensing procedures for new grid developments and for new RES-e generators and to remove other market barriers will also be supported.

Intelligent management of the European grid, including more storage capacity, is needed to accommodate larger supplies of renewable electricity, from offshore and onshore. Grid management must become more flexible, allowing larger supplies of energy from renewable sources and incorporating new energy demand technologies and new demand patterns, such as plug-in electric vehicles or hydro-pumped storage. Intelligent grid management must accommodate smart meters and generators with different response capabilities. Training, exchanges of information and coordination between stakeholders at national and international levels must be fostered.

Social acceptance of future renewable electricity-generating plants and of new constructions to reinforce and expand the electricity grid is important to minimise delays in authorisations, to encourage investment and to achieve the EU 2020 commitments. Both the general public and competing stakeholders must be well-informed and engaged so that they will give positive responses without delay to public consultations on construction of new renewable generators and new grid enhancements.

Approval and licensing procedures often lead to long delays before access is given to the grid. Procedures may need to be revised in order to address more efficiently the requirements of both the RES Directive and of the applicable environmental legislation.

Electricity from renewable energy sources (RES-e) — Priorities for action in 2011

- **Grid issues:** intelligent approaches to management of transmission and distribution grids, including the introduction (but not technological development) of innovative market instruments, smart meters, structures and codes. Implementation of the new EU infrastructure priorities for 2020 and beyond, including offshore authorisation procedures and approaches to integration. Support for analysis, introduction and monitoring (but not for technological development) of intelligent grid developments and schemes for electricity storage, including dynamic storage, which aim to optimise the input from onshore and offshore wind and other RES generators. Consortia should include utilities and grid management organisations which are committed to adopting/implementing the results of the work.
- **Social acceptance:** promotion of RES-e generation by collecting, analysing and disseminating via trusted sources high-quality, objective and relevant information on environmental and other impacts of RES generators and grids. In particular, action should address local community participation along with appropriate compensation and follow-up

⁹¹ Communication from the Commission —Energy infrastructure priorities for 2020 and beyond -A Blueprint for an integrated European energy network, COM (2010) 677/4

with multiplier organisations and experienced mediators to achieve social acceptance (public support) for new grid construction and/or construction of large-scale wind, ocean and PV generators. Owners/operators/developers of grid networks should be engaged in the work.

- **Simplification of regulatory and administrative procedures:** removal of administrative barriers by providing support tools and training for the authorising officers and by revising those procedures which currently delay market growth by slowing down the delivery of authorisations, both for large renewable electricity generators and for small generators such as PV systems on buildings.
- **Strategic initiatives** aiming to analyse, monitor, plan and streamline market and regulatory frameworks, for example training, exchanges of experience and cooperation at regional level. This may include strategic analyses addressing the new cooperation mechanisms provided for in Articles 6, 7, 8 and 9 of the RES Directive, along with specific grid network analyses and planning initiatives that involve the relevant authorities, grid operators and other stakeholders. Projects must ensure active participation and engagement by relevant market actors and authorities.

[Note: Strategic initiatives which address RES electricity in combination with other renewable energy sources and uses, such as heating and cooling, and cross sector aspects may also be submitted under this Key Action.]

12.2.2 ALTENER — RES in heating/cooling

Explanatory Note

Article 13(4) of the RES Directive requires MS to introduce in their building regulations and codes appropriate measures to increase the share of energy from renewable sources in the building sector, while at the same time taking into account energy-efficiency measures. By 2014, MS must introduce requirements for minimum levels of RES in new buildings and buildings subject to major renovation, and from January 2012 new public buildings and public buildings subject to major renovation must set an example. These obligations will be supported by the integrated initiative in this Work Programme on nearly zero-energy buildings (see Section 12.4.3).

Article 13(3) of the RES Directive requires MS to encourage use of renewable energy sources in district heating and cooling systems. Article 13(2) also requires MS to use eco-labels and other certificates or standards to encourage use of RES systems and equipment in buildings. In particular, it requires MS to promote use of biomass with high conversion efficiency, heat pumps which fulfil eco-labelling requirements and certified solar thermal systems based on European standards. This key action on RES-H/C therefore focuses specifically on initiatives which will support implementation of these aspects of the RES Directive.

Article 14(3) requiring training of RES system installers is addressed in the Integrated Building Workforce Training and Qualification Initiative (see Section 12.4.4).

Since the main markets for RES systems in buildings (today and in the period up to 2020) are in existing buildings (new and extensively refurbished buildings make up only a small percentage of the EU building stock), in 2011 priority will be given to support for implementation of Article 13(2) of the RES Directive by addressing the use of eco-labels and

other certificates or standards to encourage use of RES systems and equipment in existing buildings and for district heating and cooling.

Integrated solutions employing combined heat and power should be given priority wherever appropriate in district heating and cooling systems which use RES.

RES in heating/cooling — Priorities for action in 2011

- **Biomass, heat pumps and solar systems in existing buildings:** active engagement and support of public authorities and other owners of large numbers of buildings and/or setting up professional business services with users' clusters to facilitate the changeover to biomass with high conversion efficiency, heat pumps which fulfil eco-labelling requirements and certified solar thermal systems based on European standards and equipment in existing buildings. Consortia should include authorities and building-owners who are committed to adopting/implementing the results of the work.
- **District heating and cooling:** intelligent approaches to facilitate the changeover of district heating and cooling networks to RES and management of district heating networks which already use RES, including smart meters, innovative market instruments, structures and codes. Active engagement and support of urban planners, local and regional administrative bodies and the building sector (designers, property developers and contractors), with the aim of including district heating and cooling systems using RES when planning, designing, building and renovating residential, commercial or industrial areas. Action on biomass for district heating should also address options involving CHP. Consortia should include public authorities, district heating companies and building-owners who are committed to adopting/implementing the results of the work.
- **Strategic initiatives** aiming to analyse, monitor and streamline support schemes, guarantees of origin (including reliability and protection against fraud) and to ease application procedures for construction and planning permits, while also addressing environmental *impact* and social acceptance, to reduce lead times and speed up approval rates. Projects must ensure active participation and engagement of relevant market actors and authorities.

12.2.3 ALTENER — Bioenergy

Explanatory Note

The Bioenergy Key Action provides a coherent framework for proposals addressing this prominent and complex sector and addresses sustainable bioenergy only⁹².

It is important to expand supply chains and to trigger increases in demand for solid biomass (for heating and CHP), liquid biofuels (for transport) and biogas (for CHP, transport and grid injection). Initiatives and activities are needed to support implementation of national and European policies and regional/local bioenergy action plans. For all types of bioenergy, priority will be given to feedstocks that minimise the environmental impact, land-use changes and competition with other markets.

⁹² The report from the Commission on sustainability requirements for the use of solid and gaseous biomass sources in electricity, heating and cooling recommends that sustainability criteria for solid and gaseous biomass should be almost the same as those set out in Directive 2009/28/EC.

Action aiming to expand supply chains should focus on one type of bioenergy only (solid, liquid or gas, depending on the proposed activity) and not only on promoting demand.

Strategic initiatives and action in support of policy implementation may include one or more types of bioenergy. For example, implementation of local/regional bioenergy action plans may require a comprehensive approach taking into consideration all the different types of bioenergy and involve all links in supply chains, including end-users.

Directive 2009/28/EC highlights the importance of biofuels produced from waste, residues, non-food cellulosic material and ligno-cellulosic material. Consequently, priority will be given to action addressing these feedstocks, promoting the most sustainable bioenergy production pathways and mobilising resources which minimise competition with other markets for bio-resources (e.g. food, paper, construction, furniture, cosmetics, etc.).

Bioenergy — Priorities for action in 2011

- **Solid biomass:** mobilisation of stakeholders to achieve additional supply and use of solid biomass from sustainably managed forests, from agricultural residues or from recovered waste and materials⁹³. Consortia should include multiplier organisations, such as associations of farmers, forest-owners and potential providers and users of solid biomass.
- **Liquid biofuels:** activation and strengthening of the most sustainable liquid biofuel supply chains from producers to end-users, in particular of non-land-using biofuels (e.g. from waste cooking oil and residues including non-food cellulosic and ligno-cellulosic wastes and residues), which are already available on the market. Consortia should include local authorities, waste management companies and/or multiplier organisations, such as associations of farmers, fuel producers, food industries and user groups.
- **Biogas:** promotion of biogas production from waste and agricultural residues and of use of biogas for energy production, grid injection and/or as transport fuel. Consortia should include waste management companies and/or multiplier organisations, such as associations of farmers and other potential providers of biomass residues along with final users of biogas.
- **Strategic initiatives** aiming to analyse, monitor, plan and streamline market and regulatory frameworks in order to support implementation of bioenergy policy at national and European level, with a focus on sustainability issues, including practical implementation of existing regional and local bioenergy plans. Projects must ensure active participation and engagement of relevant market actors and authorities.

12.3 STEER: Energy in transport

Transport is the fastest growing sector in terms of energy use. It is therefore essential to tap the potential for energy-efficiency gains in this sector. Transport plays a central role in the European economy and accounts for almost 20% of total gross energy consumption in Europe. 98% of the energy consumed in this sector is fossil fuel. Investments in the

⁹³ 'Recovered waste and materials' include waste of biological origin from construction and demolition and from discarded equipment and components (such as discarded treated wood), in line with Commission Decision 2000/532/EC of 3 May 2000 establishing a list of hazardous waste, plus non-hazardous discarded untreated wood and furniture.

economically recovering new Member States in particular offer significant opportunities to promote a shift towards low-carbon transport and a new, more sustainable mobility culture.

STEER supports projects which promote, build on and/or implement the existing EU policy and legislative frameworks for energy efficiency and renewable or alternative fuels in transport. STEER takes into account the recommendations made in the EU Energy Efficiency Action Plan, in the Green Paper ‘Towards a new culture for urban mobility’, in the Action Plan on Urban Mobility⁹⁴, in the Freight Transport Logistics Action Plan⁹⁵, and in the Strategy on Clean and Energy-Efficient Vehicles⁹⁶. In addition, STEER considers relevant legislation such as the Directive on the promotion of clean and energy-efficient road transport vehicles and the regulatory framework setting emission performance standards for new passenger cars⁹⁷ and new light commercial vehicles⁹⁸. Projects should build on tried-and-tested strategies and technologies and aim to achieve energy savings by removing the non-technological market barriers to wider application thereof.

Priority will be given to projects which go beyond raising the awareness of individual citizens, householders and decision-makers and actually achieve measurable changes in behaviour. Projects should deliver and apply existing knowledge in a convincing and motivating way to the relevant target groups. They must contribute to wider dissemination and use of proven, transferable strategies and technologies.

Transport of goods and people are both addressed. However, action aiming specifically to shift freight from road to short-sea shipping, rail and inland waterways, which can be supported by the Marco Polo II Programme⁹⁹, will not be funded.

In 2011 STEER will cover the two following Key Actions:

- **Energy-efficient transport:** for actions to reduce the demand for travel by car and transport by road freight, and to shift travel and transport to more efficient transport modes.
- **Clean and energy-efficient vehicles:** for actions to help transform the market towards more energy-efficient vehicles, supporting and complementing the recent legislation in this area.

12.3.1 STEER — Energy-efficient transport

Explanatory Note

Integrated solutions are needed to curb current trends in the transport sector. In line with the first priority of the recent Action Plan on Urban Mobility, this Key Action will support local authorities in developing sustainable urban mobility plans covering freight and passenger transport in urban and peri-urban areas, and giving particular emphasis to the reduction of transport energy use.

⁹⁴ COM(2009)490

⁹⁵ COM(2007) 607.

⁹⁶ COM(2010) 186.

⁹⁷ Regulation (EC) 443/2009

⁹⁸ COM (2009) 593

⁹⁹ Regulation (EC) No 1692/2006 of the European Parliament and of the Council of 24 October 2006 establishing the second Marco Polo programme for the granting of Community financial assistance to improve the environmental performance of the freight transport system (Marco Polo II) and repealing Regulation (EC) No 1382/2003.

Urban freight transport in particular accounts for a significant portion of urban vehicle-miles travelled and plays a key role in delivering incoming goods and transporting goods within urban areas or to external destinations. Urban freight transport also faces a number of specific challenges that have an impact on the energy efficiency of deliveries, such as congestion, road network design, space and parking restrictions. This Key Action will look for more projects in this area.

Finally, leisure travel has received less attention in transport policy, especially from an energy-efficiency point of view. Such trips do not generally coincide with morning and evening peak traffic periods and the purposes are less homogenous, hence making them more difficult to target. However, leisure travel can generate significant traffic peaks at particular times and places and, overall, accounts for a larger share of trips than, for example, commuter journeys. What is more, reliance on the car for leisure trips will also increase people's reliance on the car for other purposes. This is a relatively new area where ideas will be piloted by the IEE Programme, by looking for proposals aiming to increase energy efficiency in leisure transport.

Energy-efficient transport — Priorities for action in 2011

- Actions reducing transport energy use by supporting the take-up of **Sustainable Urban Mobility Plans** (SUMP), building on the guidance and materials developed by the European Commission's ELTIS platform¹⁰⁰. Projects should assist cities and regions with developing SUMP by facilitating networking, mutual learning and sharing of experience and best practice across countries. *[Note: No EU funding will be available to implement these plans.]*
- Targeted actions to increase the energy efficiency of **freight distribution in urban areas**, bringing together local authorities and local stakeholders, such as fleet operators, distributors, retailers and customers, to develop schemes to coordinate, manage and inform urban freight operations better.
- Actions increasing energy efficiency in **leisure travel** by implementing new approaches, initiatives and services to change people's travel behaviour and reduce energy use for leisure travel. Such action should seek the involvement of relevant private- and public-sector stakeholders, for example tour operators, public transport operators, tourist information centres, travel agencies, attractions, etc.

12.3.2 STEER — Clean and energy-efficient vehicles

Explanatory Note

A number of recent initiatives at European level, including on promotion of clean and energy-efficient road transport vehicles (Directive 2009/33/EC) and on setting of emission performance standards for new passenger cars (Regulation (EC) No 443/2009), are influencing the environmental performance of vehicles and the uptake of clean vehicles. This Key Action will support fleet operators to review and adapt their fleet management and procurement policies and procedures in line with the changing market conditions, in order to increase the market share and optimise operation of the most energy-efficient vehicles.

¹⁰⁰ www.eltis.org.

Clean and energy-efficient vehicles — Priorities for action in 2011

- Actions to assist fleet operators and authorities with **implementation of the Clean Vehicle Directive**¹⁰¹ — where applicable, making use of the European Commission’s Clean Vehicle Portal¹⁰², for example by networking, mutual learning and sharing experience and best practice.
- Actions to address specific issues related to the **safety or eco-driving** of clean and energy-efficient vehicles.

12.4 Integrated Initiatives

Action combining several of the specific fields (SAVE, ALTENER and STEER) or relating to certain EU priorities may include:

- (a) integrating energy efficiency and renewable energy sources in several sectors of the economy;
- (b) combining various instruments, tools and actors within the same action or project.

12.4.1 Local energy leadership

Explanatory Note

Sustainable energy management and GHG emission mitigation actions at regional and local level are the key to sound implementation of EU energy policy. In recent years, local and regional authorities have responded to the global challenges with unprecedented dynamics and demonstrated their willingness to implement sound local energy and climate policies. The number of signatories to the Covenant of Mayors Initiative¹⁰³ and many local and regional initiatives demonstrate the commitment of local and regional authorities to a low-carbon future in Europe and to integrating intelligent use of energy into all areas of life on EU territory. Nevertheless, lack of technical and financial capacity remains an obstacle to efficient implementation of sustainable energy measures. This initiative therefore aims to strengthen the overall capacity of public authorities in the field of sustainable energy planning and implementation and to overcome barriers for local/regional communities to reduce their carbon footprint and contribute to meeting the EU energy policy targets.

The technical capacity of public authorities can be reinforced by peer-to-peer approaches, which are crucial to ensure proper take-up of sustainable energy policies by local/regional authorities. This approach carries on the efforts initiated under the Programme last year.

While developing and implementing sustainable energy action plans, local and regional communities need comprehensive and reliable energy data. In view of the difficulties faced by these public authorities to gain access to data, it is important to stimulate efficient

¹⁰¹ Article 8 of Directive 2009/33/EC of the European Parliament and of the Council of 23 April 2009 on the promotion of clean and energy-efficient road transport vehicles states ‘The Commission shall facilitate and structure the exchange of knowledge and best practices between Member States on practices for promoting the purchase of clean and energy-efficient road transport vehicles by contracting authorities ...’

¹⁰² www.cleanvehicle.eu.

¹⁰³ www.eumayors.eu.

cooperation between public authorities and utilities that will facilitate complete energy baseline assessments (covering industry, public/private buildings, transport, etc.) and monitoring of progress on the sustainable energy action plans.

Local energy leadership — Priorities for action in 2011

- **Integration of sustainable energy policies in public authorities' operations:** actions targeting direct exchanges of experience and capacity-building between experienced local authorities and 'learning' local authorities demonstrating the institutionalisation of sustainable energy policies in their operations. As a result, effective development and implementation of Sustainable Energy Action Plans (SEAPs) must be ensured in 'learning' local authorities during the project. The twinning approach between local authorities (e.g. shadowing or staff exchanges) is expected to last on a long-term basis. This action is targeting bringing individual experienced local authorities together with 'learning' local authorities from EU-12 countries in particular.
- **Facilitating cooperation between public authorities and other local actors, in particular energy utilities:** actions fostering effective collaboration between public actors (local authorities, energy agencies, etc.) and other local stakeholders, in particular energy utilities. The objective of this action would be to stimulate cooperation in the form of regular sharing of energy data between public authorities and utilities for use in developing, implementing and monitoring sustainable energy action plans. Action supported under this priority should also include cooperation with other relevant local actors, e.g. energy service companies (ESCOs), housing associations, consumer groups, etc. in order to develop and implement socially accepted and sound SEAPs.

12.4.2 Mobilising local energy investments

Explanatory Note

Actions by committed local and regional authorities aiming to mobilise investment in sustainable energy projects is the key to achieving the EU's ambitious 2020 climate change and energy targets.

One of the biggest challenges for such authorities, especially for small and medium-sized authorities, is to prepare integrated packages of sustainable energy projects which are big enough to be considered 'bankable' by financing institutions and/or suitable for grant funding by EU financing facilities such as the cohesion or structural funds. This Key Action complements the other financing instruments established under this Work Programme (see Section 1).

While financing instruments established under the market replication projects provide financial support for technical assistance implemented via financial institutions, targeting large-scale investments (EIB-ELENA Facility) or small and medium scale investments (CEB-ELENA Facility and KfW-ELENA Facility), this Key Action is designed to enable direct technical assistance to support eligible public authorities and their groupings, via standard open calls for proposals managed by the EACI.

This Key Action will support technical assistance for individual public authorities (municipalities, cities, provinces, regions) or other public bodies or their groupings (preferably representing a combined population of more than 200,000 inhabitants), located in

a clearly defined geographical area to work together with local financial institutions and/or fund managers and/or ESCOs to prepare, mobilise financing for and launch investments in sustainable energy projects within their geographical area, provided specific requirements are met (see Section 6.7).

Mobilising local energy investments — Priorities for action in 2011

- **Mobilisation of local investments in energy efficiency and/or renewable energy projects**, which have been identified by public authorities in their Sustainable Energy Action Plans. IEE support for project development must result in the launch of tangible investments, which produce concrete, measurable results in terms of energy saved, RES supply increased, GHG reduced, investments mobilised and/or local jobs created. Support will also be provided under this priority to projects demonstrating improved access to and use of EU funding and existing EU financing facilities for sustainable energy investments.

12.4.3 Energy efficiency and renewable energy in buildings

Explanatory Note

Europe has adopted an ambitious vision for the energy performance of its buildings. By 2020 all new buildings shall be nearly zero energy buildings¹⁰⁴, with intermediate targets by 2015. In parallel, Member States shall draw up national action plans for increasing the numbers of nearly zero-energy buildings. These national action plans shall include policies and measures to stimulate the transformation of existing buildings, which are refurbished, into nearly zero-energy buildings. In addition, by 2015 all new buildings and buildings undergoing major renovation¹⁰⁵ must have minimum levels of energy from renewable energy sources. Therefore, a major transformation must occur in the building sector during the next few years, in which the role of the public sector will be reinforced. Actions launched in the period 2011–2013 should support and facilitate this transition, in particular by paving the way for the transformation of the existing building stock into nearly zero energy buildings. In the first year, a window of opportunity also exists to support Europe with effectively reaching ambitious intermediate targets for new buildings. Since the most effective time to incorporate both energy-efficiency measures and renewable energy technologies in buildings is in the specification and early design phases of both new buildings and major renovations initially the focus will be on this area. In addition, to trigger an effective market transition, the issue has to be addressed both from the demand side and from the supply side that is across the value chain. This will allow the construction sector to adapt quickly to rising demand, by raising awareness and reducing the risks of investing in the business opportunity offered by energy efficiency and renewable energy in buildings. In parallel, the public sector is called on to lead by example. Actions should therefore support public authorities in their leadership role. It also remains imperative to capture the market for small-scale renovations¹⁰⁶ and

¹⁰⁴ ‘Nearly zero-energy building’ means a building which has very high energy performance, determined in accordance with Annex I to the EPBD (recast). The nearly zero or very low amount of energy required should be covered to a very significant extent by energy from renewable sources, including renewable energy produced on-site or nearby (see Article 2: ‘Definitions’).

¹⁰⁵ ‘Major renovation’ means renovation of a building where (a) the total cost of the renovation relating to the building envelope or the technical building systems is higher than 25 % of the value of the building, excluding the value of the land upon which it is situated, or (b) more than 25 % of the surface of the building undergoes renovation.

¹⁰⁶ Defined here as renovations which are not ‘major renovations’.

improvements to the existing building stock¹⁰⁷, which should be revisited from 2012 onwards¹⁰⁸.

A further essential requirement is to qualify the building workforce. This is addressed by a dedicated integrated initiative (see Section 12.4.4).

Energy efficiency and renewable energy in buildings — Priorities for action in 2011 — Nearly zero-energy buildings

- Actions resulting in widespread market adoption of integrated energy design of buildings, for both **new build and/or renovation**, e.g. promotion and guidance for use of existing tools in everyday working practices of designers, engineers and contractors, voluntary commitments and sectoral agreements in the public or private sector (developers, large property owners and large consultancies), etc.
- Actions increasing the visibility of front-runners, for both **new build and/or renovation**, with the aim of capacity- and confidence-building in the public or private sector, by means of practical exposure to operational success stories (incorporating both the technical solutions and the financing and procurement aspects), *inter alia* those supported under other EU programmes such as INTERREG¹⁰⁹ and CONCERTO¹¹⁰, e.g. via study tours, site visits, etc. (Proposals addressing consumer behaviour will not be supported.)
- Actions supporting preparation and implementation of measures and instruments, including those of a financial or regulatory nature (i.e. in building codes), for increasing the proportion of the existing building stock converted into nearly zero-energy buildings, i.e. **renovation only** (e.g. in support of Article 10 of the recast EPBD and Article 13(4) of the RES Directive).
- Actions assisting the public sector to set an example and resulting in more nearly zero-energy buildings in the public sector, including activities which go beyond the requirements of both Directives¹¹¹ (e.g. not only buildings which are occupied and owned).
- Actions aiming to get industry on board, resulting in solutions to supply the market effectively with a complementary range of energy-efficiency and renewable energy solutions, e.g. by exchanges amongst industrial and sector stakeholders with the aim of providing market-oriented solutions, quality guarantees for systems and services, etc.

12.4.4 The Building Workforce Training and Qualification Initiative in the field of energy efficiency and renewable energy

Explanatory Note

¹⁰⁷ Either by energy management and/or inspection of the building systems (e.g. heating systems, air-conditioning, renewable energy systems, etc.) and/or by changes in user behaviour.

¹⁰⁸ In the 2010 call, energy efficiency in buildings was addressed by operational performance and consumer behaviour, including stimulating consumer action in response to energy performance certificates at the time of sale or rent.

¹⁰⁹ <http://www.interreg4c.net/>.

¹¹⁰ <http://www.concertoplus.eu/>.

¹¹¹ E.g. not only those buildings which are 'occupied and owned by public authorities and frequently visited by the public'.

The large contribution expected from the building sector to the 2020 objectives is a major challenge to the construction sector and to industry as a whole, which needs to be ready to deliver renovations offering a high energy performance as well as new (nearly zero-energy) buildings. This calls for a major effort to increase the number of qualified workers on the market along with measures that facilitate decision-making for building-owners. As qualification is an ‘upstream’ measure, it is time to act now, so that a qualified workforce can deliver by 2020. The substantial need for training and certification is also acknowledged by the RES Directive¹¹², Article 14(3) of which places an obligation on the Member States to make provision for training and certification of installers. Input to help formulate this initiative was provided by an ex-ante evaluation of the initiative carried out by external experts for the Commission¹¹³.

IEE therefore aims to unite forces to increase the number of qualified workers in the building workforce in Europe. This Initiative will contribute to the objectives of the two flagship initiatives of the Commission’s ‘Europe 2020’ strategy¹¹⁴ — ‘Resource-efficient Europe’ and ‘An Agenda for new skills and jobs’. It will also enhance interactions with the existing structures and funding instruments like the European Social Fund and the Lifelong Learning Programme.

Objectives of the Initiative

- Initiate national (regional, where appropriate) energy-efficiency and renewable energy training and qualification platforms/partnerships that bring together all relevant stakeholders;
- Identify and quantify the need for a qualified workforce in energy efficiency and renewable energy in each Member State by 2020 (and beyond);
- Set up national qualification road-maps to achieve the 2020 sustainable energy policy objectives;
- Develop and facilitate financing of energy-efficiency and renewable energy qualification schemes and training in the Member States.

Scope and timeframe of the Initiative

The Initiative focuses on continuing the education and training of ‘blue collar’ workers in the field of energy efficiency and renewable energy in buildings, covering the qualifications of craftsmen, construction workers, etc. after initial education and training or after they have entered working life, including qualification of the unemployed workforce.

The Initiative will be carried out under the 2011-2013 IEE Work Programmes.

¹¹² Directive 2009/28/EC of the European Parliament and of the Council of 23 April 2009 on the promotion of the use of energy from renewable sources and amending and subsequently repealing Directives 2001/77/EC and 2003/30/EC.

¹¹³ This evaluation covered an initiative proposed under the IEE Programme to address the perceived lack of skills related to, *inter alia*, installation, maintenance and inspection of RES and EE equipment in buildings.

¹¹⁴ COM(2010) 2020 of 3.3.2010: ‘Europe 2020 — A strategy for smart, sustainable and inclusive growth’, Communication from the Commission.

Proposed content of the Initiative

The Initiative will have two main pillars:

I. National qualification platforms and roadmaps to 2020

The first pillar — ‘National qualification platforms and roadmaps to 2020’ — should trigger processes to gather all relevant stakeholders in a country and should result in a strategy and roadmap, e.g. on quantified needs, measures, priorities, accreditation, etc. One action per country is expected (exceptions possible), lasting for a duration of 18 months.

II. Qualification and training schemes (not open in 2011)

The second pillar — ‘Qualification schemes’ — will invite proposals for introducing new or upgrading existing qualification schemes. These should be based on an established roadmap to 2020. Schemes which are mandatory under the EPBD/RES Directive or specific national legislation should be part of national roadmaps, but setting up and operating mandatory qualification schemes will not be eligible for financial support. Support could, however, be provided for promotional activities related to mandatory schemes.

The Initiative will be complemented by targeted Europe-wide support activities:

- All activities supported under both pillars will have a standard work package for European transfers of knowledge and exchanges of experience. This transfer and exchange will be twofold — via structured meetings and via a shared webpage, where all material developed will be shared. Furthermore, CA EPBD¹¹⁵ and CA RES¹¹⁶ will play an advisory role in the Initiative and serve as a platform for discussion and exchanges of information and best practice.
- In addition, the national platforms supported by the Commission and the EACI will seek possibilities for industry (equipment, products, construction materials, etc.) to join the initiative. This should make it possible to increase the available funding and the significance/impact/outreach of the initiative. Any bias of the initiative towards certain products and brands must be avoided.

Building Workforce Training and Qualification — Priorities for action in 2011

- National qualification platforms and roadmaps to 2020

The objective of national roadmaps is to embed training on intelligent energy solutions for buildings in the mainstream curricula and practice of building professionals, taking into account the expected contribution of the building sector to the national 2020 targets and the requirements for ‘nearly zero-energy buildings’. They should focus primarily on training the existing workforce as craftsmen (continuing education) but could also address initial education. The roadmaps could focus on a selected number of crafts and professions. However, they should be based on a complete analysis of the national situation and be designed in a way that will facilitate replication of the schemes and processes to other crafts.

To benefit from the initiative, national platforms will need to establish a convincing and inclusive process for consultation of and participation by the relevant recognised stakeholders

¹¹⁵ Concerted action on the EPBD and its recast.

¹¹⁶ Concerted action on the RES Directive.

in both the building and the education/training sectors (representatives of the relevant crafts, industry associations, educational and vocational training institutes and relevant public authorities). As a result, national roadmaps should be endorsed by relevant authorities and stakeholders with a commitment to carry out and implement the proposed strategy.

13. MARKET REPLICATION PROJECTS

Explanatory Note

In 2009 the Commission developed, jointly with the EIB, the ELENA Facility, which helps to overcome barriers to the large-scale replication of local energy-efficiency and renewable energy projects. The EIB-ELENA Facility received additional financing from the 2010 IEE budget and will be continued under the 2011 IEE Work Programme with the objectives described below.

While the EIB-ELENA Facility has successfully started to address large-scale investment projects (typically over EUR 50 million), further complementary technical assistance facilities need to be established, targeting medium-sized investments (below EUR 50 million), typical of the majority of sustainable energy projects at local level. It is also important to pioneer new approaches to financing local sustainable energy investments and to learn lessons from them for further development of more efficient financing mechanisms.

This Work Programme therefore establishes two new complementary technical assistance facilities, which will be implemented in cooperation with the KfW Group (KfW) and the Council of Europe Development Bank (CEB), respectively, with the objectives described below.

All three technical assistance facilities (the Facilities) established under this chapter will provide grants for specific project development services, complementing each other from the global perspective. The Facilities will be implemented by the Commission and respective financial institutions (EIB and CEB) on the basis of joint management following Art. 53(d) and in case of KfW on the basis of indirect centralised management following Art. 54 (2)(c) of the Financial Regulation and the corresponding provisions of the Implementing Rules.

In order to implement the 2011 budget allocation, the Commission and the above-mentioned financial institutions will conclude bilateral contribution agreements, laying down detailed terms and conditions governing the tasks to be carried out by them.

DG Energy will sub-delegate execution of commitments, including payments and recoveries for these facilities, to the DG for Economic and Financial Affairs.

Grants for project development services provided in this framework will be operated on a first-come, first-served basis.

13.1 Project Development Services for Energy Efficiency and Renewable Energy Projects in Municipalities and Regions with EIB - European Local Energy Assistance (EIB-ELENA Facility)

General objectives

The EIB-ELENA Facility was established in 2009 and provides Project Development Services, designed to support generation of a flow of bankable projects in the field of greenhouse gas emission reduction, energy efficiency and renewable energy sources at local and regional levels, by helping promoters to structure and implement projects.

The EIB-ELENA will give support to municipalities/regions to prepare and define bankable projects which will contribute to achieving and going beyond the objectives of the EU sustainable energy policy and to implementing their sustainable energy action plans, such as those developed under the Covenant of Mayors Initiative¹¹⁷. Eligible projects will be selected by the EIB and submitted to the Commission for approval.

The support is intended to develop investment programmes and a minimum leverage factor of 20 must be achieved between the grant and the investment.

Priorities for action in 2011

In 2011, the EIB-ELENA Facility will continue to support EE and RES projects focusing on public and private buildings, urban transport and local infrastructure.

Support will be provided for development of investment programmes in the following areas:

- Public and private buildings, including social housing and street and traffic lighting, to support increased EE (such as refurbishment of buildings with the aim of significantly decreasing energy consumption (both heat and electricity) — e.g. thermal insulation, efficient air conditioning and ventilation or efficient lighting);
- Integration of RES into the built environment — e.g. solar photovoltaic, solar thermal collectors, biomass and geothermal;
- Investment in renovating, extending or building new district heating/cooling networks, based on high-efficiency combined heat and power or RES, along with decentralised combined heat and power systems (building or neighbourhood level);
- Urban transport to increase EE and support integration of RES, e.g. clean and energy-efficient road transport vehicles, trams, trolleybuses, metros, and trains; investments to improve public transport and its seamless link to private transport; investments in clean and energy-efficient solutions for freight logistics in urban areas;
- Local infrastructure, including smart grids and information and communication technology infrastructure, for energy efficiency, energy-efficient urban equipment, inter-modal transport facilities and refuelling infrastructure for alternative-fuel vehicles.

Key actors and target groups

The main target groups will be cities, municipalities and regions committed to achieving and going beyond the objectives of the EU sustainable energy policy, such as those under the Covenant of Mayors initiative or similar initiatives. The key actors in project development will be local and regional energy actors (e.g. energy agencies or public project developers), intermediate banks and housing associations. As the projects will be implemented at local and

¹¹⁷ www.eumayors.eu.

regional levels, local SMEs will be central to physical implementation of the EE and RES investments.

Indicators

- Number of bankable projects identified.
- Investment mobilised.
- Cumulative reductions of greenhouse gas emissions from the projects financed.
- Increase in the share of renewable energy in energy consumption achieved from the projects financed.
- Cumulative energy savings achieved from the projects financed.

13.2. A pilot facility for energy efficiency global loan, project development services and carbon crediting with the KfW Group (KfW-ELENA Facility)

General objectives

This facility consists of a joint pilot programme combining global loans and carbon crediting with the aim of mobilising municipal sustainability investments. The KfW's goal is to implement pilot projects in order to develop the relevant financing market. The approach complements the existing EIB-ELENA Facility, targeting small and medium-sized municipalities and ESCOs, with total investment of up to EUR 50 million, and goes beyond it by introducing carbon crediting as a new form of financing. The KfW reaches the niche market for smaller investments via local intermediaries, who will receive the global loans, and offers a flexible approach, with the possibility to combine the two sub-products (global loans plus carbon crediting). Combined projects would be particularly innovative, but the proposal is not restricted to them, in order to respond to the particular needs of final beneficiaries.

The facility will provide a set of innovative financial and technical assistance services with the aim of mobilising local investment in sustainable energy in sectors similar to those covered by the EIB-ELENA Facility, but for smaller-scale projects.

The support provided is intended to develop investment programmes and a minimum leverage factor of 20 must be achieved between the grant and the investment.

Priorities for action in 2011

1. Global Loans

The KfW will provide global loans to local banks for financing sustainable energy projects managed by municipalities and regions. This distribution channel enables the KfW to reach small and medium-sized municipalities, which have little or no direct access to the capital market or to promotional direct lending by financial institutions.

The financing would work in a similar way to the established EU financial facilities. Along with the global loan funding, local on-lending banks will receive a technical assistance package, supporting them and the municipalities in structuring the eligible projects. Financing via banks for small and medium-sized municipalities is an efficient channel of distribution complementing the EIB-ELENA Facility. The combination of a subsidy and a financing

package is attractive for small to medium-sized municipalities as it streamlines the decision-making process.

Within the on-lending banks, the technical assistance will be used for in-house capacity-building and for consultancy services, including:

- Capacity to provide advisory services to municipalities;
- Identification and preparation of eligible sub-projects (due diligence);
- Implementation and verification of sub-projects;
- Training of staff.

Within the municipalities, the technical assistance will also be used for in-house capacity-building and for consultancy services such as:

- Feasibility studies and energy audits;
- Identification and preparation of eligible projects;
- Establishment of a project implementation unit;
- Tender documentation;
- Launching of the tender process;
- Training of staff.

The aim of the proposed institution-building targets is not to strengthen the financial sector *per se*, but to support banks in improving their capacity and, hence, their propensity to finance municipal investments. The objective is to build up a local network of banks specialising in financing municipal investments, in particular energy-efficiency projects with particular emphasis on building the banks' capacity for credit analysis and structuring techniques.

The split of the technical assistance (TA) between banks and municipalities will depend on the existence of sufficiently experienced partner banks in the target region. In an attempt to reserve as much TA as possible for the final beneficiaries, the KfW proposes to focus on the most interested and qualified banks as potential intermediaries. The partner banks will be selected on a non-discriminatory basis. All interested banks from any IEE participant country are able to apply for a global loan. The KfW will evaluate their qualifications, creditworthiness and readiness to act. Application of this set of criteria is expected to achieve an acceptable geographical balance.

The share of TA funds required for institution-building in the banks is expected to remain below 30% of the overall TA budget. The final beneficiaries will be able to spend the TA within the same framework as under the EIB-ELENA Facility.

2. Carbon Credit based climate protection programmes for EU cities and municipalities

The basic idea of carbon crediting is to pay for monitored and verified greenhouse gas emission reductions achieved by projects and to provide the projects concerned with a corresponding cash flow. Such cash flows can be integrated into broader incentive schemes targeting activities at city and municipality level. Examples include loan programmes for

energy-based building rehabilitation, where carbon revenue is used for loan softening. Furthermore, there are examples of biogas programmes based on municipal wastewater treatment, where carbon money is provided to individual investors on a payment-on-delivery basis. Many other ways to integrate carbon revenue into incentive schemes exist. The model chosen depends on the economics of the sector and the risk allocation preferences within the schemes. It is important to have as much flexibility as possible to design the most appropriate model. Therefore no pre-defined financial structures are proposed.

Carbon crediting is interesting not only as a source of funding but also because it is an efficient instrument to promote and achieve additional and exactly quantified reductions in greenhouse gas emissions. Key principles of carbon crediting are exclusion of free-rider effects and exact quantification of emission reductions achieved over time with the aid of well-established monitoring and verification mechanisms.

Programmes using Joint Implementation (JI) are an appropriate approach in the following areas:

- Energetic building rehabilitation, including building insulation, modernisation of heating systems and use of non-ETS related renewable energy applications like solar water heating or heat pumps;
- Municipal waste management, including biogas generation for small-scale heat production;
- Low-cost activities in the transport sector, like optimisation of traffic regulation or energy efficiency and fuel-switching measures for public vehicle fleets and taxis or improved road maintenance.

Flexible Assigned Amount Units (AAUs) or EU Allowances (EUA) are suitable for the following areas:

- Efficient lighting, in particular in public buildings and street lighting;
- Energy-efficient cooling in public buildings;
- Municipal programmes for energy-efficient equipment and appliances in SMEs and households;
- Renewable power generation relevant in an urban context, including use of biogas, heat pumps or solar power applications;
- Extensive infrastructure investments and city-planning activities, like reserved bus/taxi or bicycle lanes, construction of low-energy housing or extension of public transport (in those cases long-term credits based on appropriate AAU allocations seem more appropriate than JI).

Capacity to design these comprehensive programmes is required along with economic and financial know-how to analyse and identify opportunities with interesting carbon revenue/cost ratios.

The Carbon Crediting TA facility would be used for preparing programmes in partnership with qualified local implementation organisations in close cooperation with the relevant public entities. The target is to develop these programmes over the period 2011-2012 to the stage of 'investment ready'. The facility would also include advisory services to municipal

decision-makers. Support will be given to pilot projects which could be replicated in other sectors and countries.

Key actors and target groups

The main target groups will be cities, municipalities and regions committed to achieving and going beyond the objectives of the EU sustainable energy policy, such as those under the Covenant of Mayors initiative or similar initiatives. The key actors in project development will be local and regional energy actors (e.g. energy agencies or public project developers), local participating banks and housing associations. As the projects will be implemented at local and regional levels, local SMEs will be central to physical implementation of the EE and RES investments.

Indicators

- Number of bankable projects identified.
- Investment mobilised.
- Cumulative reductions of greenhouse gas emissions from the projects financed.
- Increase in the share of renewable energy in energy consumption achieved from the projects financed.
- Cumulative energy savings achieved from the projects financed.
- Number of local banks participating in the scheme.

13.3 A project development services for social housing with Council of Europe Development Bank (CEB-ELENA Facility).

The CEB, unlike other IFIs, has a specific mandate to strengthen social integration in Council of Europe Member States. Consequently, the CEB would use IEE funds mainly to develop residential building projects, including social housing, for underprivileged populations.

Participation by the CEB in IEE would help the European Union alleviate energy poverty, in particular in EU-12 and Candidate Countries¹¹⁸.

General objectives

This pilot action will provide a technical assistance facility, operated by the CEB, for local and regional players for development of investment projects targeting social housing. Project size would vary, with a focus on small and medium-sized investments. The CEB would give priority to the high social impact of a project rather than to its size.

Collaboration between the EU and the CEB in the field of energy efficiency will yield great benefits. IEE-funded technical assistance for CEB-financed projects will help remove a major barrier to improving energy-efficiency projects and programmes in this region, i.e. the lack of grant finance to pay for adequate technical preparation of projects. Properly prepared project proposals are, however, a prerequisite for political decisions to give priority to energy-

¹¹⁸ On condition that the candidate country is eligible under the IEE Programme.

efficiency projects in times of severe budget constraints and other pressing needs in many sectors.

Moreover, the objective of this action is to combine the CEB loans with ERDF funds allocated to energy efficiency in housing. This combination would improve the economics of projects and therefore contribute to wider development of energy-efficiency projects, ensuring a high degree of additionality.

The IEE contribution will be conditional on execution of investments. A minimum leverage factor of 20 must be achieved between the grant and the investment.

Priorities for action in 2011

The facility will focus mainly on energy-efficiency projects in residential buildings for underprivileged populations.

The CEB will endeavour to develop projects located mostly, but not solely, where social needs are greatest, i.e. in Central, Southern and Eastern European countries that are members of both the EU and the CEB and also in Croatia. To this end, the CEB will develop projects on:

- Social housing, where the aim will be, if similar conditions apply, to replicate the scheme set up with KredEx¹¹⁹ of Estonia, funding energy-efficiency investments in combination with structural funds. For this, technical assistance to prepare the project properly and reach the final beneficiaries is essential.
- Investments in energy efficiency in buildings such as hospitals, schools and education centres and other public administrative or judicial buildings.

Project size would vary, but may also be quite small.

At the same time, efforts would be made to combine small projects into larger ones and put them into a replicable shape.

Key actors and target groups

The CEB will manage the funds and work with local and regional authorities and other public bodies, including those under the Covenant of Mayors initiative or similar initiatives. If necessary, it will also channel funds through local banks under terms and conditions agreed between the Commission and the CEB in the contribution agreement.

Target groups will be:

- households within the income bracket that each member country regulates as entitled to benefit from social housing developments;
- municipalities and other local and regional authorities and, through them, citizens that use the premises benefiting from the energy-efficiency investments.

Indicators

¹¹⁹ The Credit and Export Guarantee Fund KredEx: <http://www.kredex.ee/>.

- Number of bankable projects identified.
- Investment mobilised.
- Cumulative reductions of greenhouse gas emissions from the projects financed.
- Cumulative energy savings achieved from the projects financed.
- Number of local banks participating in the scheme.
- Social impact on the underprivileged citizens.

14. CALLS FOR TENDERS

14.1 Study on Energy Efficiency Improvement and Saving Potentials in Generation Technologies

Estimated duration of the contract: 12 months.

Indicative timetable: To be launched in the first quarter of 2011.

The study is to provide an in-depth quantitative and qualitative assessment of the potential for energy-efficiency improvements and energy savings in the energy production sector. It should provide a comprehensive overview of current generation efficiency and generation equipment and evaluate the prospects for and impact of replacing it with more efficient fleet/equipment/technologies, including best available technologies (BAT) and prospectively commercially available new promising technologies.

The study should identify where the biggest potential for improvements lies and what conditions would be requirements and conditions for their realisation. In this respect, it should especially look into the regulatory, market and financing requirements. The study should evaluate the barriers preventing (more rapid) take-up of energy-efficient technologies in the energy generation sector and to what extent the EU framework has facilitated improvements in generation efficiency. The study should provide a thorough analysis of the impact of the EU emissions legislation (both existing and in the pipeline), including on industrial emissions (IPPC¹²⁰ and LCP¹²¹) and greenhouse gas emissions (ETS, taxation, etc.).

The study should, in particular, investigate whether the natural business cycle driven by markets and demanding the replacement of obsolete fleet technologies/fleet/equipment is sufficient and whether there is a need to speed up this process; if so, what would be the financial burden on energy companies and consumers and would this place a greater financial burden on society in general in the form of increased public spending. The study should be based on original data collection, but available statistics and relevant literature should also be comprehensively used. The study will cover the European Union and also the EU accession and Candidate Countries. Further coverage of countries covered by the EU neighbourhood policy would be an option.

¹²⁰ Proposal for a Directive of the European Parliament and of the Council on industrial emissions (integrated pollution prevention and control) (recast): COM(2007) 844 final.

¹²¹ Directive 2001/80/EC of the European Parliament and of the Council of 23 October 2001 on the limitation of emissions of certain pollutants into the air from large combustion plants.

14.2 Study on Energy Efficiency Improvement and Energy Saving Potential in Energy Networks

Estimated duration of the contract: 12 months.

Indicative timetable: To be launched in the first quarter of 2011.

The study is to provide an in-depth quantitative and qualitative assessment of the potential for energy-efficiency improvements and energy savings in the energy transportation sector, including electricity and gas transmission and distribution, and the potential stemming from modernising and expanding the district heating and cooling networks. It should provide a comprehensive overview of current energy transmission and distribution efficiency, covering electricity, gas and heat networks. It should especially identify waste in the current systems and propose improvement options.

The study should examine the potential for savings and efficiency improvements stemming from adding intelligence to operation and use of these networks, i.e. from smart networks for electricity, heat and gas. This should also cover closer integration of distributed generation for electricity and heat. The impact of more active consumers in terms of both using and producing energy should also be investigated. The study should be based on original data collection, but available statistics and relevant literature should also be comprehensively used. The study will cover the European Union and also the EU accession and candidate countries. Further coverage of countries covered by the EU neighbourhood policy would be an option.

14.3 Study for Assessing the Employment and Social Impact of Energy Efficiency Measures

Estimated duration of the contract: 12 months.

Indicative timetable: To be launched in the first quarter of 2011.

The study is expected to deliver both a baseline estimate of the employment and other social effects of the energy-efficiency measures implemented or in the pipeline and also an estimate of the potential future employment and social benefits from additional energy-efficiency measures. The objective of the study is to provide a complete analysis of the present situation and prospects as regards the employment, social and distributional impact (by 2020) of energy-efficiency measures both overall and also broken down into effects of policy measures in different areas (product regulation for energy efficiency, stimulation of energy services, R&D and innovation programmes, ICT, etc.). The study needs to take into account not only the number of jobs created/lost (both directly and indirectly), but also the quality of the jobs that are being created. As regards social effects, any price increases passed on to the end-consumer and possible repercussions on socially less advantaged groups in particular have to be looked at, but also the energy-efficiency potential of targeting, in particular, low-energy households in specific programmes (on refurbishment of social housing, etc.).

Sectors (non-ETS) to be especially considered in the study are the energy supply side (generation, transportation and distribution), industrial sectors, the tertiary sector, the public sector, the residential sector and transport. The impact should be estimated by sector of the economy, but also for each individual country and/or region. The external dimension of the energy-efficiency measures (influence of technology exports on global markets or shift of production outside the EU) should also be part of the analysis. The impact on European small

and medium-sized enterprises should be considered, taking into account the administrative burden and other compliance costs stemming from new energy-efficiency requirements.

14.4 Study on energy-efficiency and energy-saving potential in SMEs and on possible policy mechanisms to involve SMEs in energy-efficiency improvements

Estimated duration of the contract: 12 months.

Indicative timetable: To be launched in the first quarter of 2011.

The energy-efficiency and energy-saving potential of SMEs depends on the sector, the energy intensity of the activities and the technology used in each case. (Some estimates point to 10-20% average energy-saving potential from no-cost or low-cost measures.) However, even with relatively small potential (for instance, because the majority of SMEs operate in low energy-intensive sectors like services), there is a reasonable case for taking a closer look at how SMEs can further contribute to energy-efficiency objectives. 99% of European businesses are indeed SMEs, which therefore play a significant role in the total European energy consumption. Moreover, by making energy-efficiency investments, SMEs can reap significant benefits in terms of competitiveness and improving their corporate image. Micro-generation could also increasingly allow SMEs not only to reduce their energy consumption, but also to become energy producers.

The study should first provide estimates of the energy-efficiency and energy-saving potential of European SMEs, both by sector and at aggregate level. Likewise, the main factors and barriers preventing SMEs from undertaking energy-efficiency measures or entering into contracts with energy service companies (ESCOs) should also be assessed. In general, SMEs face different types of problems: (1) lack of information on the advantages of more rational energy use or on what technical choices are available and who can implement them; (2) perception that energy-efficiency investments have low short-term returns; and (3) lack of financing. The study should not only build on existing literature and on the results of on-going projects like CHANGE¹²², but also additional surveys addressing companies in different sectors and Member States should be carried out.

The core part of the study will assess different possible approaches and mechanisms with the aim of improving participation by SMEs in energy-efficiency decisions and cooperation between SMEs and ESCOs. In each case, the study should discuss the different potential aspects at stake, the potential advantages and drawbacks of the different approaches and where the greatest potential energy savings lie. Examples of existing mechanisms and success stories (within or outside Europe, public or private) should also be analysed, including quantification of the results in terms of energy savings and costs/investments.

14.5 Preparatory studies for ecodesign and energy-labelling requirements for energy-related products — Directives 2009/125/EC and 2010/30/EU

Estimated duration of the contract: 24 months.

Indicative timetable: To be launched in the fourth quarter of 2011.

¹²² <http://www.eurochambres.eu/change>.

Technical and economic studies to identify the relevant environmental aspects — notably energy consumption — for preparation of implementing measures to be adopted by the Commission under the Ecodesign and Labelling Framework Directives (Directives 2009/125/EC and 2010/30/EU). The list of products which will be considered priorities for adoption of implementing measures over the period 2011-2014 will be established by the Commission by October 2011. The preparatory studies covered by this Work Programme will examine groups of products from that list.

The call for tenders will be divided into several batches, each analysing the environmental impact and market of specific product groups, their potential for improvement and the cost and technical feasibility of the improvements. Among other things, this will have to provide the basis necessary for the impact assessment that will accompany the potential draft proposal.

14.6 Impact assessments of draft measures implementing the Ecodesign Framework Directive for energy-related products (Directive 2009/125/EC) and the Labelling Framework Directive (Directive 2010/30/EU)

Estimated duration of the contract: 24 months.

Indicative timetable: To be launched in the fourth quarter of 2011.

The studies will help the Commission carry out impact assessments in order to prepare draft measures implementing the Framework Directives on Ecodesign and Energy Labelling.

This will follow on from the preparatory studies determining whether and, if so, which ecodesign and labelling requirements should be set. Building on these studies, the Commission will draft implementing measures, which should be accompanied by impact assessments when submitted for adoption. The complexity and volume of the issues involved require the assistance of one or more consultants with preparing the impact assessment (IA) reports.

A separate impact assessment will accompany each product-specific implementing measure developed. At this stage it is too early to predict how many measures and which products will be covered (as an indication, over the period 2007-2010 a total of 14 IAs were developed).

The preparatory studies carried out for each product group (see Section 14.5) will already provide substantial input for the impact assessment in the form of technical, economic, social and environmental analysis of policy options and will also lead to consultation of the stakeholders directly affected. In most cases the task of the contractors assisting with the impact assessment will therefore be limited to adding to the previous work and assessing the likely impact of the policy options chosen for the implementing measures, all in the appropriate format for the Commission to draft the IA report. Stakeholder consultations (beyond those already conducted) will also be expected from the contractor, in particular when new options not considered in previous discussions emerge. It is possible that, for some product groups, industry will come forward with voluntary agreements that will make the implementing measure unnecessary (see Articles 15 and 18 of the Directive). This alternative will be taken into account in the impact assessment.

14.7 Technical assistance for standardisation work on energy-related products to be covered by implementing measures under the Ecodesign and Energy Labelling of Energy-related Products Directives (Directives 2009/125/EC and 2010/30/EU)

Estimated duration of the contract: 12 months.

Indicative timetable: To be launched in the fourth quarter of 2011.

The aim of the contract is to assist the Commission with drafting standardisation mandates and monitoring ongoing standardisation work for energy-related products covered by the Ecodesign and Labelling Directives.

The contractor should contribute to drafting standardisation mandates as soon as the necessity to develop such standards emerges in the course of development of ecodesign and/or labelling measures. The contractor should monitor development of the requested standards by the ESO¹²³ and advise the Commission on their appropriateness and suitability for becoming harmonised standards for implementation of those two Directives.

14.8 EU Energy Star Programme: Development and maintenance of the website (Lot 1) and Technical support for the development of new technical specifications (Lot 2)

Estimated duration of the contract: 12 months.

Indicative timetable: To be launched in the second quarter of 2011.

Maintenance and development of the Energy Star Programme website for a period of two years starting at the end of 2011; coverage of the cost of an expert in office equipment technology to advise the European Commission and the EU Energy Star Board on developing technical specifications (Annex C to the renewed EU-US Energy Star Agreement).

14.9 Legal and technical assistance for checking transposition by the Member States of Articles 7 and 8 of the recast EPBD and compatibility with the Ecodesign and Energy Labelling Framework Directives for Energy-related Products (Directives 2009/125/EC and 2010/30/EU)

Estimated duration of the contract: 12 months.

Indicative timetable: To be launched in the second quarter of 2011.

The objective of the action is to assist the Commission in determining whether the legal instruments and administrative provisions of the Member States for transposing Articles 7 and 8 of the recast EPBD (Energy Performance of Buildings Directive 2010/31/EU) are technically ambitious and legally compatible with the Ecodesign and Energy Labelling Framework Directives (Directives 2009/125/EC and 2010/30/EU).

Articles 7 and 8 of the recast EPBD (Directive 2010/31/EU) provide for the Member States to set out efficiency requirements in their national building codes on elements of the building envelope (Article 7) and of technical systems such as room and water heating (Article 8). Transposition of Directive 2010/31/EU is due by June 2012. The contractor should assist with

¹²³ European Standards Organisation.

analysing the level of ambition of the efficiency requirements and their legal compatibility with the Ecodesign and Labelling Directives, in particular as regards thresholds, measurement methods and internal market issues. This includes the resources needed for translating national legislation where it is not available in English, French or any of the contractor's working languages. The results of the technical and legal assistance contract should provide early advice to the Member States on transposition.

14.10 Technical assistance in preparation of the 2012 Renewable Energy Progress Report

Estimated duration of the contract: 18 months.

Indicative timetable: To be launched in the second quarter of 2011.

a) Lot I — Assistance with preparation of the report required by Articles 17 and 23 of the RES Directive

Articles 17 and 23 of Directive 2009/28/EC require the European Commission to report to the European Parliament and the Council in 2012 on the measures taken to implement sustainability criteria for biofuels and on the impact in the EU and non-EU countries of increased use of biofuels in the EU. Taking the 2008 biofuels baseline report as a starting point, this study will measure the impact of increased use of biofuels in the EU between 2008 and 2011. This study will provide input for the 2012 renewable energy progress report.

b) Lot II — Assistance with preparation of the report required by Article 18(2) and (9) of the RES Directive

Article 18(2) and (9) of Directive 2009/28/EC requires the European Commission to report to the European Parliament and the Council in 2012 on the effectiveness of the system for verification of and reporting on biofuels sustainability and on the feasibility and appropriateness of introducing mandatory reporting requirements for economic operators. This study will provide input for the 2012 renewable energy progress report.

c) Lot III — Assistance with analysis of Member States' reports required by Article 22 of the RES Directive

Article 23(3) of Directive 2009/28/EC requires the European Commission, on the basis of Member States' reports, to report to the European Parliament and the Council in 2012 on other policy developments and measures to support development of renewable energy (such as introduction and functioning of support schemes, functioning of the system of guarantees of origin for electricity and heating and cooling from renewable energy sources, progress in improving administrative procedures to remove regulatory and non-regulatory barriers to the development of energy from renewable sources and other aspects listed in Article 22). This study will provide input for the 2012 renewable energy progress report.

14.11 Maintenance of the IEe-library of tools and guidebooks

Estimated duration of the contract: 36 months.

Indicative timetable: To be launched in the second quarter of 2011.

The objective of the action is to restructure the existing database (www.iee-library.eu) in a more user-friendly way based on input from users and to update the database with results from IEE and other best practice sustainable energy-related projects from countries participating in the IEE Programme. Part of the contract will consist of large-scale promotion and communication of the IEE-library and also development of a mechanism to ensure better updating of the database, both internally and for other relevant EU programmes.

14.12 ManagEnergy: Coordination and support for implementation of EU energy policies by local authorities and energy agencies

Estimated duration of the contract: 36 months.

Indicative timetable: To be launched in the second quarter of 2011.

The present ManagEnergy contract ends in late 2011. The aim of this call for tenders is to continue the activity, which will: (i) provide information (website) and capacity-building to the more than 400 local and regional energy agencies in Europe in order to ensure better delivery of the advice and services they offer on energy efficiency and renewable energy; (ii) facilitate implementation of EU initiatives (including the Covenant of Mayors) on energy efficiency and renewable energy by supporting local authorities and energy agencies; and (iii) improve networking, exchanges of experience and joint action by and between local and regional energy agencies.

14.13 Dissemination of the results and promotion of the IEE Programme

Estimated duration of the contract: 12 months.

Indicative timetable: To be launched in the first quarter of 2011.

The services required will help the EACI and the Commission promote the IEE Programme, with particular focus on the co-funding opportunities, results and achievements of the projects and various initiatives supported by the Programme. They will include a range of targeted tools and channels, such as websites, events, audiovisual productions, publications, media work and the online database on finished or on-going projects supported by the Programme.

14.14 Sustainable Energy Europe Campaign 2012-14, including European Sustainable Energy Week

Estimated duration of the contract: 40 months.

Indicative timetable: To be launched in the first quarter of 2011.

More than 900 energy-efficiency and renewable-energy projects have joined the Sustainable Energy Europe Campaign to date and 340 events took place during European Sustainable Energy Week 2010 — the highest number on record. However, the second phase of the Sustainable Energy Europe Campaign will end in early 2012.

This call will build on the momentum created. The aim is to connect and mobilise key players in support of the latest EU energy-efficiency and renewable-energy policy initiatives and objectives and to bring success stories from across Europe to the attention of the media and the public. Showcasing forward-looking sustainable energy practices and organising the annual EU Sustainable Energy Week and Sustainable Energy Europe Awards up until 2014 will be an essential part of this call for proposals.

14.15 IEE project performance indicators

Estimated duration of the contract: 12 months.

Indicative timetable: To be launched in the second quarter of 2011.

Under IEE II, the requirements for projects to adopt an impact-focused approach to performance indicators were tightened up. The application form and evaluation criteria were adapted to make monitoring SMART indicators an integral part of the project. In addition, since the 2009 call for proposals, the EACI requires proposers — in addition to their project-specific indicators — to deliver common performance indicators covering the renewable energy produced, energy saved, investment mobilised and CO₂ savings. First results from this exercise are expected in September 2010.

Based on these data, in view of the complexity and diversity of the IEE projects, the aim of this tender is to establish sets of common output, result and impact indicators — by nature of activity and/or by key action. The work will consist of reviewing the work performed by IEE II projects on their specific and common performance indicators and providing a solid peer review of the most effective indicators and methods for monitoring them. To this end, part of the work will consist of collecting, analysing and reality-checking performance indicators and will identify a set of indicators which allow aggregation at both sector and Programme levels.

The results of the study will be used to steer the EACI further in its project assessments and to extract more efficiently the output/results produced by the Programme. In addition, the set of indicators should contribute to focusing future IEE proposals on attracting high-impact projects.

15. CONCERTED ACTION

15.1 Concerted action (CA) supporting implementation of Directive 2006/32/EC on energy end-use efficiency and energy services (CA ESD II)

CA ESD II is the continuation of concerted action ESD which started in June 2008 and will run until June 2011¹²⁴. CA ESD is the only forum where implementation of the ESD is discussed amongst the Member States' implementing bodies. Over the past two years CA ESD has developed a strong European network from which a wealth of information has been gleaned, alliances have been forged, lessons have been learned and approaches have been transferred. Both the participating Member States and the Commission consider this action a very valuable tool for exchanging information and sharing experience. Therefore, in view of the increasing importance of energy efficiency as the most cost-effective way to reduce energy demand, continuation for a further 36 months (from the third quarter of 2011 to the third quarter of 2014) is proposed to build on the experience gained from implementation of Directive 2006/32/EC in Member States.

Based on the results from CA ESD, the following preliminary core themes are proposed for CA ESD II:

¹²⁴ Awarded by Decision C(2008)912 of 12.3.2008.

1. **National Energy Efficiency Action Plans (NEEAPs) as a policy tool — best practices in sectors or subsectors** —Articles 4(1) and (4) and 14(2) of Directive 2006/32/EC;
2. **Measuring the impact of energy-efficiency policies and measures** — Articles 14(2), 4(4) and 15(2) and (3) of and Annex IV, I (3) and II to Directive 2006/32/EC;
3. **Public sector: national, regional and local initiatives** — Article 5 of and Annex VI to Directive 2006/32/EC;
4. **Energy companies and energy services** — Articles 6, 12 and 13 of Directive 2006/32/EC;
5. **Funds and financing for energy efficiency** — Articles 9, 10 and 11 of Directive 2006/32/EC;
6. **Informing and advising final consumers** — Articles 7 and 13 of Directive 2006/32/EC.

Note: The scope of the core themes may need to be adapted to the possible review of Directive 2006/32/EC.

In all these core themes, special attention will be paid to capacity-building in implementation. CA ESD II will continue to identify and disseminate good practice on implementation of energy-efficiency policy and will put emphasis on topics that can benefit from common approaches and from coordination between Member States. Due to the nature of the Directive, interpretation of the legislation has been one of the main focuses for participants in CA ESD. Looking to the future (CA ESD II), the focus is expected to move increasingly towards technical issues. The participants in CA ESD II will include all 27 Member States plus Croatia and Norway.

For details of this concerted action, its duration and the nominated organisations, see Appendix A.

16. ADMINISTRATIVE ARRANGEMENTS WITH THE JRC

16.1 Technical assistance in preparation for the 2012 renewable energy progress report (Article 19(5) report)

Estimated duration of the contract: 24 months.

Indicative timetable: To be launched in the second quarter of 2011.

Article 19(5) of Directive 2009/28/EC requires the European Commission to report to the European Parliament and the Council in 2012 on the estimated typical and default values in Parts B and E of Annex V to the Directive and to review these values where appropriate. The scientific work for establishing and reviewing these values for the purposes of the RES Directive has been done by the JRC. This study aims to provide input for this report on the basis of an Administrative Arrangement between the Commission (Directorate-General for Energy) and the JRC.

16.2 Development of renewable energy scenario analysis capability and economic modelling

Estimated duration of the contract: 24 months.

Indicative timetable: To be launched in the third quarter of 2011.

Ongoing analysis and future planning of renewable energy policy requires sound quantitative analysis. This work would build on existing economic modelling and scenario analyses to look further ahead to 2050 and at the structure of the European energy sector, in line with the 2010 Work Programme of the Directorate-General for Energy.

The Commission uses a range of economic models to examine energy and climate policy. These include PRIMES, POLES, GEM-E3, ASTRA and GREEN X. The way these models treat renewable energy differs substantially. Such differences (inclusion of limited or different combinations of technologies and sectors, in particular biomass, different assumptions about technology costs, emissions, efficiencies, etc.) can result in inconsistencies, significantly differing results and lack of policy coherence.

It is therefore important to examine models used by the Commission and to ensure that the interface between such models functions well, i.e. that the models can all be used in conjunction in a manner which is coherent and results in consistent and well integrated analysis.

17. INTERNATIONAL PARTNERSHIP FOR ENERGY EFFICIENCY COOPERATION

The purpose of the International Partnership for Energy Efficiency Cooperation (IPEEC) is to strengthen international cooperation on energy efficiency. The action carried out under the auspices of the Partnership should result in more effective energy policy and programme output, in best practices being more widely known, disseminated and applied and in economies of scale. The aim of the Partnership is to offer a topic-driven, structured dialogue and an operational network for enhanced cooperation and exchanges on energy efficiency between countries and international organisations by:

- exchanging information and experience on development of regulatory measures, policies and programmes;
- developing benchmarks and sharing information on goods and services, along with measurement methods regarding energy performance and energy savings;
- strengthening information, education and training for energy consumers;
- building stakeholder capacity by improving contacts between national, regional and local authorities and other relevant partners and stakeholders, exchanging views and sharing knowledge and experience.

On 30 November 2009 the Council adopted a Decision on the signing and conclusion of the Terms of Reference for the IPEEC and the Memorandum concerning the hosting by the International Energy Agency of the Secretariat of the International Partnership for Energy

Efficiency Cooperation by the European Community¹²⁵. The Council endorsed the Commission proposal that, from the second year of membership (i.e. 2011), the European Union will voluntarily contribute EUR 60 000 for each subsequent year.

18. INTERNATIONAL RENEWABLE ENERGY AGENCY

This action is reserved to cover participation by the EU¹²⁶ in the International Renewable Energy Agency (IRENA)¹²⁷. The EU expects to contribute about EUR 480 000 per annum for participation in IRENA, based on the United Nations scale of assessment.

The Statute of IRENA was signed on 23 November 2009 and as of 8 July 2010 its statute entered into force. The International Renewable Energy Agency became a fully fledged International Organization.

19. STANDARDISATION INITIATIVE

The aim of this initiative is to develop standards (namely measurement methods of energy consumption) required for implementing the legislation on energy efficiency and renewable energy and related EC policies. These standards will be prepared by the relevant European standards bodies (CEN/CENELEC) under specific agreements.

20. BUDGET AVAILABLE UNDER THE 2011 WORK PROGRAMME

The operational budget of the IEE II Programme for 2011 totals EUR 104 499 000¹²⁸ in commitment appropriations.

Under a separate budget line EUR 6 601 000 is provisionally allocated to cover the operating expenses of the Executive Agency for 2011. EUR 900 000 is earmarked for administrative expenses.

The indicative budget for grants will be EUR 57 084 000. For calls for tenders and administrative arrangements with the JRC, a budget of EUR 11 725 000 is planned.

EUR 3 000 000 is provisionally earmarked for continuation of the concerted action supporting transposition and implementation of Directive 2006/32/EC on energy end-use efficiency and energy services (CA ESD II) and EUR 2 150 000 for the Standardisation Initiative (CEN/CENELEC). EUR 60 000 is earmarked for the European Union's contribution to the Platform for International Cooperation on Energy Efficiency and EUR 480 000 for the European Union's membership of the International Renewable Energy Agency.

¹²⁵ Council Decision of 30 November 2009 on the signing and conclusion of the Terms of Reference for the International Partnership for Energy Efficiency Cooperation (IPEEC) and the Memorandum concerning the hosting by the International Energy Agency of the Secretariat to the International Partnership for Energy Efficiency Cooperation by the European Community (Decision 2009/954/EC, OJ L 330 of 16.12.2009, p. 37).

¹²⁶ Council Decision of 24 June 2010 on the conclusion of the Statute of the International Renewable Energy Agency (IRENA) by the European Union; OJ L178 of 13/07/2010, p.17

¹²⁷ <http://www.irena.org/>.

¹²⁸ Not including contributions from non-EU countries.

A sum of EUR 30 000 000 is allocated for continuing the ELENA Facility with the European Investment Bank and for launching the new facilities in cooperation with the KfW Group and the Council of Europe Development Bank.

The indicative distribution of the 2011 budget by field and by means of implementation is shown in the table below.

Any change in the indicative budget for grants and calls for tenders above 20% will be considered a substantial modification and, as such, will require an amendment to this Work Programme.

Indicative distribution of the 2011 budget by field and by means of implementation

	Action	Calls for proposals (mEUR)	Calls for tenders (mEUR)	Other mechanisms (mEUR)	TOTAL (mEUR)
SAVE	Promotion and dissemination projects (EE products and industry)	10,000			
	CA ESD II			3,000	
	IPEEC			0,060	
	Tenders (14.1-14.9)		2,925		
	TOTAL	10,000	2,925	3,060	15,985
ALTENER	Promotion and dissemination projects (RES-e, RES-H/C, Bioenergy)	13,084			
	Tenders (14.10)		1,500		
	AA with JRC: Development of RES scenario analysis			0,300	
	AA with JRC: Technical assistance for 2012 RES progress report			0,250	
	IRENA			0,480	
	TOTAL	13,084	1,500	1,030	15,614
STEER	Promotion and dissemination projects (EE transport; clean EE vehicles)	10,000			
	TOTAL	10,000			10,000
Integrated initiatives	Promotion and dissemination projects (Local energy leadership, Mobilising local energy investments and EE and RES in buildings)	16,000			
	Training Building Workforce Initiative	8,000			
	Standards Initiative			2,150	
	EIB-ELENA Facility			19,000	
	KfW-ELENA Facility			8,000	

	CEB-ELENA Facility			3,000	
	Tenders (14.11-14.15)		6,750		
	TOTAL	24,000	6,750	32,150	62,900
GRAND TOTAL		57,084	11,175	36,24	104,499

All the figures in the table are estimates and are subject to change, depending on the results of the calls.

All calls for tenders of strategic relevance to European Union policy are to be managed directly by the Commission departments concerned. Action by the European Investment Bank will be subject to a contribution agreement between the European Investment Bank and the Commission.

Additional contributions to the budget are expected from EFTA countries which are members of the EEA, candidate countries and countries of the Western Balkans, all in accordance with the conditions laid down in the specific agreements and Memoranda of Understanding. Participation is also open to any other non-EU country, when agreements so allow. The contributions expected from those countries are allocated on a *pro-rata* basis to the individual Key Actions. These additional contributions, plus any remaining amount not spent on public procurement, will be taken into account when establishing the ranking of selected projects and the reserve list following the evaluation of proposals.

21. SCHEDULE FOR THE 2011 CALLS

The plan is to launch calls for proposals as soon as possible after adoption of the 2011 Work Programme (a separate, later, deadline is envisaged for the Integrated Initiative on Building Workforce Training and Qualification).

The Commission will publish the calls in the Official Journal of the European Union (OJ) and on the website of the Directorate-General for Energy¹²⁹. Further details will be published on the IEE Programme website.

The minimum duration of the calls for proposals will be three months.

Calls for tenders will be published during the year, with the durations laid down in the procurement procedures.

¹²⁹ http://ec.europa.eu/dgs/energy/index_en.htm.

APPENDIX A

OUTLINE OF THE CONCERTED ACTION (CA) SUPPORTING IMPLEMENTATION OF DIRECTIVE 2006/32/EC ON ENERGY END-USE EFFICIENCY AND ENERGY SERVICES (CA ESD II)

A.1 Objectives

This Concerted Action for the Energy Services Directive II (CA ESD II) aims:

- to enhance and structure the sharing of information and experience from national implementation and promote good practice in activities to improve and strengthen implementation by Member States of the Directive on energy end-use efficiency and energy services (ESD);
- to create favourable conditions for faster convergence of national procedures on ESD-related matters;
- to supplement the work of the Energy Demand Management Committee (Article 16 of the ESD) and its *ad-hoc* group on methods, CEN standards and certification exercises.

CA ESD II is the continuation of CA ESD, building on the work carried out so far, but offering a more comprehensive insight into the selected themes.

The above-mentioned objectives will be achieved mainly by organising a series of structured and professionally moderated meetings to discuss selected topics, accompanied by a series of facilitating mechanisms. They will be carried out in coordination with other related initiatives such as the concerted action supporting the RES Directive and the concerted action supporting Directive 2010/31/EU.

Based on the results from CA ESD, the following preliminary core themes are proposed for CA ESD II:

1. **National Energy Efficiency Action Plans (NEEAPs) as a policy tool — best practices in sectors or subsectors** — Articles 4(1) and (4) and 14(2) of Directive 2006/32/EC;
2. **Measuring the impact of energy-efficiency policies and measures** — Articles 14(2), 4(4) and 15(2) and (3) of and Annex IV, I (3) and II to Directive 2006/32/EC;
3. **Public sector: national, regional and local initiatives** — Article 5 of and Annex VI to Directive 2006/32/EC;
4. **Energy companies and energy services** — Articles 6, 12 and 13 of Directive 2006/32/EC;
5. **Funds and financing for energy efficiency** — Articles 9, 10 and 11 of Directive 2006/32/EC;
6. **Informing and advising final consumers** — Articles 7 and 13 of Directive 2006/32/EC.

Note: The scope of the core themes may need to be adapted to the possible review of Directive 2006/32/EC.

In all these core themes, special attention will be paid to capacity-building in implementation (horizontal theme).

For each of the topics CA ESD II will address issues on which the Directive does not require harmonised national implementation but where coordinated implementation and exchanges of practices for implementation would increase the impact of the Directive and reduce the cost of implementing it.

Grounds for application of Article 168(1)(f) of Commission Regulation (EC, Euratom) No 2342/2002

The objectives of CA ESD II, as outlined above, are very closely linked to implementation of Directive 2006/32/EC. Therefore, CA ESD II will require the collaboration of the organisations in charge of national implementation of Directive 2006/32/EC. Generally, these are the ministries responsible and/or expert bodies appointed by those ministries. Only those organisations have the expertise and experience needed for this CA.

The national players involved in implementation of the Directive are known and the national work has been defined. Consequently, grants for CA ESD II will be awarded without a competitive selection process in accordance with Article 168(1)(f) of the Financial Regulation¹³⁰.

CA ESD II will not deal with any action which could be subject to a call for proposals (raising awareness on the part of market actors or any other tasks which market actors could carry out on their own initiative). Nor will CA ESD II deal with any issues which are in the sole interest of the Commission and, as such, subject to a call for tenders.

Conversely, due to this specific condition and the sensitive tasks, CA ESD II would be suitable neither for a call for proposals nor for a call for tenders, as it is in a common interest of the Commission and the Member States.

A.2 Core themes

1. National Energy Efficiency Action Plans (NEEAPs) as a policy tool — best practices in sectors or subsectors (Articles 4(1) and (4) and 14(2) of Directive 2006/32/EC)

Member States (MS) must submit National Energy Efficiency Action Plans (NEEAPs) to the Commission which must describe the energy-efficiency improvements planned in order to meet the indicative energy-savings target of 9% set in the Directive. The second and third NEEAPs, due by 30 June 2011 and 30 June 2014 respectively, must also include a report on the progress made towards achieving their target.

¹³⁰ Article 168(1)(f): ‘Grants may be awarded without a call for proposals for actions with specific characteristics that require a particular type of body on account of its technical competence, its high degree of specialisation or its administrative power, on condition that the actions concerned do not fall within the scope of a call for proposals.’

Preparation and evaluation of the first NEEAPs and the different evaluations that have taken place in the current CA ESD Working Groups have brought to light the potential value of the NEEAPs for structuring and enhancing policy measures related to energy efficiency. NEEAPs have the potential to go beyond reporting and be a catalyst for energy-efficiency policy. However, this potential still needs to be tapped and this is seen as an important topic for discussion in order to ensure that MS make the best of the opportunities arising from NEEAPs.

Under this core theme, MS will discuss and investigate the potential of the NEEAPs as a policy tool, the feasibility of cooperation and the gains to be made from working in synergy with the action plan requirements from the EPBD and RES Directives. This core theme will also cover exchanges of examples of best practice by sector or sub-sector for strengthening national energy-efficiency programmes. CA ESD II will also address operational topics regarding preparation of future NEEAPs for which further sharing of experience would offer significant added value.

This work could benefit from discussions in the Bucharest Forum on the new role of the NEEAPs. Reviewing the process for the second NEEAP in preparation for the third NEEAP will also be included in this core theme.

2. Measuring the impact of energy-efficiency policies and measures (Articles 14(2), 4(4) and 15(2) and (3) of and Annex IV, I(3) and II to Directive 2006/32/EC)

Under the ESD, Member States must measure and report the energy savings achieved, as provided for in Article 4, with a view to capturing the overall improvement in energy efficiency and to ascertaining the impact of individual measures. Being able to show savings is also one of the biggest barriers and, at the same time, motivators for policy-makers. The first CA ESD brought to light the complexities of this issue. CA ESD II will continue the work that has been carried out and focus on supporting MS with exchanging information on what works in a cost-effective way. Measurement and verification of savings are both cost- and labour-intensive, but absolutely necessary as a tool to identify which measures perform well and which are less cost-effective.

3. Public sector: national, regional and local initiatives (Article 5 of and Annex VI to Directive 2006/32/EC)

Article 5 of the Directive requires MS to ensure that the public sector sets an example with taking energy-efficiency measures, among them public procurement. In addition, the public sector is also under an obligation to communicate the action taken to citizens and/or companies.

In the current CA ESD, a significant number of discussions have addressed the example set by the public sector. These have expressed a need for governments to show strong leadership while seeking the active participation of all stakeholders. These discussions have also showed that many MS have already taken practical measures, whilst in others preparations are being made.

CA ESD II will therefore focus on this interaction between the national, regional and local levels, as this is crucial for the success of the subject at hand. For instance, CA ESD II will investigate, while sharing experience from MS, which favourable conditions at national level are a prerequisite for local and regional authorities to reap the energy-efficiency potential.

4. Energy companies and energy services (Articles 6, 12 and 13 of Directive 2006/32/EC)

This core theme will address the interaction between governments, energy companies (e.g. energy distributors, distribution system operators and retail energy sales companies) and ESCOs. It will also focus on Member States' experience and plans relating to development of an energy services market in their country.

Special attention will be paid to the various mechanisms proposed in the ESD, such as voluntary agreements, white certificates, smart metering and billing, audits and energy performance contracting in order to promote energy end-use efficiency and energy services. These instruments will not only be discussed and studied separately, but also special attention will be paid to exchanging experience on the best combination of instruments for achieving the most efficient market results.

Exchanging experience on these issues will help MS find optimum solutions for their situation and enhance the development of energy services on their market.

5. Funds and financing for energy efficiency (Articles 9, 10 and 11 of Directive 2006/32/EC)

The ESD requires that barriers — other than those of a clearly fiscal nature — that unnecessarily or disproportionately impede or restrict use of financial instruments for energy savings should be removed and that the market for energy-efficiency improvement measures should be encouraged. In addition, in accordance with Article 11 of the ESD, MS may establish funds to subsidise the delivery of energy-efficiency improvement programmes and measures and to promote the development of a market for implementing these measures. Barriers to implementation of energy efficiency measures are frequently related to funding issues and tariffs that hinder energy efficiency. This core theme will focus on successful funding and financial mechanisms and tariff structures. Another issue is how to involve banks and other financial institutions more in energy efficiency.

6. Informing and advising final consumers (Articles 7 and 13 of Directive 2006/32/EC)

In accordance with Article 7 of the Directive, Member States must ensure that greater efforts are made to promote energy end-use efficiency and that appropriate information and advice is provided to final consumers. This core theme will focus on transferring best practice enabling final consumers, especially citizens and SMEs, to make better-informed decisions as regards their individual energy consumption and to change their behaviour. This core theme will also focus on how to disseminate information on energy-efficiency mechanisms and financial and legal frameworks effectively to the relevant market players.

So far, the work on CA ESD has revealed wide differences in the energy-efficiency measures that have been applied throughout Europe and a clear desire and need to exchange information amongst the countries participating. Throughout CA ESD II *capacity-building for implementation* will continue to be part of all core themes.

A.3 Duration of CA ESD II

The indicative duration of CA ESD II is 36 months, starting in the third quarter of 2011. This will make it possible to harness the growing experience with implementation of the ESD in

every MS. CA ESD II will therefore focus on the topics identified as benefiting from further discussion and exchanges of information on practical implementation of the ESD in every MS. This objective will be taken into account when discussing experience in the field and recommending any changes to working practices that may be desirable.

A.4 Participants designated by the Member States and countries participating in CA ESD II

1	Austria	Austrian Energy Agency
2	Belgium	Flemish Energy Agency
3	Bulgaria	State Energy Efficiency Agency
4	Croatia	Ministry of the Economy, Labour and Entrepreneurship
5	Cyprus	Ministry of Commerce, Industry and Tourism
6	Czech Republic	Ministry of Industry and Trade
7	Denmark	Danish Energy Authority
8	Estonia	Ministry of Economic Affairs and Communications
9	Finland	Motiva Oy
10	France	Ministry of Ecology, Energy, Sustainable Development and Seas
11	Germany	Federal Ministry of Economic Affairs and Technology
12	Greece	Centre for Renewable Energy Sources and Saving (CRESES)
13	Hungary	Hungarian Energy Centre
14	Ireland	Department of Communications, Energy and Natural Resources
15	Italy	National Agency for New Technologies, Energy and Sustainable Economic Development
16	Latvia	Ministry of Economic Affairs
17	Lithuania	State Enterprise Energy Agency
17	Luxembourg	Ministry of Economic Affairs and Foreign Trade
19	Malta	Malta Resources Authority
20	Netherlands	NL Agency
21	Norway	Ministry of Petroleum and Energy
22	Poland	Polish National Energy Conservation Agency (KAPE)
23	Portugal	Directorate-General for Energy and Geology
24	Romania	Regulatory Authority for Energy (ANRE)
25	Slovakia	Ministry of Economic Affairs and Construction
26	Slovenia	Ministry of Economy
27	Spain	National Energy Agency (IDAE)
28	Sweden	Swedish Energy Agency (STEM)
29	UK	Energy Saving Trust

A.5 Total costs and EU contribution to CA ESD II

The total costs and EU contribution to CA ESD II will be approximately EUR 3 000 000.