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**COMMISSION IMPLEMENTING DECISION**

**of 20/12/2011**

**establishing the 2012 Work Programme for implementation of the 'Intelligent Energy - Europe II' programme**

## COMMISSION IMPLEMENTING DECISION

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### establishing the 2012 Work Programme for implementation of the 'Intelligent Energy - Europe II' programme

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)<sup>1</sup>, 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 Communities<sup>2</sup>, 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 Communities<sup>3</sup>, 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")<sup>4</sup>, 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.

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<sup>1</sup> OJ L 310, 9.11.2006, p. 15.

<sup>2</sup> 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).

<sup>3</sup> 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).

<sup>4</sup> 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 2012 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 2012 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 grants, both for beneficiaries and for the Commission. It will be assessed against actual indirect costs as collected in the framework of ex-post financial controls and revised as appropriate.

HAS DECIDED AS FOLLOWS:

#### *Article 1*

The 2012 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 126 499 701<sup>5</sup> to be financed from the following Budgetary Line of the General Budget of the European Union for 2012:

- Budgetary Line no 320406: EUR 126 499 701

These appropriations may also cover interest due for late payment.

The implementation of this Decision is subject to the availability of the appropriations provided for in the draft budget for 2012 after the adoption of the budget for 2012 by the budgetary authority or provided for in the provisional twelfths.

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

### *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 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 by 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 costs as set out in Annex 1.

Done at Brussels,

*For the Commission*  
*Member of the Commission*

**ANNEX 1**

**INTELLIGENT ENERGY – EUROPE II**  
**2012 WORK PROGRAMME**

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# **I. GENERAL PROVISIONS**

## **1. INTRODUCTION AND BACKGROUND**

### **1.1 Policy background**

The European Union faces serious energy challenges relating to sustainability, greenhouse gas emissions, and energy security. It 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 11.6% in 2009), 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.

Specifically with a view to energy efficiency and savings, the Commission has adopted a new Energy Efficiency Plan<sup>6</sup>. Its aim is to give a high profile to energy efficiency, provide a clear commitment and set key areas for priority action. Some of these will be implemented through the provisions of the recently proposed Energy Efficiency Directive<sup>7</sup>.

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 action<sup>8</sup>:

- 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. It is 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.

IEE II forms part of the overarching Competitiveness and Innovation Framework Programme (CIP)<sup>9</sup> with a view to achieving the EU energy policy objectives and to implementing the Lisbon Agenda.

IEE II 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 growth<sup>10</sup>;

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<sup>6</sup> COM(2011) 109 Final

<sup>7</sup> COM(2011) 370 Final

<sup>8</sup> 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.

<sup>9</sup> 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).

- Energy 2020 — A strategy for competitive, sustainable and secure energy<sup>11</sup>
- Energy Efficiency Plan 2011<sup>12</sup>;
- Proposal for a Directive on energy efficiency<sup>13</sup>;
- Directive on the energy performance of buildings<sup>14</sup>;
- Directive on the energy performance of buildings (recast)<sup>15</sup>;
- Directive on cogeneration of heat and power<sup>16</sup>;
- Directive on energy end-use efficiency and energy services<sup>17</sup>;
- Ecodesign Directive on energy-related products<sup>18</sup>;
- Directive on the indication by labelling and standard product information of the consumption of energy and other resources by energy-related products<sup>19</sup>;
- Regulation on labelling of tyres with respect to fuel efficiency and other essential parameters<sup>20</sup>;
- Energy Star Agreement<sup>21</sup>;
- Biomass Action Plan<sup>22</sup>;

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<sup>10</sup> Communication from the Commission — EUROPE 2020 — A strategy for smart, sustainable and inclusive growth, COM(2010) 2020.

<sup>11</sup> Communication from the Commission — Energy 2020 — A strategy for competitive, sustainable and secure energy, COM(2010) 639.

<sup>12</sup> COM(2011) 109 Final

<sup>13</sup> Proposal for a Directive on energy efficiency and repealing Directives 2004/8/EC and 2006/32/EC; COM(2011) 370 Final

<sup>14</sup> Directive 2002/91/EC of the European Parliament and of the Council of 16 December 2002 on the energy performance of buildings.

<sup>15</sup> Directive 2010/31/EU of the European Parliament and of the Council of 19 May 2010 on the energy performance of buildings.

<sup>16</sup> 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.

<sup>17</sup> 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.

<sup>18</sup> 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).

<sup>19</sup> 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.

<sup>20</sup> 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. .

<sup>21</sup> 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.

<sup>22</sup> Communication from the Commission — Biomass Action Plan (SEC(2005) 1573).

- Renewable energy road map — Renewable energies in the 21st century: building a more sustainable future<sup>23</sup>;
- Directive on the promotion of the use of energy from renewable sources<sup>24</sup>;
- Offshore Wind Energy: Action needed to deliver on the energy policy objectives for 2020 and beyond<sup>25</sup>;
- White Paper 'Roadmap to a Single European Transport Area – Towards a competitive and resource efficient transport system'<sup>26</sup>;
- Action Plan on Urban Mobility<sup>27</sup>;
- Directive on the promotion of clean and energy-efficient road transport vehicles<sup>28</sup>;
- revised Fuel Quality Directive<sup>29</sup>;
- Investing in the Development of Low Carbon Technologies (SET Plan)<sup>30</sup>;
- Regulation No 1233/2010 of 15 December 2010 amending Regulation (EC) No 663/2009 establishing a programme to aid economic recovery by granting Community financial assistance to projects in the field of energy;
- 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 housing<sup>31</sup>.

## 1.2 Link with other EU programmes

IEE II opens up 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.

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<sup>23</sup> Communication from the Commission — Renewable energy road map — Renewable energies in the 21st century: building a more sustainable future, COM (2006) 848.

<sup>24</sup> 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.

<sup>25</sup> Communication from the Commission — Offshore Wind Energy: Action needed to deliver on the energy policy objectives for 2020 and beyond, COM(2008) 768.

<sup>26</sup> COM(2011) 144 Final.

<sup>27</sup> Communication from the Commission — Action Plan on Urban Mobility, COM(2009) 490.

<sup>28</sup> 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.

<sup>29</sup> 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.

<sup>30</sup> Communication from the Commission — Investing in the Development of Low Carbon Technologies (SET Plan), COM(2009)519.

<sup>31</sup> Regulation (EC) no 397/2009 of the European Parliament and the Council OJ L 126/3, 21 May2009.

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, electricity grids, the forest sector, heating and cooling and sustainable chemistry. Whereas the energy component of FP7 focuses on research, development and demonstration, for IEE II, the field of activity includes best available energy technologies and techniques, and non-technological action. Thus, IEE II may contribute to bridging the gap between the successful demonstration of innovative low-carbon technologies under FP7 and their effective, broad market uptake under IEE II.

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 the 2009 amendment of the ERDF regulation, expenditure on energy efficiency improvements and on the use of renewable energy in existing housing in all MS is now eligible, up to a ceiling of 4 % of the total national ERDF allocation. Expenditure could therefore be boosted, serving the purpose of 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.<sup>32</sup>

Support for rural development in the EU is financed through the European Agricultural Fund for Rural Development<sup>33</sup> (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 II Programme, on the one hand, and the FP7 research programme, on the other.

For 'dissemination and promotion' projects, the IEE II Programme and FP7 again complement each other: The IEE II 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, development, demonstration and dissemination of new knowledge about innovative energy technologies and the results of technological research and demonstration projects.

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<sup>32</sup> [http://ec.europa.eu/regional\\_policy/manage/authority/authority\\_en.cfm](http://ec.europa.eu/regional_policy/manage/authority/authority_en.cfm).

<sup>33</sup> 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)

### **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;
- appropriate evaluation criteria and qualitative and quantitative indicators to analyse effectiveness in delivering outcomes that will contribute to achieving the objectives of the IEE II 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)<sup>34</sup>.

### **1.5 The Executive Agency for Competitiveness and Innovation**

The Executive Agency for Competitiveness and Innovation (EACI) was established by a Commission decision<sup>35</sup>. 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 Council<sup>36</sup>. 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

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<sup>34</sup> Article 46(1)(c) of Decision No 1639/2006/EC establishing a Competitiveness and Innovation Framework Programme (2007 to 2013).

<sup>35</sup> 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).

<sup>36</sup> OJ L 328, 24.11.2006, p. 1.

necessary for implementing the parts of the Programme entrusted to it, in particular those connected with the award of contracts (procurement) and grants<sup>37</sup>.

The EACI works on the basis of delegated powers, which are laid down in the ‘Act of Delegation’<sup>38</sup>. 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.

## **1.6 Participation of third countries**

In line with the CIP Decision and its provisions on the CIP Framework Programme, the IEE II 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 II Programme<sup>39</sup>.

## **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 the 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

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<sup>37</sup> 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.

<sup>38</sup> 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.

<sup>39</sup> The participation of the former Yugoslav Republic of Macedonia is subject to the entry into force of the Memorandum of Understanding with the Commission.

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 2012. 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 II 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 II Programme

Action to **foster energy efficiency and the rational use of energy resources (SAVE)**<sup>40</sup> 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)**<sup>41</sup> 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;

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<sup>40</sup> Article 39 of Decision No 1639/2006/EC establishing a Competitiveness and Innovation Framework Programme (2007 to 2013).

<sup>41</sup> Article 40 of Decision No 1639/2006/EC establishing a Competitiveness and Innovation Framework Programme (2007 to 2013).

- 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)<sup>42</sup> 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 initiatives**<sup>43</sup> combine several of the specific fields referred to in SAVE, ALTENER and STEER or relating to certain EU priorities. Action within integrated initiatives may include:

- 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 II 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 II programme performance, the following set of indicators will be used:

- Investments made by European stakeholders in sustainable energy, triggered by the IEE II programme (measurement unit EUR)
- Cumulative renewable energy production triggered by actions supported by the IEE II programme (measurement unit toe)
- Cumulative energy savings triggered by actions supported by the IEE II programme (measurement unit toe)
- Cumulative reductions of greenhouse gas emissions triggered by actions supported by the IEE II programme (measurement unit tCO<sub>2</sub>e).

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.

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<sup>42</sup> Article 41 of Decision No 1639/2006/EC establishing a Competitiveness and Innovation Framework Programme (2007 to 2013).

<sup>43</sup> Article 42 of Decision No 1639/2006/EC establishing a Competitiveness and Innovation Framework Programme (2007 to 2013).



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'/beneficiaries' 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.

Use of appropriate performance indicators is a necessary condition during the evaluation process for awarding contracts/grants and during the negotiations for concluding contracts/grant agreements.

#### 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 II 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 direct grants under special conditions (e.g. concerted action);
- (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 Regulation<sup>44</sup>. 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 and EACI will draw up models suitable for the different types of action supported under the IEE II Programme.

Minor changes to the implementation of this programme affecting essential elements listed under Article 90 of the Implementing Rules to the Financial Regulation, which are of an indicative nature<sup>45</sup>, may be made by the authorising officer by delegation (AOD), or by the authorising officer by sub-delegation (AOSD), in line with the delegation of powers conferred upon him by the AOD, in accordance with the principles of sound financial management without it being necessary to amend the financing decision. Cumulated changes of the allocations to the specific actions not exceeding 20% of the maximum contribution authorised by the Commission Decision establishing the 2012 IEE II Work Programme are not considered to be substantial 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 the Decision by up to 20%.

The IEE II 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.

In 2009, this option was used for the setting up and operation of the ELENA<sup>46</sup> Facility in cooperation with the European Investment Bank. The programme was extended in 2010 to include Facilities involving KfW and CEB. In 2012 it is foreseen to further extend this cooperation to another financial institution, the European Bank for Reconstruction and Development (EBRD).

The ELENA facilities have to date been implemented by the Commission and the relevant financial institution by either Joint management or indirect centralised management, as appropriate, as foreseen under the Financial Regulation and the corresponding provisions of the Implementing Rules. The forthcoming revision of the Financial Regulation will allow all such Facilities to be implemented under a single management mode and also facilitate further coordination and harmonisation through the use of a single Facility. The Commission may take advantage of such a situation in 2012.

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

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<sup>44</sup> 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.

<sup>45</sup> These essential elements of an indicative nature are, for grants, the indicative amount of the call for proposals and, for procurement, the indicative number and type of contracts envisaged and the indicative time frame for launching procurement procedures

<sup>46</sup> [http://www.eib.org/products/technical\\_assistance/elena/index.htm?lang=en](http://www.eib.org/products/technical_assistance/elena/index.htm?lang=en)

financial institutions, management fees to be paid to the financial institutions and the monitoring and reporting requirements. DG Energy will sub-delegate the execution of commitments, including payments and recoveries, to DG Economic and Financial Affairs.

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

## **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 million<sup>47</sup>. For this 2012 Work Programme, EUR 122 313 600 has been allocated<sup>48</sup>.

## **2.5 Complementarity between financial instruments**

Each action may give rise to the award of only one grant from the budget to any one beneficiary<sup>49</sup>. 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 Energy Efficiency Fund, 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 II Programme.

Beneficiaries applying for funding from the IEE II 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 (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 II Programme. The areas covered are likely to include consultancy services or technical assistance, and to involve carrying out studies,

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<sup>47</sup> Not including contributions from third countries.

<sup>48</sup> Not including contributions from third countries.

<sup>49</sup> 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.

conducting information, promotion and communication campaigns, purchasing publications and organising conferences.

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

### **3.2 Calls for tenders**

The Commission and the EACI<sup>50</sup> will issue calls for tenders for projects under the IEE II 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.

Since there is a trend for projects to be monitored and reviewed through the European Commission's Information System of the SET-Plan (SETIS), project outcomes will be reported into the SETIS where appropriate.

### **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 country<sup>51</sup> or in a third country, as defined below, may propose action within the IEE II

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<sup>50</sup> Pursuant to Decision C (2007) 3198 of 9 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.

<sup>51</sup> 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.

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.

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 II Programme on the same footing (and with similar rights and obligations) as a legal entity established in a Member State.

### International organisations<sup>52</sup>

‘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 II 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

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<sup>52</sup> Including International Energy Agency (IEA) and International Renewable Energy Agency (IRENA).

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;

- (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 applied<sup>53</sup>.

##### **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

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<sup>53</sup> 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.

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 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,<sup>54</sup> 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 II promotion and dissemination projects are as follows:

##### **4.4.1. General rule**

Unless otherwise specified in the call for proposals, consortia participating in IEE II 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.

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<sup>54</sup> 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.

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 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 II 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 Pillar I of the Building Workforce Training and Qualification Initiative (BUILD UP Skills): up to 90% of the total eligible cost;*
- *funding under the ELENA Facility: 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 in compliance with the conditions set out in the framework partnership agreements with standardisation bodies.*
- *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 PROCEDURES<sup>55</sup>

Grants are generally implemented via calls for proposals. The Commission will issue calls for proposals for actions under the Intelligent Energy — Europe II Programme, in accordance with the requirements laid down in this Work Programme<sup>56</sup>.

### 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

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<sup>55</sup> The procedures for calls for tender are as set out in the relevant regulations and will be published with each call.

<sup>56</sup> 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.

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.

## **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 2012 budget by field (see Section 19). 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(1), 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 Article 114(3) of the Financial Regulation and in the rules implementing that article, administrative and financial penalties of an effective, proportionate and dissuasive nature may be imposed on applicants who are excluded under Articles 93(1), 94 and 96(2)(a) 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 II 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 II 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 individuals<sup>57</sup>. 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 inter-service consultation and within the limits of the annual budget available, the authorising officer then takes the award decision for the projects recommended for funding.

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 II Programme have been taken. Up-to-date information on which countries are participating in the IEE II Programme is available on the Programme website at: <http://ec.europa.eu/energy/intelligent/>.

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<sup>57</sup> 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, p.31.

## 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 II 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 with the exception of costs relating to final reports and audit certificates;
- be indicated in the estimated overall budget of the action;
- be necessary for implementation of the action 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 II 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 to two years 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: Build Up Skills — Pillar I and Pillar II 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:

- Pillar I applications must be submitted by a team of independent legal entities established in the same country.

- Pillar II applications can be submitted either by a team of independent legal entities established in the same country or by a team of independent legal entities from different countries.

### 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:

Pillar I	Pillar II
1.a	Extent to which the proposed action is consistent with the objectives of the BUILD UP Skills 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
	1.b
	Extent to which the proposed action builds on existing national training frameworks and initiatives and on national roadmaps

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

Pillar I	Pillar II
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.a	Extent to which the proposed action effectively engages the relevant market actors in the elaboration, implementation and promotion of an effective qualification scheme
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
	2.b
	Ambition and credibility of the impacts of the proposed action

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

Pillar I	Pillar II
3.a Suitability of the proposed approach to drawing up the roadmap and its associated implementation plan	3.a Suitability of the proposed approach to successfully establish a lasting qualification scheme
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:**

Pillar I	Pillar II
4.a Extent to which the consortium includes essential skills, such as moderating and communicating, life-long learning and energy expertise;	4.a Extent to which the consortium includes essential skills, such as life-long learning, technical as well as communicating 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 - project development assistance**

**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):

- (a) Proposals must be submitted by one or more legal entities, each established in an eligible country
- (b) Proposals must be coordinated by a local or regional public authority (municipality, city, province, region), **or** by another public body<sup>58</sup>.
- (c) Grants for project development assistance within this priority must lead to investments with a minimum leverage factor of 15 (each Euro of project development assistance costs must lead to investments in RES/EE measures of at least EUR 15).
- (d) Proposals must involve minimum project development assistance costs of EUR 400 000, leading to a minimum investment of EUR 6 000 000 in RES/EE measures or in justified cases EUR 200 000, leading to a minimum investment of EUR 3 000 000.

<sup>58</sup> Public bodies must comply with the definition given in section 4.1 of the work programme (see page 19).

### **6.7.2 Other specific provisions**

1. IEE II grants for project development assistance will only be paid in full if planned investments are launched or relevant investment contracts 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.
2. Performance indicators must include measurable results in terms of energy saved (toe), RES supply increased (toe), greenhouse gas emissions reduced (tCO<sub>2</sub>e), investments mobilised (EUR), and if possible local jobs created.

### **6.7.3 Award criteria for MLEI - Project Development Assistance**

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 and EU added value of the proposed action (score 0-10), including:**

- (a) Extent to which the proposed action is consistent with the call priorities
- (b) Extent to which the requested funding would complement other related funding sources for project development assistance and would accelerate the investment process

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

- (a) Appropriate level of maturity of the starting point of the proposed action from technical and financial perspectives
- (b) Suitability of the proposed approach to deliver the investment within the project lifetime, clarity of workpackages, project planning and performance monitoring
- (c) Capability of the proposed action to mobilise the relevant local actors and foster local capacity building

#### **3. Credibility and impact of the proposed action (score 0-10), including:**

- (a) Ambition of the project in terms of investment in renewables and energy efficiency compared with other energy investment programmes carried out by the proposers in the past three years
- (b) impacts within and beyond the project lifetime assessed with specific, measurable, accepted, realistic and time-dependent (SMART) indicators
- (c) Replication potential of the solutions (concept) offered at local, national and European level

#### **4. Resources allocated to the proposed action (score 0-10), including:**

- (a) Share of responsibilities between partners and subcontractors, composition of the team and subcontracting, balance of skills, experience
- (b) Appropriate levels of hours per partner and per work package, justification of share of subcontracting for the project development assistance in view of the planned investments, justification of costs and transparency of co-financing.

#### **7. ELENA OPERATIONAL SCHEME FOR COOPERATION WITH THE EUROPEAN INVESTMENT BANK**

The European Local Energy Assistance Facility (ELENA) was originally set up under the 2009 IEE II Work Programme and run by the Commission and the European Investment Bank (EIB). The EIB-ELENA Facility will be continued under this Work Programme.

The EIB will implement 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 II 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 EIB may commit funds in signed contracts for the provision of Project Development Services from the date the cooperation agreement is signed until 31 December 2014.

##### **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 2012.

#### **2. Final Beneficiaries**

Eligible Final Beneficiaries of Project Development Services are:

- a) local or regional authorities and other public bodies<sup>59</sup>, 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 II 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 Fund<sup>60</sup>, the LIFE+ Programme<sup>61</sup>, 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

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<sup>59</sup> 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.

<sup>60</sup> [http://ec.europa.eu/regional\\_policy/thefunds/cohesion/index\\_en.cfm](http://ec.europa.eu/regional_policy/thefunds/cohesion/index_en.cfm)

<sup>61</sup> <http://ec.europa.eu/environment/life/>

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 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 Programme<sup>62</sup>.
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 and legislation, 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) 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 website<sup>63</sup> and the dedicated IEE II Programme website<sup>64</sup>. Additional publicity will be sought through specific

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<sup>62</sup> 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.

<sup>63</sup> <http://www.eib.org/>.



communication channels (e.g. the Covenant of Mayors website<sup>65</sup> or ManagEnergy website<sup>66</sup>) and via the national contact points set up by the countries participating in the IEE II Programme.

Furthermore the EIB shall ensure that all information materials will indicate clearly that the ELENA Facility is funded under the IEE II 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 II 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.

## **8. ELENA OPERATIONAL SCHEME FOR COOPERATION WITH KfW GROUP (KfW).**

The KfW-ELENA Facility will be continued under this Work Programme.

The KfW will implement 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 II 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 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 2014.

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<sup>64</sup> <http://ec.europa.eu/energy/intelligent/>.

<sup>65</sup> <http://www.eumayors.eu/>.

<sup>66</sup> <http://www.managenergy.net/>.

## **8.1 Submission and selection of PFIs' Investment Programme and Final Beneficiaries' Investment Project proposals**

Requests for Project Development Services shall 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 2012

#### **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 bodies<sup>67</sup>, including those under the Covenant of Mayors Initiative; or groupings of such bodies, mainly in the small and medium-sized range, and

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<sup>67</sup> 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.

- 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 II 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 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 Fund<sup>68</sup>, the LIFE+ Programme<sup>69</sup>, 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; innovative low energy transport systems such as PRT; investments to improve public transport and its seamless link to private transport;

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<sup>68</sup> [http://ec.europa.eu/regional\\_policy/funds/cf/index\\_en.htm](http://ec.europa.eu/regional_policy/funds/cf/index_en.htm).

<sup>69</sup> <http://ec.europa.eu/environment/life/>.

- 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;
- 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 Action 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 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 neither under the EU Emission Trading System (EU ETS) nor the Effort Sharing Decision;
  - (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;
  - (d) only projects generating significant additional emission reductions below "business as usual" baseline shall be eligible; and only part of the reductions should be credited to ensure net reductions;
  - (e) the investment programmes should be preferably set at the level of an entire sector within a city or municipality.

### **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 website<sup>70</sup> and the dedicated IEE II Programme website<sup>71</sup>. Additional publicity will, if deemed necessary, be sought through specific communication channels (e.g. the Covenant of Mayors website<sup>72</sup> or ManagEnergy website<sup>73</sup>) and via the national contact points set up by the countries participating in the IEE II Programme.

The KfW will also ensure that all information material will clearly state that the cooperation scheme is funded under the IEE II 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 II 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.

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

The CEB-ELENA Facility will be continued under 2012 IEE II Work Programme.

The CEB will implement 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 II 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 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 2014.

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<sup>70</sup> <http://www.kfw.de>.

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

<sup>72</sup> <http://www.eumayors.eu/>.

<sup>73</sup> <http://www.managenergy.net/>.

## 9.1 Submission and selection of project proposals

Requests for Project Development Services shall 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 2012 and members of CEB<sup>74</sup>.

#### 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 bodies<sup>75</sup>, 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

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<sup>74</sup> All IEE participating countries except of the Great Britain and Austria (not members of the CEB)

<sup>75</sup> 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.



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 II 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 Fund<sup>76</sup>, the LIFE+ Programme<sup>77</sup>, IPA, and the Economic Recovery Package Regulation will not receive support from Project Development Services.

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;

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<sup>76</sup> [http://ec.europa.eu/regional\\_policy/thefunds/cohesion/index\\_en.cfm](http://ec.europa.eu/regional_policy/thefunds/cohesion/index_en.cfm)

<sup>77</sup> <http://ec.europa.eu/environment/life/>

- 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. 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, metros and innovative low energy transport systems such as PRT.

(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 project<sup>78</sup>.
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 on objectives of the CEB).
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

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<sup>78</sup> Grouping of similar projects to reduce transactions costs and make small projects bankable will be encouraged to reach a significant investment size.

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.

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 website<sup>79</sup> and the dedicated IEE II Programme website<sup>80</sup>. Additional publicity will be sought through specific communication channels (e.g. the Covenant of Mayors website<sup>81</sup> or ManagEnergy website<sup>82</sup>) and via the national contact points set up by the countries participating in the IEE II Programme.

The CEB will also ensure that all information material will clearly state that this cooperation scheme is funded under the IEE II 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 II 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.

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<sup>79</sup> <http://www.coebank.org/>.

<sup>80</sup> <http://ec.europa.eu/energy/intelligent/>.

<sup>81</sup> <http://www.eumayors.eu/>.

<sup>82</sup> <http://www.managenergy.net/>.

## **10. ELENA OPERATIONAL SCHEME FOR COOPERATION WITH THE EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT (EBRD).**

An EBRD-ELENA Facility will be set up under this Work Programme.

The EBRD will implement 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 II 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 EBRD, 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 EBRD may commit funds in signed contracts for the provision of Project Development Services from the date the cooperation agreement is signed until 31 December 2014.

### **10.1 Submission and selection of PFIs’ Investment Programme and Final Beneficiaries’ Investment Project proposals**

Requests for Project Development Services shall be made to the EBRD under the standard procedure. Applications are open to all countries participating in the Intelligent Energy - Europe II Work Programme 2012 that are EBRD countries of operation (CoO).

Proposals must meet all eligibility criteria. The EBRD 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.

#### ***10.1.1 Eligibility criteria***

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

##### **1. Participating Countries**

Countries participating in the Intelligent Energy - Europe II Work Programme 2012, that are EBRD countries of operation (CoO)

## 2. Final Beneficiaries

Eligible Final Beneficiaries of Project Development Services are:

- a) local or regional authorities and other public bodies<sup>83</sup>, 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 II 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 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 Fund<sup>84</sup>, the LIFE+ Programme<sup>85</sup>, 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.

## 3. 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);

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<sup>83</sup> 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.

<sup>84</sup> [http://ec.europa.eu/regional\\_policy/funds/cf/index\\_en.htm](http://ec.europa.eu/regional_policy/funds/cf/index_en.htm)

<sup>85</sup> <http://ec.europa.eu/environment/life/>

- 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; innovative low energy transport systems such as PRT; 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;
- 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.

### ***10.1.2 Selection criteria for Investment Projects of Final Beneficiaries***

The EBRD or PFIs will select the Investment Projects of the Final Beneficiaries to be supported by the Project Development Services based among others 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 Programme.
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 Programmes supported and the total cost of Project Development Services coming from the EBRD-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) 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.

## 10.2 Information and communication

The EBRD will make all reasonable efforts to develop market awareness of financing possibilities under Project Development Services,

The information for potential applicants will be published on the EBRD website<sup>86</sup> and the dedicated IEE II Programme website<sup>87</sup>. Additional publicity will, if deemed necessary, be sought through specific communication channels (e.g. the Covenant of Mayors website<sup>88</sup> or ManagEnergy website<sup>89</sup>) and via the national contact points set up by the countries participating in the IEE II Programme.

The EBRD will also ensure that all information material will clearly state that the cooperation scheme is funded under the IEE II Programme. The EBRD agrees to share its experience, and

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<sup>86</sup> <http://www.ebrd.com>

<sup>87</sup> <http://ec.europa.eu/energy/intelligent/>.

<sup>88</sup> <http://www.eumayors.eu/>.

<sup>89</sup> <http://www.managenergy.net/>.



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 EBRD 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 II 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.

## **11. MONITORING AND EVALUATION OF THE PROGRAMME AND ACTION**

### **11.1 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;
- 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.

### **11.2 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 was finalised on 8 June 2011<sup>90</sup>.

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<sup>90</sup> [http://ec.europa.eu/energy/evaluations/doc/2011\\_je2\\_programme.pdf](http://ec.europa.eu/energy/evaluations/doc/2011_je2_programme.pdf)

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.

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## **II. TECHNICAL PRIORITIES FOR 2012 (IEE II OPERATIONAL BUDGET, INCLUDING ALL METHODS OF IMPLEMENTATION)**

### **12. OBJECTIVES**

#### **12.1 Overall objectives**

The Intelligent Energy — Europe II 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.

#### **12.2 Operational objectives**

The Intelligent Energy – Europe II 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 and techniques 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 and techniques, notably by means of their promotion at EU level.

### 13. PROMOTION AND DISSEMINATION PROJECTS

In order to assess the impact of each project, the following indicators will be asked ex-ante and ex-post to project partners:

- 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: tCO<sub>2</sub>e).

#### **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.

The EU has set itself the objective of achieving 20 % primary energy savings in 2020<sup>91</sup> and has made this objective one of the five headline targets of the Europe 2020 Strategy for smart, sustainable and inclusive growth<sup>92</sup>.

The Commission's latest estimations, which take into account the national energy efficiency targets for 2020 that Member States have set in the context of the Europe 2020 strategy, suggest that the EU will achieve only half of the 20 % target in 2020<sup>93</sup>. Both the European Council<sup>94</sup> and the European Parliament<sup>95</sup> urged the Commission to adopt a new ambitious strategy on energy efficiency for determined action to tap the considerable potential.

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 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.

Latest policy developments such as the Energy Efficiency Plan 2011<sup>96</sup> and the proposal for a Directive on Energy Efficiency<sup>97</sup> formed the basis for the proposed priorities.

In 2012 SAVE will cover the following three Key Actions:

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

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<sup>91</sup> 7224/1/07, REV 1.

<sup>92</sup> COM(2010)2020.

<sup>93</sup> SEC(2011)277.

<sup>94</sup> EUCO 2/1/11.

<sup>95</sup> 2010/2107(INI).

<sup>96</sup> COM(2011)109 final

<sup>97</sup> COM(2011)370

**Consumer behaviour:** for actions to help transform the market towards more energy-efficient products and systems, and change the behaviour of consumers.

**Energy Services:** for actions to increase market transparency and confidence for all market actors, to development the energy services market for small consumers and to empower households to ensure the effectiveness of smart meters.

Note: **Energy efficiency in buildings** is addressed separately under two integrated initiatives

## **SAVE — Industrial excellence in energy**

### *Explanatory Note*

*Industry accounts for approximately 20% of the EU primary energy consumption (excl. energy industry). Over the last twenty years, energy efficiency in industry increased more than in any other sector, but potential for significant energy savings still exists. In an age of high and volatile energy costs, realising the full energy savings potential is an effective way to increase the competitiveness of European companies.*

*Realising the potential for energy saving in industry depends on many factors including: access to information and competences; a favourable regulatory framework and the availability of adequate funding sources. The obstacles to investment in energy efficiency measures are most acute for SMEs (see recent Eurochambres' survey<sup>98</sup>) and - in its new Energy Efficiency Plan - the European Commission renewed its commitment to cooperate with member states to overcome these barriers.*

*The Commission announced in particular that it would encourage Member States to provide SME's with information (for example about legislative requirements, criteria for subsidies to upgrade machinery, availability of training on energy management and of energy experts) and develop appropriate incentives (such as tax rebates, financing for energy efficiency investments, or funding for energy audits). The Commission also stated that, in association with the relevant industry associations, it would support the exchange of best practices in energy efficiency and projects aimed at building capacity on energy management in micro and small companies; and furthermore that it would support the development of tools that SMEs can use to benchmark their energy use against comparable companies. More recently, in its proposal for a Directive on energy efficiency, the Commission proposed that programmes be developed to encourage SMEs to undergo energy audits and that their attention be drawn on concrete examples of how energy management systems can help their business.*

*The IEE II priority focuses on these aspects.*

### **Industrial excellence in energy — Proposed Priority 2012**

**Sector-specific actions targeted to industry small and medium-size enterprises (SMEs)** providing them with tailored information/training (e.g. benchmarking tools) and/or developing appropriate incentives (such as tax rebates, financing for energy efficiency investments, or funding for energy audits).

Projects should involve industry associations and ensure a strong commitment from business leaders. They should use existing tools and resources and achieve a 'critical mass' or multiplier effect at industry level.

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<sup>98</sup> <http://www.eurochambres.eu/change>

They should convincingly demonstrate improved value for money and the energy saving achieved should be quantified and significant. Every Euro of EU spending is expected to lead to energy savings of several hundred kWh per year.

While the focus of the actions should be on energy efficiency and energy savings, they may at the same time promote the use of combined heat and power (CHP), alternative fuels and renewable energy sources in industry.

## **SAVE – Consumer behaviour**

### *Explanatory note*

*Nearly all Europeans think that protecting the environment is important<sup>99</sup> but less than half of them know how much electricity they consume<sup>100</sup> or trust producers' claims about the environmental performance of their own products<sup>101</sup>. Although general awareness has improved considerably in the last years, there is still a long way to go to change investment and habitual energy behaviour of citizens. This is confirmed by the recent evaluation of the IEE II programme<sup>102</sup> which concluded that barriers have on the whole shifted from a lack of awareness of solutions to a lack of understanding of how to implement such solutions in practice. The same study interviewed various stakeholders who generally reported that more focus should be put on actions targeting consumers.*

*In line with the above findings, this key action aims to raise the confidence of consumers in EU energy labels and ecodesign requirements, and to empower them to act in their own interests when purchasing and operating energy-related products. All goods that have a significant impact on energy consumption during use may be addressed under this priority (to the exception of means of transport; the latter being addressed under STEER and the integrated initiative on Energy-Efficient Public Spending)*

*While it is clear that behaviour change programmes are best developed at local, regional or national level, and not at the EU-level, this Key Action has a role to play to increase the effectiveness of programmes and to stimulate the adaptation and replication of successful schemes across Europe. In this respect, proper market segmentation is deemed essential to allow for the tailoring of activities to specific segments of a target group<sup>103</sup> (e.g. young generation, vulnerable consumers or public sector employees). This Key Action also calls for innovative and 'out-of-the-box' approaches which could be implemented for the first time as a pilot, e.g. using social innovations or new information technologies.*

## **Consumer behaviour - Proposed priorities 2012:**

### **Market surveillance for energy-related products**

Actions addressing market surveillance and networking among competent authorities and testing laboratories in charge of verifying compliance of products with the applicable Ecodesign, Labelling (incl. Tyre labelling) or Energy Star legal requirements and of implementing product verification methods.

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<sup>99</sup> 95% according to Eurobarometer of April-May 2011  
([http://ec.europa.eu/public\\_opinion/archives/ebs/ebs\\_365\\_fact\\_eu27\\_en.pdf](http://ec.europa.eu/public_opinion/archives/ebs/ebs_365_fact_eu27_en.pdf)).

<sup>100</sup> SEC (2010) 1409 final

<sup>101</sup> Europeans' attitudes towards the issue of sustainable consumption and production. Flash Eurobarometer 2009. [http://ec.europa.eu/public\\_opinion/flash/fl\\_256\\_sum\\_en.pdf](http://ec.europa.eu/public_opinion/flash/fl_256_sum_en.pdf)

<sup>102</sup> Deloitte June 2011.

<sup>103</sup> See also additional recommendations from the BEHAVE project 'Evaluation of Energy Behavioural Change Programmes'. [www.energy-behave.net](http://www.energy-behave.net)

## **Effective energy behaviour change programmes**

Solutions stimulating behavioural change amongst specific consumer groups (e.g. young generation, vulnerable consumers or public sector employees), with a call for innovative solutions.

### **SAVE – Energy Services**

*Explanatory note:*

*In the Commission's Energy Efficiency Plan 2011, energy performance contracting<sup>104</sup> is described as an important tool in the refurbishment of buildings and in the energy efficiency upgrading of public infrastructures. However the market for energy services<sup>105</sup> in Europe is not considered developed to its full potential as a certain number of barriers are hindering its development. The barriers are mainly of a non-technological nature such as the lack of systematic information on available Energy Services Company (ESCO) services, the lack of trust towards the supply side, the lack of model documents and procurement procedures, the lack of market and project facilitators, the difficulty to access financing or the inadequacy of some legal provisions and administrative practices in the public sector. If energy services are to be used for reaching the EU 20% energy efficiency objective, a major development of the supply and demand side must occur during the next few years. Actions launched in 2012 should therefore support and facilitate this transition by making the market more transparent and trustworthy for all market actors.*

*In addition, it is proposed to support the development of an energy services market for small end-consumers as the savings potential is high in this sector and the market is still under-developed.*

*Finally, smart meters and associated services should be used in a way to help consumers manage and save energy. Consumers should be empowered and consideration should be given to their needs, expectations and acceptance as these are prerequisites to guarantee a successful take up of this new technology.*

*Access to financing for ESCOs is also an important barrier in many MS, which, however, is addressed as part of the ELENA financing facilities and the priority on Mobilising Local Energy Investments (MLEI).*

### **Energy Services - Proposed priorities 2012:**

#### **Boosting the energy services market by increasing its transparency**

Actions increasing transparency and trust in the energy services market e.g. making publicly available, checking and regularly updating a list of available energy service providers and the energy services they offer; providing information on contracts for energy performance contracting; encouraging the coherent development of voluntary quality labels and certification backed by independent organisations; promoting harmonised energy performance contracting concepts and procurement procedures through public knowledge centres; facilitating the interaction between potential customers and potential suppliers; disseminating information on financial instruments, incentives, grants and loans to support energy service projects.

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<sup>104</sup> 'Energy performance contracting' means a contractual arrangement between the beneficiary and the provider of an energy efficiency improvement measure, according to which the payment for the investment made by the provider is in relation to a contractually agreed level of energy efficiency improvement or other agreed energy performance criterion, such as financial savings.

<sup>105</sup> 'Energy service' means the physical benefit, utility or good derived from a combination of energy with energy efficient technology or with action, which may include the operations, maintenance and control necessary to deliver the service, which is delivered on the basis of a contract and in normal circumstances has proven to result in verifiable and measurable or estimable energy efficiency improvement or primary energy savings.

### **Making energy services accessible to small end-consumers**

Actions providing access to energy services for small end-consumers (e.g. households, small and medium-sized enterprises) e.g. linking energy services to properties rather than households (Pay As You Save model<sup>106</sup>), demonstration and dissemination of new business models customised for these specific market segments and where the level of energy efficiency improvement is guaranteed.

### **Empowering households to ensure the success of smart meters and informative billing**

Actions enabling tenants and building owners to fully benefit from the roll out of smart meters and from informative billing<sup>107</sup> e.g. empowering consumers by involving and informing them, making sure that end-users understand the ongoing changes and feel part of the development; facilitating the transition towards innovative smart metering services that can help households reduce their energy consumption; helping consumers take energy efficiency measures on the basis of the information they read on their meters or on their bills.

## **ALTENER Introduction**

Renewable energy sources (RES) can provide a wide range of sustainable energy services, they 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.

The RES Directive (2009) 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 RES Directive makes recommendations for specific actions 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 use of renewable resources — wind energy in the northern seas, solar in the south, hydro in the centre and the north — will be needed. The Commission Communication on the new energy infrastructure priorities for 2020 and beyond addresses the needs for future grid development options, and identifies many of the necessary actions.

ALTENER focuses on non-technological actions contributing to the implementation of the 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:

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<sup>106</sup> <http://www.energysavingtrust.org.uk/Home-improvements-and-products/Pay-As-You-Save-Pilots>

<sup>107</sup> Containing the minimum information specified in the proposal for an Energy Efficiency Directive COM(2011)370



**Electricity from renewable energy sources (RES-e):** for actions to increase the share of renewable electricity in Europe's final energy consumption.

**Bioenergy:** for actions promoting increased production and use of biomass, bio-liquids and biogas in energy markets.

*Note: Renewable energy in buildings is addressed separately under two integrated initiatives*

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

#### *Explanatory Note*

*The Energy 2020 Strategy highlighted how the rise of electricity produced from renewable sources has implications for the electricity market as a whole. Grid development is therefore a key factor for any further deployment of renewable energy production, both large and small scale. One of the greatest challenges regarding the grid infrastructure is to connect the offshore potentials, mainly wind, foreseen in the Northern Seas of Europe, developing the electricity network both off- and onshore. Multiple, flexible, smaller scale distributed forms of electricity generation need different grid and market design rules. Electricity systems have to become more interconnected and flexible, and new infrastructure development and reinforcement will be necessary, including the deployment of smart grid technologies.*

*Approval and licensing procedures often lead to long delays before access is given to the grid. Procedures must more efficiently meet the requirements of both the RES Directive and of environmental legislation. Further action is needed to streamline complex authorisation and planning procedures and to remove non-cost barriers to the growth of renewable energy, and to make planning regimes more transparent and faster while respecting existing environmental legislation.*

*Experience shows that acceptance by the local communities, in particular through an early involvement of the stakeholders in the decision process, plays a crucial role in the feasibility of a RES-E project. Barriers still remain in the form of a lack of or partial knowledge of RES-E plants; lack of involvement or under-estimation of the opinion of the local community; lack of transparency in the decision process; etc.*

*Further strategic actions are envisaged in support of the European electricity market, where over a third of the power is expected to come from renewable energy. For example, in offshore wind development, an integrated strategy engaging the relevant Member States and the Commission could build on the Memorandum of Understanding of the North Seas Countries Offshore Grid Initiative.*

*Similarly, strategic initiatives which address the next generation of support schemes and cooperation mechanisms could explore and identify best practices, and show how to avoid undue market distortions and excessive costs.*

*In 2012 priority will be given to supporting the integration of the renewables into the **electricity grids** and issues **on increasing the social acceptance** of new grid developments and of new RES generators. 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.*

### **Electricity from renewable energy sources (RES-e) — Proposed Priorities 2012**

#### **1. Grid issues:**

- Actions and initiatives aiming to accelerate the implementation of policies, regulations and incentive schemes which will lead to the grid integration of much larger volumes of electricity produced from renewable sources, and facilitate grid balancing, flexibility and

storage. *Non-technological* assessment and monitoring of intelligent grid developments and schemes, which aim to optimise the input from onshore and offshore RES generators; information on environmental and other impacts of RES generators and grids should be taken into account. *Consortia should include and/or actively involve utilities and grid management organisations which are committed to adopting/implementing the results of the work. Owners/operators/developers of grid networks should be engaged in the work.*

- Actions addressing *non-technological* barriers and best practices linked to the use of small scale distributed forms of renewable electricity generation (including initiatives to promote the use of storage systems) and achieving the most economic and environmental solutions. Where appropriate, the above actions should take into account the impact of electric vehicles on the electricity grids. Actions addressing the barriers and improving the regulatory, legal, and economic framework for micro generation and the impact on consumers and their behaviour as well as on the grid. *Collaboration between the different market participants is envisaged as a key success factor for the implementation of these smart grid concepts. Owners/operators/developers of grid networks should be engaged in the work; manufacturers and consumers associations may be also consulted*
2. **Speed up and streamline permitting procedures and enhancement of public acceptance - both for grids and RES generators**
- Actions aiming to facilitate local acceptance (public support and engagement) of new construction/extension of large scale RES-E plants through cooperative investment schemes, benefit sharing mechanisms, local contracting and employment, social benefit, and co-ownership. Transfer of knowledge and best practices related to these issues. *Owners/operators/developers of grid networks should be engaged in the work.*
  - Actions aiming to support the implementation of streamlined procedures which will accelerate market growth by speeding up the delivery of authorisations, both for large renewable electricity generators and for small generators such as PV systems on buildings. Projects promoting the transfer of know-how and best practices on benefit sharing mechanisms or on more democratic / transparent decision processes, in particular through the early involvement of stakeholders. *Consortia should include project developers working with public authorities, which are committed to adopting/implementing the results of the work.*
3. **Strategic initiatives** aiming to support the implementation of policy initiatives and legislation by analysing, monitoring, planning and streamlining market and regulatory frameworks. These may include:
- Assessing the effectiveness of support schemes and cooperation mechanisms and facilitating a dialogue among the relevant stakeholders to apply best practice so as to avoid undue market distortions and excessive costs. *Projects must ensure active participation and engagement by relevant market actors and authorities.*
  - Actions aiming to further develop and implement integrated strategies for offshore wind development. Consortia should include the responsible national and regional authorities, grid operators, and project developers involved in offshore grid activities and initiatives (such as North Seas Countries Offshore Grid Initiative).

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.

### **ALTENER — Bioenergy**

## Explanatory Note

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

*This year, there is a focus on strategic initiatives which will help inform the debate on the development of this sector up to 2020 and beyond. Taking into consideration the on-going evolutions of the different transport fuels sectors and the ongoing debates on availability of sustainable bio-resources, initiatives should provide insights into the future developments of the bioenergy production and use sectors, in relation to both the 2020 targets and future scenarios. The interactions between the different supply chains for liquid, solid and gaseous markets should be addressed by these initiatives. Another important possible focus of the strategic initiatives is the assessment and promotion of the most efficient use of the available bio-energy resources and of the most efficient conversion technologies.*

*It is also important to further expand supplies and to trigger increases in demand for solid biomass (for heating and CHP), and biogas/biomethane (for CHP, transport and grid injection). These actions should focus on one type of bioenergy only (solid or gas, depending on the proposed activity) and not only on promoting demand.*

*For this year, actions promoting local supplies of liquid biofuels are not a priority. Instead, the focus in relation to liquid biofuels this year is on the strategic initiatives, which are outlined above, addressing liquid biofuels used in different sectors of transport together with the other bioenergy sectors.*

*Directive 2009/28/EC highlights the importance of bioenergy produced from waste, residues, non-food cellulosic material and ligno-cellulosic material. Consequently, priority will be given to actions 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 — Proposed Priorities 2012**

- Strategic initiatives aiming to monitor and / or contribute to the achievement of the bioenergy sector towards the 2020 objectives (energy and transport targets, sustainability, land use change) and to inform the debate on strategies for the bioenergy field up to 2020 and beyond, exploring in particular the interactions between the different supply chains for liquid, solid and gaseous biomass in different markets; actions aiming to assess and promote the most efficient use of available bioenergy resources and the most efficient conversion technologies.
- Solid biomass: increase the local supply of biomass from sustainably managed forests, from agricultural residues or from recovered waste and materials and promote its most efficient use in heating and CHP installations. Logistical issues should be taken into account. Consortia should include multiplier organisations, such as associations of farmers, forest-owners and potential providers and users of solid biomass<sup>108</sup>.
- Biogas: promotion of biogas and biomethane production from waste (in particular from the food and beverage industry, wastewater and municipal waste) and of their use for CHP, grid injection and/or as transport fuel. Consortia should include waste management companies

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<sup>108</sup> '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.

and/or multiplier organisations, such as food and beverage industry associations and other potential providers of biomass residues along with final users of biogas.

### **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 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. The European Commission's recent White Paper 'Roadmap to a Single European Transport Area – Towards a competitive and resource efficient transport system'<sup>109</sup> sets out its vision of a future transport system, which reaches the 60% GHG emission reduction target and facilitates clean urban transport and commuting.

STEER takes into account the recommendations made in the Transport White Paper, in the EU Energy Efficiency Plan, in the Green Paper 'Towards a new culture for urban mobility', in the Action Plan on Urban Mobility<sup>110</sup>, in the Freight Transport Logistics Action Plan<sup>111</sup>, and in the Strategy on Clean and Energy-Efficient Vehicles<sup>112</sup>.

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 cars<sup>113</sup> and new light commercial vehicles<sup>114</sup>. 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, households 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 Programme<sup>115</sup>, will not be funded.

In 2012 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.

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<sup>109</sup> COM(2011) 144.

<sup>110</sup> COM(2009) 490.

<sup>111</sup> COM(2007) 607.

<sup>112</sup> COM(2010) 186.

<sup>113</sup> Regulation (EC) 443/2009.

<sup>114</sup> Regulation (EU) No 510/2011.

<sup>115</sup> 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.

- **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.

The Key Action on Capacity-building and learning on energy aspects of transport is closed.

## **STEER — Energy-efficient transport**

### *Explanatory Note*

*Integrated solutions are needed to curb current trends in the transport sector. In line with the Transport White Paper and the first priority of the 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.*

*Approaches to changing the behaviour of different actors have successfully been applied in transport. They can help to increase demand for new transport services and to make better use of existing services. This priority would seek to apply such successful approaches to changing the behaviour of specific target groups to help achieve the Commission's long term goals set out in the Transport White Paper. This action would seek result oriented projects that build on evidence on the level of behaviour change to be expected.*

*Consolidating large numbers of passenger and large volumes of freight for transport over longer distances using buses, coaches, rail and multimodal solutions offers significant potential to reduce energy use and related emissions. Easy access to major transport interchanges and freight terminals is crucial in order to achieve higher levels of consolidation. Access can be improved, for example, through better physical access as well as better information and routing, parking management, the integration of services, closer co-operation between stakeholders, etc.*

*Note: Actions related to energy-efficient tyres are included in the "Consumer behaviour" Key Actions under SAVE.*

### **Energy-efficient transport — Proposed Priorities 2012**

#### **Take-up of Sustainable Urban Mobility Plans**

Actions reducing transport energy use by supporting the take-up of Sustainable Urban Mobility Plans, building on the guidance and materials developed by the European Commission's Eltis platform<sup>116</sup>. Projects should assist cities and regions with developing Urban Mobility Plans 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.]*

#### **Replication of proven approaches towards significant energy-efficient modal shift**

Actions that apply proven behaviour change approaches to change the travel behaviour of the public with respect to one of the following:

- Shifting journeys undertaken by car to travel by public transport.
- Increasing the use of car share offerings (focus on new users).
- Increasing the use of shared bike offerings (focus on new users).
- Shifting journeys undertaken by car and public transport to cycling.

<sup>116</sup> [www.mobilityplans.eu](http://www.mobilityplans.eu)

A significant mode shift is expected and the applicants should include in their proposal evidence of the effectiveness of their chosen approach, with quantification of the expected impact.

### **Major transport interchanges and urban freight terminals**

Actions that support the mutual learning and the development and implementation of strategies that improve access to and the attractiveness of major transport interchanges and urban freight terminals in order to shift journeys from private car to alternative modes of transport and to limit individual freight deliveries.

## **STEER — Clean and energy-efficient vehicles**

### *Explanatory Note*

*The Transport White Paper seeks to significantly reduce transport CO<sub>2</sub> emissions with the long term objective of halving the use of conventionally fuelled<sup>117</sup> vehicles in urban transport by 2030 and phasing them out in cities by 2050, and of achieving essentially CO<sub>2</sub> free city logistics in major urban centres by 2030. The White Paper also announces a sustainable alternative fuels strategy with the objective to substitute oil as energy source for transport in the long term. To achieve these goals, strategies and actions that facilitate this transition will need to be developed and implemented.*

*Note: Actions related to the procurement of clean and energy efficient vehicles by public procurers are included in the "Energy-efficient Public Spending Initiative" IEE II funding area (Integrated Initiatives).*

### **Clean and energy-efficient vehicles - Proposed priorities 2012**

#### **Non-conventionally fuelled vehicles**

Actions to promote policies and projects fostering the take up of non-conventionally fuelled vehicles with low GHG emissions in urban areas (passengers and goods).

### **Integrated Initiatives**

For the work programme 2012 the following five integrated initiatives are proposed:

1. **Energy-efficient public spending initiative:** new initiative, responding to the emphasis set by the Energy Efficiency Plan on the spending of public bodies (integrated initiative relevant to both SAVE and STEER)
2. **Local energy leadership:** targeted capacity building of multipliers in relation to sustainable energy action plans, continuation from previous years (SAVE, ALTENER, STEER)
3. **Mobilising local energy investment:** technical assistance for public bodies to prepare bankable sustainable energy projects (SAVE, ALTENER, STEER)
4. **Energy efficiency and renewable energy in buildings:** energy performance certificates, nearly-zero energy renovations and compliances are the keywords of this year's priorities (SAVE and ALTENER).

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<sup>117</sup> The term 'conventionally fuelled' refers to vehicles using non-hybrid, internal combustion engines (ICE).

5. **BUILD UP Skills:** last opportunity for setting up of national qualification platforms and roadmaps for the remaining countries and first opportunities to submit proposals for concrete qualification schemes (SAVE and ALTENER).

## Energy-efficient Public Spending Initiative

### *Explanatory note*

*Public authorities in Europe have a purchasing power equivalent to about 17% of the EU's gross domestic product. By using their market leverage to opt for less energy intensive and more environmentally friendly goods and services, they can make an important contribution to sustainable consumption and production in Europe. The Commission's work on public spending for a better environment has supported this by developing Green Public Procurement (GPP) criteria for 18 different product/service groups. In addition, the Energy Star Regulation requires Member states' governmental authorities to use energy efficiency criteria when purchasing office equipment and the recast Energy Performance of Buildings Directive (EPBD Recast - 2010/31/EU) gives a leading role to the public sector. In the field of transport, a number of recent initiatives at European level such as the Directive on the promotion of clean and energy-efficient road transport vehicles (Directive 2009/33/EC) are also enhancing the procurement of clean vehicles in the public sector. Finally, the Commission proposes in its latest Energy Efficiency Plan to systematically apply high energy efficiency standards when public authorities purchase goods, services and works. On the other hand, previous GPP related studies and IEE II projects have shown that most public procurers often don't know how and where to buy these products or whether it is legal or not. This lack of awareness, knowledge and guidance is particularly severe in the new Member States<sup>118</sup>. Actions launched in 2012 should thereof respond to this high demand for training in order to pave the way to the future systematic application of more stringent energy efficient criteria for public spending. In the field of transport, actions should also support authorities to review and adapt their procurement policies for vehicles in line with the changing market conditions, in order to increase the market share of the most energy-efficient vehicles.*

### **Energy-efficient Public Spending Initiative - Proposed priorities 2012**

#### **Public procurers**

Actions providing support and capacity building to help public procurers at national and local level apply green public procurement criteria for the purchase of energy-related products. Such actions should involve authorities responsible for GPP (e.g. national procurement agencies, central purchasing organisations, ministries) and should develop high-leverage schemes (e.g. training for trainers, helpdesks, example of national contracts) resulting in the training and concrete support of public procurers, and ultimately in large energy savings which must be quantified.

As regards clean vehicles this could be actions to assist public procurers with the implementation of the Clean Vehicle Directive<sup>119</sup>, for example, by facilitating networking, joint procurement, mutual learning and sharing of experience and best practice. Where applicable, actions should make use of the European Commission's Clean Vehicle Portal<sup>120</sup>.

#### **Local Energy Leadership**

### *Explanatory note*

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<sup>118</sup> Source: DG MARKT  
<sup>119</sup> Directive 2009/33/EC  
<sup>120</sup> [www.cleanvehicle.eu](http://www.cleanvehicle.eu)

*In 2008 the European Commission set up the Covenant of Mayor's initiative which provides an important platform to stimulate and support those local and regional authorities committed to the European energy and climate policy targets. In addition, some Member States have dedicated networks of local government officers (e.g. energy officers, town planners) at national and/or regional level that address sustainable energy planning. Recently the new Energy Efficiency Plan of the Commission also emphasises the exemplary role public authorities at local and regional level have in helping with the transition towards a low carbon Europe.*

*The political commitment and formulation of a concerted Sustainable Energy Action Plan is the essential kick-start for taking ownership of a smarter energy future and open investment into a better local/regional energy management of buildings, infrastructure, transport, energy supply and demand thereby ensuring the practical implementation of relevant EU legislation. Forward-looking planning can significantly accelerate the deployment of local energy efficiency and renewable energy solutions. This Key Action is therefore supporting actions that foster these initial planning activities.*

*Furthermore, to accelerate the effective delivery of the overarching EU energy and climate policy targets a close collaboration between regional and/or national authorities and their municipalities is needed for a complementary and systematic approach towards low carbon regions. This Key Action supports this multi-level governance approach, with a structured, concerted process for identifying a common vision and an implementation plan which possibly also takes into account activities from Sustainable Energy Action Plans developed by municipalities in the region.*

*Complementary to the above, this key action also supports the competence building on sustainable energy aspects for important market actors.*

## **Local Energy Leadership - Proposed Priorities 2012:**

### **Good practice models for multi-level governance**

Actions should foster effective and concerted collaboration between public authorities on the local and regional and/or national level (depending on a Member States administrative structure). The good practice models should have a high potential for transferability across Member States.

Proposals must demonstrate structures and processes for effective working together of public authorities at local and regional level whilst also ensuring the involvement and commitment of other relevant stakeholders. In addition to models of working structures, actions should result in coherent and co-ordinated sustainable energy planning at regional level building upon local sustainable energy action plans (SEAP). On the regional level the sustainable energy plans should be combined with a sound financing strategy. On the local level the action could possibly result in a limited number of corresponding local SEAP's. Both, regional strategies and local SEAP's, must have measurable indicators and political approval by all actors.

### **Capacity building for national and/or regional town planning associations**

Actions fostering exchange of experiences and competence building amongst national/regional town planning associations with the aim to demonstrate the integration of sustainable energy aspects into spatial planning strategies at local and regional level. The actions should foster the energy related competence of town planners working within public authorities and lead to good practice examples of integrated spatial planning strategies for low carbon towns and regions.

## **Mobilising Local Energy Investment**

*Explanatory Note*



*This key action was first opened in the call 2011. It is targeted to support action by committed local and regional authorities aiming to mobilise investment in sustainable energy projects and comprises two priorities: project development assistance (specific eligibility and award criteria, and other specific provisions for applicants apply); and replication of successful innovative financing solutions (standard IEE II eligibility and award criteria apply).*

*Many EU cities and regions have started to prepare or are initiating concrete energy efficiency and renewable energy proposals to tackle energy and climate change challenges. However, the feedback received from many IEE II projects in the field of developing Sustainable Energy Action Plans stresses that their implementation is proving difficult particularly for medium to small cities/towns which often lack the technical capacity to convert their plans into bankable projects. MLEI is designed to help public authorities to solve such problems by offering project development assistance for the implementation of investment programmes and projects.*

*MLEI is intended to help small and medium-sized local and regional authorities or their groupings to develop projects or packages of sustainable energy projects which are of relevance for the local/regional territorial development and considered to be of 'bankable' scale by financing institutions and/or suitable for grant funding by EU financing schemes such as the cohesion or structural funds. In practice, MLEI will fund activities necessary to prepare, and mobilise finance for public investment programmes, such as feasibility studies, financial engineering, business plans, preparation for tendering procedures - in short, action necessary to make sustainable energy projects for cities and regions ready for funding.*

*Actions that are covered by the project development assistance are: refurbishment of buildings (new buildings are not included); renewable energy sources in buildings (PV, solar heating/cooling, bio-heating/cooling, geothermal heating/cooling, and heat pumps); district heating/cooling; energy efficient street-lighting; and clean urban transport.*

*The expected outcomes of the technical assistance must be bankable projects, which are made ready and launched for implementation within a maximum of 36 months. Tangible evidence of implementation will be required, e.g. in the form of construction contracts or tenders which are publicly and unconditionally launched.*

*In view of accelerating and increasing the investment opportunities for public authorities, this key action will also address actions to replicate innovative financing solutions which have been used successfully by public authorities for bankable sustainable energy projects across the EU.*

*This Key Action complements the other financing instruments established under this Work Programme such as the ELENA Facilities.*

## **Priorities for action in 2012**

### **Mobilising Local Energy Investment - Proposed Priority 2012:**

- Project development assistance to individual public authorities (municipalities, cities, provinces, regions) or groups of public authorities that are located next to each other in a clearly defined single geographical area, e.g. conurbations, cities grouped under the umbrella of a province or region, or any other public body to work together with financial advisers and/or fund managers and/or ESCOs to prepare, mobilise financing for and launch investments in sustainable energy projects within their geographical area. Proposals must:

1. result in the launch of tangible investments which produce measurable results in terms of energy saved, RES supply increased, GHG reduced, and investments mobilised before the end of the project duration.

2. address investment projects which have been prioritised in Sustainable Energy Action Plans, or similar energy/climate plans.
3. include a learning process and capacity building for relevant stakeholders at local/regional level where the investments are launched.
4. provide letters of support from the public authority owner(s) if the proposals are submitted by a public body.

Smart and replicable actions demonstrating organisational innovation in their approach of mobilising the necessary funds for sustainable energy projects at local/regional level will be prioritised.

*Note: Specific eligibility and award criteria and other specific provisions apply for this priority (see page 35).*

- Replication across the EU of successful innovative financing solutions for sustainable energy projects which have been implemented by leading public authorities. Actions are expected to catalyse and accelerate the uptake of innovative financing solutions by public authorities. Proposed actions should document and transfer innovative financing processes and methods used by leading public authorities to other EU public authorities together with the necessary practical support materials in the appropriate languages. Actions should lead to measurable replication and uptake by other public authorities.

*Note: Proposals submitted under this priority will be subject to the standard IEE II eligibility and award criteria.*

## Energy efficiency and renewable energy in buildings

### *Explanatory note*

*Europe has adopted an ambitious vision for the energy performance of its buildings. By the end of 2020 (by the end of 2018 for public buildings) all new buildings shall be nearly "zero-energy buildings"<sup>121</sup>, with intermediate targets set by Member States by 2015. Member States shall draw up national action plans for increasing the number of "nearly zero-energy buildings", including policies and measures to stimulate the refurbishment of the existing building stock into "nearly zero-energy buildings". In addition, by 2015 all new buildings and buildings undergoing major renovation must have minimum levels of energy from renewable energy sources. A major transformation must occur in the building sector during the next few years, in which the role of the public sector is reinforced by even earlier deadlines. Actions launched in the period 2012–2013 should support and facilitate this transition.*

*The Energy Efficiency Plan 2011 focuses on instruments to trigger the renovation process in public and private buildings and to improve the energy performance of the components and appliances used in them. It promotes the exemplary role of the public sector, proposing to accelerate the refurbishment rate of public buildings through a binding target<sup>122</sup>. Actions should support the acceleration of major renovations.*

*With energy performance certification of buildings now being a reality in all EU Member States, it is feasible to capture the market not covered by major renovation. Step-wise renovation via uptake of the recommendations (including energy efficiency and renewable energies) indicated in the building's energy performance certificate can reap major benefits. To this end, in the first stages of widespread implementation it is important to support the establishment of the certificate as a reliable market driver for renovation.*

*Regulation without enforcement leads to a lack of compliance. Poor quality workmanship and insufficient compliance checks in the building sector undermine efforts to save energy saving and use renewable energies. Also, without knowledge of the levels of compliance it is difficult to determine the actual impact of current policies and regulations. Actions are needed to support compliance and for determining the impact of the existing regulations.*

*This approach supports the establishment of energy performance certification in the real estate market, linking it to quality of construction, whilst supporting the public sector which is called upon to act as a front runner.*

*A further essential requirement is to qualify the building workforce. For craftsmen and other on-site workers, this is addressed by a dedicated integrated initiative: BUILD UP Skills.*

## Energy efficiency and renewable energy in buildings - Proposed priorities 2012

### **Energy Performance Certification as a driver for step-by-step renovation: capturing the market.**

Actions bringing about increased uptake of the recommendations for energy efficiency and renewable energies of energy performance certificates. The actions should result in increased demand on the market for step-by-step renovation. This could include actions related to financing, resolving the

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<sup>121</sup> EPBD recast 2010/31/EU

<sup>122</sup> Following the adoption of the Energy Efficiency Plan 2011, the Commission proposed that as from 1 January 2014, 3% of the total floor area owned by public bodies is renovated each year to meet at least the minimum energy performance requirements set by the Member State concerned in application of Article 4 of Directive 2010/31/EU.

owner/tenant dilemma, engaging consumers in relation to the significance of the recommendations made on buildings certification issued in line with the EPBD; bringing the industry together to develop one-stop shop solutions, etc.

### **Nearly Zero-Energy Buildings: transforming the existing building stock**

Actions resulting in accelerated rates of refurbishment of existing buildings into Nearly Zero-Energy Buildings. This could include actions assisting the public sector on going beyond the proposed 3% renovation target, supporting the private sector, bringing together industry elements to provide packaged solutions, promoting frontrunners, etc.

### **Building as designed: quality and compliance in construction**

Actions resulting in improved quality in construction and compliance to building codes in support of Article 10 of the recast EPBD (Directive 2010/31/EU) and Article 13(4) of the RES Directive (Directive 2009/28/EC). This could include market observatories, quality seals, etc, resulting in increased consumer confidence and demand for high quality construction in new buildings and renovations. In addition, establishment of robust benchmarks and knowledge of the actual performance of early renovations and installations will be a pre-requisite.

## **BUILD UP Skills, the Sustainable Building Workforce Initiative- Training and Qualification in the field of energy efficiency and renewable energy**

### *Explanatory Note*

*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. The substantial need for training and certification is also acknowledged by the RES Directive<sup>123</sup>, Article 14(3) which places an obligation on the Member States to make provision for training and certification of installers.*

*With BUILD UP Skills, IEE II aims to unite forces to increase the number of qualified workers in the building workforce in Europe. BUILD UP Skills will contribute to the objectives of the two flagship initiatives of the Commission's 'Europe 2020' strategy<sup>124</sup> — 'Resource-efficient Europe' and 'An Agenda for new skills and jobs' as well as the Energy Efficiency Plan<sup>125</sup>. It will also enhance interactions with the existing structures and funding instruments like the European Social Fund and the Lifelong Learning Programme.*

### *Scope and timeframe of the Initiative*

*The Initiative focuses on continuing the education and training of craftsmen and other on-site workers in the field of energy efficiency and renewable energy in buildings after initial education and training or after they have entered working life, including qualification of the unemployed workforce.*

*The Initiative has two main pillars:*

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<sup>123</sup> 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.

<sup>124</sup> COM(2010) 2020 of 3.3.2010: 'Europe 2020 — A strategy for smart, sustainable and inclusive growth', Communication from the Commission.

<sup>125</sup> COM(2011) 0109 of 8.3.2011 "Energy Efficiency Plan 2011", Communication from the Commission

- I. *National qualification platforms and roadmaps to 2020: The first pillar — ‘National qualification platforms and roadmaps to 2020’ — aims to 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 maximum duration of 18 months.*
- II. *Qualification and training schemes: The second pillar — ‘Qualification and training schemes’ —invites proposals for introducing new or upgrading existing qualification schemes. These should be based on an established roadmap to 2020.*

*It is complemented by targeted Europe-wide support activities.*

The Initiative is carried out under the 2011-2013 IEE II Work Programmes. Following the first phase of the initiative in 2011, which has supported the elaboration of national roadmaps for 2020 in 21 European countries (Pillar I), IEE II opens now also support to the implementation of national roadmap's recommendations by providing support to the setting-up/upgrading of large-scale qualification and training schemes for the targeted building professionals (craftsmen and other on-site workers, Pillar II).

### **Building Workforce Training and Qualification — Proposed Priorities 2012**

#### **Qualification and training schemes**

Proposals must demonstrate priority according to the national roadmap developed under Pillar I or equivalent. Priority is given to supporting activities to newly establish or upgrade large-scale qualification and training schemes based on the roadmap recommendations. Actions could include the development of new and/or upgrading of training courses (including development of materials, training of the trainers), coordination activities for the set-up/upgrading and operation of large-scale training schemes (including establishing voluntary agreements, accreditation and certification mechanisms, financing arrangements) as well as promotional/communication activities.

Proposed schemes must

- be in line with the European Qualifications Framework<sup>126</sup> (EQF) and national qualification framework and be based on learning outcomes,
- address the financing of the trainings as well as other kind of incentives to be installed as well as the sustainability of the schemes,
- include the monitoring and evaluation of the first running of the scheme.

Schemes which are mandatory under the EPBD/RES Directive or specific national legislation will not be eligible for financial support. Support could, however, be provided for promotional activities related to mandatory schemes. Costs related to the implementation of training courses per se will not be eligible for funding under this initiative.

#### **National qualification platforms and roadmaps to 2020**

Only open for countries where no project was selected under the Call 2011 (i.e. CZ, FR, FL, GR, HR, IS, LU, LT, MK, MT, SK).

Activities developing a national roadmap to embed the training on intelligent energy solutions for

<sup>126</sup> [http://ec.europa.eu/education/lifelong-learning-policy/doc44\\_en.htm](http://ec.europa.eu/education/lifelong-learning-policy/doc44_en.htm)

buildings in the mainstream curricula and practice of building professionals targeted by the initiative (craftsmen and other on-site workers). Based on a complete analysis of the national situation, the roadmap should take into account the expected contribution of the building sector to the national 2020 targets and the requirements for 'nearly zero-energy buildings'. It should focus primarily on training the existing workforce as craftsmen (continuing education) but could also address initial education and could address a selected number of crafts and professions. It should also be designed in a way that will facilitate replication of the schemes and processes to other crafts.

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

## 14. MARKET REPLICATION PROJECTS

### *Explanatory Note*

*In the IEE II WP 2011 the Commission extended the EIB-ELENA Facility (focusing on providing the technical assistance for large-scale sustainable energy investment projects) with two new complementary compartments implemented by the KfW and the CEB, providing the technical assistance support for development of smaller sustainable energy investment projects. The former has been operational since April 2011, while the latter is expected to be operational in the second half of 2011.*

*The ELENA Facility, in general, has successfully started to mobilize the sustainable energy investments in the EU-15 countries, however, EU-12 and Croatia still lagging behind.*

*Taking into account the acute need for mass-deployment of sustainable energy solutions and still rather high untapped energy saving potential (namely in the latter up mentioned countries), this Work Programme establishes a new complementary technical assistance Action, which will be implemented in cooperation with the European Bank for Reconstruction and Development (EBRD), 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, ensuring the right geographical and size (of projects addressed) balance. The Facilities will be implemented by the Commission and respective financial institutions (EIB, KfW, CEB and EBRD) on the basis of the Financial Regulation and the corresponding provisions of the Implementing Rules.*

*In order to implement the 2012 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.*

#### **14.1 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 continue to provide 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 Initiative<sup>127</sup>. 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 2012*

In 2012, 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; innovative low energy transport such as PRT; 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;

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<sup>127</sup>

[www.eumayors.eu](http://www.eumayors.eu).

- 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 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.
- Jobs created/sustained

### **14.2. A 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 programme combining global loans and carbon crediting with the aim of mobilising municipal sustainability investments. The KfW-ELENA Facility'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.

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 2012*



## 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 will 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 (TA) 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 other ELENA Facilities. The combination of a TA grant 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 II 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 or programmes beyond what would have happened without the support, 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 ways to integrate carbon revenue into incentive schemes exist with different environmental outcomes. Carbon crediting can be an efficient climate policy instrument if genuinely additional and exactly quantified reductions in greenhouse gas emissions are achieved. Key principles of carbon crediting are exclusion of free-riders and exact quantification of baselines and emission reductions achieved over time with the aid of well-established monitoring and verification mechanisms.

Climate protection programmes covering entire sectors of a municipality or city are preferable compared with the project-based approach as they avoid "cherry-picking" and promote policy development for the entire sector. Only significant emission reductions going beyond the "business as usual" baseline should be credited so as to ensure that the programme results in net overall emission reductions.

Capacity to design these comprehensive incentive 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 sector 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 programmes 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.
- Jobs created/sustained

### **14.3 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 II funds mainly to develop residential building projects, including social housing, for underprivileged populations.

Participation by the CEB in IEE II would help the European Union alleviate energy poverty, in particular in EU-12 and Candidate Countries<sup>128</sup>.

### *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 II-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-efficiency projects in times of severe budget constraints and other pressing needs in many sectors.

Moreover, the objective of this facility 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 II contribution will be conditional on execution of investments. A minimum leverage factor of 20 must be achieved between the grant and the investment.

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<sup>128</sup> On condition that the candidate country is eligible under the IEE Programme.

### *Priorities for action in 2012*

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 KredEx<sup>129</sup> 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. The CEB would give priority to the high social impact of a project rather than to its size.

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. 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*

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

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<sup>129</sup> The Credit and Export Guarantee Fund KredEx: <http://www.kredex.ee/>.

#### **14.4 Project Development Services for Energy Efficiency and Renewable Energy Projects in Municipalities and Regions with EBRD - (EBRD-ELENA Facility).**

The EBRD-ELENA will complement other, already existing, ELENA Facilities, focusing on the EU-9 countries (EE, LV, LT, PL, HU, SK, BG, RO, SI) and Croatia (which are all EBRD countries of operation). As these countries are lagging behind as regards application to other ELENA Facilities, the extension of ELENA with the EBRD will enable them to benefit from the TA support provided under the IEE II programme. Similar to other ELENA Facilities, the TA support will be provided 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 Initiative<sup>130</sup>. Eligible projects will be selected by the EBRD 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 2012*

In 2012, the EBRD-ELENA Facility will 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; innovative low energy transport such as PRT; 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*

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<sup>130</sup> [www.eumayors.eu](http://www.eumayors.eu).

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 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.
- Jobs created/sustained.

## **15. CALLS FOR TENDERS**

### **15.1 a. Assessment for recognition of voluntary sustainability schemes**

Estimated duration of the contract: 12 months remaining

Indicative timetable: Existing framework contract 2011, specific contracts to be launched in the first quarter of 2012

Directive 2009/28/EC on renewable energy and Directive 2009/30/EC on fuel quality, contains a sustainability regime for biofuels and bioliquids. The relevant legislation introduces a possibility for economic operators to make use of voluntary national or international schemes to prove compliance with this regime. The sustainability regime also refers to the Commission's possibility of recognising areas for the protection of rare, threatened or endangered ecosystems or species recognised by international agreements or included in lists drawn up by intergovernmental organisations or the International Union for the Conservation of Nature.

Such voluntary schemes can be recognised by the Commission as covering the requirements of the sustainability regime, as well as containing accurate data as specified under Art 18(4) 2nd subparagraph, 2nd sentence of the Directive 2009/28/EC. The Commission is required to assess voluntary schemes before proposing to recognise them through a comitology process leading to a Commission decision. The assessment will need to focus on the chain of custody, the greenhouse gas (GHG) savings, the land use criteria, the verification methods and the operational procedures. The Commission will outsource the work of assessing these voluntary sustainability schemes, as well as the assessment of the aforementioned areas.

### **15.1 b. Assessment for recognition of voluntary sustainability schemes**

Estimated duration of the contract: 36 months

Indicative timetable: New framework contract to be launched in the 1st quarter of 2012

Directive 2009/28/EC on renewable energy and Directive 2009/30/EC on fuel quality, contains a sustainability regime for biofuels and bioliquids. The relevant legislation introduces a possibility for economic operators to make use of voluntary national or international schemes to prove compliance with this regime. The sustainability regime also refers to the Commission's possibility of recognising areas for the protection of rare, threatened or endangered ecosystems or species recognised by international agreements or included in lists drawn up by intergovernmental organisations or the International Union for the Conservation of Nature.

Such voluntary schemes can be recognised by the Commission as covering the requirements of the sustainability regime, as well as containing accurate data as specified under Art 18(4) 2nd subparagraph, 2nd sentence of the Directive 2009/28/EC. The Commission is required to assess voluntary schemes before proposing to recognise them through a comitology process leading to a Commission decision. The assessment will need to focus on the chain of custody, the greenhouse gas (GHG) savings, the land use criteria, the verification methods and the operational procedures. The Commission will outsource the work of assessing these voluntary sustainability schemes, as well as the assessment of the aforementioned areas.

### **15.2. Monitoring of the implementation of the directive on the promotion and the use of energy from renewable sources (Directive 2009/28/EC)**

Estimated duration of the contract: 36 months

Indicative timetable: To be launched in the first quarter of 2012

The Commission has to follow up the implementation of the directive on promotion and use of energy from renewable sources (Directive 2009/28/EC) in the 27 Member States. The Commission intends to monitor the implementation of the national legislation on renewable energy in the 27 Member States with a view at assessing its quality and compliance with the provisions of the Directive. The Commission will outsource the work of monitoring of the implementation of Directive 2009/28/EC.

### **15.3. Technical assistance in preparation of the 2014 Renewable Energy Progress Report**

Estimated duration of the contract: 36 months

Indicative timetable: To be launched in the first quarter of 2012

Art. 23(8) of Directive 2009/28/EC requires the Commission to present in 2014 a report addressing the following elements: an assessment of the greenhouse gas emissions thresholds for biofuels, the cost-efficiency of the measures to be implemented to achieve the 2020 target in transport, an assessment of the feasibility of reaching the target while ensuring the sustainability of biofuels production in EU and non-EU countries, an evaluation of specific market conditions of transport fuels, as well as the commercial availability of electric, hybrid

and hydrogen powered vehicles. An evaluation of the implementation of the cooperation mechanisms and national support schemes is also required to be addressed in this report.

Also, Art. 23(3) of Directive 2009/28/EC requires the Commission to report to the European Parliament and the Council in 2014 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. This study will provide input for the 2014 renewable energy progress report; the work under this study will be carried out in lots.

#### **15.4. EU offshore spatial planning standards**

Estimated duration of the contract: 24 months

Indicative timetable: to be launched in first quarter of 2012

Several IEE projects focused on the development of offshore spatial planning tools and procedures, namely the following:

- The IEE WINDSPEED project (total EU budget €1m for 2.5 years, from 2008 to 2011)
- The IEE WINDBARRIERS project (total EU budget €0.7m for 2 years, from 2008 to 2010)
- The IEE SEANERGY 2020 project (total budget €1.2m for 2 years, from 2010 to 2012)

However, no EU standards are currently available in terms of offshore spatial planning. Integrating the results of relevant EU funded projects in order to finally establish standardised procedures, approaches and tools for offshore spatial planning is therefore becoming a pressing issue.

The implementation of EU standards in this area would greatly facilitate the development and deployment of offshore wind, since they would enable the application of unified, transparent, coordinated and cross-border processes that will simplify and improve the management of the sea by taking into account the needs and interests of different users (e.g. fishing, military, tourism, shipping, environmental and energy operators).

Moreover, standardising EU offshore spatial planning policies will contribute to the implementation of the new energy services directive and of Member States' National Renewable Energy Action Plans (NREAPs).

The project should therefore aim at:

- Building on the results of previous IEE projects on offshore spatial planning to integrate their results
- Developing a single, standardized EU approach for offshore spatial planning (in terms of criteria to be used by relevant authorities, procedures to be implemented and decision-making processes to be followed)



- Ensuring the effective implementation of the new EU standard by actively promoting it towards relevant stakeholders and training public authorities and decision-makers (capacity building)

The project will also provide inputs to the ERANET+ action focusing on the creation of a new EU wind atlas (to be included in the FP7 2013 Energy Work Programme). The new wind atlas will be based on maps indicating restricted areas and other relevant information, on top of wind energy and climate data, in order to be used as a spatial planning tool. Knowing how offshore spatial planning will be performed at EU level before designing the atlas will therefore improve its overall impact and effectiveness.

Finally, similar IEE actions, with a focus on onshore spatial planning methodologies, could be launched in the future. This would ensure the development and implementation of common EU procedures and approaches for both on and offshore spatial planning.

### **15.5. Social and economic value of wind energy in the EU**

Estimated duration of the contract: 24 months

Indicative timetable: to be launched in the first quarter of 2012

Analysing the overall economic and social value of wind power would represent an essential starting point for highlighting the added value that wind energy brings to the EU as a whole.

So far, available studies have focused their attention on specific advantages of wind power (of economic, technical or societal nature), but a comprehensive analysis of the overall added value of wind energy is still missing.

The 2012 IEE II call for proposals should therefore include a priority focusing on the overall benefits and added value that wind power can bring to the EU, its Member States, its businesses and citizens.

In greater detail, the analysis should take into consideration at least the following elements and provide projections to 2020 and 2030:

- **Economic value of wind power:**
  - 0 Current wind energy state-of-the-art;
  - 0 Latest technological advancements in wind power;
  - 0 Likely future developments of wind power;
  - 0 Analysis of the EU wind energy market and likely future developments;
  - 0 Employment impact;
  - 0 Land value impact;
  - 0 Technological impact (cascade effect);
  - 0 Impact on EU competitiveness and global technological leadership in renewables;
  - 0 Wind energy industrial strategies;
  - 0 Wind energy electricity prices;
  - 0 Wind energy feed-in tariffs and relevant calculation mechanisms.
- **Social value of wind power:**
  - 0 GHG emissions reductions and role in fighting climate change;

- 0 Role of wind power in the decarbonisation of the EU economy (2050 goal);
- 0 Wind power contribution to the EU security of energy supply;
- 0 Wind power environmental impact and mitigation measures;
- 0 Wind energy projects' best practices (including involvement of local communities and redistribution of benefits at local level).

Thanks to this study, planning the deployment of wind power in Europe, and addressing social acceptance issues, would become much more effective for any relevant stakeholder (especially public authorities at EU, national or regional level).

The results of the study should be properly disseminated in order to inform in a comprehensive and transparent way on the overall added value of wind power to the EU economy and society.

## **15.6. From the Sugar Platform to biofuels and biochemicals**

Estimated duration of the contract: 12 months

Indicative timetable: To be launched in the first quarter of 2012

Lignocellulosic biomass can be a source of sugars to be further converted into valuable energy and non-energy renewable products. Biochemical and physical pretreatment can be adopted to release sugars from cellulose and hemicellulose components, while thermochemical processes (pyrolysis) can also be used for releasing sugars or other valuable chemical intermediates, as for instance levoglucosan. Sugars can be fed to microorganisms producing lipids, that are then the base for biofuel production through direct hydrogenation, or by traditional transesterification. Other biotechnological systems are able to produce diesel-like fuels. Thus, both diesel and aviation (jet) fuel can be addressed by the sugar platform (advanced biofuel). The same route can also be adopted towards renewable chemical production, as solvent, resins, adhesives, glycols and olefines, polymers, etc.

The study will assess the status of different possible sugar platform pathways, addressing opportunities and barriers, estimating investment and production costs, and environmental performances.

The study should establish close links with relevant activities undertaken by the European Commission's Information System of the SET-PLAN (SETIS, the recent Call for Expression of Interest of the EIBI and the European Biofuels FlightPath initiative to avoid duplication of work.

## **15.7. Algae bioenergy siting, commercial deployment and development analysis**

Estimated duration of the contract: 12 months.

Indicative timetable: To be launched in the first quarter of 2012

Algae technologies are progressing fast and numerous projects are being implemented across the EU and beyond. The great majority are in the R&D stage with notable exception the 3 contracts signed under FP7 to demonstrate the production of algae and processing to biofuels in plantations of 10 ha and productivity 90 ton dry matter per ha per year<sup>131</sup>. It is necessary to

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<sup>131</sup> BIOFAT, ALL GAS & INTESUSAL

initiate analytical work on the most appropriate locations for future deployment in the EU taking into account the climatic conditions and other boundary conditions for commercialization. The objectives of the study are:

- To assess the deployment potential of these chains, including GIS mapping based on siting constraints such as climate and location, land coverage and infrastructure, and assess how siting affects technical, economic and environmental parameters;
- To define algae bioenergy and co-product chains which hold promise for commercial development and deployment, and review their current and prospective technical, economic and environmental characteristics, considering as case studies the three recently funded FP7 demonstration projects and input from relevant experts and stakeholders;
- To identify development needs, elements of a commercial development and deployment strategies, and the influence of policy.

The study should build up on the results of the FP7 AquaFUELS which provided basic information and data which this study should use as foundations in furthering the knowledge on this field.

#### **15.8. Testing of biofuels in aircraft engines in relation to quality specifications**

Estimated duration of the contract: 12 months

Indicative timetable: To be launched in the first quarter of 2012

The European Biofuels FlightPath was launched by the Commission and Airbus on 22/06/2011. The European Biofuels FlightPath calls for achieving 2 million tons biofuels in aviation by 2020. The European Biofuels FlightPath contains specific actions on testing of biofuels in airplane engines for the certification of the planes to operate on biofuels up to 50 % blend with kerosene. Standardisation of drop-in biofuels is undertaken mainly by ASTM and standards have been developed for both Fischer-Tropsch and Hydrogenated oils up to 50% blend. In the framework of this action, preliminary testing in grounded jet-engines on both Fischer-Tropsch and Hydrogenated oils will be undertaken at different blending ratios above 50 %. Furthermore, tests should be undertaken with any new type of drop-in aviation biofuel in the range of 5-50 %.

The action should also closely liaise with the joint FP7 2012 Cal topic: "DG MOVE/DG RTD" referenced as: AAT.2012.1.1-6. Development and testing of advanced sustainable bio-based fuels for air transport in the transport call FP7-AAT-2012-1 call to avoid any duplication of work.

#### **15.9. Development of an effective management of an EU certification scheme - Follow up of the IEE II Project EPA-NR**

Estimated duration of the contract: 12 months

Indicative timetable: To be launched in first or second quarter 2012

According to Article 11(9) of Directive 2010/31/EU (the Energy Performance of Buildings Directive, EPBD) the Commission is required to adopt a common certification scheme for the energy performance of non-residential buildings at EU level on a voluntary basis. It is therefore necessary to develop both, a common methodology for the calculation of the energy performance of buildings and an operable management of such a scheme at EU level. The IEE II-Project "EPA-NR" as well as existing schemes in Member States can represent a good basis on which the scheme could be built up. The development and adaptation of a software tool can also play a part. It is foreseen that the calculation methodology be linked to the development of updated EPBD-CEN-standards under the second mandate. The management also includes further update and maintenance of the scheme and/or software.

#### **15.10. Study on an analytical framework for the assessment of Member States' national plans for nearly zero-energy buildings**

Estimated duration of the contract: 12 months

Indicative timetable: To be launched in the second quarter of 2012

According to Article 9(1) of the EPBD, by 9 July 2012 Member States have to develop national plans for increasing the number of nearly zero-energy buildings (NZEB). Subsequently, the Commission is to evaluate these national plans and may issue recommendations. Moreover, the Commission must by 31 December 2012 and every three years thereafter publish a report on the progress of Member States in increasing the number of nearly zero-energy buildings. On the basis of this report, the Commission must develop an action plan and, if necessary, propose measures to increase the number of those buildings and encourage best practices as regards the cost-effective transformation of existing buildings into nearly zero-energy buildings.

The study is to develop an analytical framework for the assessment of Member States' national plans towards NZEB on the basis of an analysis of the national plans received by the Commission. In particular, this shall include the assessment of the adequacy of the measures envisaged by the Member States and recommendations for the development of the action plan. The study shall take into account the experiences in the Member States and liaise closely with relevant Member States' experts (e.g. in the context of the Concerted Action EPBD) and other stakeholders.

#### **15.11. Study to check Member States' transposition of the EPBD recast**

Estimated duration of the contract: 12 months

Indicative timetable: To be launched in the second quarter of 2012

According to article 28 of Directive 2010/31/EU on the energy performance of buildings (recast), Member States have to transpose most of its provisions at the latest by 9 July 2012. The study is to identify the national transposition measures in the 27 Member States and to analyse whether these measures are properly transposing the various provisions of the Directive.

**15.12. Study on the cost optimal calculations undertaken by the Member States in the context of article 5 of the EPBD and the delegated Regulation laying down the comparative cost optimal methodology framework**

Estimated duration of the contract: 12 months

Indicative timetable: To be launched in the second quarter of 2012

According to article 5 of the EPBD, Member States must calculate cost-optimal levels of minimum energy performance requirements using the comparative methodology framework established by the Commission. Member States must also report to the Commission all input data and assumptions used for those calculations and the results of those calculations. Subsequently, the Commission must publish a report on the progress of the Member States in reaching cost-optimal levels of minimum energy performance requirements.

The study is to undertake an analysis of the reports from the Member States regarding their cost-optimal calculations. This will in particular address the appropriateness of the input data and assumptions used for those calculations, the sensitivity analysis undertaken, and, if appropriate, the justification of any gaps between existing and cost-optimal requirements and the plan outlining steps to reduce this gap. The study will take into account experiences in the Member States and liaise closely with relevant Member States' experts (e.g. in the context of the Concerted Action EPBD) and other stakeholders.

**15.13. Study on the financial support and market barriers undertaken on EU level and at Member States level in the context of article 10 of the EPBD**

Estimated duration of the contract: 12 months

Indicative timetable: To be launched in the second quarter of 2012

According to Article 10 of the EPBD, Member States must draw up, by 30 June 2011 a list of existing and, if appropriate, proposed measures and instruments including those of a financial nature, other than those required by this Directive, which promote the objectives of this Directive. Member States must update this list every three years.

In order to improve financing in support of the implementation of the EPBD the Commission is asked to present an analysis in accordance with Article 10, paragraph 5 of the Directive.

The study is to develop an analytical framework for the assessment of Member States' reports/lists on the appropriateness and effectiveness of the listed existing and proposed measures as well as of relevant Union instruments according to paragraph 5 (options a, b, c), in supporting the implementation of this Directive. The study also shall analyse which advice or recommendations could be given on the basis of this examination (taking account of the principle of subsidiarity).

**15.14. Development of practical guidance for assessing EU-funded projects in the area of energy efficiency in buildings**

Estimated duration of the project: 9 months

Indicative timetable: To be launched in the first quarter of 2012

Since 2009, up to 4 % of the national allocation of ERDF can be invested by MS in energy efficiency and renewables in housing in order to support social cohesion objectives. Until now around half of the MS have decided to indeed re-allocate some money towards EE in housing. It is quite likely that energy efficiency in existing buildings will be also attributed a significant share of the funding of the future multiannual financial framework for 2014-2020. In addition, the EU has set up another fund to be used by local authorities and municipalities in 2011, called EEE-F. With more and more money available for energy efficiency refurbishment, it becomes also more and more important to spread knowledge on what constitutes a good project in terms of ambition level (reductions in energy consumption achieved), technical implementations (packages of measures chosen adapted to certain climatic and building-related preconditions) and finally cost effectiveness. Therefore a technical guidance document targeting project officers in the European Commission, IFIs and national authorising officers should be developed. Rather than performing new research, this task basically consists in transforming the wealth of existing technical guidance and project evaluations into a user-friendly assessment guide to be used in all EU MS.

### **15.15. Dissemination of the results and promotion of the IEE II Programme**

Estimated duration of the contract: 12 months.

Indicative timetable: To be launched during the first quarter of 2012.

The services required will help the EACI and the Commission promote the IEE II 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, info days, audiovisual productions, publications, media work and the online database on finished or on-going projects supported by the Programme. Some services will also support the organisation of the EU Sustainable Energy Week 2012.

### **15.16. Evaluation of the preliminary results of the Covenant of Mayors**

Estimated duration of the contract: 9 months

Indicative timetable: to be launched in the second quarter of 2012

The study is expected to deliver a detailed assessment of the preliminary results of the implementation of the Covenant of Mayors, including a SWOT analysis of the present scheme and recommendations for further developments. The contractors will get in contact with a relevant sample of Covenant stakeholders, including signatories, supporting structures, industry and civil society players. They should also compare the positioning of the Covenant with other approaches for local action. The conditions for making the Covenant self-sustainable in the long run, with possible longer-term objectives will be considered as well. Finally, the technical and scientific methodologies and their possible harmonisation in national or European schemes shall be studied.

### **15.17. Impact assessment studies of draft measures implementing the Ecodesign and Energy Labelling of Energy-related Products Directives (Directives 2009/125/EC and 2010/30/EU)**

Estimated duration of the contract: 24 months.

Indicative timetable: To be launched in the first quarter of 2012.

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 will 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 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 suitable 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 Ecodesign Directive). This alternative will be taken into account in the study related to the impact assessment.

#### **15.18. Technical assistance for standardisation work under the Ecodesign and Energy Labelling of Energy-related Products Directives (Directives 2009/125/EC and 2010/30/EU)**

Estimated duration of the contract: 36 months.

Indicative timetable: To be launched in the first quarter of 2012.

The aim of the contract is to assist the Commission with drafting standardisation mandates and monitoring and following the ongoing standardisation work for some 40 specific energy-related product groups 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 European Standardisation Organisations, represent the interest of the Commission in the relevant Technical Committees (TC), report back to the Commission on the results of the TC meetings, and advise the Commission on the appropriateness and suitability of draft standards proposed by the ESOs for becoming harmonised standards for implementation of those two Directives.

The contractor should aim at having the interests of different stakeholders (consumers, NGOs) taken into account in the standardisations processes, as well as the interests of SMEs.

### **15.19. NGOs' participation in the standardisation work under the Ecodesign and Energy Labelling Directives (Directives 2009/125/EC and 2010/30/EU)**

Estimated duration of the contract: 36 months

Indicative timetable: To be launched in the first quarter of 2012

The aim of the contract is to ensure the active participation of NGOs (particularly environmental and consumer) in the standardisation work carried out under the Ecodesign and Labelling Directives. NGOs should participate in the development of standards needed for the proper application of ecodesign and/or labelling measures and in particular should represent their interests in the meetings of the relevant Technical Committees (TC) established in ESOs, present to the Commission their position papers, and advise the Commission on the appropriateness and suitability of draft standards proposed by the ESOs for becoming harmonised standards for implementation of those two Directives.

### **15.20 Technical assistance for the implementation of the Implementing Measures under the Ecodesign, Energy Labelling of Energy-related Products Directives (Directives 2009/125/EC and 2010/30/EU), the Tyre Labelling Regulations**

Estimated duration of the contract: 36 months.

Indicative timetable: To be launched in the first quarter of 2012.

The aim of the contract is to assist the Commission in the implementation of the Implementation Measures by providing communication and guidance activities, in form of a multidisciplinary (policy/legal/technical/economic/communication) and multilingual 'Help Desk', towards actors, such as citizens, industry, consumers, NGOs and Member State market surveillance authorities. The communication activities will be mainly based on electronic communication, including a Web Site, in providing answers and guidance to inquiries from the above actors, drafting technical implementation guides as well as promotional and educational material, if necessary. The task will also include the provision of information on the forth-coming implementing measures and amendments and reviews/revisions of existing measures on the basis of input from the Commission.

### **15.21 Studies and technical and economic assistance to the Commission under the Ecodesign, Energy Labelling of Energy-related Products Directives (Directives 2009/125/EC and 2010/30/EU) and the Tyre Labelling Regulations**

Estimated duration of the contract: 24 months

Indicative timetable: To be launched in the second quarter of 2012

The following examples illustrate the types of services/activities which could be asked for in specific requests. The list is indicative and not exhaustive or exclusive.

- Preparatory studies on specific product groups, as listed in the Working Plan under the Ecodesign Directive and review and revision studies on existing legislation;
- Studies addressing 'extended product approach' and to the implementation of this approach in existing or new measures/product groups;



- Studies analysing and assessing how different product policy instruments are integrated in a dynamic way and how they could be regrouped in fewer implementing measures;
- Studies on horizontal nature relevant to product groups and legislation(s), such as the role of critical materials in appliances (e.g. rare earth materials), planned obsolescence and best practice in energy efficiency in product policy and in the extended product approach;
- Technical and/or economic assistance to the Commission for specific product groups, for example, for drafting and reviewing documents backing implementing measures and their technical content, including the design and creation of energy labels.

#### **15.22. Development and management of database on product energy efficiency in the EU**

Estimated duration of the contract: 36 months.

Indicative timetable: To be launched in the second quarter of 2012.

The contractor will be requested to develop an on-line tool including energy efficiency data for several product groups, with a focus on the products covered by Labelling and/or Ecodesign measures under Directives 2010/30/EC and 2009/125/EC. The sample will include a (statistically) significant number of models. The project will aim at providing a (historical and) current view of the energy consumption and related product characteristics of products covered by Labelling and/or Ecodesign measures under Directives 2010/30/EC and 2009/125/EC with the aim to support their review and enforcement.

#### **15.23. Review of the Energy Labelling of Energy-related Products Directive (Directive 2010/30/EU)**

Estimated duration of the contract: 18 months

Indicative timetable: to be launched in second quarter of 2012

The study will assess the effectiveness of Directive 2010/30/EU on energy labelling. It will focus on the operation, methods and implementation of this Directive including all product specific legislation passed under Directives 92/75/EEC and 2010/30/EU. In line with Article 14, the study will also assess (i) the contribution of advertising provisions to the aim of the Directive, (ii) the effectiveness of voluntary public procurement and (iii) the need for amending the label layout. The evaluation should contain analysis and possible improvement suggestions on the different methods and procedures of the Directive, the development of delegated acts and the effective application of measures, including compliance and market surveillance activities. The resulting impact of the Directive on energy consumption and essential resource use should be estimated. The resulting impact of the Directive and its delegated acts on end-users, competitiveness of manufacturers, including small and medium-sized enterprises, innovation and market access should also be estimated. The Commission will review the effectiveness of the Directive based upon the study by no later than 31 December 2014 and will submit a report to the European Parliament and the Council.

#### **15.24. Study on the energy labelling of lighting systems**

Estimated duration of the contract: 6 months

Indicative timetable: to be launched in the first quarter of 2012

The study should assess the energy saving potential of indoor and outdoor professional lighting systems. As opposed to a product-level approach, the energy consumption of the entire system has to be considered through units expressing the yearly energy consumption of lighting by surface area, which would thus capture any electricity saving realised by the use of intelligent controls. If significant differences are found between the performance of the worst and the best systems, an energy labelling under Directive 2010/30/EU could be proposed. As the focus is systems, the actual "product" to be labelled would be the lighting scheme (detailed plan of the lighting installation, including intelligent controls) prepared by the lighting designer. The study would have to make a proposal for the exact scope, format, energy efficiency calculation method and class limits of the recommended label.

#### **15.25. Energy efficiency target modelling with POLES**

Estimated duration of the contract: 36 months

Indicative timetable: To be launched in first quarter of 2012

The Europe 2020 strategy foresees a mid-term review of the progress Member States achieve in reaching the 20% energy efficiency target by 2020 in 2014. This progress reporting is taken over in Article 3(2) of the Commission's proposal for an Energy Efficiency Directive, which states that "by 30 June 2014, the Commission shall assess whether the Union is likely to achieve its target of 20% primary energy savings by 2020, namely a reduction of EU primary energy consumption of 368 Mtoe in 2020, taking into account the sum of the national targets".

The PRIMES model which is used to model most energy projections until the year 2050 does not take into account demand side modelling and energy efficiency properly, modelling energy price increases rather than increasing energy efficiency.

In order to have a realistic and appropriate modelling of the demand side and the energy efficiency progress, the POLES model should be adapted to monitor the development of the major energy aggregates (i.a. primary energy, final energy, sectoral energy use, non energy uses, overall and sectoral energy intensities) as well as the economic, environmental and social impacts. The analysis should base itself as primary source on the official statistics provided by the European Statistical System (ESS).

The model will need to take into account modelling results undertaken by the Member States and will need to be developed in close interaction with the ESS so as to represent a commonly accepted model for energy efficiency progress. The timeline of the model will need to start in 1990 and should reach out until the year 2050. It is foreseen to continuously update the model after the review in 2014.

#### **15.26. 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 third quarter of 2012.

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 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 administrative burden and other compliance costs stemming from new energy-efficiency requirements should be fully taken into account in the analysis, especially the impact on European small and medium-sized enterprises.

#### **15.27. Study on energy-efficiency and energy-saving potential in industry and on possible policy mechanisms to involve poor performing branches in energy-efficiency improvements**

Estimated duration of the contract: 12 months.

Indicative timetable: To be launched in the second quarter of 2012.

Industry is the sector that has improved its energy efficiency the most in the last decades. However, a number of studies from different industries show that certain technologies offer significant energy saving possibilities. Furthermore, for many industries energy is not major cost and thus not a concern or they are not sufficiently staffed in order to realize energy efficiency projects.

The study should identify the historic advancement and possible future trends in energy intensity developments of the different industrial branches. It should build a comprehensive overview of the savings potential for each branch or, if needed, subbranches and reveal the main challenges and opportunities for their uptake. Based on this it should identify the branches for which there are not sufficiently strong market or regulatory signals and require further support. The focus should be in particular on SMEs.

Based on the findings the study should make policy recommendations of which are the best soft-law or regulatory instruments that would further support. In particular it could look at the possibilities for wider engagement of industrial actors so that solutions across sectors are found and at the barriers to the application of energy performance contracting.

The study should evaluate the benefits of energy efficiency in terms of reduction of energy bill but also in more broad terms, such as productivity increase and better engagement of the employees. The impact of the existing policies, in particular of the ETS and the new Industrial emissions Directive, should be studied. The possible analytical methods to be used are literature review, modelling and interviews.

#### **15.28. Study on Future Personal Urban Transport: Comparative assessment of innovative new concepts for autonomous networked personal vehicles**

Estimated duration of the contract: 15 months

Indicative timetable: To be launched in first quarter of 2012

A number of innovative new personal transport concepts could revolutionise urban transport, with major consequences for future land-use planning and Public Transport. Systems include autonomous track-guided and networked electric vehicles, with capacity for 2 to 4 passengers. These concepts offer significant advantages: individual, personalised mobility, zero-emissions, ultra-light, affordable, weatherproof, intrinsically safe accident avoidance, exceptionally small footprint area, warehouse parking for reduced congestion, lifestyle image adaptable to old and young alike. There are potential issues - robustness of the communications technologies, speed and safety – especially in mixed mode environment; legal liability. Study would survey existing systems, future concepts, consider their potential in terms of fitness for purpose, impact on congestion, safety, economics, future city planning and future needs for public transport. It should also consider: early deployment phases; needs for dedicated lanes or zones; investment in infrastructure; required capacity of satellite communications; steps for initial deployment and applicability to transport for the young and elderly.

#### **15.29. Clean Vehicle Portal upgrade**

Estimated duration of the contract: 36 months

Indicative timetable: To be launched in first quarter of 2012

Clean Vehicle Portal upgrade, to include more vehicle segments, enhanced support to joint procurement, and new communication activities. The Clean Vehicle Portal ([www.cleanvehicle.eu](http://www.cleanvehicle.eu)) was launched in December 2010 to provide essential data to public authorities for the implementation of the Clean Vehicle Directive and the contract with the current service provider ends end 2011.

#### **15.30. 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 2012.

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, covering both traditional and renewable energy sources. It should provide a comprehensive overview of the energy efficiency of the EU existing energy generation fleet by technologies and sectors, and evaluate the prospects for and impact of its replacement and refurbishment with best

available technologies (BAT) and state-of-the art technologies, taking into account the trends of technological development and the commercial availability of new technologies.

The study should identify where the biggest potential for energy efficiency improvements lies and what conditions would be required for their realisation. In this respect, it should especially look into the regulatory, market and financing requirements. The study should evaluate the barriers preventing the (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, including legislation on industrial emissions (IPPC<sup>132</sup>, IED<sup>133</sup> and LCP<sup>134</sup>) and greenhouse gas emissions (ETS, taxation, etc.).

The study should, in particular, investigate the impact of the business cycles under market conditions on investments in new plants and equipments and the rate of replacement of obsolete fleet technologies/fleet/equipment. It should evaluate to what extent best available technologies are adopted in new built or refurbished energy production facilities and whether this is conducive to achieve the EU energy and climate change objectives. The study should evaluate the cost and benefits of ensuring the consistent use of best available technologies in the construction and the refurbishment of plants and equipment and establish the burden this could place on companies, consumers and society, e.g. in terms of energy prices or increased public spending. The study should be based on original data collection, but available statistics and relevant literature should also be comprehensively used. The analysis will base itself as primary source on the official statistics provided by the European Statistical System (ESS). 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.

### **15.31. 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 2012.

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. The study should cover electricity and gas transmission networks and district heating and cooling networks.

It should provide a comprehensive overview of current energy transmission and distribution efficiency, covering electricity, gas, heating and cooling networks. It should especially identify losses in the current systems and the possible improvement options.

The study should examine the potential for savings and efficiency improvements in network through operational improvement and through the upgrade to smart networks.

For electricity the study should also look at energy saving potentials for networks from demand response and distributed generation. In the context of demand response possible

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<sup>132</sup> Directive 2008/1/EC concerning integrated pollution prevention and control

<sup>133</sup> Directive 2010/75/UE on industrial emissions

<sup>134</sup> Directive 2001/80/EC on the limitation of emissions of certain pollutants into the air from large combustion plants

savings from the interaction with other smart networks, such as gas and heat/cooling networks and energy storage, and 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 analysis will base itself as primary source on the official statistics provided by the European Statistical System (ESS). 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

## **16. 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 Community<sup>135</sup>. The Council endorsed the Commission proposal that, from the second year of membership (i.e. 2012), the European Union will voluntarily contribute EUR 60000 for each subsequent year.

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<sup>135</sup> 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).

## **17. INTERNATIONAL RENEWABLE ENERGY AGENCY**

This action is reserved to cover participation by the EU<sup>136</sup> in the International Renewable Energy Agency (IRENA)<sup>137</sup>. 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.

## **18. 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.

## **19. BUDGET AVAILABLE UNDER THE 2012 WORK PROGRAMME**

The operational budget of the IEE II Programme for 2012 totals EUR 122 313 600<sup>138</sup> in commitment appropriations.

Under a separate budget line EUR 6 542 000 is provisionally allocated to cover the operating expenses of the Executive Agency for 2012. EUR 992 000 is earmarked for administrative expenses.

The indicative budget for grants will be EUR 66 593 000. For tenders, a budget of EUR 16 980 000 is planned.

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.

A sum of 37 000 000 EUR is allocated for continuing the ELENA Facility with the European Investment Bank, KfW Group and the Council of Europe Development Bank and for launching a new facility in cooperation with EBRD. Based upon indications from the financial institutions concerned and anticipated absorption capacity, the allocations for each bank would be as follows: EIB-ELENA – 22 000 000 EUR, KfW-ELENA – 8 000 000 EUR, CEB-ELENA – 2 000 000 EUR, EBRD-ELENA – 5 000 000 EUR. The allocations will be confirmed in the contribution agreements signed with the Commission and respecting the total ELENA facility allocation.

The indicative distribution of the 2012 budget by field and by means of implementation is shown in the table below.

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<sup>136</sup> 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

<sup>137</sup> <http://www.irena.org/>.

<sup>138</sup> Not including contributions from non-EU countries.

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 2012 budget by field and by means of implementation**

	Action	Calls for proposals (MEUR)	Calls for tenders (MEUR)	Other mechanisms	TOTAL (MEUR)
				(MEUR)	
<b>SAVE</b>	Promotion and Dissemination Projects (Energy services, consumer and industry)	15,000			
	IPEEC			0,060	
	Tenders (14.15-14.23)		6,520		
	<b>TOTAL</b>	<b>15,000</b>	<b>6,520</b>	<b>0,060</b>	<b>21,58</b>
<b>ALTENER</b>	Promotion and Dissemination Projects (RES-e, Bioenergy)	11,500			
	Tenders (14.1-14.8)		6,730		
	IRENA			0,480	
	<b>TOTAL</b>	<b>11,500</b>	<b>6,730</b>	<b>0,480</b>	<b>18,71</b>
<b>STEER</b>	Promotion and Dissemination projects (EE transport; Clean EE vehicles)	12,500			
	Tenders (14.24-14.25)		0,650		
	<b>TOTAL</b>	<b>12,500</b>	<b>0,650</b>		<b>13,15</b>
<b>Integrated Initiatives</b>	Promotion and Dissemination projects (LE leadership, buildings, MLEI, public spending)	20,093			
	Build Up Skills	7,500			
	ELENA			37,000	
	Standards Initiative			1,200	
	Tenders (14.9-14.14)		3,080		
	<b>TOTAL</b>	<b>27,593</b>	<b>3,080</b>	<b>38,200</b>	<b>68,873</b>
<b>GRAND TOTAL</b>		<b>66,593</b>	<b>16,980</b>	<b>38,740</b>	<b>122,313</b>



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.

## 20. SCHEDULE FOR THE 2012 CALLS

The plan is to launch calls for proposals as soon as possible after adoption of the 2012 Work Programme.

The Commission will publish the calls in the Official Journal of the European Union (OJ) and on the website of the Directorate-General for Energy<sup>139</sup>. Further details will be published on the IEE II Programme website.

The minimum duration of the calls for proposals will be three months. As regards the BUILD UP Skills Initiative the following indicative schedule is envisaged:

- Pillar I (only remaining countries): deadline one month after publication of call;
- Pillar II: deadline in 2013, as Pillar II fully builds on the national roadmaps of Pillar I, which first have to be developed by the projects selected under Call 2011, Pillar I.

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

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<sup>139</sup> [http://ec.europa.eu/dgs/energy/index\\_en.htm](http://ec.europa.eu/dgs/energy/index_en.htm).