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COMMISSION IMPLEMENTING DECISION

of 13.12.2012

**establishing the 2013 Work Programme for implementation of the 'Intelligent Energy -
Europe II' programme**

(Text with EEA relevance)

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THE EUROPEAN COMMISSION,

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

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

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

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

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

Whereas:

- (1) The annual work programme is to be established in accordance with Article 45 of Decision No 1639/2006/EC establishing a Competitiveness and Innovation

¹ OJ L 310, 9.11.2006, p. 15.

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

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

⁴ OJ L 140, 1.6.2007, p. 52.

Framework Programme (2007 to 2013) in line with the objectives set out in Articles 37 and 38 of the same Decision.

- (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 2013 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 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 2013 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 2013 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 136 618 343⁵ to be financed from the following Budgetary Line of the General Budget of the European Union for 2013:

- Budgetary Line no 320406: EUR 136 618 343

These appropriations may also cover interest due for late payment.

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

The implementation of this Decision is subject to the availability of the appropriations provided for in the draft budget for 2013 after the adoption of the budget for 2013 by the budgetary authority or provided for in the provisional twelfths.

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%.

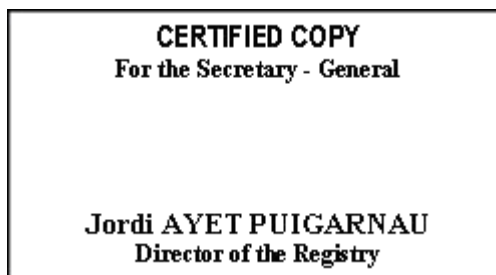
The authorising officer may adopt such changes in accordance with the principles of sound financial management and of proportionality.

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, 18.12.2012

For the Commission
Günther OETTINGER
Member of the Commission



ANNEX 1
INTELLIGENT ENERGY – EUROPE II
2013 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 adopted an Energy Efficiency Plan⁶. Its aim is to give a high profile to energy efficiency, provide a clear commitment and set key areas for priority action. Many of these will be implemented through the provisions of the recently agreed Directive on Energy Efficiency⁷.

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 action⁸:

- 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)⁹ 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 evolving EU policy communications and legislation, including:

⁶ COM(2011) 109 Final

⁷ Directive 2012/27/EU of the European Parliament and of the Council of 25 October 2012 on Energy Efficiency, amending Directives 2009/125/EC and 2010/30/EU and repealing Directives 2004/8/EC and 2006/32/EC

⁸ 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.

⁹ 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).

- EUROPE 2020 — A strategy for smart, sustainable and inclusive growth¹⁰
- Energy 2020 — A strategy for competitive, sustainable and secure energy¹¹
- Energy Roadmap 2050¹²
- Energy Efficiency Plan 2011¹³
- Directive on energy efficiency¹⁴
- Directive on the energy performance of buildings¹⁵
- Directive on the energy performance of buildings (recast)¹⁶
- Directive on cogeneration of heat and power¹⁷
- Directive on energy end-use efficiency and energy services¹⁸
- Ecodesign Directive on energy-related products¹⁹
- Directive on the indication by labelling and standard product information of the consumption of energy and other resources by energy-related products²⁰
- Regulation on labelling of tyres with respect to fuel efficiency and other essential parameters²¹
- Energy Star Agreement²²

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

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

¹² Communication from the Commission – Energy Roadmap 2050, SEC(2011)1565 Final

¹³ COM(2011) 109 Final

¹⁴ Directive 2012/27/EU of the European Parliament and of the Council of 25 October 2012 on Energy Efficiency, amending Directives 2009/125/EC and 2010/30/EU and repealing Directives 2004/8/EC and 2006/32/EC

¹⁵ Directive 2002/91/EC of the European Parliament and of the Council of 16 December 2002 on the energy performance of buildings.

¹⁶ Directive 2010/31/EU of the European Parliament and of the Council of 19 May 2010 on the energy performance of buildings.

¹⁷ 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.

¹⁸ 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.

¹⁹ 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).

²⁰ 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.

²¹ 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. .

- Biomass Action Plan²³
- Renewable energy road map — Renewable energies in the 21st century: building a more sustainable future²⁴
- Directive on the promotion of the use of energy from renewable sources²⁵
- Offshore Wind Energy: Action needed to deliver on the energy policy objectives for 2020 and beyond²⁶
- White Paper 'Roadmap to a Single European Transport Area – Towards a competitive and resource efficient transport system'²⁷
- Action Plan on Urban Mobility²⁸
- Directive on the promotion of clean and energy-efficient road transport vehicles²⁹
- Revised Fuel Quality Directive³⁰
- Investing in the Development of Low Carbon Technologies (SET Plan)³¹
- Resource Efficiency Flagship Initiative³²
- Roadmap for a Resource Efficiency Europe³³
- EU's Renewed Sustainable Development Strategy³⁴

²² 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.

²³ Communication from the Commission — Biomass Action Plan (SEC(2005) 1573).

²⁴ Communication from the Commission — Renewable energy road map — Renewable energies in the 21st century: building a more sustainable future, COM (2006) 848.

²⁵ 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.

²⁶ Communication from the Commission — Offshore Wind Energy: Action needed to deliver on the energy policy objectives for 2020 and beyond, COM(2008) 768.

²⁷ COM(2011) 144 Final.

²⁸ Communication from the Commission — Action Plan on Urban Mobility, COM(2009) 490.

²⁹ 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.

³⁰ 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.

³¹ Communication from the Commission — Investing in the Development of Low Carbon Technologies (SET Plan), COM(2009)519.

³² COM (2011) 21 final

³³ COM (2011) 571 final

³⁴ Review of the EU Sustainable Development Strategy, COM (2009) 400 final

- 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 housing³⁵
- 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) and 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)
- Communication – Renewable energy: a major player in the European energy market³⁶

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.

The European Energy Efficiency Fund (EEE F) was established as a Financial Engineering Instrument to provide tailored financing to sustainable energy projects, create confidence and valuation around energy efficiency investments and enhance the market by leveraging and attracting investors. In particular, the fund supports the development of energy performance contracting. IEE II provides useful capacity building and awareness for project developers that will then have access to EEE F financing. A good example is the ELENA facility that helps recipients to prepare and scale-up their projects to reach a critical size and access financing from the Fund or another source.

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, transport 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 contributes to bridging the gap between the successful demonstration of innovative low-carbon technologies under FP7 and their effective, broad market uptake.

The European Institute of Innovation and Technology (EIT) aims at boosting Europe's innovation capacity via the integration of excellent research, business and education. EIT's main operational arms, the Knowledge and Innovation Communities (KICs), are actively working in the promotion of innovation in the field of sustainable energy. EIT KICs act as a catalyst, adding value to the existing research base by accelerating the take-up and the exploitation of technologies and research outcomes. They put a strong emphasis on talent and entrepreneurship skills, equipping students, researchers and entrepreneurs with the knowledge and attitudes to turn ideas into new business opportunities. Apart from KIC InnoEnergy which

³⁵ Regulation (EC) no 397/2009 of the European Parliament and the Council OJ L 126/3, 21 May2009.

³⁶ [COM \(2012\) 0271 final](#)

addresses renewable energy, energy efficiency, smart grids and electric storage, EIT ICT Labs work on the role of ICT in Smart Energy Management, and Climate-KIC takes as thematic priorities resilient low carbon cities and low carbon production systems.

Under Cohesion Policy, at least EUR 9 billion of structural and cohesion policy funds has been 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.³⁷

Support for rural development in the EU is financed through the European Agricultural Fund for Rural Development³⁸ (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: New technologies are emerging on the market following developments in the field of research and innovation. 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 with the Strategic Energy Technology Plan (SET-Plan) will support research, development, demonstration and dissemination of new knowledge about innovative energy technologies and the results of technological research and demonstration projects. To maximise the impact of IEE II projects, proposers are encouraged to link their proposals with complementary FP7 initiatives where appropriate.

³⁷ http://ec.europa.eu/regional_policy/manage/authority/authority_en.cfm.

³⁸ 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)³⁹.

1.5 The Executive Agency for Competitiveness and Innovation

The Executive Agency for Competitiveness and Innovation (EACI) was established by a Commission decision⁴⁰. 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 Council⁴¹. 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

³⁹ Article 46(1)(c) of Decision No 1639/2006/EC establishing a Competitiveness and Innovation Framework Programme (2007 to 2013).

⁴⁰ 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).

⁴¹ 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 grants⁴².

The EACI works on the basis of delegated powers, which are laid down in the ‘Act of Delegation’⁴³. 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), Croatia⁴⁴ and the former Yugoslav Republic of Macedonia participate in the IEE II Programme.

1.7 The two parts of the Work Programme

(1) General provisions

Part I covers the background to the Work Programme and how it is embedded in the CIP. It also highlights the link with other EU or MS instruments and the role of 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

⁴² 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.

⁴³ 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.

⁴⁴ Accession of Croatia to the EU is expected to take place on 1 July 2013.

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 2013. 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.

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/beneficiaries.

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/beneficiaries 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)**⁴⁵ 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)**⁴⁶ 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;

⁴⁵ Article 39 of Decision No 1639/2006/EC establishing a Competitiveness and Innovation Framework Programme (2007 to 2013).

⁴⁶ 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)⁴⁷ 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 initiatives⁴⁸ 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 tCO₂e).

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

⁴⁷ Article 41 of Decision No 1639/2006/EC establishing a Competitiveness and Innovation Framework Programme (2007 to 2013).

⁴⁸ 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.
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 Regulation⁴⁹. 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 have drawn up models suitable for the different types of action supported under the IEE II Programme.

The authorising officer responsible may, in accordance with the principles of sound financial management, adopt non-substantial changes 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 2013 IEE 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%.

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 ELENA⁵⁰ Facility in cooperation with the European Investment Bank. The programme was extended in 2010 to include Facilities involving KfW and CEB. An extension to another financial institution, the European Bank for Reconstruction and Development (EBRD), was included in the 2012 Work Programme and will commence operation shortly.

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 2013.

Contribution agreements between the financial institutions and the Commission will be signed, laying down detailed terms and conditions governing the tasks to be carried out by the financial institutions, management fees to be paid to the financial institutions and the monitoring and reporting requirements. 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 is supervised by a Steering Committee. A Technical Committee exercises routine guidance as regards Investment Programme selection and the monitoring of progress and results of the Facility's work.

⁴⁹ 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.

⁵⁰ http://www.eib.org/products/technical_assistance/elena/index.htm?lang=en

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 million⁵¹. For this 2013 Work Programme, EUR 132 250 000 has been allocated⁵². The allocation is subject to the approval by the two arms of the Budgetary Authority of the draft general budget of the European Commission for the financial year 2013.

2.5 Complementarity between financial instruments

Each action may give rise to the award of only one grant from the budget to any one beneficiary⁵³. 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, 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.

⁵¹ Not including contributions from third countries.

⁵² Not including contributions from third countries.

⁵³ 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.

3.2 Calls for tenders

The Commission and the EACI⁵⁴ 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 country⁵⁵ or in a third country, as defined below, may propose action within the IEE II 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.

⁵⁴ 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.

⁵⁵ 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.

‘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 organisations⁵⁶

‘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 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

⁵⁶ Including International Energy Agency (IEA) and International Renewable Energy Agency (IRENA).

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 applied⁵⁷.

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 topics where coordination and/or harmonisation of approaches would be beneficial, but is not required by EU legislation. A concerted action is therefore designed to provide added value compared with measures taken by each MS acting on its own and to achieve an optimum combination of the various instruments at the disposal of both the EU and the MS.

⁵⁷ 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.

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,⁵⁸ 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. In each case, 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.

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

⁵⁸ 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.

- (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 a specified proportion 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;

- *Funding under the ELENA Facility*: up to 90% of the total eligible cost.

5.3 Grants to specific target groups

- *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.

Action with standardisation bodies: funding rates in compliance with the conditions set out in the framework partnership agreements with standardisation bodies, in particular according to the scale of unit costs for eligible staff costs established therein and up to 100% for other eligible direct costs.

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 PROCEDURES⁵⁹

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 Programme⁶⁰.

Exceptions to calls for proposals

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

⁵⁹ The procedures for calls for tender are as set out in the relevant regulations and will be published with each call.

⁶⁰ 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.

For these exceptions, which are described in Section 16 and 17 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 provide 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 2013 budget by field (see Section 19)⁶¹. 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.

⁶¹ The final score of proposals assessed on the basis of 4 award criteria will be made comparable in direct proportion with the final score of proposals which will be assessed on the basis of 5 criteria

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 500000, 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/outputs 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 individuals⁶². 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/>.

⁶² 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 Concerted Actions

Concerted Action proposals will be evaluated against five equally-weighted award criteria. 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.

Award criteria for Concerted Actions:

- 1. Relevance of the proposed action (score 0-10), including:**
 - 1.a Extent to which the proposed action is consistent with the IEE work programme and relevant actions in participating countries;
 - 1.b Relevance of the expected results to the target groups involved or addressed, including the extent to which the work programme of the Concerted Action reflects the requests of Member States.
- 2. Quality of implementation methodology (score 0-10), including:**
 - 2.a Suitability of the proposed approach: clarity of the work packages, project planning, schedule, deliverables;
 - 2.b Suitability of performance indicators;
 - 2.c Quality of communication plan.
- 3. Costs (score 0-10), including:**
 - 3.a Appropriate level of efforts per work package;
 - 3.b Justification of costs (sub-contracts, travel costs, and other specific costs).
- 4. Management and organisation of the team (score 0-10), including:**
 - 4.a Composition and balance of skills of the team;
 - 4.b Distribution and balance of effort, budget, and responsibilities between participants;
 - 4.c Management including management structure, work plan, coordination and the project team communications.
- 5. Consistency of activities with the nature of a concerted action (score 0-10), including:**
 - 5.a Are any of these activities actual obligations of the Member States?
 - 5.b Could any of these activities come into conflict with the direct interest of the Member States and the confidentiality of the implementing bodies?
 - 5.c Could any of the activities be directly implemented by the Member States, subject to a call for proposal or, if in the sole interest of the commission, be subject to a call for tenders?
- 6.7 Specific provisions for the Integrated Initiative: Build Up Skills —Pillar II actions**
 - 6.7.1 Eligibility criteria**

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.

6.7.2 Award criteria

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

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

- 1.a Extent to which the proposed action is consistent with the objectives of the BUILD UP Skills Initiative;
- 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:

- 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 Ambition and credibility of the impacts of the proposed action.

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

- 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:

- 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.

6.8 Specific provisions for the Integrated Initiative: Mobilising local energy investments - project development assistance

6.8.1 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 body⁶³.
- (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.

6.8.2 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_{2e}), investments mobilised (EUR), and if possible local jobs created.

6.8.3 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:**
 - (e) Extent to which the proposed action is consistent with the call priorities
 - (f) Extent to which the proposed action offers innovative solutions to important user needs and market barriers
 - (g) Replication potential of the solutions (concept) offered at national and European level
- 2. Quality of implementation methodology (score 0-10), including:**
 - (h) Appropriate level of maturity of the starting point from technical and financial perspectives

⁶³ Public bodies must comply with the definition given in section 4.1 of the work programme (see page 19).

- (i) Credibility of the proposed approach to deliver the investment within the project lifetime, clarity of the investment project(s)/programme(s), the financing scheme, the procurement process, and the engagement of the relevant stakeholders
- (j) Suitability of the proposed work packages, project planning and performance monitoring

3. Ambition and impact of the proposed action (score 0-10) assessed with SMART indicators, including:

- (k) Ambition of the proposed action in terms of investment and leverage factor
- (l) Ambition of the impacts in terms of renewable energy production and energy savings
- (m) Impacts on the local capacity to launch further energy investments after the end of the proposed action

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

- (n) Composition and experience of the team, provision of the relevant skills, appropriate share of responsibilities between partners and subcontractors
- (o) Appropriate levels of hours per partner and per work package, justification of subcontracting, 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 2015.

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 2013.

2. Final Beneficiaries

Eligible Final Beneficiaries of Project Development Services are:

- a) local or regional authorities and other public bodies⁶⁴, 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

⁶⁴ 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.

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 Fund⁶⁵, the LIFE+ Programme⁶⁶, IPA, or the Economic Recovery Package Regulation will not receive support from Project Development Services.

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

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

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

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

⁶⁵ http://ec.europa.eu/regional_policy/thefunds/cohesion/index_en.cfm

⁶⁶ <http://ec.europa.eu/environment/life/>

- 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 Programme⁶⁷;
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.

⁶⁷ 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.

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 EU 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 website⁶⁸ and the dedicated IEE II Programme website⁶⁹. Additional publicity will be sought through specific communication channels (e.g. the Covenant of Mayors website⁷⁰ or ManagEnergy website⁷¹) 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.

⁶⁸ <http://www.eib.org/>.

⁶⁹ <http://ec.europa.eu/energy/intelligent/>.

⁷⁰ <http://www.eumayors.eu/>.

⁷¹ <http://www.managenergy.net/>.

‘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 2015.

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 2013

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 bodies⁷², 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 Fund⁷³, the LIFE+ Programme⁷⁴, 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:

⁷² 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.

⁷³ http://ec.europa.eu/regional_policy/funds/cf/index_en.htm.

⁷⁴ <http://ec.europa.eu/environment/life/>.

- 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;
- 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 website⁷⁵ and the dedicated IEE II Programme website⁷⁶. Additional publicity will, if deemed necessary, be sought through specific communication channels (e.g. the Covenant of Mayors website⁷⁷ or ManagEnergy website⁷⁸) 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.

⁷⁵ <http://www.kfw.de>.

⁷⁶ <http://ec.europa.eu/energy/intelligent/>.

⁷⁷ <http://www.eumayors.eu/>.

⁷⁸ <http://www.managenergy.net/>.

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

An EBRD-ELENA Facility was foreseen in the 2012 Work Programme and will continue 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 2015.

9.1 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 2013 that are EBRD countries of operation.

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.

9.1.1 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 2013, that are EBRD countries of operation

2. Final Beneficiaries

Eligible Final Beneficiaries of Project Development Services are:

- a) local or regional authorities and other public bodies⁷⁹, 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 Fund⁸⁰, the LIFE+ Programme⁸¹, 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);

⁷⁹ 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.

⁸⁰ http://ec.europa.eu/regional_policy/funds/cf/index_en.htm.

⁸¹ <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.

9.1.2 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.

9.2 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 website⁸² and the dedicated IEE II Programme website⁸³. Additional publicity will, if deemed necessary, be sought through specific communication channels (e.g. the Covenant of Mayors website⁸⁴ or

⁸² <http://www.ebrd.com>

⁸³ <http://ec.europa.eu/energy/intelligent/>.

⁸⁴ <http://www.eumayors.eu/>.

ManagEnergy website⁸⁵) 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 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.

10. MONITORING AND EVALUATION OF THE PROGRAMME AND ACTION

10.1 Monitoring and evaluation of the action

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

- Including in the proposals appropriate performance indicators and sets of expected results and adapting them to the recommendations made in the evaluation;
- Making arrangements to provide all information required for ex-post impact analysis;
- 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 advise on implementation of the programme.

⁸⁵ <http://www.managenergy.net/>.

10.2 Monitoring and evaluation of the Programme

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

Final evaluation of the Programme was finalised on 8 June 2011⁸⁶.

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

* * *

II. TECHNICAL PRIORITIES FOR 2013 (IEE II OPERATIONAL BUDGET, INCLUDING ALL METHODS OF IMPLEMENTATION)

11. OBJECTIVES

11.1 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.

11.2 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;

⁸⁶ http://ec.europa.eu/energy/evaluations/doc/2011_iee2_programme.pdf

- (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.

12. 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: tCO₂e).

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 compared to projections⁸⁷ and has made this objective one of the five headline targets of the Europe 2020 Strategy for smart, sustainable and inclusive growth⁸⁸.

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 2020⁸⁹. Both the European Council⁹⁰ and the European Parliament⁹¹ 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.

⁸⁷ 7224/1/07, REV 1.

⁸⁸ COM(2010)2020.

⁸⁹ SEC(2011)277.

⁹⁰ EUCO 2/1/11.

⁹¹ 2010/2107(INI).

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 2011⁹² and the new Energy Efficiency Directive⁹³ formed the basis for the proposed priorities.

In 2013 SAVE will cover the following three Key Actions:

- Consumers and products
- Businesses
- Energy efficiency Services and Obligations

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

Actions under SAVE should be complementary to energy efficiency actions under the Framework Programme for Research and Innovation, focussing on the development of energy technologies and systems as well as on the development of information and communication technologies (ICT).

Consumers and products

Explanatory Note:

As re-stated in the conclusions of the 4th meeting of the European Citizens' Energy Forum (October 2011), consumers should be at the centre of EU energy policy. Consumers have been targeted by some IEE projects in the past but the recent evaluation of the IEE II programme recommended intensifying efforts towards this group. The priorities under SAVE (demand side) complements that under ALTENER (supply side, see priority on Renewable Energy Consumers). The focus is on the last step of the 'Awareness, Interest, Desire, Action' (AIDA) framework, i.e. on concrete action as opposed to awareness, the latter having improved considerably in the last decade.

The first priority here is on the energy used by consumers at home which represents 28% of EU final energy consumption and is often unknown by the occupants themselves (e.g. less than half of them know how much electricity they use and pay for). This is in line with the European Consumer Agenda⁹⁴ adopted on 22 May 2012 in which the Commission announced its intention to improve the information available to consumers on how to better manage their domestic energy consumption and encourage them to use technology, both existing and emerging, to their benefit. The emphasis is on the use of smart meters and/or the choice and use of household equipment which represent the largest savings potential. Actions may rely on organisations having an influence on households such as manufacturers, retailers and consumer organisations. The needs of vulnerable consumers should be taken into account as far as possible.

⁹² COM(2011)109 final

⁹³ Directive 2012/27/EU of the European Parliament and of the Council of 25 October 2012 on Energy Efficiency, amending Directives 2009/125/EC and 2010/30/EU and repealing Directives 2004/8/EC and 2006/32/EC

⁹⁴ COM(2012)225 final

The second priority is linked to the former and focuses on the monitoring of compliance of products with the ecodesign, energy and tyre labelling requirements. Such monitoring is essential to ensure that these policies achieve their full energy savings potential. Market surveillance of products falls under the responsibility of Member States. Preliminary data collection on market surveillance activities of Member States shows that activities are diverse and that they may not be sufficient to achieve the full energy savings potential expected from legislation. There is a need for a joint action to strengthen market surveillance. This action is addressed to national authorities or bodies appointed by them. As monitoring has already started, the national actors involved in monitoring of the directives are identified. Only these national actors will be targeted.

Finally, on the eve of the next programming period, there will be a call for strategic initiatives giving prospective information in the sector of home energy-related products (e.g. market and consumption trends, new products and needs, energy efficiency vs. energy sufficiency).

Consumers and products – Priorities for 2013

- Actions guiding consumers to save energy at home by changing their behavior, reaping the benefits of smart meters, and/or purchasing and using efficient energy-related products. The emphasis should be on practices and products representing a large savings potential, e.g. those related to space/water heating and cooling which account for about 80% of households' energy consumption or those related to electronic equipment which represent a growing share of domestic electricity use. Priority will be given to projects engaging consumers, using market segmentation and focusing on the last step of the Awareness – Interest – Desire – Action framework. Mere awareness raising activities will not be supported. Projects should support EU policies on products, result in tangible actions from households, and generate estimable impacts in terms of savings. Projects should take into account, when appropriate, the needs of vulnerable consumers. They may involve intermediaries such as manufacturers, retailers and consumer organisations but should remain free of commercial interest.
- Joint action supporting the market surveillance of Directive 2009/125/EC on Ecodesign requirements for energy-related products, Directive 2010/30/EU on labelling and product information for energy-related products and Regulation (EC) No. 1222/2009 on Labelling of tyres. The joint action will cover the following aspects of administrative cross border cooperation activities related to surveillance and enforcement of European Union ecodesign and labelling requirements for energy-related products and tyres:
 - Product testing;
 - Market surveillance operations;
 - Exchange of expertise and development and exchange of best practices related to product testing and market surveillance.

In particular, the joint action will cover the execution of joint or coordinated activities, the exchange of information, development of common methods, protocols and checklists, and database development work.

The joint action is only opened to those bodies mandated by their government for market surveillance activities related to the above mentioned Directives.

- Strategic initiatives feeding in to the debate on the efficiency of energy-related products by 2020 and beyond (in particular products with labels providing the public with new types of information), monitoring and forecasting market/needs developments, identifying innovations and their energy impact, while complementing the eco-design studies.

Businesses

Explanatory note:

In an age of high and volatile energy costs, realising the energy savings potential in businesses is an effective way to increase their competitiveness and to reconcile economic growth and environmental protection.

The priority focuses on small and medium-sized enterprises (SMEs) in all sectors of the economy, including industry, retail and services. SMEs are the backbone of the European

economy. Amounting to nearly 21 million in the EU, they provide around 90 million jobs. A recent Eurobarometer survey⁹⁵ showed that, in comparison with large companies, SMEs are considerably less likely to save energy (64% vs. 82%) and to have an environmental management system in place (25% vs. 48%). About half of the SMEs mention financial incentives (e.g. tax rebates, grants and loans) as the most effective policy measure to promote energy efficiency, while around a quarter of them name the 'simplification of administrative procedures for obtaining permission to construct cogeneration capacity' and 'increasing information on energy service contracts and options to save energy'. Other measures called for by SMEs include 'advice about the use of an energy management system' (15%); 'affordable energy audits' (12%) and 'benchmarking tools' (12%).

Priority will be given to actions responding to these needs and relying on large multipliers (e.g. networks, professional associations, trade unions). They may also take a wide approach by looking at the efficiency of SMEs in the context of the whole production and supply chain.

Businesses – Proposed Priorities 2013:

- Actions for increasing the energy efficiency of businesses, in particular small and medium size enterprises, relying preferably on large multipliers (e.g. networks, professional associations, trade unions).

Projects should ensure a strong commitment of business leaders and achieve a critical mass. The expected energy savings should be quantified and significant. Every Euro of EU spending is expected to lead to energy savings of several hundreds of kWh per year.

Energy efficiency services and obligations

Explanatory note:

The new Energy Efficiency Directive contains provisions to boost the energy services market. Energy service in the meaning of the Directive is 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.

The first funding priority here concerns cases where the contractual arrangement between the beneficiary and the service provider foresees that 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. This is referred to as Energy Performance Contracting (EPC) and is an important tool in the refurbishment of buildings and in the energy efficiency upgrading of public infrastructures. The market for EPC in Europe is not developed to its full potential and there is a need to remove the barriers that are hindering its development such as the lack of transparency, the lack of trust towards the supply side including the lack of model documents and efficient 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.

⁹⁵ Flash Eurobarometer 342 survey 'SMEs towards resource efficiency & green markets' (March 2012)

If energy performance contracts are to be used more widely for reaching the EU 20% energy efficiency objective, a major development of the supply and demand side must occur during the next coming years. As a result, actions launched in 2013 should strengthen the activities already funded under the Call 2012 and further support and facilitate this market transition. More specifically, this year's priorities will aim at increasing transparency and trust in the EPC market as this remains necessary, at promoting market access for small and medium sized enterprises, at supporting actions replicating innovative measures that have only been piloted in a few countries so far, or at addressing specific issues that have been flagged by market actors.

The second and third funding priorities are mainly addressing the energy supply industry. About 30% of the EU's primary energy consumption is consumed by the energy sector, mainly for transforming energy into electricity and heat and for distributing it. As the European Commission's Energy Efficiency Plan 2011 pointed out, important savings can be achieved by this sector, not only by having it increase its own energy performance (e.g. effective recovery of heat losses), but also by having it manage its customers' energy use (e.g. demand-side management measures, obligation schemes). A particular focus is given on energy efficiency obligations as this is a key aspect of the new Energy Efficiency Directive (Article 6).

Finally, for the longer term, a last funding priority calls for wider and more forward-looking activities investigating solutions to further promote the uptake of energy efficiency services and other solutions across several sectors of the economy.

Energy efficiency services and obligations – Proposed Priorities 2013:

- Actions for the uptake of guaranteed energy services in the form of energy performance contracts (EPC), e.g. :
 - Actions increasing transparency and trust in the EPC market throughout e.g. capacity building, model documents or market facilitators.
 - Actions optimising and promoting the development of facilitation structures that ease the procurement of EPC, e.g. replication of the Re:Fit UK model.
 - Actions promoting the participation of SMEs in the energy services market; e.g. by having clusters of SMEs combine their skills and offer EPC contracts to e.g. municipalities.
 - Actions supporting the development of insurance schemes for guaranteed energy performance.
- Actions enabling Member States to share information and experience on the development and implementation of energy efficiency obligation schemes or alternative policy measures in the meaning of the new Energy Efficiency Directive.
- Actions for the analysis and/or replication of other energy-efficiency measures by actors of the energy supply chain, e.g. demand-side management measures, customer-driven smart meter roll-out, waste heat recovery, etc. Projects should preferably involve consumer representatives and/or public authorities in addition to energy companies.
- Strategic initiatives informing the debate on the development of energy services and other energy efficiency solutions, taking a forward looking approach to the horizon 2020 and beyond. Projects should cover several sectors and may offer a platform for the consultation of the most relevant stakeholders. They will be expected to feed the development of energy efficiency strategies, policies and programmes, at all levels of governance, by addressing issues such as: policy scenarios; gap analysis; surveys; energy use trends; monitoring, reporting and/or benchmarking of energy efficiency progress and policies; expert recommendations; contribution of smart meters and other innovations; etc.

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 mainly in the northern seas, solar mainly in the south, hydro mainly 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:

- Electricity from renewable energy sources (RES-e)
- Heating and cooling from renewable energy sources
- Bioenergy
- Renewable Energy Consumers

Furthermore, actions under ALTENER should be complementary to renewable energy-related actions under the Framework Programme for Research and Innovation.

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

Electricity from renewable energy sources

Explanatory note:

The past years have seen significant acceleration in the establishment and implementation of a comprehensive EU energy policy, with a special focus on increasing the contribution of the electricity produced from renewable energy sources (RES), which will have an important role to play in securing diversified energy supplies and in combating climate change, and increasing the competitiveness of the EU.

The legal framework established by the Renewable Energy Directive (2009/28/EC) set out for the first time binding targets for all Member States in order to achieve the overall 20% renewable energy target for the EU by 2020. The EU legislation for renewable energy also addresses the issues of administrative hindrances to the development of renewables and their integration into the grids. The Communication on Energy infrastructure (COM/2010/677) highlighted that urgent action is necessary to prepare the grid for the integration of significant volumes of electricity produced from renewable sources, facilitating grid balancing, flexibility and distributed generation.

At the same time, the decisions being taken today are already shaping the energy system of 2050. The 'Energy Roadmap 2050' shows that in all scenarios electricity will have to play a much greater role than now. The share of RES in electricity consumption reaches 64 % in a high energy efficiency scenario and 97% in a high renewables scenario that includes significant electricity storage to accommodate varying RES supply even at times of low demand.

To achieve such ambitious European contributions from RES-E, there are several key challenges which need to be further addressed. First, the grid development is 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, through developing the electricity network both off- and onshore. At the same time, multiple, flexible, smaller scale distributed forms of electricity generation need different grid and market design rules. Then, the approval and licensing procedures, which often lead to long delays before access is given to the grid, must be made more efficient in order to meet the requirements of both the RES Directive and of the related environmental legislation. A common approach across the EU specifically for off-shore spatial planning could help to reduce such delays. Furthermore, 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 authorisation of new RES-E projects.

Given the complexity of the challenges outlined above, and the need for reliable data and analyses, which can be used by the responsible decision makers, further strategic actions are needed to support the European electricity market, and to facilitate the implementation of policy initiatives and legislation across the renewable energy sectors. Strategic activities are also needed to feed the debate on the post 2020 horizon.

Taking into account all these aspects, the 2013 priorities under RES-E will be focussed on grid issues (non-technological actions enabling the integration of renewable electricity into the grid), streamlining the administrative procedures, enhancing the public acceptance, and on strategic actions supporting the implementation of 2020 objectives and their follow up in the future towards 2030 and 2050. For all RES-E actions, it is expected that consortia will actively involve and/or engage the relevant market actors in the field, which are committed to adopting/implementing the results of the project.

Electricity from renewable energy sources (RES-E) — Proposed Priorities 2013:

- Grid issues:
 - Actions facilitating dialogues and exchanges of best practice on transmission and intermediate voltage grids and electricity market-related measures which aim to enhance flexibility and deliver large-scale integration of electricity produced from renewable energy sources across the EU
 - Actions addressing market barriers and promoting best practices for increasing the deployment of small scale of renewable electricity generation connected to distribution grids (including smart solutions, demand response and electricity storage (volume and time)), taking into account the most economic and environmental solutions
- Actions to speed up and streamline permitting procedures, making planning regimes and authorisation more transparent and faster while respecting existing environmental legislation. Consortia should engage proactively with the relevant authorities and stakeholders from an early stage of the process.
- Actions to enhance public acceptance both for the RES-E generators and the necessary grid extension, by applying innovative mechanisms and schemes for public involvement, cooperation and compensation, based on concrete examples with significant replication potential, which can later be used as case studies and as a basis for promoting best practices
- Strategic initiatives: contributing to the implementation of policy, legislation and regulation across the renewable energy sectors as well as informing the debate on the post 2020 horizon (e.g. dialogues for adapting support schemes and setting up adequate solutions for aggregation and market integration of RES electricity, deployment of RES electricity in a cross-border and transnational context, options for cost-optimization of the overall system and effective regulations and payment regimes for small scale distributed generation with renewable energy, etc).

Note: For all the actions, the consortia should involve and/or engage the relevant market actors in the field committed to adopting/implementing the results.

Heating and cooling from renewable energy sources

Explanatory note:

Renewable heating and cooling is expected to contribute almost half of the 2020 renewable energy target according to the National Renewable Energy Action Plans, an increase of around 65% in RES H/C production compared to 2010. However the uptake of RES H/C to date has been slow.

Due to the local nature of heating and cooling and the large variety of actors in the decision making process, optimised governance structures from national towards regional and local policies and schemes are fundamental to encourage and promote the adoption of RES H/C. Action should contribute to bridging the gap between EU policy and effective decision making at the regional and local levels.

Article 22 (1) of the RES directive requires MS to indicate geographical locations suitable for exploitation of energy from renewable sources in land-use planning and for the establishment

of district heating and cooling. In addition, Article 10 of the recently adopted Energy Efficiency Directive calls on Member States to carry out assessments of their national heating and cooling potentials including estimations of heating and cooling demand and of the potential for combined heat and power and district heating and cooling. Strategic actions this year should support the development of national heating and cooling plans that include proposals for a high penetration of RES H/C by 2020 aiming towards a full decarbonisation by 2050. Plans should be in line with the requirements of the EED and will be expected to provide robust data on demand and supply sources and to identify areas of priority for intervention. Actions proposed should provide exchange of best practice for developing/consolidating local and regional plans in view of helping Member States to prepare their national plans. Plans which are driven by the demand for heating and cooling should be developed. These should optimise the utilisation of locally available residual and waste sources of heat, cooling and RES through the use of district heating & cooling networks in areas of sufficient heat and cooling demand. Means of monitoring the proposed plans should be incorporated.

Support schemes are expected to accelerate the growth of RES H/C markets, as they have done for RES electricity. They should encourage investments in RES H/C in general and also in district heating infrastructure. The unregulated nature of the heat market across the majority of MS and the location-specific nature of heat management should be addressed in strategic actions which lead to the development and deployment of incentives and support schemes for RES H/C.

In contrast to electricity, the heat market across the majority of the MS is underdeveloped, and end consumers have little trust in heat as a commodity. Bearing this in mind, this key action will support successful organisational, managerial and financial approaches that aim to facilitate the large scale adoption of RES H/C. Article 13(3) of the RES Directive requires MS to encourage the use of renewable energy sources in district heating and cooling systems. Therefore, activities aiming to facilitate the initiation of new district heating networks using RES in combination with the energy efficient refurbishment of existing buildings and activities aiming to enable the modernisation and retrofitting of RES in old existing district heating networks, including the adoption of sound end use management practices, will be welcomed.

Article 13(4) of the RES Directive requires MS to introduce RES H/C in their building regulations and codes. This key action will support regional and local authorities with advanced renewable energy plans that seek to introduce regulations in support of the integration of RES H/C.

This key action will also support proposals that aim to facilitate implementation of EU policy by promoting the labelling of heating and cooling products that use RES.

RES Heating and Cooling - Priorities for 2013

- Housing associations and owners of large building stocks adopting approaches which enable the large scale uptake of RES heating and cooling systems, together with the energy efficient retrofitting of existing buildings. This could include the initiation of new district heating and cooling networks using RES, and the modernisation and retrofitting of RES in existing networks combined with sound end use management practices. The opportunities provided by Energy Performance Certificates should be taken into account.
- Regional and local authorities aiming to optimise the integration of RES H/C through the introduction of incentives and codes and/or obligations affecting the spatial planning of residential, commercial and industrial areas. Actions should deliver effective and innovative guidance / coaching / handholding support for planning officers in regional and local authorities.

The relevant public authorities should endorse the measures proposed, and implement them during the course of the action.

- Actions supporting the implementation of EU labelling of RES H/C products. These actions should address those responsible for issuing and administering the labelling scheme as well as the end consumers.
- Strategic actions
 - Cross border collaborations on the development of national heating and cooling plans which will lead to the decarbonisation of MS heat supplies by 2050. Plans should include robust data on demands and supplies, identify areas of priority for intervention, and establish monitoring mechanisms. National plans should take into account local and regional plans, such as SEAPs, and or similar energy and climate plans. Actions may include the exchange of best practices. Proposals should be supported by the relevant public authorities and address the endorsement of national heating and cooling plans at national, regional and local levels.
 - Initiatives aiming to analyse, monitor and streamline existing national support and incentive schemes and to develop new schemes for RES heating and cooling systems.

Bioenergy

Explanatory note:

The Bioenergy Key Action provides a framework for proposals addressing this prominent and complex sector. Following the approach of previous Calls, it focuses on the most sustainable feedstocks, defined broadly, and on minimising the environmental impacts of bioenergy production while maximising efficiency of use.

Strategic initiatives should focus on further supporting the development of renewable energy strategies beyond 2020, taking into consideration the evolutions of and interactions between the different involved sectors (agriculture, forestry, food, energy, buildings, industry, road transport, maritime transport, aviation, etc.). They should help ensuring that the most efficient use is made of the available bio-resources at EU and global level, and that the most efficient conversion technologies are used for energy production. They could also address sustainability issues in relation to the post-2020 period; these could be both issues already covered by Directive 2009/28/EC and other issues such as e.g. air, water and soil requirements.

The Key Action will also support actions to further expand sustainable supply and to trigger increases in demand for solid biomass (for heating and CHP), and biogas/biomethane (for CHP, transport and grid injection). Each action should focus on one type of bioenergy only (solid or gas, depending on the proposed activity) with the active involvement of relevant stakeholders (e.g. farmers' and foresters' associations, local authorities, waste management companies, food and beverage industry associations). These actions should be innovative in nature and designed to achieve impacts which will be visible at EU level. They should always address the relevant supply and value chains, integrating also the demand side when appropriate; they should not address the demand side only⁹⁶.

In line with the approach of Directive 2009/28/EC and in consideration of the need to minimise land use change impacts, only the most sustainable local supply chains for solid and gaseous bio-resources will be supported. For solid biomass, care should be taken in ensuring

⁹⁶ Actions aimed exclusively at promoting renewable heating, electricity or transport without a specific focus on the bio-energy supply side should be submitted under the respective key actions

that synergies with other agricultural and forest uses are exploited and encouraged. For biogas, the focus will be on production from waste and agricultural residues. In both cases, the most efficient conversion technologies should be promoted ensuring at the same time that synergies with alternative biomass use are maximised. Exclusive electricity production will not be supported.

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.

Bioenergy – Priorities 2013

- Strategic actions: Supporting the development of strategies in the bioenergy field beyond 2020, taking into account the interactions between the different supply chains and markets, including food, feed, industrial and energy production. These actions should focus on the most sustainable and efficient use of available bioenergy resources and the most efficient conversion technologies. Sustainability issues could be addressed in these proposals, including those environmental impacts beyond the RES Directive (e.g. air, water and soil requirements).
- Actions triggering and accompanying the concrete implementation of local supply chains of the most sustainable solid bioenergy resources. These should exploit synergies with other agricultural and forest land uses and with other uses of the available bio-resources (e.g. food, feed, fibre and other bio-based products). The most efficient energy conversion processes (heat, CHP) should be promoted; exclusive electricity production will not be supported. Forestry and agricultural practices that encourage sustainable mobilisation of biomass while also contributing to other goals (e.g. thinning or pruning that can help to reduce the risk of forest fires) could be explored and promoted.
- Actions to increase sustainable biogas and bio methane production from agricultural residues and waste (in particular from the food and beverage industry, sewage, wastewater and municipal waste) and their use for CHP, grid injection and/or as transport fuel ensuring at the same time that synergies with alternative material uses are maximised.

Renewable Energy Consumers

Explanatory note:

IEE has shaped a number of successful initiatives for increasing the knowledge of consumers, which is needed to build consumer confidence in and to stimulate the growth of EU markets for high quality renewable energy products and services. Although general awareness of the existence of renewable energies has improved considerably in the last years, there is still a long way to go to achieve the EU's 2020 targets for renewable energy. This was confirmed by the evaluation of the IEE II programme⁹⁷ finalised during 2011 which concluded that market barriers have shifted from a lack of awareness of solutions to a lack of understanding of how to realise such solutions in practice.

In line with the above findings, the aim is to support activities which will help consumers to take informed decisions when contributing to an investment in renewable energy products and services. The needs of vulnerable consumers should be taken into account as far as possible.

⁹⁷ http://ec.europa.eu/cip/files/docs/2011_iee2_programme_en.pdf

This key action will push forward recent trends in consumer / citizen focused initiatives which help consumers and "consumer-producers" to make cost-effective renewable energy decisions and visible commitments. This Key Action also calls for innovative communication approaches (using either replications of successful initiatives or pilot initiatives) to raise the level of consumer knowledge so that they can make more informed decisions. Market segmentation and the tailoring of activities to specific segments of consumer groups are deemed essential. Projects must be action focused – pure awareness raising will not be funded.

Renewable Energy Consumers – Priorities for 2013

- Actions that apply innovative and high impact initiatives involving consumers/citizens participation in community renewable energy projects (such as RES consumer cooperatives, community-owned projects, shared ownership schemes, specific financial/bank products for citizens-owned RES projects etc.). Consortia should include project developers working with public authorities, citizens groups, consumer organisations etc., which are committed to adopting/implementing the results of the work.
- Innovative and targeted international communication activities aiming to help specific consumer groups to understand how to implement renewable energy solutions in practice and to thereby encourage spending on local renewable energy services. Projects must address specific target groups of the small scale renewable energy market, using rigorous market segmentation. Actions must be impact focused, raising the capacity of consumers to take informed investment decisions. Pure awareness raising activities will not be supported. Consortia must be led by multipliers such as consumers associations having direct access to consumer groups and include/involve/engage the relevant market actors.

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'⁹⁸ 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

⁹⁸ COM(2011) 144.

the Action Plan on Urban Mobility⁹⁹, in the Freight Transport Logistics Action Plan¹⁰⁰, and in the Strategy on Clean and Energy-Efficient Vehicles¹⁰¹.

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 cars¹⁰² and new light commercial vehicles¹⁰³. 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 Programme¹⁰⁴, will not be funded. Furthermore, actions under STEER should be complementary to transport related actions under the Framework Programme for Research and Innovation.

In 2013 STEER will cover the two following Key Actions:

- **Energy-efficient transport**
- **Clean and energy-efficient vehicles**

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, placing particular emphasis to the reduction of transport energy use.

Approaches to changing the behaviour of specific target groups have been applied successfully in transport. Behaviour change approaches were developed in response to

⁹⁹ COM(2009) 490.

¹⁰⁰ COM(2007) 607.

¹⁰¹ COM(2010) 186.

¹⁰² Regulation (EC) 443/2009.

¹⁰³ Regulation (EU) No 510/2011.

¹⁰⁴ 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.

situations where people have not changed their behaviour despite the fact that appropriate infrastructure and/or services were provided which would allow them to adjust old patterns of behaviour. This key action will support actions that apply such proven approaches to change the behaviour of specific target groups.

More actions are needed to help achieve the Transport White Paper objective¹⁰⁵ of achieving near-‘zero-emission urban logistics’ in major urban centres by 2030. This will require innovative solutions on all aspects of urban logistics (e.g. consolidation centres, size of vehicles in old centres, regulatory limitations, delivery windows, exploiting unused potential of transport by river).¹⁰⁶¹⁰⁷

Given the often long lead-times for the delivery of transport solutions, actors will have to plan well in advance to ensure climate and energy-related goals for the year 2030 as presented in Transport White Paper. This key action will provide strategic inputs to help policy-makers at all governance levels take informed decisions for the achievements of the long-term goals.

Energy Efficient Transport — Priorities 2013:

- Actions that significantly increase the number of cities and regions preparing Sustainable Urban Mobility Plans by establishing subject-related networks, facilitating mutual learning, sharing of experiences and best practice, providing technical advice and/or offering training. The actions should build on the European Commission's draft 'Guidelines on Developing and Implementing Sustainable Urban Mobility Plans'. [Note: No EU funding will be available to implement these plans.]
- Actions that apply proven behavioural change approaches to support the transition from a primarily car based personal mobility in cities to a mobility based on walking, cycling, public transport and/or new forms of car use and ownership. Applicants should include in their proposal evidence of the effectiveness of their chosen approach, with quantification of the expected impacts.
- Actions that help move towards near zero emissions logistics in urban centres. These may cover activities such as: supporting mutual learning, shifting freight journeys to more energy efficient modes, adopting strategies to enhance the efficiency of urban logistics and/or of the distribution infrastructure, introducing innovative vehicles and transport modes including the application of Intelligent Transport Systems (ITS), re-organising freight traffic.
- Strategic initiatives informing the debate on how to achieve the climate and energy-related goals of the 2011 White Paper on Transport, namely to halve the use of ‘conventionally-fuelled’ cars in urban transport and achieve essentially CO₂-free city logistics in major urban centres by 2030. Actions may include: analysis of the roles and responsibilities of the involved actors; monitoring the uptake of urban mobility related technologies, policies and/or plans; identification of the necessary priorities for action; assessment of the effectiveness of local measures; etc.

¹⁰⁵ COM(2011) 144 final, p.9.

¹⁰⁶ SEC(2011) 391 final, p. 94.

¹⁰⁷ Excluding actions that can be supported under the EU Marco Polo programme.

Clean and energy efficient vehicles

Explanatory note:

The Transport White Paper seeks to significantly reduce transport CO₂ emissions with the long term objective of halving the use of conventionally fuelled vehicles¹⁰⁸ in urban transport by 2030 and phasing them out in cities by 2050, and of achieving essentially CO₂ 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.

Clean and energy efficient vehicles – Priorities 2013:

- Actions that support policies and initiatives to increase the number of non-conventionally fuelled (including electric) passengers and/or goods vehicles in urban areas. The actions should engage in particular market players that operate large fleets of vehicles in urban areas and may foresee capacity building activities.

Integrated Initiatives

Energy efficiency and renewable energy use in buildings

Explanatory note:

Due to EU legislation 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. In particular, there is a need to support the refurbishment of the existing stock, either through step-by-step renovation or major renovations. Actions launched in 2013 should support and facilitate this transition.

Training activities have a major role to play in the next few years. Amongst those working in the construction industry, there is a need to support those professionals who have already spent several years working in the sector. Continuous development programmes and top up training need to be in place to allow intermediate and senior professionals to keep up to date with the market progression. This is not only an issue at technical level, but also at management level, providing assistance to the decision making process. Recognition and accreditation of the training will be key aspects for the success of such projects. The collaboration and sponsorship by professional bodies would provide the necessary legitimacy.

Furthermore the period 2013-2015 is important for monitoring the market transformation towards Nearly Zero-Energy Buildings (NZEB). Such an evaluation process should consider the role of each of the parties, how have they been adapting to the new conditions and how the market itself is developing. The effects on the property market, in terms of added value to the property, are equally important. These evaluations should help to adequately plan the strategy for the period 2015-2020, identifying which elements of the sector require support and proposing specific solutions.

¹⁰⁸ The term 'conventionally fuelled' refers to vehicles using non-hybrid, internal combustion engines (ICE)

Energy efficiency & renewable energy use in buildings — Priorities 2013:

- 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.
- Transforming the existing building stock: actions which result in accelerated rates of refurbishment of existing buildings towards Nearly Zero-Energy Buildings. This could include actions assisting public or private sectors, bringing together industry elements to provide packaged solutions, promoting frontrunners, financing mechanisms, etc.
- Continuous professional development: actions supporting the construction and renovation of NZEB by initiating a wide-scale roll out of accessible and recognised continuous professional development courses for professionals in the design and management of constructions. This could include professionals such as architects, engineers, specialists, developers, procurers, municipality employees, etc, who occupy positions directly involved in the decision making process and are not covered by the BUILD UP Skills Initiative.
- Tracking market transition: actions monitoring energy performance certificates and their quality and actions monitoring the market transition towards NZEB and integration of energy efficiency and renewable energies. The latter should evaluate the entire value chain, develop dialogue between the actors and address those actors not yet fully engaged/integrated in the new business as usual (e.g. real estate). This type of actions should provide clear feedback on how to accelerate the market uptake of NZEB. Proposals responding to this priority could include actions related to market monitoring on new/renovated NZEB, market trends, added value in property, public acceptance, etc.

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 Directive¹⁰⁹, 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 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' strategy¹¹⁰ — 'Resource-efficient Europe' and 'An Agenda for new skills and jobs' as well as the Energy Efficiency Plan¹¹¹. It

¹⁰⁹ 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.

¹¹⁰ COM(2010) 2020 of 3.3.2010: 'Europe 2020 — A strategy for smart, sustainable and inclusive growth', Communication from the Commission.

¹¹¹ COM(2011) 0109 of 8.3.2011 "Energy Efficiency Plan 2011", Communication from the Commission

will also enhance interactions with the existing structures and funding instruments like the Lifelong Learning Programme and the European Social Fund, the latter in particular for the support of concrete qualification and training schemes.

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:

- 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. A maximum of one action per country has been funded, lasting for a maximum duration of 18 months.*
- II. Qualification and training schemes: The second pillar — ‘Qualification 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 Work Programmes. Pillar I was covered by Work Programmes 2011-2012. Pillar II was first opened in 2012, with a deadline in 2013 to allow the taking into account of results from Pillar I. Work Programme 2013 will be the 2nd opening for 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.

BUILD UP Skills – Priorities 2013:

Support activities to newly establish or upgrade large-scale qualification and training schemes based on the roadmap recommendations (of Pillar I or equivalent). Actions could include 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 using ESF funding) as well as promotional/communication activities.

Local energy leadership

Explanatory note:

In previous years the IEE programme has supported a large number of municipalities to develop comprehensive Sustainable Energy Actions Plans (SEAP) through capacity building and exchanges of good practices between frontrunner and learning communities.

Thousands of municipalities have already joined the European Commission's Covenant of Mayors initiative¹¹² and have committed to deliver a Sustainable Energy Action Plan that meets and exceeds the European Union's energy and climate objectives by 2020.

This year's priorities aim to continue strengthening the capacity of local and regional public authorities with a focus on accelerating the implementation of Sustainable Energy Action Plans and contributing towards the EU energy policy targets.

The technical capacity of public authorities will be reinforced by sharing good practices from front-running communities across Europe and by addressing already identified barriers that are preventing a speedy delivery, e.g. access to energy data for targeted delivery of actions.

Particular attention will also be focused on the use of instruments such as Energy Management Systems and Green Public Procurement that can substantially support the implementation of actions in local sustainable energy plans.

¹¹²

www.eumayors.eu

Local Energy Leadership – Priorities 2013:

- *Integration of SEAP's and Energy Management Systems (EMS)*
This priority targets local and regional public authorities willing to integrate EMS into their SEAP, yet to be elaborated or finalised. Actions must result in approved SEAP's and operational EMS following ISO 50001 or other recognised standards for all targeted public authorities. Innovative approaches for certifying groups of small municipalities/developing joint SEAP's are also to be supported. In addition, proposals should demonstrate and document the synergies and advantages of a joint elaboration of SEAP and EMS and include effective dissemination to other public authorities across Europe. Implementation of SEAP actions leading to measurable energy savings and/or increased renewable energy sources supply should be delivered by the end of the proposed actions.
- *Best practice exchange on the implementation of SEAP's*
Actions accelerating the implementation of existing SEAP's or similar plans through tutoring approaches (e.g. staff exchanges, coaching, peer reviews) between leading and less experienced local/regional public authorities; and/or benchmarking to compare authorities between each other. Proposals must demonstrate how they build long-term capacity in learning authorities by e.g. setting up structures for the effective delivery of SEAP's including the identification and preparation of bankable sustainable energy projects. As a result proposals must include the implementation of SEAP actions leading to measurable energy savings and/or increased renewable energy sources supply in all targeted authorities.
- *Accessing energy data for SEAP implementation*
Actions that are facilitating public authorities access to energy data for better implementation and monitoring of SEAP's. Proposals should include effective collaboration between public authorities and statistical offices with energy data providers (system operators, metering companies, energy service companies, etc.) leading to regular and structured sharing of energy data that assists public authorities in their targeted delivery of SEAP actions. The replication of the collaboration models must be demonstrated by the end of the action.
- *Energy-efficient public spending*
Actions to support municipalities and more specifically central purchasing organisations (bodies procuring goods for a large number of public authorities) consider energy efficiency criteria, together with other environmental criteria possibly assessed using life-cycle analysis, while procuring energy-related products, including vehicles.

Mobilising Local Energy Investments

Introduction

As part of the ELENA family of Project Development Assistance facilities set up by the European Commission in the frame of the Intelligent Energy Programme since 2009, the integrated initiative Mobilising Local Energy Investment equally aims at bridging the gap between sustainable energy plans and real investment. The technical assistance facility 'Mobilising Local Energy Investment (MLEI)' was first opened in the call 2011. In addition to the project development assistance, two further priorities bridging towards investment in other, complementary ways are proposed.

The key action comprises three priorities:

- Project development assistance (NOTE: specific eligibility and award criteria, and other specific provisions for applicants apply)

- Replication of successful financing schemes
- Capacity building for Managing Authorities

MLEI-PDA (Project development assistance)

Explanatory note: The implementation of the investments foreseen in Sustainable Energy Action Plans (SEAP's) often proves to be difficult, as local authorities often lack the technical capacity to convert their plans into bankable projects. MLEI-PDA is targeted to help small and medium sized local and regional authorities to develop single or 'bundled' sustainable energy projects that are of relevance for territorial development.

This priority is complementary to the Project Development Assistance facilities of ELENA and is implemented by the Executive Agency for Competitiveness and Innovation (EACI). It offers assistance to public authorities to design and launch small and medium sized investment projects in IEE eligible countries as part of the annual IEE Call for proposals. In contrast to the main funding areas of IEE, and in order to optimise funding for this specific need, MLEI-PDA is open for proposals from one authority of one country (see Section 6.8 for specific eligibility criteria and special provisions).

The investments should create EU added value by demonstrating ambitions beyond "business as usual" in the foreseen energy measures, and/or in the scale of the programme in the involved territory. Actions demonstrating a high degree of organisational innovation such as bundling of small projects to 'bankable' sizes interesting for banks and/or third-party financiers are of particular interest to this priority. Proposed actions under MLEI PDA should offer a high replication potential to other regions or cities across Europe.

In practice, MLEI-PDA will fund activities necessary to prepare and mobilise finance for public investment programmes, such as feasibility studies, financial engineering, business plans, procurement procedures - in short, all actions necessary up to the launch of the investment.

Actions demonstrating a high degree of organisational innovation such as bundling of small projects to 'bankable' sizes, which are interesting for banks and/or third-party financiers, will be prioritised.

- Sectors covered by the project development assistance are:
- Energy efficiency and renewable energy sources in existing buildings;
- District heating/cooling, focussing on the development of new networks running to a large extent on RES, or on the integration of RES into existing networks as well as their energy-efficient refurbishment; (note: projects must at the same time address the need to reduce energy consumption in the buildings which are connected to these networks)
- Energy efficient street-lighting;
- Clean urban transport.

Within a maximum of 36 months, projects must produce tangible evidence of launching the investments in the form of signed contracts or calls for tenders which are launched unconditionally.

MLEI – PDA – Priorities 2013

MLEI-PDA (Project development assistance) to individual or groupings of local authorities (municipalities, cities, provinces, regions) or public bodies (cf. specific definition), that are located in a clearly defined single geographical area, to prepare, mobilise financing for and launch small to medium sized investments in sustainable energy projects within their geographical area.

Proposals must demonstrate EU added value through innovation in their organisational approach to mobilise the necessary funding for sustainable energy projects (e.g. bundling or third-party financing), and/or through ambitions beyond business-as-usual.

Furthermore, proposals must:

1. result in the launch of tangible investments which produce quantified results in terms of energy saved, RES supply increased, GHG reduced, 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.

Note: Specific eligibility, award criteria and other specific provisions apply for this priority (see section 6.8).

Replication of successful innovative financing schemes

Explanatory note: Meeting the European energy and climate policy objectives by 2020 will require the mobilisation of substantial investment at local level into energy efficiency and renewable energy sources. It is clear that the objectives cannot be met through traditional public financing (e.g. grants and/or direct investment), but a stronger engagement of private investors with innovative financing solutions is needed.

Successful financing schemes have been implemented by local authorities across Europe. Such schemes aim, among others, at using revenues generated by energy investments to repay upfront investment costs; leveraging private investment and combining it with public funding; applying financial engineering in order to minimise financing costs; developing third-party financing. Examples of innovative financing schemes are the setting up of soft loans, guarantee funds, third-party financing operators, energy investment funds, Pay As You Save schemes, etc.

To complement the direct Project Development Assistance, the IEE programme will support public authorities in setting up / replicating innovative financing schemes - enabling large-scale investments in sustainable energy projects on their territories in the future. The aim is to multiply the number of successfully implemented innovative financing schemes by making it possible for several local/regional authorities across Europe to share experiences and to work together. Schemes should be concretely prepared and operational at the end of the action with a long-term, sustainable mission; general assessments of schemes or awareness raising will not be supported.

Replication of financing schemes - Priorities 2013:

- **Replication of successful innovative financing** schemes by local and regional authorities across the EU to accelerate the uptake of proven, but innovative financing solutions involving project developers, ESCO's and the financial sector. Actions should be proposed by several local/regional authorities across Europe committed to share experiences and to work together.

At the end of the proposed actions, sustainable financing schemes must be created and fully operational. Schemes should have a sustainable, long-term mission to generate large-scale investments in energy efficiency and/or renewable energy sources. Proposals must provide a clear description of the proven financing schemes to be replicated; however, innovative schemes may be proposed where justified.

The targeted local and regional authorities must be included in the consortia.

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

Capacity building for Managing Authorities

Explanatory note: The proposed European Regional Development Fund (ERDF) Regulation for 2014-2020 envisages thematic concentration of ERDF funding for the thematic objective on supporting the shift towards the low-carbon economy in all sectors. Based on the overall amounts put forward by the Commission for the multi-annual financial framework for 2014-2020, a significant budget for investment in sustainable energy measures and projects is envisaged. The detailed management of programmes which receive support from the Structural Funds is the responsibility of the Member States. For every programme, Member States designate a "managing authority"¹¹³ at national, regional or another level which will inform potential beneficiaries, select the projects and generally monitor implementation.

The experience from the current programming period, 2007-2013, has shown that Member States are using the planned ERDF and Cohesion Fund allocations for EE/RES measures to different extents, but there is scope for helping some Managing Authorities to fully mobilise all available resources.

The new ERDF regulation¹¹⁴ proposes a mechanism whereby 20% of dedicated resources in more developed and transition regions and 6% in less developed regions should be focused on energy efficiency and renewables. In addition, allocations from the Cohesion Fund¹¹⁵ could also be made to sustainable energy investments.

Proposals should focus on supporting a number of pioneering Managing Authorities (MA) that are setting an example for others, by showing how the ERDF and Cohesion Fund allocations for energy efficiency and renewables can most effectively be spent. A strong emphasis will be given to the replication potential of such best practices, which would help other MA's to follow the lead.

¹¹³ Ref. the list of the Managing Authorities:
http://ec.europa.eu/regional_policy/manage/authority/authority_en.cfm

¹¹⁴ COM(2011) 614 final

¹¹⁵ COM (2011) 612 final

Capacity building for Managing Authorities - Priorities 2013:

- **Capacity building for 'Managing Authorities'**

Actions building capacity of Managing Authorities (MA) and supporting them in pioneering the setting up of effective processes for an optimal use of the ERDF and Cohesion Fund allocations on energy efficiency and renewable energy sources. Proposals must include MA in the consortium and provide endorsement from the relevant national body responsible for Structural and Cohesion Funds. The capacity building may comprise effective training for MA staff; setting up adequate procedures; and support throughout the process from development of procedures to their implementation. Proposals must include professional documentation and communication across Europe of the best practice processes used by the pioneering MA's .

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

13. MARKET REPLICATION PROJECTS

Explanatory Note

In the IEE II WP 2012 the ELENA Facility was implemented through windows with EIB, KfW and the CEB. Further, a new window with the EBRD was opened (in progress). The ELENA Facility, in general, has successfully started to mobilize the sustainable energy investments in the EU-15 countries, however, progress in the EU-12 and Croatia is slow.

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 foresees a continuation of the new complementary technical assistance Action, which will be implemented in cooperation with the European Bank for Reconstruction and Development (EBRD).

Under this Work Programme, the ELENA-CEB Facility will not be continued.

Technical assistance Facilities (the Facilities) established under this chapter¹¹⁶ 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 and EBRD) on the basis of the Financial Regulation and the corresponding provisions of the Implementing Rules.

In order to implement the 2013 budget allocation, the Commission and the three 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.

¹¹⁶ A fifth facility MLEI-PDA is established within the annual Call for proposals of Intelligent Energy Europe, managed by the Commission and its Executive Agency for Competiveness and Innovation (EACI)

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

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

General objectives

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

The EIB-ELENA will 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 Initiative¹¹⁷. Eligible projects will be selected by the EIB and submitted to the Commission for approval.

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

Priorities for action in 2013

In 2013, 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;

¹¹⁷ 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

13.2. 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.

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.

13.3 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 ELENA Facilities, focusing on the EU-9 countries (EE, LV, LT, PL, HU, SK, BG, RO, SI) and Croatia¹¹⁸ (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 Initiative¹¹⁹. 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 2013

In 2013, 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;

¹¹⁸ Accession of Croatia to the EU is expected to take place on 1 July 2013.

¹¹⁹ www.eumayors.eu.

- 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

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. CALLS FOR TENDERS

14.1 Biomass mobilisation

Estimated duration of the contract: 18 months

Indicative timetable: To be launched in Q1-Q2 2013

This study will examine the biomass supply in the EU between 2015 and 2030, given the existing sustainability criteria as well as economic/technological constraints and the potential to address these constraints. It will also examine the most carbon efficient end use options and

how these impact on land use needs. The analysis will focus on the situation towards 2030, based on forward estimates of the biomass supply and include three international development scenarios: business as usual; high investment; and low development.

14.2 Electricity markets and investment incentives, in particular for high capex technologies

Estimated duration of the contract: 15 months

Indicative timetable: To be launched in Q1-Q2 2013

The experience with liberalisation of the EU electricity markets so far indicates that in so far as it does incentivise investment in new generation capacity this is strongly biased towards technologies with relatively low capital and relatively high operational costs (in particular gas). Against this background the purpose of this study would be to find out whether and under what conditions liberalised electricity markets can provide investment incentives for technologies where most costs are upfront capital investment costs such as in particular wind and solar. This should be based both on empirical evidence from various liberalised markets as well as modelling.

14.3 Estimation of indirect land-use change emissions from bioenergy

Estimated duration of the contract: 36 months

Indicative timetable: To be launched in Q1-Q2 2013

The Commission is evaluating how to minimize indirect land-use change emissions (ILUC), and will soon submit a proposal to the EP and the Council. However, the debate will continue, and in that context it is very important to keep access to high quality modelling of such indirect effects.

14.4 Study supporting the communication on energy efficiency policy post 2020 (including the identification of the cost-effective energy saving potential in 2030)

Estimated duration: 18 months

Indicative timetable: To be launched in Q2 2013.

The communication will directly follow up to the Energy Roadmap 2050 and outline the strategic choices for further energy efficiency pathways and measures such as on the one hand deep renovations, CHP and measures targeting transport, and on the other hand setting binding 2030 energy efficiency targets for Member States. It will take into account the Climate 2050 discussions and pave the way for a more strategic approach to implementing energy efficiency policies. The communication will build on the ex-post and mid-term evaluations of the Energy Efficiency Action Plan 2006, the mid-term evaluations of the energy service and CHP Directives and the mid-term review of Member State progress under the Europe 2020 strategy. It will also benefit from the reporting and review mechanisms proposed under the Energy Efficiency Directive.

Based on the information gathered as part of the above processes and on the basis of data established under the PRIMES and POLES models the study will establish:

- the historical and future trends in energy consumption within the different sectors;

- the effectiveness of the key policy measures, at EU and MS level;
- the remaining cost-effective energy saving potential in 2030;
- recommendations for future policy measures (the analysis should look at all energy uses and focus on the ones where the current policies would not deliver sufficient progress or for which there is enough evidence that the technological progress would provide for further cost-effective energy saving possibilities).

14.5 Energy efficiency data collection

Estimated duration of the contract: 36 months

Indicative timetable: To be launched in Q1 2013

The Energy Efficiency Directive asks for a set of annual data on energy consumption, combined heat and power and district heating and cooling which are not systematically available with the Member States. Collecting this data will allow for a more systematic uptake on energy efficiency both on demand and supply side. In order to have data sets which are comparable at European level, a systematic approach to data collection needs to be established. Also the currently required CHP data reporting is in practice a problem for some national statistical offices; as a consequence there are sometimes gaps and discrepancies in Eurostat annual CHP data series. To overcome this situation, support to the statistical offices that collect the data is needed by organising training workshops on the data collection and treatment.

14.6 Technical expertise and training on CHP grid connection and access rules

Estimated duration of the contract: 36 months

Indicative timetable: To be launched in Q1 2013

The Energy Efficiency Directive requires that transmission and distribution system operators provide guaranteed or priority access and priority dispatch for electricity from high-efficiency cogeneration. It also requires Member States to clarify rules on different access and dispatch priorities and establish operational rules on their ranking. The implementation of these rules in terms of operational rulemaking and practical operation is far from simple in the context of the still rapidly evolving internal energy market, the on-going large scale integration of renewable energy and the deployment of smart grids. To help governments and market operators implement these provisions expertise is needed to clarify the relationship and interaction of cogeneration with renewable energy, smart grids and other electricity grid system issues, such as regarding connection and infrastructure development and the interaction of cogeneration suppliers with other suppliers. The project would have the twofold objectives of providing background expertise on these cogeneration grid issues to help the implementation of the Directive and of organising training for governments and market actors, especially small and other distributed operators.

14.7 Identification of best practice in the implementation of energy audits and energy management systems in SMEs

Estimated duration of the contract: 24 months

Indicative timetable: To be launched in Q1-Q2 2013

The Energy Efficiency Directive requires Member States to bring to the attention of SMEs, including through their intermediary organisations, the usefulness of energy management systems. To ensure the proper implementation of this provision, it would be important to identify concrete examples and best practices across Member States and best ways to disseminate this information. This would allow the Commission fulfilling its obligation to assist Member States by supporting the exchange of best practice.

14.8 Energy efficiency improvements and saving potential in energy networks

Estimated duration of the contract: 24 months

Indicative timetable: To be launched in Q1-Q2 2013

The Energy Efficiency Directive requires that Member States assess the energy efficiency potentials of gas and electricity networks, notably regarding transmission, distribution, load management and interoperability, and connection to energy generating installations, including access possibilities for micro energy generators. It also requires identifying concrete measures and investments for the introduction of energy efficiency improvement as part of the development of smart grids. The study should provide a quantitative and qualitative assessment of the energy efficiency potentials and the identification of improvement measures. For electricity, the study should also look at the energy saving potentials for networks arising from demand response and the integration of distributed generation. The interaction with other smart networks such as gas and heat/cooling networks and energy storage as well as the link to smart meters should also be investigated.

14.9 Grid connection and demand response: identification of good practices and challenges

Estimated duration of the contract: 24 months

Indicative timetable: To be launched in Q1-Q2 2013

The Energy Efficiency Directive requires that balancing services and other operational services be part of a bidding process which is transparent and non-discriminatory (including with respect to cogeneration) and must treat demand response providers, including demand aggregators, in a non-discriminatory way. To implement properly the provisions of the Directive it would be necessary to identify good practices and guidelines for the definition of technical modalities for cogeneration and demand response participation in balancing, reserve and other system services markets, including the participation of aggregators. The key difficulties and challenges should also be identified.

14.10 Calculation of energy savings: methodological aspects, common approaches and challenges of evaluating the energy savings from energy efficiency obligation schemes and alternative policy measures

Estimated duration of the contract: 24 months

Indicative timetable: To be launched in Q1 2013

The Energy Efficiency Directive requires each Member State to establish an energy efficiency obligation scheme or apply alternative policies that would deliver savings equal to 1.5% of energy sold or distributed to final consumers. In implementing this provision Member States can choose from a wide range of policy measures, energy using sectors and individual energy efficiency improvement actions. To ensure proper implementation each Member State would need to set a methodology for calculating energy savings. Taken the wide possibilities and factors to be considered this could be a serious challenge. There would also need to be some form of comparison of the efforts between Member States so to ensure that the efforts are equal. Some basic principles are already provided in an Annex to the Directive but further work is required. The study would aim to provide a detailed mapping of the existing approaches for calculating energy savings from different policy measures and actions, to identify common aspects and principles, and to propose ways for the comparison of the different national approaches. It would also need to consider how to support the exchange of best practices between Member States and whether there could be further European guidelines to would facilitate Member States in this process.

14.11 Analysis of good practices and development of guidelines for accurate and fair allocation of costs for individual consumption of heating/cooling and domestic hot water in multi-apartment and multi-unit buildings

Estimated duration of the contract: 24 months

Indicative timetable: To be launched in Q1 2013

The Energy Efficiency Directive requires that where multi-apartment buildings are supplied from district heating or cooling, or where own common heating or cooling systems for such buildings are prevalent, to ensure transparency and accuracy of accounting for individual consumption, Member States may introduce transparent rules on the allocation of the cost of thermal or hot water consumption in such buildings. Where appropriate, such rules must include guidelines on the way to allocate costs for heat and/or hot water. To help relevant national and regional authorities develop such transparent rules improving the accuracy of metering of individual consumption of heating/cooling and domestic hot water in such buildings a study will be launched to analyse current practices with metering and billing of individual consumption, identify possible ways to improve transparency and accuracy of rules for cost allocation and use of optimal correction factors and clear billing, develop guidelines for relevant authorities on the introduction and the enforcement of such rules. The work should include organisation of experts workshops and a series of training courses for the relevant authorities and stakeholders from all EU Member States including national consumers associations.

14.12 Technical assistance to the stakeholder representation of consumer organisations and environmental NGOs in preparatory work for implementing measures under the Ecodesign of Energy-related Products Directive (2009/125/EC) 2013-2016

Estimated duration of the contract: 3 years.

Indicative timetable: To be launched in Q1 2013.

The contract of two lots is supposed to ensure technical assistance (coordination and expertise) to facilitate the participation of consumer and environmental NGOs (one lot each) in the preparatory work for implementing measures under the Energy-related Products

Directive 2009/125/EC (namely in the preparatory studies' consultation and in the Consultation Forum that will examine the draft implementing measures emerging from the studies) for the period 2013-2016. Article 18 of the Directive stipulates that “The Commission shall ensure that, in the conduct of its activities, it observes, in respect of each implementing measure, a balanced participation of Member States' representatives and all interested parties concerned with the product or product group in question, such as industry, including SMEs and craft industry, trade unions, traders, retailers, importers, environmental protection groups and consumer organisations.” Without the support of this contract, the consumer and environmental NGOs would not have the necessary coordination and expertise resources to assess the highly technical and product-related content of the draft implementing measures.

A similar contract is running for the period 2010-2013.

14.13 Impact Assessment on the review of the Energy Labelling of Energy-related Products Directive (Directive 2010/30/EC) the Ecodesign Directive on Energy-related Products (2009/125/EC)

Estimated duration of the contract: 12 months

Indicative timetable: To be launched in Q4 2013

Given the strong links between the Energy Labelling and the Ecodesign Directives, the legal obligation to review the Energy Labelling Directive before the end of 2014 offers an opportunity to review relevant aspects of the Ecodesign Directive which is being concluded in 2012.

Therefore, a review study of the Energy Labelling of Energy-related Products Directive (Directive 2010/30/EC) and certain parts of the Ecodesign Directive will feed into the Impact Assessment Study. The review 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 supported by testing of various labelling options. 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, trade, employment, competitiveness of manufacturers, including small and medium-sized enterprises, innovation and market access should also be analysed. 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.

The impacts assessment study will assess the effectiveness and impacts of the Energy Labelling Directive and the related aspects of the Ecodesign Directive (such as the impacts of its implementing measures and standardisation) and the impacts of the options for a possible revision, including non-revision (business as usual).

14.14 Management and development of the Eltis portal and supporting uptake of Sustainable Urban Mobility Plans.

Estimated duration of the contract: 36 months

Indicative timetable: To be launched in Q2 2013

On-going management and development of ELTIS, the European Commission's on-line portal on urban mobility (www.eltis.org). The services will include sourcing and writing copy for news items and case studies. Preparation of newsletters as well as maintaining and developing of a range of other ELTIS services to assist target group with adoption, development and implementation of sustainable urban mobility policies, measures and plans. In addition, the tender will bring ELTIS in line with the EC's new corporate design and will include marketing and promotion activities to increase the number of users within target audience across all Member States.

14.15 Operation, maintenance, improvement and promotion of the BUILD UP interactive web portal

Estimated duration of the contract: 36 months

Indicative timetable: To be launched in Q2 2013

Operation, maintenance, improvement and increase the effective use of the BUILD UP web portal among its target groups, using the existing BUILD UP brand and the existing BUILD UP services as a starting point. The services will include: IT maintenance and services, regular feed and update of BUILD UP items (news, links, publication, events, tools, case studies), continual improvements of the portal (e.g. information on financial schemes and training schemes), promotion and effectiveness of the portal and communication and logistic support.

14.16 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 Q1 2013

Following the delay in the adoption of the Delegated Regulation, this study is taken over from 2012 as the Member States will only have to report to the Commission in March 2013. Their reports are necessary for this study to be carried out.

14.17 Assessment of the impact of EPCs and of the inspections of heating and AC-systems on consumers practises

Estimated duration of the contract: 12 months

Indicative timetable: To be launched in Q3 2013

According to Article 11 to 18 of the EPBD-recast, the role and quality of Energy Performance Certificates and inspection schemes have been strengthened by: creating an independent control system, advertising, lowering the threshold to display. Even if the Commission will know how these obligations are implemented in law (through the notification of MS implementing measures), the Commission will not necessarily be aware of how these

provisions are implemented in practice and what the real impacts of these are on the consumers practises.

The study purpose is to assess the state of practice in Europe as regards the energy performance certificates and the inspection of heating and air-conditioning systems. A statistically representative sample of buildings will be selected and assessed in order to better understand the practical implementation of the obligations laid down by the EPBD-recast (and the national or regional regulations) and the impact of the information provided to home owners on the improvement of the energy performance of their buildings.

14.18 Support Services for the Covenant of Mayors

Estimated duration of the contract: 36 months

Indicative timetable: To be launched in Q1 2013

The Covenant of Mayors has been launched in line with EU Energy Efficiency Action Plan, in 2008. It is an unconditional and voluntary commitment by signatory towns and cities to go beyond the objectives of EU energy policy (decrease of CO₂ emissions at least by 20% by 2020) in terms of reduction in CO₂ emissions through enhanced energy efficiency and cleaner energy production and use. To justify this, Covenant signatories (cities, municipalities, provinces or regions) commit:

- to develop and implement the Sustainable Energy Action Plans (SEAP) within 1 year following the signature. The Action plans shall include the analysis of current energy consumption in relevant sectors (buildings, urban transport, local energy infrastructure etc), CO₂ emissions inventory, outline of measures and actions to be implemented and their expected outcomes in terms of energy and CO₂ emissions savings;
- to inform the Commission on progress of the SEAP implementation, through the monitoring reports, to be submitted every 2 years after submission of the SEAP;
- to accept the right of scrutiny and exclusion of the city in case of non-compliance.

So far, more than 3700 cities have joined the Covenant and the number of signatories continues to grow. To date more than 1100 SEAPs have been submitted and by 2013 the first implementation reports are due to arrive. This unprecedented success requires extension and strengthening of services provided by the Commission to the Covenant signatories and supporting structures, as current contract is running until end of 2013. The services to be covered by a new tender are:

- ensuring of operation and increase of technical and administrative capacity of the Covenant of Mayors Office;
- ensuring well balanced territorial coverage;
- negotiations, liaison and co-ordination of Covenant supporting structures;
- operation of help desk and direct assistance to participating cities;
- extension, development and management of the web site and other communication tools and ensuring continuous presence in media;

- organization of 3 annual Covenant of Mayors Ceremonies;
- capacity building and networking with relevant stakeholders;
- providing the necessary services to the Covenant to help it develop into a more self-governed exercise, inter alia through facilitation of peer reviews and some specific assessment/verification tasks.

The previous and currently running Covenant of Mayors contract reached and is expected to reach success and in order to guarantee continuation of the programme a new contract is necessary as from end 2013.

14.19 Monitoring of Sustainable Energy Action Plans and Implementation reports of the Covenant of Mayors

Estimated duration of the contract: 36 months

Indicative timetable: To be launched in Q1 2013

Due to the success of Covenant of Mayors (3700+ signatories to date) a very high level SEAPs are being received (until Apr 2011: 1100+). It is expected that another 2600+ SEAPs are expected in course of 2012. While a further rise of number of cities or municipalities signing up for the Covenant is expected in the future - yet at a lower pace, it is evident that the number of SEAPs will continue to be numerous. This high intake of SEAP projects a high rate of implementation report to be received from early-2013 and on. We calculate that a couple of thousand implementation reports is needed to be analysed in course of 2013-16. While the analysis should and will be based on the methodologies developed by JRC, it is necessary to ensure available independent capacity dedicated to the analysis of these implementation reports at a timely manner.

14.20a Dissemination of the results and promotion of the IEE II Programme

Estimated duration of the contract: 12 months

Indicative timetable: To be launched in Q1 2013

The services required will help the EACI and the Commission promote the IEE Programme, with particular focus on the co-funding opportunities, results and achievements of the projects and various initiatives supported by the Programme. They will include a range of targeted tools and channels, such as websites, info days, audio-visual productions, publications, and media work. Some services will also support the organisation of the EU Sustainable Energy Week 2013 and the upgrade of the online database of finished and on-going projects supported by the Programme.

14.20b Conference on the future of Intelligent Energy - Europe

Estimated duration of the contract: 18 months

Indicative timetable: To be launched in Q1 2013

The conference will take place in Brussels in early 2014, at the start of the new programme on research and innovation, Horizon2020, which will support the future Intelligent Energy -

Europe activities. The event will present the main outcomes of IEE II projects and the main lines of activity foreseen for IEE activities in the period 2014-2020.

14.21 Evaluation of the IEE projects supporting sustainable energy communities

Estimated duration of the contract: 12 months

Indicative timetable: To be launched in Q1 2013

Longitudinal evaluation of the IEE promotion and dissemination projects selected under the "Sustainable Energy Communities" and "Local Energy Leadership" Key Actions. These projects carried out at local and regional level have supported over 500 public authorities in developing their Sustainable Energy Action Plans. They have also triggered over 1,000 new signatories to the Covenant of Mayors. The main aim of the tender will be to look at and publicise the impact of these projects and to provide recommendations for future activities in this area.

14.22 Evaluation of the ELENA Facility

Estimated duration of the contract: 6 months

Indicative timetable: To be launched in Q1 – Q2 2013

The role of this tender will be to provide the qualitative and quantitative evaluation of the impact of the ELENA Facility. Results of the study will be used for further planning and programming of the technical assistance-related activities under the IEE successor in the programming period 2014 – 2020. As well, important part of the tender will be to develop a set of 'good practise examples', ready to be shared and disseminated to stakeholders.

Administrative Agreements with the Joint Research Centre (JRC)

14.23 Technical assistance and training on comprehensive assessment and cost-benefit analysis for cogeneration and district heating and cooling and for the review of the reference values and other technical parameters for high-efficiency cogeneration under the Directive 2012/27/EU on Energy Efficiency replacing the CHP Directive

Estimated duration of the contract: 36 months

Indicative timetable: To be launched in Q1 2013

The CHP Directive and the Energy Efficiency Directive requires the preparation of a number of highly technical studies and reports for which JRC expertise is needed building on the previous Administrative Agreement. These includes detailed guidelines, both from regulatory, procedural aspects and from technical, industrial aspects of preparing a) a comprehensive assessment of cogeneration and district heating & cooling potential covering a Member State's entire territory and b) a cost-benefit analysis for four main types of industrial installations to cogenerate or recover thermal energy and associated infrastructures. Background reports will also be needed for a) the review of the reference values of the efficiency of separate heat and electricity production in order to establish efficiency of cogeneration; b) the possible review of other technical parameters in view of technical progress, such as the heat to power ratio. Additional reports for the validity of and justification for several exemption mechanisms from

the foreseen cogeneration and heat recovery obligations under the new Energy Efficiency Directive will also be needed.

The contract should also foresee technical assistance on a continuous basis to support Member States' and Commission's implementation work, notably to help with and verify notifications of national comprehensive assessments and national exemptions, to provide training as needed and for background checks of the compliance level of national transposition and implementing legislation. Finally, the contract should provide for technical assistance for the national and Commission reporting obligations under Directive 2004/8/EC and the new Energy Efficiency Directive.

14.24 Enhanced JRC modelling of RES

Estimated duration of the contract: 18 months

Indicative timetable: To be launched in Q1-Q2 2013

Existing energy models have continuously been developed providing answers to the policy questions relevant at the time. As questions concerning renewable energy have come up only relatively recently, there is a need for further improvement of energy models with respect to their ability to represent the renewable sector adequately. The objective is to have access to solid models being able to simulate the effects of different renewable energy policies providing convincing and robust results.

14.25 GHG values/scientific review of 2017 and 2018 GHG thresholds - extension of AA with JRC

Estimated duration of the contract: 24 months

Indicative timetable: To be launched in Q1-Q2 2013

The implementation of the minimum greenhouse gas saving threshold of the sustainability criteria is helped by the set of default values set out in Annex V of the Renewable Energy Directive. Due to scientific progress those values need to be updated on a regular basis, and this AA with JRC is supporting DG ENER's work on this.

15 CONCERTED ACTIONS

15.1. Concerted Action (CA) supporting the transposition and implementation of directive 2009/28/EC on the promotion of the use of energy from renewable energy sources (RES Directive) CA-RES II

CA-RES II is the continuation of the concerted action CA-RES (the 1st phase that currently runs from July 2010 to July 2013). Both, the participating Member States and the Commission consider this action to be a valuable tool for exchange of experiences on the implementation of the Directive 2009/28/EC. A continuation for 3 years, starting from July 2013, is proposed to valorise the experiences gained from implementation of the Directive and in view of new information introduced by the Commission with Article 23 reports and any future communications

In detail, CA-RES II is foreseen to cover 6 central topics (pending the final outcome of EC analysis of the Article 22 progress reports).

Directive 2009/28/EC on the promotion of the use of energy from renewable energy sources (RES) was adopted on April 23, 2009 and had to be transposed by the Member States by

December 5, 2010. The aim of the RES Directive is to establish a common framework for the promotion of renewable energy in the European Union.

The RES Directive sets mandatory national targets for the overall share of energy from RES, requires the preparation and notification of National Renewable Energy Action Plans, introduces enabling measures and cooperation mechanisms as efficient ways to achieve the 2020 targets and sets sustainability criteria for biofuels and bioliquids as well as other measures that will contribute to increasing the market share of RES in the EU Member States. Each Member State must submit reports to the Commission every two years, detailing its progress with the implementation of the Directive. Given the complexity and variety of the issues addressed by the RES Directive and the significance of the challenges associated with these topics, the CA-RES was established to support its implementation in the Member States. Specifically, the first CA-RES has demonstrated that this implementation can substantially benefit from a structured dialogue between the Members States and from initiatives aiming to develop common approaches and solutions. The new CA-RES II is proposed to share and valorise the experiences gained whilst implementing the Directive.

Specifically, CA-RES II will consolidate a structured sharing of information and experiences and will promote good practice in activities required of Member States for implementation of the RES directive. While the Directive must be transposed by the EU 27 Member States, the CA is also open to other countries which participate in the IEE programme and may adopt the Directive in a later stage.

The CA-RES II will aim at identifying and disseminating good-practice on the implementation of the Directive, and will put emphasis on topics that require common approaches and that will benefit from coordination and / or harmonisation between the MS. The CA-RES II will address a number of requirements in the Directive, including cooperation mechanisms, support schemes, methodologies for the calculation of renewable energy shares, integration of RES supplies into electricity and gas grids, removal of administrative barriers, renewable heating / cooling and integration of RES in buildings, guarantees of origin, training, and the sustainability of bioenergy.

The total costs and EU contribution to CA RES II will be approximately EUR 5 500 000.

For details regarding this concerted action, its duration and the nominated organisations see Appendix B.

15.2 Concerted Action supporting implementation of the Directive 2012/XX/EU on energy efficiency and repealing Directives 2004/8/EC and 2006/32/EC (CA EED)

The 2011 Work Programme¹²⁰ foresaw a concerted action (CA) supporting implementation of Directive 2006/32/EC on energy and end-use efficiency and energy services (CA ESD II). Considering that Directive 2006/32/EC has been repealed and replaced by Directive 2012/XX/EU on energy efficiency, the concerted action foreseen in the 2011 Work Programme has to be amended accordingly, in order to adjust its name, scope, duration and budget. This development was foreseen by the 2011 Work Programme according to which "the scope of the core themes may need to be adapted to the possible review of Directive 2006/32/EC".

¹²⁰ Commission Decision C (2011) 93 of 18/01/2011 "establishing the 2011 Work Programme for the implementation of the Intelligent Energy Europe II" programme .

As from 2013, CA ESD II will be re-named and re-shaped to become the concerted action supporting implementation of Directive 2012/XX/EU on energy efficiency: CA EED. The objectives of the CA EED are the following:

- To enhance and structure the sharing of information and experiences from national implementation whilst promoting good practice concepts in activities to improve and strengthen MS implementation of the EED Directive.
- To encourage dialogue between the Member States on common approaches for the effective implementation of particular parts of the EED Directive.
- To complement the work of the Committee assisting the European Commission.

The scope of CA EED will be based on the previous core themes of the CA ESD II but it will also add some new topics from Directive 2012/XX/EU that were not previously covered by Directive 2006/32/EC. The scope will thus be extended and the following core themes are proposed for CA EED:

1. NEEAPs and annual reports and measuring progress in EE;
2. Public Sector - public buildings and public purchasing;
3. Metering and billing, demand response;
4. Funds and Financing for energy efficiency;
5. Energy services and ESCOs, energy auditing, solving administrative barriers;
6. Consumer information programmes, training and certification of professionals;
7. Efficiency in Energy Supply, high efficiency CHP and heating/cooling;
8. Energy efficiency obligation schemes, monitoring impacts of eligible measures.

The proposed core themes provide coverage of all the key elements of the Directive 2012/XX/EU. In all these core themes, special attention will be paid to the effective implementation of the legislation and to capacity-building in implementation. CA EED will continue to identify and disseminate good practice on implementation of energy-efficiency policy and will put emphasis on topics that can benefit from common approaches and from coordination between Member States.

The EU contribution allocated to CA EED under this Work Programme will be approximately EUR 3 600 000.

For details regarding this concerted action, its duration and the nominated organisations see Appendix B.

16. 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.

In this framework and following the issuing of Mandate M/480 to revise the set of EPBD standards, CEN started a first phase of work to identify the exact standardisation phase. Starting in 2013, a second phase of standardisation work on EPBD standards is intended to undertake the actual standardisation work leading to revised standards.

17. INTERNATIONAL PARTNERSHIP FOR ENERGY EFFICIENCY COOPERATION

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

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

On 30 November 2009 the Council adopted a Decision on the signing and conclusion of the Terms of Reference for the IPEEC and the Memorandum concerning the hosting by the International Energy Agency of the Secretariat of the International Partnership for Energy Efficiency Cooperation by the European Community¹²¹. The Council endorsed the Commission proposal that, from the second year of membership (i.e. 2012), the European Union will voluntarily contribute EUR 60 000 for each subsequent year.

18. INTERNATIONAL RENEWABLE ENERGY AGENCY

This action is reserved to cover participation by the EU¹²² in the International Renewable Energy Agency (IRENA)¹²³. The EU expects to contribute about EUR 480 000 per annum for participation in IRENA, based on the United Nations scale of assessment.

¹²¹ 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).

¹²² 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

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

19. BUDGET AVAILABLE UNDER THE 2013 WORK PROGRAMME

The operational budget of the IEE II Programme for 2013 totals EUR 132 250 000¹²⁴ 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 2013. EUR 800 000 is earmarked for administrative expenses.

The allocation of appropriations for each of the three budget lines concerned for the 2013 Work Programme is subject to the approval by the two arms of the Budgetary Authority of the Draft General Budget of the European Commission for the financial year 2013.

The indicative budget for grants will be EUR 64 980 000. For tenders, a budget of EUR 19 510 000 is planned.

EUR 60 000 is earmarked for the European Union's contribution to the Platform for International Cooperation on Energy Efficiency and EUR 450 000 for the European Union's membership of the International Renewable Energy Agency.

A sum of 35 000 000 EUR is allocated for continuing the ELENA Facility with the European Investment Bank, KfW Group and 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, EBRD-ELENA – 5 000 000 EUR. The allocations will be confirmed in the contribution agreements signed with the Commission, possibly resulting in a zero allocation for certain facilities and respecting the total ELENA facility allocation.

The indicative distribution of the 2013 budget by field and by means of implementation is shown in the table below.

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

Indicative distribution of the 2013 budget by field and by means of implementation

	Action	Calls for proposals (MEUR)	Calls for tenders (MEUR)	Other mechanisms	TOTAL (MEUR)
				(MEUR)	

¹²³ <http://www.irena.org/>.

¹²⁴ Not including contributions from non-EU countries.

SAVE	Promotion and Dissemination Projects (Consumers and products; Businesses; EE services and obligations)	15,589			15,589
	CA EED			3,600	3,600
	IPEEC			0,060	0,060
	Tenders (15.4-15.13, 15.24)		5,87		5,87
	TOTAL	15,589	5,87	3,660	25,119
ALTENER	Promotion and Dissemination Projects (RES-e; H&C from RES; Bioenergy; RES energy consumers and products)	12,590			12,590
	CA RES II			5,500	5,500
	Tenders (15.1-15.3, 15.25, 15.26)		1,800		1,800
	IRENA			0,450	0,450
	TOTAL	12,590	1,800	5,95	20,340
STEER	Promotion and Dissemination projects (EE transport; Clean and EE vehicles)	9,592			9,592
	Tenders (15.14)		2,000		2,000
	TOTAL	9,592	2,000		11,592
Integrated Initiatives	Promotion and Dissemination projects (EE and RES buildings; Local energy leadership; MLEI)	27,209			27,209
	ELENA			35,000	35,000
	Standardisation initiative			3,150	3,150
	Tenders (15.15-15.23)		9,84		9,84
	TOTAL	27,209	9,84	38,150	75,199
GRAND TOTAL		64,980	19,51	47,760	132,250

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 2013 CALLS

The plan is to launch calls for proposals as soon as possible after adoption of the 2013 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 Energy¹²⁵. Further details will be published on the IEE II Programme website.

The minimum duration of the calls for proposals will be three months. Applicants will be notified about the results of the evaluation at the latest six months after the call deadline. Grant agreements will be signed within three months from the time of notification. As regards the BUILD UP Skills Initiative the deadline is envisaged for the last quarter of 2013.

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

¹²⁵ http://ec.europa.eu/dgs/energy/index_en.htm.

APPENDIX A

OUTLINE OF THE CONCERTED ACTION SUPPORTING THE TRANSPOSITION AND IMPLEMENTATION OF DIRECTIVE 2009/28/EC OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL ON THE PROMOTION OF THE USE OF ENERGY FROM RENEWABLE SOURCES AND AMENDING AND SUBSEQUENTLY REPEALING DIRECTIVES 2001/77/EC AND 2003/30/EC (CA-RES II)

A.1. Objectives

The main objectives of the CA-RES II are as follows:

- Consolidate a structured sharing of information and experiences and promote good practice in activities required of Member States for implementation of the RES directive
- Facilitate the process of cross learning at the EU level and provide support to an effective implementation of the RES Directive in the Member States.
- Encourage dialogue between the Member States on common approaches for the effective implementation of particular parts of the RES Directive.

The CA-RES II will focus on topics where coordination and/or harmonisation of approaches would be beneficial.

A.2. Justification for application of Article 168 (1f) of Commission Regulation (EC, Euratom) No 2342/2002:

The objectives of the CA-RES II outlined above are directly linked to the transposition of Directive 2009/28/EC. Therefore, the CA-RES II will require the collaboration of the organisations in charge of the national transposition and implementation of Directive 2009/28/EC. Generally these are the responsible Ministries and expert bodies nominated to work on them by those Ministries. Only these organisations have the mandate, expertise and experience which is needed.

As the Directive has already been adopted and national implementation is underway, the national actors involved in the implementation of the Directive have already been or will shortly be identified and their work defined. In other words, there is already or there will soon be de facto one organisation (or a team from different organisations) in each country which has the necessary mandate to participate in CA-RES II.

On the other hand, due to the existence of the unique mandates and responsibilities outlined above, and the sensitivity of the tasks to be performed, such a CA-RES II would not be suitable for EU financing via a call for proposals, or via a call for tenders. Moreover, there is a shared interest of the Commission and the Member States in relation to the implementation of the Directive.

Consequently, a grant for CA-RES II is awarded without a competitive selection process by application of Article 168(1)(f) of the Financial Regulation¹²⁶.

A.3. Description of the Topics

A description of the topics that the CA-RES II will cover is presented below:

1. Cooperation mechanisms (Art. 3, 4, 6-11)

In achieving their national targets, Member States can make use of cooperation mechanisms foreseen by the RES directive. These mechanisms, which introduce flexibility, refer to statistical transfers between Member States (Art 6), joint projects between Member States (Art 7,8), joint projects between Member States and third parties (Art 9,10) and joint support schemes between Member States (Art 11). The Member States can use statistical transfers, and develop joint projects and joint support schemes in bilateral or multilateral ways. The CA-RES II will offer a platform for exchange of information regarding the use of cooperation mechanisms by the Member States and the possibilities to overcome barriers to their implementation in the context of achieving the 2020 targets. Specific attention will be given to the examination of legal aspects, institutional setups, sources and types of support, price setting, sharing of costs and benefits, cross-border infrastructure, liabilities of the parties as well as strategies for risk mitigation and flexibility. Furthermore, the work will explore other possibilities for cooperation in the exploitation of renewable energies between Member States and between Member States and third countries.

2. Creation of better conditions for new Renewable Energy investment (Art. 3, Art. 13, Art. 14)

This topic will focus on three inter-related areas of action that Member States have to address in order to facilitate new investments in Renewable Energy, namely implementing effective support instruments (art. 3), streamlining authorisation procedures for new infrastructure (art. 13), and cross-cutting issues which include public acceptance of support schemes and new plants, coordination across different levels of governance (national, regional, local), and ensuring that reliable information is made available to relevant actors (art. 14):

- Support schemes/National policies (Art. 3)

Member States have already considerable experience with the implementation of national policy mechanisms for the support of renewable energy sources. This topic covers the design and implementation of policy instruments for the support of renewable energy in the Member States and will be conducted with the aim of identifying and learning from good practices in the design, structure and possible reform of support schemes. Attention will be given to the adaptability of support instruments to different markets and technologies, their cost-efficiency (relationship between the design of RES support schemes and electricity prices) and their suitability to facilitate market integration, and any other competitive elements that could be introduced into future RES support

¹²⁶ 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.

schemes to encourage electricity price reductions for consumers and to foster their acceptance by providing them and other relevant actors with clear information (art 14).

- Authorisation of plants and infrastructures (Art 13)

Member States must ensure that authorisation, certification and licensing procedures are proportionate and necessary. The Directive requires an integrated approach both for the new RES plants and for the associated transmission and distribution network infrastructure. Administrative barriers that affect the approval, licensing and grid connection of renewable energy plants will be examined. Exchanges will be encouraged between Member States regarding the removal of these barriers. In particular, Member States will work to identify good practices relating to existing procedures which lead to improved coordination between the different authorities involved in the approval process. Attention will be focused on factors that may influence the performance of a given practice across national borders (in other countries and contexts).

- Cross cutting issues, including public acceptance, coordination across different levels of governance, and provision of information (art. 14):

Member States will address the barriers of social acceptance and explore mechanisms / schemes that are available with different levels of governance (national, regional and local) across Europe to inform and compensate local communities so that local groups of citizens will benefit directly from projects which are implemented in their locality but bring more RES into the EU market, thereby reducing administrative barriers. The work will also address the provision of information on the net benefits, costs and energy efficiency of equipment and systems to all relevant actors.

3. Calculation methodology (Art. 5)

The general calculation methodology for the shares of renewable energy sources in the gross final energy consumption has been stipulated by the RES directive. Member States need to ensure the coherence of the statistical information used in the calculation of sectoral and overall shares following Regulation (EC) no 1099/ 2008. Achieving this coherence requires harmonisation of approaches across Member States. Pertinent discussions require the involvement of Eurostat and the standing working group on Renewable Energy Statistics and the national statistical offices dealing with the preparation of the energy-related statistics used in the calculation of the shares.

The goal is to develop a common understanding of the calculation methodology amongst the Member States – either by using already existing examples or jointly developed methods - in a cost effective manner. A close cooperation with Eurostat is foreseen, which is responsible for such data collection and harmonization at the EU level. Specific topics of interest are, among others: methods used to determine renewable heat and cooling production (including data collection and modelling), harmonization of methods for the calculation of pumped storage capacity, and methods used to determine the renewable energy fraction in municipal and industrial wastes and residues.

4. RES and district heating planning (Art 13, 16), RES in buildings (Art 13) and training (art 4.)

Activities by Member States to comply with the obligations of the RES directive require coordination and interaction with related activities taking place as part of the implementation of the EPBD, and the new Energy efficiency Directive. This coordination could be facilitated by a dialogue between the implementing bodies of the RES and the EPBD and EED directives, which focuses on measures (including heat planning) aiming to increase the penetration of energy efficiency and renewable energy technologies in the buildings sector and, specifically, on the rules and obligations for using renewable energy in new and renovated buildings, and on heating and cooling obligations established in the EED.

The interface already established between the CA-RES and the CA EPBD will be enhanced. This will help to identify the best ways of implementing planning and regulatory policies and obligations for minimum levels of renewables in buildings with attention to the role of small-scale RES applications. Specifically, the role of nearly-zero energy buildings in achieving the targets of the RES directive will be examined. In addition, policy concerning renewable energy use through cogeneration, district heating and cooling and specific planning measures will be reviewed. Analyses and comparisons of policies will be undertaken in order to identify the conditions under which successful policies can be most efficiently transferred between Member States.

Member States were required to ensure that certification or equivalent qualification schemes became available by 31 December 2012 for installers of small-scale biomass boilers and stoves, solar photovoltaics, solar thermal systems, shallow geothermal systems and heat pumps. This topic covers the further development of the certification schemes or equivalent qualification schemes for installers, which have been made available by the Member States. An exchange of good practice and experience between Member States will be encouraged. Particular attention will be given to the way these certification schemes have been implemented, how they could be improved and how MS are dealing with the implementation of mutual recognition of certification schemes.

5. Electricity Networks (Art 16) and Disclosure/guarantees of origin (Art 15), including RES electricity in transport (Art. 3)

Member States must ensure the reliability and stability of electricity networks and the quality of the power supply in the presence of a growing share of renewable energy plants connected to the grid. In addition, Member States must ensure that RES plants will have priority or guaranteed access to electricity grids, and that they will receive appropriate treatment when it comes to bearing the costs of network upgrades and extensions.

Member States, upon request from a producer must issue Guarantees of Origin (GOs) that prove to a customer that a given amount of energy was produced from renewable resources. In addition, Member States must ensure that the disclosure of GOs to customers takes place only once. The RES Directive specifies minimum standard information that the GO has to contain.

The focus will be on identifying solutions to grid connection, operation and development barriers to the integration of RES and on reviewing, developing, monitoring and helping to implement strategies for providing an effective, durable and transparent integration of RES into the grid and on the ways that the different Member States can cope with these challenges,

both at a national level and at an EU level (across international borders). Specific attention will be given to specifying the role and obligations of different actors, identifying and exchanging good practices for integration of RES into the electricity grid, streamlining of the grid connection procedures, examining the portfolio of measures that can facilitate grid integration (e.g. storage, demand-side management, “smart grids” and interconnections) and exploring possibilities for the harmonisation of regulations, and the coordination with other obligations established in the EED.

Measures to standardise and increase the transparency of GO systems across Member States will also be examined and discussed.

The role of electric vehicles in facilitating grid integration of RES and helping Member States to comply with the specific target of 10% of energy from RES in their transportation energy sectors will also be explored. The experiences of the Member States with policy measures for promoting the use of RES electricity in the transportation sector and the cost-efficiency of those measures taken to achieve the target will be examined

6. Bioenergy(Art. 4, 16-19)

The Directive addresses different issues related to bioenergy: biogas networks (art. 16), biofuels and bioliquids (art. 17-19) and biomass mobilisation and sustainability (art. 4). All of these will be covered in the CA-RES II:

- Biogas networks (Art 16)

Member States shall assess the need to develop existing gas network infrastructure to facilitate biogas injection into gas networks, provided that the injected biogas has been upgraded to natural gas quality.

There are different degrees of experience among the Member States in the biogas sector and there is a considerable potential for cross learning. A number of legal, technical, administrative and economic barriers must be overcome in order to promote biogas production and ease the connection of biogas plants to the gas grids.

The objective is to address the conditions that are required for the successful integration of biogas facilities into gas networks, explore alternatives to gas grid injection and exchange experience on instruments to effectively promote the use of biogas in different sectors. The focus will be on exchanging the experience that has been accumulated on these topics, and identifying effective solutions and possibilities for harmonisation.

- Biofuels (Art 17-19)

Biofuels and bioliquids must meet a number of sustainability criteria in order to ensure that their use does not conflict with environmental goals. The task of ensuring sustainability along the whole production chain becomes more complex as the international trade in biofuels increases.

The objective is to focus on developing a common approach which can be used by market actors to verify compliance with the agreed sustainability criteria for biofuels, taking into account the fact that the Directive establishes a single harmonised scheme. Attention will also be given to reviewing the implications of different legal

systems across Member States, discussing the implementation of measures that facilitate the exchange and cross-checking of sustainability data between relevant authorities of the Member States and to practical aspects of biofuels trade between Member States as well as to extracting lessons from existing national and international initiatives. Attention will be given to implementing the Directive for both first and second-generation bio-fuels with a high level of greenhouse gas emission saving and their contributions to the 10% target for RES in transport.

- Biomass mobilisation and sustainability (Art 4)

Member States will carry out policies to develop biomass resources and to mobilise and efficiently use biomass resources for energy production, in order to enable the necessary contributions to their national targets.

The fact that Member States are endowed with unequal and diverse biomass resource bases creates challenges but, at the same time, it opens opportunities for collaboration. By cooperating on national and regional biomass mobilisation and use strategies, Member States can support the build-up of efficient supply chains, enhance the trading of biomass, and eventually increase the resources which are made available cost effectively for energy use across the EU.

The objective is to explore the approaches which are planned or already implemented by the Member States to increase and to make a more efficient use of their biomass resources. Options for enhancing biomass supply and value chains and promoting efficient biomass use across the EU will be reviewed, as well as those for increased international trade in biomass. Specific attention will be given to synergies between energy, agriculture and forestry policies that could lead to mobilisation of biomass resources.

Moreover, best practices for the implementation of biomass sustainability criteria, based on the Commission's report on this issue, will be exchanged. Among others, the impact of the sustainability criteria on the availability of biomass resources in the Member States will be explored including by ensuring at the same time that synergies with alternative biomass use are maximised. In addition, experiences will be exchanged on the implementation of sustainability criteria, optimisation of the use of biomass resources for energy, incentives to innovation and technological development for the efficient conversion and use of bio resources, and the creation of efficient markets for bioenergy including without the distortion of other markets.

A.3. Duration of CA RES II

The concerted action CA-RES II is expected to run for a period of 36 months, which will include the deadline for the MS to submit their second reports to the Commission on their progress with the promotion and use of energy from renewable energy sources (December 31, 2013). During this period, the participants in the CA RES will therefore be able to take into account information about the actual implementation of the RES Directive in the Member States in their discussions, and there will be time for the incorporation of recommendations derived from the RES concerted action in relevant working practices of the Member States.

A.4. Participants designated by the Member States and participating countries to work in the CA RES II

	Country	Nominated organisation	Justification - Article 168(1)f
1	Austria	Austrian Energy Agency	technical competence
2	Belgium	Service public de Wallonie	administrative power
3	Bulgaria	Ministry of Economy, Energy and Tourism	administrative power
4	Cyprus	Ministry of Commerce, Industry and Tourism	administrative power
5	Czech Republic	Ministry of Industry and Trade	administrative power
6	Croatia	Ministry of economy	administrative power
7	Denmark	Danish Energy Agency	administrative power
8	Estonia	Ministry of Economic Affairs and Communications	administrative power
9	Finland	Ministry of Economy and employment	administrative power
10	France	Ministère de l'Écologie, du Développement Durable et de l'Énergie	administrative power
11	Germany	Federal Ministry of the Environment, Nature Conservation and Nuclear Safety	administrative power
12	Greece	Centre of Renewable Energy sources	administrative power
13	Hungary	Hungarian Energy Office	administrative power
14	Ireland	Department of Communication, Energy & Natural Resources	administrative power
15	Italy	Gestore dei Servizi Elettrici – G.S.E. S.p.a	administrative power
16	Latvia	Ministry of Economy	administrative power
17	Luxembourg	Ministry of Economy	administrative power
18	Lithuania	State Enterprise Energy Agency	administrative power
19	Malta	Malta Resources Authority	administrative power
20	Netherlands	NL Agency, the Dutch national energy	administrative power

		agency	
21	Norway	Ministry of Petroleum and Energy	administrative power
22	Poland	Polish National Energy Conservation Agency	technical competence
23	Portugal	Laboratório Nacional de Energia e Geologia (LNEG)	technical competence
24	Romania	Ministry of Economy, Trade and Business Environment.	administrative power
25	Slovakia	Slovak Innovation and Energy Agency	technical competence
26	Slovenia	Ministry of Infrastructure and Spatial planning	administrative power
27	Spain	Instituto para la Diversificación y el Ahorro de la Energía (IDAE)	administrative power
28	Sweden	Swedish Energy Agency (STEM)	administrative power
29	UK	Energy Saving Trust (EST)	technical competence
30	Iceland	Ministry Energy Industry and Tourism	administrative power

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

The total costs and EU contribution to CA RES II will be approximately EUR 5 500 000.

APPENDIX B

OUTLINE OF THE CONCERTED ACTION (CA) SUPPORTING IMPLEMENTATION OF THE FUTURE DIRECTIVE 2012/XX/EU ON ENERGY EFFICIENCY AND REPEALING DIRECTIVES 2004/8/EC AND 2006/32/EC (CA EED)

B.1 Objectives

CA EED is based on the CA ESDII which will be amended to become the Concerted Action supporting implementation of Directive 2012/XX/EU on energy efficiency: CA EED.

The main objectives of the CA EED are as follows:

- To enhance and structure the sharing of information and experiences from national implementation whilst promoting good practice concepts in activities to improve and strengthen MS implementation of the EED Directive.
- To encourage dialogue between the Member States on common approaches for the effective implementation of particular parts of the EED Directive.
- To complement the work of the Committee assisting the European Commission.

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

The CA EED will especially focus on topics that can benefit from common approaches and from coordination between Member States.

B.2. Justification for application of Article 168 (1f) of Commission Regulation (EC, Euratom) No 2342/2002:

The objectives of the CA EED outlined above are directly linked to the transposition of Directive 2012/XX/EC. Therefore, the CA EED will require the collaboration of the organisations in charge of the national transposition and implementation of Directive 2012/XX/EC. Generally these are the Ministries responsible and/or expert bodies working closely with those Ministries and appointed to assist them in this matter. Only those organisations have the mandate, expertise and experience required for this concerted action.

As national transposition is already under way, the national actors involved in the implementation of the Directive have already been or will shortly be identified and their work defined. In other words, there is already or there will soon be de facto one organisation (or a team from different organisations) in each country which has the necessary mandate to participate in CA EED.

On the other hand, due to the existence of the unique mandates and responsibilities outlined above, and the sensitivity of the tasks to be performed, such a CA EED would not be suitable for EU financing via a call for proposals, or via a call for tenders. Moreover, there is a shared interest of the Commission and the Member States in relation to the implementation of the Directive.

Consequently, an additional grant for re-shaping CA ESD II into CA EED is awarded without a competitive selection process by application of Article 168(1)(f) of the Financial Regulation.

B.3 Core themes

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

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

1. NEEAPs and annual reports and measuring progress in EE

Under the EED, Member States shall report on the progress achieved towards national energy efficiency targets and submit National Energy Efficiency Action Plans (NEEAPs). More specifically, the NEEAPs have to cover significant energy efficiency improvement measures and expected/achieved energy savings, including those in the supply, transmission and distribution of energy as well as energy end-use in view of achieving the national energy efficiency targets.

Under this core theme, CA EED will address topics regarding preparation of future NEEAPs and annual reports where sharing of experience would offer significant added value. In addition, this core theme will support MS with exchanging information on how to measure progress in energy efficiency. Finally, this core theme will also cover exchanges of examples of good practice by sector or sub-sector for strengthening national energy-efficiency programmes.

2. Public Sector - public buildings and public purchasing

According to the EED, public bodies at national, regional and local level should fulfill an exemplary role as regards energy efficiency. To this view, central government must renovate a certain percentage of their buildings each year or adopt measures that achieve equivalent energy savings in these buildings. Central government purchasing under the public procurement directive should also (with exceptions) be limited to products, services and buildings with high energy efficiency performance.

Under this core theme, the objective is to explore the approaches which are planned or already implemented by the Member States to renovate their central government buildings and to address the conditions that are required for the successful implementation of such renovation programmes. Moreover, another objective of this core theme will be to facilitate the practical implementation of energy efficient purchasing practices at central government level by discussing the most appropriate approaches and comparison of the experience of individual MS (e.g. providing incentives, repealing or amending legal or regulatory provisions, adopting

guidelines, simplifying administrative procedures). Finally, this core theme will investigate how to encourage other public bodies (e.g. at regional and local level) to follow the exemplary role of central government while sharing experience from MS and will also address potential specific technicalities.

3. Metering and billing, demand response

Under the EED, customers for electricity, natural gas, district heating, district cooling and hot water should have a meter that accurately reflects their individual energy consumption, they should also be billed for the energy they used (at least every 6 months) and they should be able to compare energy deals on a like-for-like basis. In addition, the Member States should ensure that national energy regulatory authorities are able to ensure that network tariffs and regulations incentivise improvements in energy efficiency and support dynamic pricing for demand response measures by final customers.

The CA EED will address those operational topics for which further sharing of experiences would have significant added value (inter-alia, security of smart meters and data communication, billing information and availability of data, cost of access to metering and billing information, consumer information and empowering programme, conditions that are required for the successful implementation of demand response, etc.) as well as potential specific technicalities.

4. Funds and Financing for energy efficiency

In the EED, Member States shall facilitate the establishment of financing facilities or use of existing ones for energy efficiency improvement measures to maximise the benefits of multiple streams of financing.

Under this core theme, the objective is to build upon the experience of the previous CA ESDII and to further facilitate the exchange of best practices between the responsible national implementing bodies. Moreover, the objective is to address the conditions that are required for the successful setting up of such financing facilities or for the development of existing ones.

5. Energy services and ESCOs, energy auditing, solving administrative barriers

Under the EED, companies other than SMEs must carry out an energy audit at least every 4 years and Member States must disseminate information on energy performance contracts and energy service providers and encourage the development of quality labels. In addition, energy distributors and retailers must not impede the development of energy services market.

The CA EED will address those topics for which further sharing of experiences would have significant added value (inter-alia, availability of cost-effective and high quality energy audits, establishment of transparent and non-discriminatory minimum criteria for energy audits, development of programmes to encourage SMEs to undergo audits, simplifying administrative procedures, development of quality labels for energy services, exchange of model contracts for energy performance contracting etc.) as well as potential specific technicalities.

6. Consumer information programmes, training and certification of professionals

Under the EED, Member States shall ensure that, where necessary, certification and/or accreditation schemes and/or equivalent qualification schemes are available for providers of

energy services, energy audits, energy managers and installers of energy-related building elements. In addition, Member State shall encourage training programmes for the qualification of energy auditors and they shall also ensure that information on available energy efficiency mechanisms and financial and legal frameworks is transparent and widely disseminated to all relevant market actors. For instance, Member States shall promote suitable information, awareness-raising and training initiatives to inform citizens of the benefits and practicalities of taking energy efficiency improvement measures.

The CA EED will address those topics for which further sharing of experiences would have significant added value (inter-alia, existing qualification and certification schemes, training programmes, information and awareness-raising initiative etc.) as well as potential specific technicalities.

7. Efficiency in Energy Supply, high efficiency CHP and heating/cooling

Under the EED, Member States must carry out a comprehensive assessment of the potential for the application of high-efficiency cogeneration and efficient district heating based on a cost benefit analysis. In addition, Member State must take adequate measures when the assessment identifies potential whose benefit exceeds the costs. Member States shall also ensure, with certain exceptions, that a cost-benefit analysis is carried out when refurbishing or constructing thermal power plants or industrial installations that generate heat waste. Moreover, the Directive also includes important provisions on energy transformation, transmission and distribution.

The CA EED will address those topics for which further sharing of experiences would have significant added value (inter-alia, development of CHP potential comprehensive assessment, access to the grid for high-efficiency cogeneration, role of electricity regulators, network tariffs, energy efficiency of gas and electricity infrastructure, etc.) as well as potential specific technicalities.

8. Energy efficiency obligation schemes, monitoring impacts of eligible measures

Under the EED, Member State must require energy distributors or retailers to achieve a defined quantity of energy savings among their customers by 2020. As an alternative, the EED foresees that Member State can apply other policy measures instead of energy efficiency obligation but in that case they must show that these deliver the same quantity of savings.

The CA EED will address those topics for which further sharing of experiences would have significant added value (inter-alia, review of existing energy efficiency obligation schemes, strategy to monitor impacts of eligible measures, etc.) as well as potential specific technicalities.

B.3 Duration of CA EED

Considering that CA EED is based on CA ESD II, the duration of the CA ESD II contract will be extended by 2 years and 6 months in order to provide a stable and long-term perspective to CA EED. The duration of the CA ESD II contract will then be extend from 36 to 66 months.

B.4 Participants designated by the MS and countries participating in CA EED

Participants designated by the Member States and countries participating in CA ESD II will remain the same in the CA EED.

1	Austria	Austrian Energy Agency
2	Belgium	Flemish Energy Agency
3	Bulgaria	State Energy Efficiency Agency
4	Croatia	Ministry of the Economy, Labour and Entrepreneurship
5	Cyprus	Ministry of Commerce, Industry and Tourism
6	Czech Republic	State Energy Inspection
7	Denmark	Danish Energy Authority
8	Estonia	Ministry of Economic Affairs and Communications
9	Finland	Motiva Oy
10	France	ADEME
11	Germany	Federal Ministry of Economics and Technology
12	Greece	CRES
13	Hungary	ÉMI Non-profit limited liability company for quality control and innovation in buildings
14	Ireland	Department of Communications, Energy and Natural Resources
15	Italy	ENEA
16	Latvia	Ministry of Economics of the Republic of Latvia
17	Luxembourg	Ministry of Economy and Foreign Trade
18	Lithuania	State Enterprise Energy Agency
19	Malta	Malta Resources Authority
20	Netherlands	NL Agency
21	Poland	Polish National Energy Conservation Agency (KAPE)
22	Norway	Norwegian Ministry of Petroleum and Energy
23	Portugal	Directorate General of Energy and Geology
24	Romania	Romanian Regulatory Authority for Energy (ANRE)
25	Slovakia	Ministry of Economy of the Slovak Republic
26	Slovenia	Ministry of Infrastructure and Spatial Planning
27	Spain	National Energy Agency (IDAE)
28	Sweden	Swedish Energy Agency (STEM)
29	UK	Energy Saving Trust

B.5 Costs and EU contribution to CA EED

The budget allocated to the CA EED under this Work Programme will amount to approximately EUR 3 600 000. This additional cost compared to CA ESD II corresponds to the inclusion of two new core themes, to the organisation of at least 5 additional plenary meetings and to an increase of number of attendees per participating country at plenary meetings.