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# **INTELLIGENT ENERGY – EUROPE II 2009 WORK PROGRAMME**

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# I. GENERAL PROVISIONS

## 1. INTRODUCTION AND BACKGROUND

### 1.1 Policy background

The European Union faces serious and unprecedented energy challenges relating to sustainability and greenhouse gas emissions as well as energy security. In March 2007 the European Council agreed to a new energy policy that establishes a forward-looking political agenda designed to achieve the Community's energy objectives of sustainability, competitiveness and security of supply.

Accordingly, the EU has committed itself to the "20-20-20" initiative: reducing greenhouse gas emissions by 20%, increasing the share of renewables in energy consumption to 20% compared to 8.5% today, and improving energy efficiency by 20%, all by 2020. To put this into effect, the Commission tabled in January 2008 an integrated proposal for Climate Action aimed at providing a secure and predictable investment climate for EU industry, to which, after eleven months of legislative work, the European Parliament gave its backing.

The objective of the Intelligent Energy – Europe II Programme (“IEE II”) is to contribute to secure, sustainable and competitively priced energy for Europe, by providing for action<sup>1</sup>:

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

IEE II builds on the experience gained from its predecessor, the first Intelligent Energy – Europe (IEE) Programme, which was adopted by Decision No 1230/2003/EC of the European Parliament and of the Council of 26 June 2003. This Programme has become the main Community instrument for tackling non-technological barriers to the spread of efficient use of energy and greater use of new and renewable energy sources.

As recommended in the mid-term evaluation of the IEE Programme<sup>2</sup>, IEE II has been included in the overarching Competitiveness and Innovation Framework Programme (CIP)<sup>3</sup> in order to contribute to achieving the objectives of EU energy policy and to implementing the Lisbon Agenda.

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<sup>1</sup> Decision No 1639/2006/EC of the European Parliament and of the Council of 24 October 2006 establishing a Competitiveness and Innovation Framework Programme (2007 to 2013), OJ L 310, 9.11.2006, p.15, Article 37.

<sup>2</sup> Commission Staff Working Paper, Annex to the Communication from the Commission to the Council, the European Parliament, the European Economic and Social Committee and the Committee of the Regions: Mid-term Evaluation of the Multiannual Programme for Action in the Field of Energy “Intelligent Energy – Europe, 2003-2006”, Summary of the Evaluators’ Report, March 2006 (COM(2006) 357).

<sup>3</sup> Articles 37 to 45 of Decision No 1639/2006/EC of the European Parliament and of the Council of 24 October 2006 establishing a Competitiveness and Innovation Framework Programme (2007 to 2013).

IEE II should also support the implementation of energy-specific legislation. The objectives and priorities set out in this Work Programme tie in with the following policy communications and legislation:

- An energy policy for Europe<sup>4</sup>;
- 20 20 by 2020, Europe's climate change opportunity<sup>5</sup>;
- Second Strategic Energy Review - An EU Energy Security and Solidarity Action Plan<sup>6</sup>
- Green Paper "Towards a secure, sustainable and competitive European energy network"<sup>7</sup>;
- Action Plan for Energy Efficiency<sup>8</sup>;
- Energy efficiency: delivering the 20% target<sup>9</sup>;
- Moving forward together on energy efficiency<sup>10</sup>
- Directive on the energy performance of buildings<sup>11</sup>;
- Proposal for a Directive on the energy performance of buildings (recast)<sup>12</sup>;
- Directive on cogeneration of heat and power<sup>13</sup>;
- Europe can save more energy by combined heat and power generation<sup>14</sup>;
- Directive on energy end-use efficiency and energy services<sup>15</sup>;
- Ecodesign Directive<sup>16</sup> and Energy Labelling Directives;

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<sup>4</sup> Communication from the Commission - An energy policy for Europe, COM(2007) 1.

<sup>5</sup> Communication from the Commission - 20 20 by 2020, Europe's climate change opportunity, COM (2008) 30.

<sup>6</sup> Communication from the Commission - An EU Energy Security and Solidarity Action Plan, SEC(2008) 2795

<sup>7</sup> Green Paper "Towards a secure, sustainable and competitive European energy network", COM(2008)782.

<sup>8</sup> Communication from the Commission – Action Plan for Energy Efficiency: Realising the Potential (SEC(2006) 1173).

<sup>9</sup> Communication from the Commission - Energy efficiency: delivering the 20% target, COM(2008) 772.

<sup>10</sup> Communication from the Commission on a first assessment of national energy efficiency action plans as required by Directive 2006/32/EC on energy end-use efficiency and energy services - Moving forward together on energy efficiency, COM(2008) 11.

<sup>11</sup> Directive 2002/91/EC of the European Parliament and of the Council of 16 December 2002 on the energy performance of buildings.

<sup>12</sup> Proposal for a Directive on the energy performance of buildings (recast), COM(2008) 780

<sup>13</sup> Directive 2004/8/EC of the European Parliament and of the Council of 11 February 2004 on the promotion of cogeneration based on a useful heat demand in the internal energy market and amending Directive 92/42/EEC and Commission Decision of 19 November 2008 establishing detailed guidelines for the implementation and application of Annex II to Directive 2004/8/EC of the European Parliament and of the Council.

<sup>14</sup> Communication from the Commission - Europe can save more energy by combined heat and power generation, COM(2008)771.

<sup>15</sup> Directive 2006/32/EC of the European Parliament and of the Council of 5 April 2006 on energy end-use efficiency and energy services and repealing Council Directive 93/76/EEC.

- Proposal for a Directive on the indication by labelling and standard product information of the consumption of energy and other resources by energy-related products<sup>17</sup>;
- Proposal for a Directive on labelling of tyres with respect to fuel efficiency and other essential parameters<sup>18</sup>;
- Energy Star Agreement<sup>19</sup>;
- Biomass Action Plan<sup>20</sup>;
- Renewable energy road map - Renewable energies in the 21st century: building a more sustainable future<sup>21</sup>;
- Directive on electricity from renewable energy sources<sup>22</sup>;
- Directive on the promotion of liquid biofuels for transport<sup>23</sup>;
- Directive on the promotion of the use of energy from renewable sources<sup>24</sup>;
- Offshore Wind Energy: Action needed to deliver on the energy policy objectives for 2020 and beyond<sup>25</sup>;
- Green Paper: "Towards a new culture for urban mobility"<sup>26</sup>;
- Proposal for a Directive on clean and energy-efficient vehicles<sup>27</sup>.
- Proposal for a revised Fuel Quality Directive<sup>28</sup>

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<sup>16</sup> Directive 2005/32/EC of the European Parliament and of the Council of 6 July 2005 establishing a framework for the setting of ecodesign requirements for energy-using products and amending Council Directive 92/42/EEC and Directives 96/57/EC and 2000/55/EC of the European Parliament and of the Council.

<sup>17</sup> Proposal for a Directive on the indication by labelling and standard product information of the consumption of energy and other resources by energy-related products, COM(2008) 778.

<sup>18</sup> Proposal for a Directive on labelling of tyres with respect to fuel efficiency and other essential parameters, COM(2008) 779.

<sup>19</sup> Council Decision 2006/1005/EC of 18 December 2006 concerning conclusion of the Agreement between the Government of the United States of America and the European Community on the coordination of energy-efficiency labelling programmes for office equipment, OJ L 381, 28.12.2006.

<sup>20</sup> Communication from the Commission – Biomass Action Plan (SEC(2005) 1573).

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

<sup>22</sup> Directive 2001/77/EC of the European Parliament and of the Council of 27 September 2001 on the promotion of electricity produced from renewable energy sources in the internal electricity market.

<sup>23</sup> Directive 2003/30/EC of the European Parliament and of the Council of 8 May 2003 on the promotion of the use of biofuels or other renewable fuels for transport.

<sup>24</sup> Proposal for a Directive of the European Parliament and of the Council on the promotion of the use of energy from renewable sources, COM(2008) 19.

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

<sup>26</sup> Green Paper: "Towards a new culture for urban mobility", COM(2007) 551.

<sup>27</sup> Proposal for a Directive on the promotion of clean and energy efficient road transport vehicles, COM(2007) 817.

<sup>28</sup> Proposal for a Directive amending Directive 98/70/EC as regards the specification of petrol, diesel and gas-oil and the introduction of a mechanism to monitor and reduce greenhouse gas emissions from the

- A European strategic energy technology plan (SET Plan) - Towards a low carbon future<sup>29</sup>

## **1.2 Link with other EU programmes**

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

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

Under Cohesion Policy, approximately EUR10.8 billion is allocated to investments in the energy sector for the period 2007-2013. Synergies with actions financed under Cohesion Policy should be explored and promoted; proposers are encouraged to establish links with local managing authorities for the Cohesion Policy funds to find out more about complementary projects and schemes in their Member State/region.<sup>30</sup>

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 Community budget to any one beneficiary.

## **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 Programme and the CIP;

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use of road transport fuels and amending Council Directive 1999/32/EC, as regards the specification of fuel used by inland waterway vessels and repealing Directive 93/12/EEC, COM(2007) 18.

<sup>29</sup> Communication from the Commission - A European strategic energy technology plan (SET-plan) - 'Towards a low carbon future', COM(2007)723

<sup>30</sup> [http://ec.europa.eu/regional\\_policy/manage/authority/authority\\_en.cfm](http://ec.europa.eu/regional_policy/manage/authority/authority_en.cfm)



- operational timetables;
- the rules for participation; and
- the submission, selection, evaluation and award criteria.

The annual work programmes are adopted by a decision of the Commission after prior consultation of the Member States, via the Intelligent Energy – Europe Management Committee (IEEC)<sup>31</sup>.

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

The Executive Agency for Competitiveness and Innovation (EACI) was established by a Commission decision<sup>32</sup> and is responsible for managing Community action in the fields of energy, entrepreneurship, innovation and sustainable freight transport under the CIP and the second Marco Polo Programme (2007–2013) established by Regulation (EC) No 1692/2006 of the European Parliament and of the Council<sup>33</sup>. The EACI's mission consists of efficient management of these programmes and thereby contribute to achieving their objectives.

As part of this mandate, the EACI has been entrusted with certain tasks related to management of the Intelligent Energy – Europe II Programme. Exercising the powers delegated to it and as programmed by the Commission, the Agency carries out all operations necessary for implementing the parts of the Programme entrusted to it, in particular those connected with the award of contracts (procurement) and grants<sup>34</sup>.

The EACI works on the basis of delegated powers, which are enshrined in the 'Act of Delegation'<sup>35</sup>. It works in close cooperation with its parent Commission services - for Intelligent Energy Europe - in the Directorate-General for Energy and Transport.

## **1.6 This Work Programme is divided into two parts:**

### **(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 Community or Member State instruments and the role of any Executive Agency. It sets out the objectives of the Programme and describes the means of

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<sup>31</sup> Article 46(1)(c) of Decision No 1639/2006/EC establishing a Competitiveness and Innovation Framework Programme (2007 to 2013).

<sup>32</sup> Commission Decision 2004/20/EC of 23 December 2003, as amended by Commission Decision 2007/372/EC of 31 May 2007 (OJ L 140, 1.6.2007, p. 52).

<sup>33</sup> OJ L 328, 24.11.2006, p. 1.

<sup>34</sup> Commission Decision C (2007) 3198 of 9 July 2007 delegating powers to the Executive Agency for Competitiveness and Innovation with a view to performance of tasks linked to implementation of the Intelligent Energy – Europe Programme 2003-2006, the Marco Polo Programme 2003-2006, the Competitiveness and Innovation Framework Programme 2007-2013 and the Marco Polo Programme 2007-2013 comprising in particular implementation of appropriations entered in the Community budget.

<sup>35</sup> Commission Decision C (2007) 3198 of 9 July 2007 delegating powers to the Executive Agency for Competitiveness and Innovation with a view to performance of tasks linked to implementation of the Intelligent Energy – Europe Programme 2003-2006, the Marco Polo Programme 2003-2006, the Competitiveness and Innovation Framework Programme 2007-2013 and the Marco Polo Programme 2007-2013 comprising in particular implementation of appropriations entered in the Community budget.

implementation. The subject of grants, the main instrument for implementing the IEE II Programme, is covered in detail. The relevant chapters describe the instruments used, rules for participation, funding limits, evaluation, negotiation and award procedures plus 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 2009. It includes the sectoral objectives, priorities for action, key players and target groups and specific sectoral indicators. This Work Programme includes only the result of a strict selection procedure for technical priorities. There is no gradation of priorities and anything not mentioned here is not considered a top priority for this particular annual work programme.

## 2. STRUCTURE AND MEANS OF IMPLEMENTATION

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

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

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

### 2.1 Scope of the IEE Programme

The Programme covers action in the following fields:

#### ***Energy efficiency and rational use of energy (SAVE)<sup>36</sup>, including:***

- improving energy efficiency and the rational use of energy, in particular in buildings and industry;
- supporting the preparation and application of Community legislation.

#### ***New and renewable energy resources (ALTENER)<sup>37</sup>, including:***

- promoting new and renewable energy sources for centralised and decentralised production of electricity, heat and cooling, and thus supporting the diversification of energy sources;

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<sup>36</sup> Article 39 of Decision No 1639/2006/EC establishing a Competitiveness and Innovation Framework Programme (2007 to 2013).

<sup>37</sup> Article 40 of Decision No 1639/2006/EC establishing a Competitiveness and Innovation Framework Programme (2007 to 2013).

- integrating new and renewable energy sources into the local environment and the energy systems;
- supporting the preparation and application of legislative measures.

***Energy in transport (STEER)<sup>38</sup> to promote energy efficiency and the use of new and renewable energy sources in transport, including:***

- 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 and application of legislative measures.

***Integrated initiatives<sup>39</sup>*** where energy efficiency and renewable energy sources are integrated and synchronised in several sectors of the economy and/or where various instruments, tools and players are combined in the same action.

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

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<sup>38</sup> Article 41 of Decision No 1639/2006/EC establishing a Competitiveness and Innovation Framework Programme (2007 to 2013).

<sup>39</sup> Article 42 of Decision No 1639/2006/EC establishing a Competitiveness and Innovation Framework Programme (2007 to 2013).

## 2.2 Structure of the Programme

Indicators Fields	Enabling Policies & Strategies	Market Transformation	Changing Behaviour	Access to Capital	Training	Local Leadership	Special Initiatives				Market Replication Projects (sectors)				
	<b>SAVE</b>	Energy-efficient buildings					<b>European networking for local action</b>	<b>Sustainable energy communities</b>	<b>Bio-business initiative</b>	<b>Energy services initiative</b>	<b>Intelligent energy education initiative</b>	<b>Product Standards initiative</b>	<b>Public buildings</b>	<b>District heating and cooling</b>	<b>Horizontal and supporting activities</b>
Energy-efficient products															
<b>ALTENER</b>	Renewable electricity														
	Renewable heating & cooling														
	Small-scale RE applications in buildings														
	Biofuels														
<b>STEER</b>	Alternative fuels and clean and efficient vehicles														
	Energy-efficient transport														
	Capacity-building in transport for agencies														
	<b>Promotion and Dissemination Projects</b>														

## 2.3 Programme performance indicators

### 2.3.1 Indicators to assess the impact of the Programme

Because of 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 estimation of the knock-on effect.

The objectives of using indicators are:

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

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

A number of reference performance indicators for each action are listed in Part II “Technical priorities”. All contractors will be required to propose performance indicators in line with those listed which:

- allow objective estimates of the impact of each project;
- add up, as far as is reasonable and possible, to programme indicators.

A chapter in the User Manual (Guide for Proposers) will deal with performance indicators at the level of individual projects.

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

The Commission will undertake an exercise to rationalise, harmonise, extrapolate and group action performance indicators to produce sets of programme performance indicators. The final performance indicators will be in line with those listed in Part II of this Work Programme.

### 2.3.2 Indicators to assess the effectiveness of the Programme

Besides impact-related programme indicators, IEE II aims to achieve the following targets:

- Balanced participation by public and private, non-profit and profit-making beneficiaries, thus fulfilling the pre-competitive objectives of the IEE II Programme.

Indicator: percentages of public and private beneficiaries.

- Involvement of previously identified stakeholders relevant to the action.

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

- A high proportion of SMEs among the private beneficiaries.

Indicator: proportion of SMEs among the private beneficiaries.

- Active participation by applicants from all participating countries.

Indicator: representation of eligible countries.

- A good proportion of new beneficiaries successfully participating in IEE II, particularly from Member States that acceded to the EU in 2004 and 2007 and countries with just a few organisations participating so far.

Indicators: percentage of new beneficiaries from new Member States and countries with just a few organisations participating so far and percentages of new beneficiaries in other countries.

- More active involvement of beneficiaries from new Member States.

Indicator: percentage of coordinators successfully participating in IEE II.

- Reaching out to new local and regional authorities.

Indicator: percentage of new local and regional authorities involved in the applications.

## 2.4 Means of implementation

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

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

Grants and public procurement are defined by the Financial Regulation<sup>40</sup>. Grants are direct financial contributions to co-finance action intended to help achieve an objective forming part of a European Union policy.

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

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<sup>40</sup> Articles 88 and 108(1) of the Financial Regulation applicable to the general budget of the European Communities (Regulation No 1605/2002 of 25 June 2002), as amended by Council Regulation (EC, Euratom) No 1995/2006 of 13 December 2006.

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

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

Furthermore, the CIP allows the possibility of cooperation with European and international financial institutions such as the European Investment Bank (EIB) and the European Bank for Reconstruction and Development (EBRD), in which case part of the annual budget may be managed by the relevant financial institutions.

In 2009, this option (cooperation with the EIB) will be used. A cooperation agreement between the EIB and the Commission will be signed, laying down detailed terms and conditions (including the role of the EACI) governing the tasks to be carried out by the EIB, and management fees to be paid to the EIB, including monitoring and reporting.

## **2.5 Financial perspective**

In line with the Council and European Parliament Decision, the total budget allocated to the Intelligent Energy – Europe II Programme for the period 2007-2013 is €727,3 million<sup>41</sup>. For this 2009 Work Programme, €6 187 400 has been allocated<sup>42</sup>. The annual budget will be increased year by year during the lifetime of the Programme.

## **2.6 Complementarity between financial instruments**

Each action may give rise to the award of only one grant from the budget to any one beneficiary<sup>43</sup>. An action which receives financial support for the same purpose from any other Community financial instrument, including the other specific programmes under the CIP, the 7th Framework Programme for Research and Development, the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the LIFE+ Programme, the European Agricultural Fund for Rural Development and the European Fisheries Fund, will not receive funding from the IEE Programme.

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

Synergy and complementarity with other Community instruments will be sought.

## **3. PROCUREMENT**

### **3.1 General principles for procurement**

The Financial Regulation applicable to the general budget of the European Communities defines "procurement" as contracts for pecuniary interest concluded between one or more economic operators and one or more contracting authorities in writing by a contracting

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<sup>41</sup> Not including contributions from third countries.

<sup>42</sup> Not including contributions from third countries.

<sup>43</sup> Article 111(1) of the Financial Regulation applicable to the general budget of the European Communities (Regulation No 1605/2002 of 25 June 2002), as amended by Council Regulation (EC, Euratom) No 1995/2006 of 13 December 2006.

authority (e.g. a Commission department) in order to obtain, against payment of a price paid in whole or in part from the budget, the supply of movable or immovable assets, the execution of works or the provision of services.

Procurement will be used to obtain studies and services required by the Commission to achieve the objectives underlying the Intelligent Energy – Europe Programme. The areas covered are likely to include consultancy services or technical assistance and carrying out studies, conducting information, promotion and communication campaigns, purchasing publications and organising conferences.

All procurement financed in part or in whole by the IEE Programme must comply with the principles of transparency, proportionality, equal treatment and non-discrimination.

### **3.2 Calls for tenders**

The Commission<sup>44</sup> will issue calls for tenders for projects under the Intelligent Energy – Europe Programme, in accordance with the requirements laid down in the relevant 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 is not legally bound with regard to an economic operator until the contract is signed. Up to the point of signature, the Commission may either abandon the procurement or cancel the award procedure without the candidates or tenderers being entitled to any compensation.

### **3.3 Participation in tendering procedures**

Participation in tendering procedures is open to any natural or legal person or consortium. Participation must be open on equal terms to all natural and legal persons coming within the scope of the Treaties and to all natural and legal persons in a third country which has a special agreement with the European Communities 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 same Agreement.

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<sup>44</sup> Pursuant to Decision C (2007) 3198 of 2 July 2007, the Commission has delegated powers to the Executive Agency for Competitiveness and Innovation with a view to performance of tasks linked to implementation of the IEE II Programme. The Agency may therefore execute specific tenders agreed to be necessary for implementation of the IEE Programme.



## **4. GRANTS – RULES FOR PARTICIPATION AND TYPES OF ACTION**

### **4.1 General principles for implementation of grants**

Any legal entity, whether public or private, established in a Member State or in an associated country<sup>45</sup> or in a third country, as defined below, may propose action within the IEE Programme, provided the minimum conditions laid down in this document are met and the content of the proposal is in line with the priorities set in the annual work programme.

“**Legal entity**” means any entity created under the national law of its place of establishment, Community 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 action under the IEE Programme on the same footing (and with similar rights and obligations) as a legal entity established in a Member State.

#### **International organisations, including the International Energy Agency**

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

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

#### **Participation of third countries**

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

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<sup>45</sup> Under Article 4 of Decision No 1639/2006/EC, the Competitiveness and Innovation Framework Programme is open to participation by 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.

- (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 Community 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 Community programmes;
- (d) other third countries, when Agreements and procedures so allow.

### 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 Community funding can be provided:

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

Community legislation and policy in the field of energy efficiency and renewable energy sources often entail a degree of standardisation at EU level. Where this is the case, only recognised standardisation institutes will be targeted and special means of implementation will be applied<sup>46</sup>.

#### **4.4 Minimum conditions for project consortia**

The minimum conditions for participation in and implementation of IEE action are as follows:

##### 4.4.1. *General rule*

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

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

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

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

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

- (a) the same public investment corporation, institutional investor or venture-capital company has a direct or indirect holding of more than 50% of the nominal value of the issued share capital or a majority of voting rights of the shareholders or associates;

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<sup>46</sup> In principle, action will be supported under specific agreements with CEN/CENELEC executed in accordance with the Framework Partnership Agreement between CEN/CENELEC and the European Commission.

- (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.

#### 4.4.3 *Specific provisions for grants to specific target groups*

- Local and regional energy agencies which were established with and are still beneficiaries of Community contributions from the IEE Programme are eligible to participate in IEE projects 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.
- Action with standardisation bodies must involve one standardisation body which has signed a framework agreement with the European Commission.
- Actions developed by the European Investment Bank (EIB) will be subject to a dedicated cooperation agreement between EIB and the Commission or the EACI.

## **5. GRANTS – COMMUNITY FINANCIAL CONTRIBUTION**

### **5.1 General**

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

### **5.2 Upper funding limits**

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

- promotion and dissemination projects: up to 75% of the total eligible cost.

### **5.3 Grants to specific target groups**

- *Action with standardisation bodies*: up to 95% of the total eligible cost.

### **5.4 Co-financing requirements**

Action supported by grants must be co-financed at least at the minimum rates laid down for each type of action. The Community contribution to reimburse eligible costs must not give rise to a profit. The sources of co-funding must be transparent and stated in such a way 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 Community 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 – SUBMISSION, EVALUATION, SELECTION AND AWARD PROCEDURES<sup>47</sup>

### 6.1 Calls for proposals

Grants are generally implemented via calls for proposals. The Commission will issue calls for proposals for action under the Intelligent Energy – Europe Programme, in accordance with the requirements laid down in this Work Programme<sup>48</sup>.

#### Exceptions to calls for proposals

In the framework of IEE II, grants may be awarded without a call for proposals only in the cases provided for by Article 168(1)(c) of the rules implementing the Financial Regulation, i.e. for action carried out by bodies with a *de jure* or *de facto* monopoly, 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 countries participating.

For these exceptions, which are described in point 9.5.7 of this document, the procedures will be established in accordance with the Financial Regulation and the associated implementing rules.

### 6.2 Principal evaluation procedure

With the exception of the action 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 Member States and the associated countries. All the information needed by those wishing to apply in response to calls is made available on the dedicated website.

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

The Commission will evaluate all the proposals submitted in response to a call 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 may not be selected. Such proposals may be excluded from the evaluation procedures at any time. Where appropriate, the Commission may appoint independent external experts to assist with evaluating and monitoring a call for proposals. At the end of the evaluation, proposals will be

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<sup>47</sup> The procedures for calls for tender are as provided for in the relevant regulations and will be published at the time of publication of each call.

<sup>48</sup> Pursuant to Decision C (2007) 3198 of 2 July 2007, the Commission has delegated powers to the Executive Agency for Competitiveness and Innovation with a view to performance of tasks linked to the IEE Programme. Pursuant to Article 5 of that Decision, the Agency is empowered to execute calls for proposals.

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 cut-off limit of the available budget will be sub-ranked, taking into account the indicative distribution of the 2009 budget by field (see point 12). A limited number of proposals may be placed on a reserve list, following the sub-ranking.

For successful proposals, the evaluation results will include recommendations for the negotiations, including possible technical adaptations to or clarification of the proposed work programme (see point 6.5).

### **6.3 Eligibility, selection and award criteria for grants**

#### *6.3.1 Eligibility criteria and check*

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

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

- receipt of the proposal by the Commission on or before the date and time established in the call, if applicable;
- minimum number of participants, as referred to in point 4.4.1;
- completeness of the proposal, i.e. presence of all the requested administrative forms and the description of the proposal (N.B. 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 (N.B. 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.

#### *6.3.2 Grounds for exclusion*

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

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

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

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

### *6.3.3 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 submitted in connection with the application, in particular in the case of obvious clerical errors.

The Commission will adopt and publish rules to ensure 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 €500 000, an audit report produced by an approved external auditor must be submitted. That report must certify the accounts for the last financial year available. In the case of agreements linking the Commission and a number of beneficiaries 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.

#### 6.3.4 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 equal to or greater than 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 point 6.2) will be established by the Evaluation Committee and approved by the authorising officer.

#### **Award criteria for promotion and dissemination activities**

##### **1. Relevance of the action (score 0-10), with the following subcriteria:**

- Extent to which the proposed action reflects the state of the art and builds on previous action in the context of the objectives of the IEE II Programme and relevant action by/in participating countries;
- Potential impact of the action in relation to EU policies and priorities, targets and legislation;
- Involvement of market players in the action.

##### **2. Quality of the methodology (score 0-10), with the following subcriteria:**

- Structure, clarity, consistency and suitability of the proposed approach (definition of work packages, schedule and deliverables) to achieve the expected results;
- Appropriateness of the targets and performance indicators;
- Ambition of the communication/dissemination plan and appropriateness of the communication tools to be used for the specified target groups.

##### **3. Community added value (score 0-10), with the following subcriteria:**

- Justification and benefits of addressing the subject of the proposal at European level;
- Appropriate geographical coverage of the project;
- Transferability of the solutions offered by the proposal to other parts of the EU.

##### **4. Costs and co-financing (score 0-10), with the following subcriteria:**

- Appropriate level of effort for the work packages and the main tasks in the work packages;
- Appropriate weight of costs per cost category, including sub-contracting;
- Transparency, sustainability, sources and commitment of the co-financing scheme.



## **5. Management and organisation of the team (score 0-10), with the following subcriteria:**

- Composition and balance of skills of the team;
- Distribution and balance of effort and responsibilities between partners;
- Management, including management structure, work plan, coordination and project team communications.

Within the general conclusions, the evaluation will provide a qualitative judgment on the overall value for money – comparing the outcomes based on the five award criteria with the costs and effort involved.

## **6.4 Assistance by independent experts**

Independent experts may be invited to assist the Commission with evaluation of 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 to be assigned;
- geographical distribution;
- gender balance; and
- a reasonable proportion of new experts in each evaluation.

The independent experts will be identified and selected on the basis of calls for expression of interest from individuals<sup>49</sup>. When appointing an independent expert, the Commission will take all necessary steps to ensure that the expert is not faced with a conflict of interests. The Commission will adopt a model appointment letter, which will include a declaration that the independent expert has no conflict of interest at the time of appointment and undertakes to inform the Commission if any conflict of interest should arise in the course of providing his or her opinion or carrying out his or her duties. It will also 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.

## **6.5 Technical/financial adaptations and award decision**

Following formal approval by the authorising officer of the rankings of the proposals recommended for Community 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

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<sup>49</sup> Call for expression of interest for the setting up of a list of external experts for evaluation activities in connection with the following programmes: Intelligent Energy-Europe, Eco-Innovation and Marco Polo, EACI/2008/001, OJ C112/15 of 7 May 2008.

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 simultaneously launches an inter-service consultation (ISC) of Directorates-General and other departments which could be interested in the action proposed for financing, in order to make sure that the action in question is not already being financed from the Community budget.

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

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

## **6.6 Main elements of grant agreements**

### *6.6.1 Eligibility of costs*

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

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

### *6.6.2 Cost categories*

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

- *Direct costs*: typical costs directly related to the action funded under the IEE Programme would include, for example, costs of technical staff assigned to the action, travel costs incurred by these staff, costs for subcontracting and other specific costs, such as for

workshops or publications. They may include depreciation for small items of equipment needed for the action, such as measurement devices;

- *Indirect costs*: these include general costs for the infrastructure and administrative expenses necessary for carrying out the action. The Commission authorises use of a flat rate of up to 60% of the eligible staff costs as an acceptable level of overheads.

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

### *6.6.3 Provisions concerning ownership/use of results and access rights*

#### *Promotion and dissemination projects*

Where appropriate, the grant agreement will establish the obligations of the individual participants with regard to access rights and 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 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 using 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 the reports relating to it will be vested in the beneficiaries (i.e. participants).

Without prejudice to this, the beneficiaries must grant the Community 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. In cases where deliverables may lead to commercial application, access rights for use and dissemination will be granted to the Community under fair and reasonable conditions to be agreed for a period of one/two year(s) after completion of the action.

Where appropriate to the nature and objectives of the action, the grant agreement may also specify additional conditions on 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 disseminate that foreground.

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 Community. 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 such access in order to carry out 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 such access in order to carry out 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 such access is needed in order 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 such access is needed in order 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 until two years after the end of the action or after the termination of the participation of a participant, whichever falls earlier, unless the participants concerned have agreed on a longer period.

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

### **7.1 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 other means deemed appropriate. Beneficiaries must undertake to facilitate this key work by all manner of means, particularly by:

- establishing in the proposals adequate 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 possible restrictions on 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.

### **7.2 Monitoring and evaluation of the Programme**

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

Interim evaluation (ongoing): to be completed by 31 December 2009.

Final evaluation: by 31 December 2011.

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

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## II. TECHNICAL PRIORITIES FOR 2009 (IEE OPERATIONAL BUDGET, INCLUDING ALL METHODS OF IMPLEMENTATION)

### Explanatory note

*This document contains the WP 2009 priorities for the promotion and dissemination projects under SAVE, ALTENER, STEER and integrated initiatives (European networking for local action, Sustainable energy communities, Bio-business, Energy services, Intelligent energy education, Product standards, Combined heat and power), market replication projects and tenders.*

*They follow on logically from the WP 2007 and WP 2008, as well as building on the progress made with EU energy efficiency (EE) and renewable energy (RE) policies in general.*

*The WP 2007 was based on the commonly agreed principle that a full range of energy efficiency opportunities and renewable energy technologies, sectors and markets should be supported and that there is no "silver bullet" or simple solution. A combination of measures, tools, actors and target groups must therefore be addressed. The WP 2007, as the first WP of IEE 2, was deliberately broad in terms of its priorities, reflecting wherever appropriate the priorities set out in the Commission Energy Efficiency Action Plan (adopted in October 2006) and the Renewable Energy Roadmap.*

*Those priorities have been supported by the results of a number of reports, stakeholder consultations and political decisions, plus an impact assessment which helped by reviewing the economic feasibility and the social and environmental viability of the proposed measures.*

*Like the original RES White Paper, and the more recent EE Action Plan and RE Roadmap, the WP 2007 provided a framework for likely EE and RE priorities over the programme's lifetime. The WP 2007 included each of the main RES and end-use energy sectors.*

*These priorities were refined and more sharply focused in the WP 2008. In particular, two Key Actions were not open for submission: the Key Action on EE products and that on Sustainable Energy Communities.*

*It is suggested that the priorities remain focused in the WP 2009 and respond to the recent energy and transport policy developments.*

#### *1. Renewable energy sector:*

- The Key Action on small-scale RES systems will be split into its two main components, namely RES in buildings and decentralised RES systems.*
- In each of the RES Key Actions, the priorities have been updated to take into account the new priorities contained in the new RES Directive, which was proposed as part of the 2008 package on Climate Change and Energy.*

#### *2. Energy efficiency sector:*

- The focus will remain on the informational, technical, institutional and regulatory barriers to end-use EE, as outlined in the Green Paper on Energy Efficiency. This excludes in*

particular grants to measures aiming to ensure optimal production, transmission and distribution of energy (except for measures related to RES and CHP which are covered by ALTENER ).

- *The WP 2009 will focus on the largest energy savings potentials and will be consistent with the most recent policy developments, in particular: the priority Eco-Design Directive implementing measures; the revision of the Energy Labelling Framework Directive; the new Energy Star Agreement on the labelling of office equipment; the National EE Action Plans received under the Directive on Energy End-Use Efficiency and Energy Services; the recast of the Energy Performance of Buildings Directive; the Covenant of Mayors; and the upcoming Action Plan on urban mobility.*
- *The Key Action on energy efficiency in industry is closed in 2009.*

### 3. *Integrated initiatives:*

- *The Key Action on the establishment of local and regional energy agencies is closed in 2009.*
- *The Key Action on the Combined Heat and Power Initiative (CHP) is closed in 2009.*
- *The WP 2009 takes into account the projects which have already been supported within IEE, and will seek to ensure that potential overlaps with FP7 (notably CIVITAS and CONCERTO) are kept to a minimum. Furthermore, the WP 2009 will support promotion and utilisation of deliverables from the first phase of IEE (2003-2006), in particular the different tools and guidebooks assisting stakeholders in improving energy efficiency and use of renewable energy sources. The EACI will release a database of these tools by early 2009.*
- *The WP 2009 also includes market replication projects (MRPs) for the first time. MRPs are concerned with the market replication of innovative techniques, processes, products or practices of Community relevance, which have already been technically demonstrated with success. They are designed to promote broader utilisation within the participating countries and facilitate their market uptake. MRPs will be operated by the EIB in the framework of a dedicated cooperation agreement. Eligible projects will be selected by the EIB and submitted to the Commission for approval.*

## 8. **OBJECTIVES**

### 8.1 **Overall objectives**

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

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



## 8.2 Operational objectives

The Intelligent Energy – Europe Programme aims to:

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

## 8.3 Promotion and dissemination project objectives

### 8.3.1 *Enabling policies and strategies*

Priority will be given to projects which monitor, promote and/or build on the existing EU policy and legislative frameworks that have been put in place in recent years. They should contribute to more effective implementation of the relevant Directives and/or to providing feedback on implementation to policymakers and/or contribute to further development of the relevant EU policy and regulatory frameworks.

### 8.3.2 *Market transformation*

Priority will be given to projects which help to convert policy into action on the market and contribute to improving the competitiveness of European energy efficiency (EE) and renewable energy (RE) industries, especially SMEs. As far as possible, projects should help to move EE and/or RE technologies, systems and fuels into mainstream market structures and supply chains.

### 8.3.3 *Changing behaviour*

Priority will be given to projects which do more than raise the awareness of individual citizens, householders and public- and private-sector decision-makers, leading to changes in people's purchasing, investment and authorisation decisions and in their daily demand for

energy. One major component of this category of action will involve education authorities, schools, colleges and universities.

#### *8.3.4 Access to capital*

Priority will be given to projects which involve the financing community (bankers, financial institutions, fund managers, venture capitalists, etc.) and which aim to address the financing needs on the markets for small and medium-sized energy efficiency and/or renewable energy systems. Other important measures in this category are projects aiming to build investor confidence and to establish long-term financing mechanisms that will accelerate growth on the markets for sustainable energy.

#### *8.3.5 Training*

Priority will be given to training for technicians and professionals whose daily work has an impact on the design, selection, approval, installation, operation, maintenance, sales and marketing of sustainable systems.

### **8.4 Market replication project objectives**

#### *8.4.1 Mobilisation of local stakeholders towards integrated EU-wide large-scale actions leading to replication of technologies, processes, concepts and products in urban settings*

Priority will be given to large-scale projects designed to replicate and facilitate the market uptake of technologies, processes, concepts and products, through the stimulation of new and innovative communication concepts and sustainable energy investments driven by local authorities and with strong involvement of other local stakeholders and in particular SMEs.

#### *8.4.2 Access to capital and financial assistance*

The objective is to facilitate and mobilise large-scale investments with significant leverage effect through creation of project development services and financing facility for EE/RES investment projects to be implemented in urban settings and involving in particular SMEs. This objective will be addressed in cooperation with the EIB.

### **8.5 Relationship between the IEE Programme and FP7**

Due attention will be paid to ensuring effective coordination between those areas which are supported by the IEE Programme and those supported by the FP7 research programme.

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

## **9. PROMOTION AND DISSEMINATION PROJECTS**

The following types of projects will be supported within the 2009 Work Programme:

- (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 the medium- and long-term strategy in the energy field to promote sustainable development, as well as for the preparation of long-term voluntary commitments with industry and other stakeholders and for the development of standards, labelling and certification systems;
- (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, aiming in particular to implement the clean development mechanism and joint implementation under the Kyoto Protocol<sup>50</sup>;
- (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 Community legislative and support measures.

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Under the Kyoto Protocol, the EU-15 (the 15 countries that were members of the EU at the time of ratification of the Protocol) is committed to reducing its greenhouse gas emissions by 8% below 1990 levels during the first commitment period (from 2008 to 2012).

## 9.1 Target groups of the promotion and dissemination projects

Target group	Key action	SAVE		ALTENER			STEER			INTEGRATED INITIATIVES						
		EE Buildings	EE Products	RES-e	RES-H/C	Small-scale RE in buildings	Biofuels	Alternative fuels and clean and EE vehicles	EE transport	Capacity building for agencies	EU networking for local action	Sustainable communities	Bio-business initiative	Energy services	Intelligent energy education	Product standards
<b>Public authorities</b>																
National authorities																
Regional authorities																
Local and Municipal authorities																
Planners																
Regulators																
<b>Policy makers</b>																
Support scheme managers																
Market analysts, researchers, modellers																
Statistical offices																
<b>Utilities</b>																
TSOs and DSOs																
District heating companies																
ESCO's																
<b>Energy / transport agencies</b>																
<b>Education system</b>																
<b>Investors</b>																
Financial institutions																
Bankers																
Project developers																
<b>Civil society</b>																
NGOs																
Associations																
End users																
<b>Architects</b>																
Building services engineers																
Building managers/administrators																
Public Buildings owners																
Homeowners																
Housing associations																
<b>Manufacturers</b>																
Chambers of commerce																
Commerce, Retailers																
Product distributors, wholesalers																
<b>Farmers, landowners</b>																
Forestry industries																
<b>Industry</b>																
SME's																
Craftsmen																
Installers																
Fuel processors																
Industry associations																
<b>Transport operators</b>																
Fleet operators																
Freight operators																
Drivers groups and associations																
Vehicle manufacturers																
<b>Standards bodies</b>																
<b>Media</b>																

## 9.2 SAVE: Energy efficiency and rational use of resources

Energy efficiency and rational use of resources constitute a cornerstone of European energy policy. They are by far the most effective ways to improve security of supply, reduce carbon emissions and foster competitiveness.

The European Union has committed itself to saving 20% of its primary energy consumption compared to projections for 2020. In 2006, at an oil price of 60\$ per barrel, the EU Energy Efficiency Action Plan showed that this objective was equivalent to annual fuel savings worth €100 billion and a 780 Mt reduction in CO<sub>2</sub> emissions compared with the baseline scenario.

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

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

In this respect, institutional capacity-building, awareness-raising, access to capital, training and clear, credible and accessible information on energy-efficient technologies and practices are key elements of SAVE which will foster rational behaviour. They should mobilise the general public and policy-makers at all levels of government, together with market players.

SAVE projects may cover one or more of the following Key Actions:

**Energy-efficient buildings:** for actions raising the energy performance of buildings, in particular in the existing stock, where the cost-effective savings potential is estimated to be around 28% by 2020.

**Industrial excellence in energy:** for actions increasing energy efficiency in industry, in particular manufacturing industries. This Key Action is not open in 2009.

**Energy-efficient products:** for actions increasing the market share of energy-efficient products and encouraging users and practitioners to choose, install and use them rationally.

### 9.2.1 Energy-efficient buildings

#### Explanatory note:

*As the residential sector consumes more than a quarter of the overall energy used in the EU, particular attention is to be given in 2009 to the renovation of residential buildings and, to a lesser extent, to the construction of new homes. Each of the priorities has been chosen according to the impact on the market in the short term (e.g. awareness raising among building occupants), in the medium term (e.g. promotion of technologies, shift in professional practices) and in the long term (e.g. standards, education and training). Additionally, in order to help and convince the market to implement concrete energy savings measures, a review and an assessment of the implemented technical solutions is also considered as a priority. The chosen priorities consider also the directions proposed in the recast of Directive 2002/91/EC on the energy performance of buildings (EPBD) adopted by the European Commission on 13 November 2008.*

*Actions addressing social housing will only be considered when clearly taking stock of all related activities already funded and demonstrating the added value of the proposed activity. Pilot actions for ICT-based solutions applied to social housing are covered under the CIP ICT PSP 2009<sup>51</sup> Work programme Theme 4: ICT for Energy Efficiency and Environment.*

*General objectives of the key action*

- To improve the energy performance of existing and new buildings and promote integration of cost-efficient, high-performance energy installations (heating, cooling, domestic hot water and ventilation systems) and to guarantee their proper, robust functioning in day-to-day operations.
- To improve the capacity of building professionals to offer intelligent energy solutions and increase demand for such solutions.
- To foster adoption of intelligent energy use patterns in buildings and action beyond the requirements of Directive 2002/91/EC on the energy performance of buildings (EPBD) and its proposed recast.
- To ensure that the recommendations issued with building energy performance certificates are followed by practical action and thus lead to actual energy savings.
- To ensure that the inspection requirements for boilers and air-conditioning systems stimulate action for reduced energy consumption.

*Priorities for action in 2009*

- Educational activities: Large-scale **education and professional training schemes** in all Member States to ready the market for implementation of the Energy Performance of Buildings Directive and beyond: agreements with universities, associations of installers, chambers of commerce, etc. to institutionalise the necessary education/training.

Note: The exchange of best practices for the institutionalisation of training for building assessors is particularly welcome (i.e. exchanges about training for energy performance certifiers and inspectors of boilers and air-conditioning systems). However, large-scale training sessions for assessors *per se* are not a priority of this Work Programme, as it is a legal obligation that building assessors be qualified and/or accredited experts.

- Residential buildings: Targeted actions with high demonstrated impact related to existing buildings and, to a lesser extent, to new **residential buildings**. Addressing, e.g.:
  - Cross-country comparisons on consumer reactions to identify best communication practices, regarding the energy performance certificates, the inspection reports on heating systems and the inspection reports on air-conditioning systems;

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<sup>51</sup> Competitiveness and Innovation Framework Programme (CIP) The Information and Communication Technologies Policy Support Programme (ICT PSP). Work Programme 2009 available at: [http://ec.europa.eu/information\\_society/activities/ict\\_psp/documents/ICT%20PSP%20WP2009%20-%20v21nov08.pdf](http://ec.europa.eu/information_society/activities/ict_psp/documents/ICT%20PSP%20WP2009%20-%20v21nov08.pdf)

- Schemes to incentivise concrete implementation of energy performance certificate recommendations (for minor and major renovations);
  - Wide-scale market penetration of integrated design, through facilitation of a radical shift in professional practice, including adoption of known best practice and use of existing tools;
  - Supply-chain analysis for the take-up of buildings and technologies having both carbon dioxide emissions and primary energy consumption which are low or equal to zero, and for energy-positive buildings;
  - Assessment of current status regarding cost/benefit and quality control aspects of realised energy savings measures. This short-term action should address schemes which are aimed at European households.
- Collection of market feedback on the use of the CEN standards on building energy performance and other accompanying measures for giving support to their practical and effective utilisation.

#### *Target groups*

See table p. 38

#### *Indicators*

- Acknowledgement by several EPBD implementation authorities, and practical examples, of the benefits of the Programme in terms of facilitation of the EPBD market.
- Increase in the projected rate of implementation of energy performance measures over the Member States' projections.
- Number of examples of successful transfer of knowledge/experience regarding passive and very low-energy buildings and technologies and of energy-neutral and energy-positive buildings. Replication potential of such examples.
- Impact of promotional activities in terms of the number of citizens reached, when possible with categorisation of target populations.
- Number of building professionals trained across Europe and estimated knock-on effect.
- Number of education and training schemes institutionalised and running beyond completion of the projects.

### **9.2.2. Industrial excellence in energy**

#### *Explanatory note:*

*This Key Action is not open in 2009. Industry is the sector in EU-27 where the largest energy efficiency gains have been observed over the last decade<sup>52</sup>. The IEE 1 programme (2003-*

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<sup>52</sup> 1.7%/year energy efficiency improvement. Source: [www.odyssee-indicators.org](http://www.odyssee-indicators.org)

2006) and the Call 2007 have resulted in 28 promising projects tackling energy efficiency potentials across various industry branches. While four of these projects promote poly-generation, including combined heat and power, the others aim to provide instruments for energy management, including auditing and benchmarking tools, especially for SMEs. The latter are generally targeted on specific sectors. The sectors covered so far include the food and drink industry, dairy farming, craft SMEs, textile producers and finishers, plastics processors and polymer production, tourism industry, wine producers, graphic media, the ceramic industry, surface finishing industries, foundries, chemical SMEs and district heating supply. Meanwhile, a few projects are also addressing opportunities for energy savings across different industry sectors, either through the use of more energy-efficient motors and drive systems, or through training and capacity-building activities in energy management in particular for SMEs, energy performance contracting services for businesses, etc. Finally, one project deals with Long Term/Voluntary agreements.

The Call 2008 attracted 32 new industry proposals.

### **9.2.3. Energy-efficient products**

#### Explanatory note:

*This Key Action is re-opened after having been closed for one year. Lessons from previous Calls have been taken into account, in particular more emphasis is placed on financial issues and training activities. There is also a focus on activities related to heating and cooling appliances (space heating/cooling as well as water heating) as their support so far has not been proportional to their energy savings potential (heating/cooling appliances represent about a third of EU energy consumption).*

*These priorities are meant to complement the current 30 IEE projects which address EE products. These projects cover a wide range of products and markets. Market transformation actions on individual energy-efficient products are carried out for residential lighting, office and street lighting, IT servers, boilers, air conditioners, motor systems, pumps, elevators, escalators, distribution transformers and construction materials. These actions are complemented by broader awareness-raising activities covering several equipment types; by projects addressing horizontal issues such as standby and public procurement; and by more than 20 Energy-using Product Directive preparatory studies.*

#### *General objectives of the key action*

- To increase the market share of energy-efficient energy-using products and systems (except vehicles which are covered under a separate Key Action).
- To foster gradual phasing-out of the less efficient products available on the market and accelerate replacement of old, less efficient appliances in use.
- To have buyers/salesmen consider energy labels and energy efficiency in general in their purchases/sales.
- To have energy-using products designed, manufactured, purchased, installed, used and disposed of in the most energy-intelligent way.



- To ascertain the strengths and weaknesses of market mechanisms for assessment and verification of the conformity with Community law of energy-using products that must meet the requirements laid down in Community legislation, such as the Ecodesign Framework Directive for energy-using products (Directive 2005/32/EC), the Energy Labelling Directive (Directive 92/75/EEC), Energy Star and the like. To facilitate exchange of information among market surveillance authorities to enhance compliance of products with the applicable legal requirements with a view to ensuring fair competition for manufacturers, protecting the environment and consumers' interests.

#### *Priorities for action in 2009*

- Actions focusing on increasing the market share of energy-efficient heating and cooling appliances (space heating and cooling, and water heating).
- Ambitious market transformation actions with high demonstrated impact, involving multipliers such as associations of manufacturers, wholesalers, retailers, installers and/or consumers (e.g. actions for the uptake of energy-efficient motor driven systems, variable speed drives, energy-efficient lighting).
- Large well-targeted information campaigns, relying on energy performance labels and using social marketing for changing end-users' behaviour.
- Actions addressing financial barriers: e.g. preparation and launch of incentives and subsidy programmes, constitution of large buyers' groups to overcome cost barriers associated with new technologies.
- Training sales personnel on energy labels and life-cycle cost principles, so that they can use them as a sales argument. Synergies with business-as-usual installers' training sessions must be sought to increase effectiveness.
- Training of technicians responsible for installation and/or maintenance of energy-using products, especially when they are also the ones to advise end-users on the choice of equipment (e.g. boiler installers).
- Actions addressing EuP and energy labelling topics which are not covered by Calls for tender and EuP implementing measures or which comprise soft measures recommended by the EuP preparatory studies.
- Actions addressing networking among competent authorities in charge of verifying compliance of products with the applicable Eco-design or Labelling legal requirements and development of product verification methods.

N.B.: Actions regarding ICT for Energy Efficiency will not be funded as they are covered by the CIP Information Communication Technologies Policy Support Programme<sup>53</sup>.

#### *Target groups*

See table p. 38

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<sup>53</sup> [http://ec.europa.eu/information\\_society/activities/ict\\_psp/index\\_en.htm](http://ec.europa.eu/information_society/activities/ict_psp/index_en.htm)

## *Indicators*

- Results of projects facilitate the implementation of energy-using products legislation.
- Enhanced visibility and credibility given to energy labels.
- Results of projects linked to new investment in energy-efficient appliances.
- Number and significance of multipliers involved in projects.
- Greater attention paid by sales personnel/purchasers to energy labels and life-cycle costing.
- Number of people targeted by communication campaigns.
- Development of large buyers' groups, incentive programmes, voluntary initiatives and green procurement initiatives.
- Number of sales personnel, installers and maintenance staff trained and number of purchasers better informed.

### **9.3 ALTENER: New and renewable resources**

Renewable energy sources (RES) can provide a wide range of energy services sustainably and can be produced locally within the EU, delivering secure supplies of electricity, heating and cooling and motive power for transport without adding to greenhouse gas emissions and climate change. RES are becoming more competitive, and policies supporting the use of RES are making manufacture and supply of RE technologies and production of bioenergy resources (biomass, biogas and biofuels) more attractive as business opportunities. Action supported under ALTENER should build on existing EU policies and legislation and help to increase the use of RES in the EU.

The new RES Directive sets an overall binding target of a 20% share of renewable energy sources in energy consumption and a 10% binding minimum target for renewable fuels in transport to be achieved by each Member State, as well as binding national targets by 2020 in line with the overall EU target of 20%.

For *electricity*, the new Directive will require Member States to set national targets and addresses the need to overcome market barriers. Recent Commission communications have emphasised the need to take further action if these targets are to be achieved.

For *heating and cooling*, in addition to previous requirements under the Directive on the Energy Performance of Buildings (EPBD), the Directive for the promotion of cogeneration and the Biomass Action Plan, the new RES Directive introduces EU legislation aiming specifically to maximise the take-up of RES heating and cooling (using biomass, solar and geothermal).

For *domestic and small-scale renewable energy systems*, which include both systems integrated into buildings and small decentralised (including stand-alone) RE plants, the EPBD also plays an important role.

For *biofuels*, the current policy and regulatory framework is based on two important Directives - one to promote biofuels for transport, the other to reduce excise rates for biofuels.

A future policy and regulatory framework for this sector is outlined in the RES Directive introducing a new target for biofuels in transport.

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

- **Electricity from renewable energy sources (RES-e)**, to increase the share of renewable electricity in Europe's final energy consumption.
- **Renewable heating/cooling (RES-H/C)**, to promote greater use of biomass, solar and geothermal heating and cooling, especially in district heating/cooling systems and industry.
- **Small-scale renewable energy applications in buildings**, to promote the use of small-scale renewable energy systems, including PV, solar heating, biomass, and geothermal, in line with the Energy Performance of Buildings Directive.
- **Small-scale decentralised renewable energy systems**, to promote the use of grid-connected and stand-alone solar PV, wind, and hydro generators with capacities below 100 kW. *(This Key Action is not open in 2009)*
- **Biofuels**, to promote use of sustainable forms of biofuels to replace fossil fuels for transport and other applications.

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

#### Explanatory note:

*This Key Action has until now supported mainly (i) strategic analyses, helping to formulate the new RES Directive, and (ii) sector-specific actions, aiming to remove market barriers. Whilst the main market actors involved in building new RE generation plants today are large utilities, which neither need nor request support from the IEE programme, there are still some major non-technological barriers to the introduction of RES-e power generation, for example offshore. The priority in 2009 will therefore be to support the implementation of the new EU policies with the emphasis on the RES Directive giving a special focus on offshore applications and grid issues.*

#### *General objectives of the key action*

- To support implementation of the RES-e components of the RES Directive.
- To accelerate deployment in the EU of RES-e technologies, including wind, marine, hydro, geothermal, and solar (CSP and PV), by removing market barriers and simplifying approval procedures for construction and use. *(Note: The deployment of electricity from biomass is addressed together with CHP in the Key Action on renewable heating/cooling).*
- To improve market conditions for the transmission and distribution of RES-e (grid issues).
- To train and convince public-sector decision-makers, planners, civil society, SMEs and individual citizens to give higher priority to the production and use of RES-e.

#### *Priorities for action in 2009*

- Analyse, benchmark, develop, promote and implement innovative policies and regulatory frameworks, including support schemes and grid connection requirements; assess, verify and/or develop scenarios for potentials, market growth trajectories, use of trade and flexibility instruments to reach targets and impacts on security of supply, the environment, economic growth, competitiveness and employment.
- Projects addressing non-technological barriers to the growth of offshore power generation from wind, and marine sources. This may include projects aimed at supporting strategic planning of cross-border offshore electricity grids that involve the relevant authorities, grid operators and other stakeholders from countries around specific regional seas or coastlines.
- Strategic actions aiming to analyse, monitor, streamline and ease application procedures, including construction and planning permits as well as grid connection procedures, thus reducing lead times and improving approval rates.
- Encourage businesses, households and the public sector to switch to cleaner electricity supplies.
- Give more prominence to RES-e topics in vocational training curricula; institutionalise (for example by means of agreements with universities, associations of installers, industries, and chambers of commerce) and promote certification schemes for installers, and for operation and maintenance teams.

#### *Target groups*

See table p. 38

#### *Indicators*

- Use of results of IEE projects in policymaking, regulations and planning.
- More reliable data on RES-e potential, impact, trends, economies and markets.
- Simplified and more rapid project authorisation procedures.
- Clear link between the results of IEE projects and accelerated market growth.
- Number of users switching to clean electricity and changes in attitudes to RES-e.
- Number of new and innovative financing schemes established.
- Number of persons trained (by type / role).
- Number of certified training schemes established.

### 9.3.2 Renewable energy heating/cooling (RES-H/C)<sup>54</sup>

#### Explanatory note:

*This Key Action has until now focused mainly on specific actions aiming to promote the use of solar, biomass and geothermal heating systems, as well as a small number of strategic studies helping to formulate the new RES Directive. The focus in 2009 will be on supporting the implementation of the RES Directive at national, regional and local levels, with a particular emphasis on large-scale RE systems for district heating and/or cooling. Work on biomass supply chains is addressed under the integrated initiative on Bio-business. Actions on biomass for district heating are expected also to address options involving CHP.*

#### *General objectives of the key action*

- To support implementation of the RES-H/C components of the RES Directive.
- To accelerate deployment in the EU of large-scale RES-H/C (>100kW), including solid biomass, solar and geothermal applications, in particular by removing market barriers and simplifying approval procedures.
- To improve market conditions for the use of RES-H/C in district heating and cooling systems and in cogeneration units.
- To stimulate new investment in RES-H/C, including district heating and CHP, and in manufacture of RES-H/C technology, notably by SMEs.
- To train and convince public-sector authorising officers, planners, civil society, SMEs and individual citizens to give higher priority to the use of large-scale RES-H/C.

#### *Priorities for action in 2009*

- Analyse, benchmark, develop and implement innovative policies, legislation, codes and standards, including certification and support schemes, and international trading in sustainably produced fuels and systems for large-scale RES-H/C; assess, verify and/or develop scenarios for potentials, market growth trajectories and impacts on security of supply, the environment, economic growth, competitiveness and employment.
- Increase the use of RES-H/C in district heating and cooling systems and in cogeneration units by promoting best practices, improving application procedures, construction and planning permits, district heating and cooling grid connection procedures, and market transparency including disclosure, guarantee of origin, transparent RE fuel pricing and tariffs, intelligent combinations with storage systems, and by engaging planners to include district-scale RES-H/C systems in their planning and reducing project approval delays for developers dealing with the design, construction and refurbishment of industrial and residential areas.

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<sup>54</sup> In the building sector, this Key Action focuses on development of the market, the industry and policy and regulatory frameworks which directly affect use of RE heating and cooling systems. More general action addressing implementation of the EPBD is a priority under Key Action 1.

- Provide detailed and targeted information (including success stories and best practices), analyses and advice on the benefits, costs, administrative barriers and delays, access and connection issues for independent heat and power producers, and efficiency of RES-H/C in district heating/cooling systems and of related measures providing support to planners, developers, builders, businesses, public and commercial building managers, sports centres and households to encourage switching to RES-H/C.
- Strengthen local entrepreneurship capacity (notably in SMEs) for providing services related to sustainable fuel supply, installation and management of RES-H/C in district heating and cooling systems, including training and certification schemes for suppliers and installers.
- Provide targeted, institutionalised and certified training in the implementation of large-scale RES-H/C for planners, architects and public-sector authorising officers.

#### *Target groups*

See table p. 38

#### *Indicators*

- Use of results of IEE projects in policymaking, regulations and planning.
- More reliable data on RES-H/C potential, impact, trends, economies and markets.
- Link between IEE projects and more competitive RES-H/C systems and businesses.
- Simplified and more rapid authorisation procedures, including for the connection to district heating networks of independent heat and power producers.
- Link between the results of IEE projects and accelerated market growth.
- Take action to change attitudes and behaviour in farming and forestry.
- Ensure networking of professionals, decision-makers and support scheme managers.
- Conduct user behaviour studies related to sales and use of RES-H/C systems and fuels.
- Take action to promote success stories and best practices in businesses, commercial buildings, sports centres, etc. and the public sector on switching to RES-H/C systems and fuels, for example using solar energy to reduce demand for electricity for heating and/or cooling.
- Conduct innovative financing schemes for RES-H/C project developers, including cooperative project financing.
- Take action to establish/strengthen renewable ESCOs.
- Number of people trained and certified to work on RES in the heating and cooling industry, especially SMEs.

- Number of planners, construction approval officers and other public-sector decision-makers trained.

### 9.3.3 *Small-scale renewable energy applications in buildings*<sup>55</sup>

#### Explanatory note:

*This Key Action (KA) has until now supported a wide range of projects aiming to promote the use of small-scale RE systems, mainly involving market actors from the RE sector. To improve the focus in 2009, the previous Key Action on “Domestic and small-scale RE applications” will be split into two, one KA for “RE applications in buildings” and a separate KA for “Small-scale decentralised RE systems”. One of the main objectives in 2009 is to increase the engagement of project developers, building construction companies and other building sector actors, and to convince them to integrate RE systems into their buildings in much larger numbers.*

#### *General objectives of the key action*

- To support implementation of the RE components of the RES Directive.
- To accelerate the deployment of RE systems in buildings, including solar heating and cooling, photovoltaics, sustainably produced biomass (wood pellets, chips and logs), and ground-coupled heat pumps.
- To encourage investment and stimulate local markets in order to achieve a critical mass of local business in small-scale RE applications in buildings, for example by promoting high quality and labelling / certification of products and service providers.
- To train and convince public-sector authorising officers, planners, civil society, SMEs and individual citizens to give higher priority to the use of RE systems in buildings.
- To train and certify building professionals, technicians and craftsmen, and thereby stimulate new/expanded/stronger businesses (especially SMEs) which are certified to work on RE systems in buildings.

#### *Priorities for action in 2009*

- Analyse, benchmark, develop and implement innovative planning and regulatory policies, aiming to promote the integration of RE systems in new building developments and in renovations of buildings.
- Support public authorities aiming to implement obligations for minimum levels of energy from RE sources (for heating, cooling and electricity from solar thermal, biomass, geothermal and PV) in their building regulations and codes for new or refurbished buildings.

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<sup>55</sup> In the building sector, this Key Action focuses on development of the market, the industry and policy and regulatory frameworks which directly affect use of RE heating and cooling systems. More general action addressing implementation of the EPBD is a priority under Key Action 1.

- Coordinate activities aiming to support SMEs and other market actors with the development of markets and promotion of “plug and play” solutions using certified products, systems and services (including quality labelling) for cost-effective integration of small-scale RE systems in buildings. Priority will be given in 2009 to solar cooling and biomass heating systems.
- Large-scale training schemes/activities, in particular agreements with associations of installers, chambers of commerce etc., to institutionalise and certify the necessary training - involving conventional businesses from the building sector (plumbers, heating and air conditioning installers) – for installers of biomass boilers and stoves, solar heating and cooling and photovoltaic systems, and geothermal heat pumps in buildings.

#### *Target groups*

See table p. 38

#### *Indicators*

- More reliable data for decision-makers and investors on potentials, impacts, trends, economies, targets and markets.
- Use of results of the projects in policymaking, regulations and planning, leading to more consistent regulations and planning.
- Links between IEE projects and growth in the markets for certified, high-quality and more competitive RE systems and businesses.
- Simplified and more rapid authorisation procedures for RE installations and improved market frameworks for sustainable fuel supplies.
- Number of people trained in the small-scale RE industries, especially SMEs.
- Number of planners, construction approval officers and other public-sector decision-makers trained.
- Number of building sector professionals, technicians and craftsmen trained and certified to work in the RE sector.

### **9.3.4 Small-scale decentralised renewable energy systems**

#### *Explanatory note:*

*This KA has until now been combined with small-scale RE systems in buildings. The supported projects have included small-scale PV, wind, biogas, hydro, and renewables for rural development. **This Key Action is closed in 2009.***

### **9.3.5 Biofuels**

#### *Explanatory note:*

*This KA has until now supported strategic analyses of resources available for biofuels production, and actions aiming to promote their production and use for transport. The big*



*issues currently affecting the sector are sustainability, land use, and certification. Public opinion is being influenced by lobby groups from both sides of the debate and needs to be informed as objectively as possible.*

#### *General objectives of the key action*

- To support the implementation of the RES Directive and the proposed revised Fuel Quality Directive in relation to sustainably produced biofuels and biogas, to replace conventional fuel consumption in transport and other uses.
- To accelerate deployment of sustainably produced biofuels and biogas by removing market barriers and to promote production, transparent certification of environmental sustainability, processing and trading of the potentially most competitive and sustainable biofuels.
- To encourage investment in the production and processing of more competitive first-generation and second-generation biofuels with less environmental impact and in enhanced distribution infrastructure for biofuels.

#### *Priorities for action in 2009*

- Monitor the impact of biofuels and biogas, including international trading of biofuels, on security of supply, food markets, commodity price changes, the environment, land use, economic growth, competitiveness and employment.
- Promote concrete actions aiming to implement EU policies related to biofuels or biogas at national, regional and local levels, in view of EU targets, whilst ensuring adequate sustainability and consistency with other EU policies.
- Encourage market players in the biofuel supply chain (farmers, foresters, fuel processors and distributors) to increase the economic competitiveness and environmental sustainability of biofuels (including second-generation biofuels and biofuels produced from algae).
- Improve transparency in EU and international biofuels markets, including guarantees of sustainable production, labelling and transparent pricing; support and promote the application of sustainability criteria for biofuels.
- Address the issues under discussion in the current debates on land use and sustainability; facilitate and promote well-informed debate and a balanced attitude amongst decision-makers and the general public.

#### *Target groups*

See table p. 38

#### *Indicators*

- Better monitoring of the biofuels markets, leading to more reliable data for decision-makers and investors on market potentials, impacts, trends, economies and targets.

- Results of IEE projects used in policymaking and leading to more consistent regulations and planning.
- Links between IEE projects and more competitive and sustainable biofuels production and distribution businesses.
- More rapid, efficient and appropriate authorisation procedures for switching land to the sustainable production of biofuels and for the construction of biofuels processing plants, together with improved market frameworks for biofuels.
- Number of potential biofuels producers and processors with changes in attitudes and behaviour linked to IEE projects.
- Number of producers using a certification scheme, amount / market share of biofuels being certified.
- Measurable changes in attitudes to biofuels.

#### **9.4 STEER: Energy in transport**

##### Explanatory note:

*Most objectives and priorities of the Work Programme 2008 remain valid for the Work Programme 2009. The Key Actions on alternative fuels (with an emphasis on the sustainability of fuels) and clean vehicles as well as energy-efficient transport remain open. It is suggested that the Key Action on 'capacity-building in transport for agencies' also be kept open, given the very low number of proposals submitted under the 2008 Call. Moreover, its focus is to be further defined with specific target groups and activities to increase the number of proposals. The priorities contain a specific focus in line with the five issues raised by the Green Paper on urban mobility.*

Transport plays a central role in the European economy and accounts for almost 20% of the total gross energy consumption in Europe. 98% of the energy consumed in this sector is fossil fuel. As transport is also the fastest growing sector in terms of energy use, it is essential to tap the potential for energy-efficiency gains in this sector. Investments in the economically recovering new Member States in particular offer important opportunities to promote a paradigm shift towards a new, more sustainable mobility culture.

Action to promote energy efficiency and use of new and renewable energy sources in transport may include:

- (a) supporting initiatives relating to all energy aspects of transport and diversification of fuels;
- (b) promoting renewable and alternative fuels and energy efficiency in transport;
- (c) supporting preparation and application of legislative measures.

STEER will give priority to 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, taking into account the suggestions made in the EU Energy Efficiency Action Plan, in the Green Paper "Towards a new culture for urban mobility", in the revised proposal

for a Directive on the 'promotion of clean and energy efficient road transport vehicles', in the Communication on 'Moving forward together on energy efficiency', and in the general framework of the European policy on energy<sup>56</sup>. Projects should build on tried-and-tested strategies and technologies and aim at achieving energy savings by removing the non-technological market barriers to wider application thereof.

Priority will also be given to projects which do more than raise the awareness of individual citizens, householders and decision-makers and actually achieve measurable changes in transport behaviour, for both persons and goods. 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. They should help end-users to take informed decisions and increase public acceptance of more energy-efficient transport behaviour, alternative and renewable fuels and cleaner vehicles.

Priority will also be given to training practitioners and officials whose daily work has an impact on take-up of energy-efficient transport strategies, schemes and alternative fuels. Experience has shown that sustainable mobility can be tackled more effectively through appropriate consultation and involvement of a broad range of stakeholders.

Transport of goods and of people are both addressed. However, actions aimed specifically at shifting freight from road to short-sea shipping, rail and inland waterways, which can be supported by the Marco Polo II Programme<sup>57</sup>, will not be funded.

STEER relates to the following Key Actions:

- **Alternative fuels and clean and energy-efficient vehicles:** projects should help to improve supply infrastructures by creating increased demand and/or support for the implementation of new supply structures. Projects should encourage multipliers (e.g. fleet operators) to establish a critical mass for demand and use of alternative fuels and clean and energy-efficient vehicles. Projects relating to alternative fuels should ensure these fuels can be supplied in a sustainable manner, in line with the sustainability criteria agreed for the RES Directive and the proposed revised Fuel Quality Directive.
- **Energy-efficient transport:** projects which address energy-efficient transport should contribute to extending and widening the potential range of users and accelerate the take-up and transfer of best practice. Projects should tap the potential of the various modes and the combined use thereof as a contribution to more energy-efficient transport. Policies related to integrated strategies and (dis)incentives will likewise help to steer the behaviour and decisions of transport users, authorities and operators. Integrating multi-stakeholder processes will be seen as an advantage.
- **Capacity-building in transport for existing local and regional agencies:** the aim of this priority is to harness the existing networks of local and regional agencies (not only energy agencies but also transport, environment or development agencies) for increasing energy

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<sup>56</sup> Presidency conclusions of the Brussels European Council of 8-9 March 2007.

<sup>57</sup> Regulation (EC) No 1692/2006 of the European Parliament and of the Council of 24 October 2006 establishing the second Marco Polo programme for the granting of Community financial assistance to improve the environmental performance of the freight transport system (Marco Polo II) and repealing Regulation (EC) No 1382/2003.

efficiency in transport and use of alternative fuels and clean vehicles. It will focus on long-term structural integration of transport-/energy-related activities into those local and regional agencies.

#### **9.4.1 Alternative fuels and clean and energy-efficient vehicles**

##### Explanatory note:

*The areas of green / joint procurement and raising of awareness among vehicle dealers and users have not been sufficiently addressed in past IEE calls, which is why they are open again for submission under the 2009 Call.*

##### *General objectives of the key action*

- To diversify energy sources used in transport.
- To stimulate demand for alternative fuels and clean and energy-efficient vehicles.
- To promote greater use of biofuels (demand side) in order to meet the targets set in the Biofuels Directive, taking into account the sustainability criteria in the relevant legislation (RES Directive and the proposed revised Fuel Quality Directive).
- To stimulate broad market uptake for clean and energy-efficient vehicles through captive fleets.

##### *Priorities for action in 2009*

This Key Action aims to trigger demand for clean and energy-efficient vehicles and alternative fuels and complements the ALTENER Key Action on production of biofuels (see point 9.3.5). It covers all modes of transport except aviation and long-distance maritime transport. The focus will be on alternative fuels which are capable of capturing a significant market share in the short to medium term, with the intention of creating and coordinating greater demand for sustainable alternative fuels and clean and energy-efficient vehicles (including electric vehicles) and lowering the barriers for end-users to switch to alternative fuels and clean and energy-efficient vehicles.

- Promote and facilitate joint procurement of clean and energy-efficient vehicles (e.g. buses, rental cars, business car fleets and vehicles used for public services such as waste disposal) and/or of alternative fuels.
- Conduct awareness-raising campaigns for stakeholders involved in distribution, marketing and sales of clean and energy-efficient vehicles. They should be developed and offered systematically on a wide scale and could also include training for sales and maintenance staff in this sector.
- Conduct awareness-raising and information campaigns for customers regarding the availability of alternative fuels and the appropriate infrastructure, with an emphasis on the sustainability of these fuels in line with the sustainability criteria as laid down in the RES Directive and the proposed revised Fuel Quality Directive.

##### *Target groups*

See table p. 38

#### *Indicators*

- Use of results of IEE projects in policy-making related to alternative fuels and clean and energy-efficient vehicles.
- Link between the results of IEE projects and the increase in the share of vehicles running on biofuels and/or other alternative fuels.
- Improved access to and overview of alternative fuels and clean and energy-efficient vehicles available.
- Increase in public acceptance and market confidence regarding clean and energy-efficient vehicles or vehicles running on alternative fuels.
- Number of sales personnel and maintenance staff trained and number of purchasers better informed.

#### **9.4.2 Energy-efficient transport<sup>58</sup>**

##### *Explanatory note:*

*Cycling and walking have been addressed in past calls but never in relation to poor cycling infrastructure as a main barrier. The objective of reducing demand for transport has been more explicitly addressed by adding a specific priority on that topic. Eco-driving should be focused on approaches aiming at general EU-wide application.*

##### *General objectives of the key action*

- To encourage a shift of passengers and/or freight to less energy-intensive modes and to increase the energy efficiency of the entire mobility chain.
- To reduce demand for transport.
- To raise the awareness of different target groups in a changing society of their mobility behaviour and its impact on energy consumption and to motivate and achieve changes in behaviour.
- To transfer, apply and promote widely proven best practice, strategies and technologies.

Participants are particularly encouraged to take into account societal changes, demographic developments and health issues with an integrated approach towards the use of different transport modes. Integrating multi-stakeholder processes will be seen as an advantage.

##### *Priorities for action in 2009*

- Promote less car-dependent lifestyles (e.g. measures to increase car occupancy rates or keep car occupancy rates high; measures to reduce car-kilometres, etc.).

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<sup>58</sup> Covers all modes except aviation and long-distance maritime transport.

- Increase the quality and attractiveness of collective transport and promote its use.
- Promote safe walking and safe cycling, also as an accompanying soft measure for local, national and/or European funding schemes on transport infrastructure.
- Provide coordination, management and information mechanisms and motivation to fleet operators, retailers and stakeholders in the freight sector about measures to increase the energy efficiency of fleet operations and driving.
- Support concepts to promote energy-efficient driving, particularly aimed at young drivers (including driving schools, improved maintenance and operation, such as tyre pressure control and “eco-tuning” and a more energy-efficient driving style).
- Promote transport demand management initiatives (for example, access restrictions, incentive/ disincentive mechanisms, parking policies, etc.)
- Support learning and exchanges between practitioners, employees of regulating and administrative bodies or experts, for example through exchanges of staff (e.g. “shadowing” an experienced colleague, on-the-job training by practitioners or internships), audits or networking activities in order to transfer knowledge and experience.

#### *Target groups*

See table p. 38

#### *Indicators*

- Use of results of IEE projects in policymaking related to energy-efficient transport.
- Links between the results of IEE projects and the increased modal share for collective transport, cycling and walking.
- Reduced vehicle-kilometres or fewer single-occupancy car trips by the target groups in the areas concerned.
- Increased knowledge and actual savings on the part of the targeted freight and fleet operators.
- Number of drivers influenced by energy-efficient driving activities.
- New partnerships established between experienced and less experienced players, cities and countries.
- Number of empowered practitioners (such as civil engineers, transport planners, city developers, administrators, technical staff of authorities, operators, etc.) with enhanced skills related to energy-efficient transport.

### **9.4.3 Capacity-building in transport for existing local and regional agencies**

#### *Explanatory note:*

*This Key Action is open for the second time, given that very few proposals were submitted under the 2008 Call, but with a sharper focus on specific target groups and activities. Work under this priority will be carried out by relevant local and regional bodies such as energy, transport, environment, development and other agencies. However, it does not cover the creation of mobility centres.*

#### *General objectives of the key action*

- To further the contribution of relevant local and regional agencies to potential energy savings in the transport sector.
- To increase the level of activity of relevant local and regional agencies on energy efficiency in transport, sustainable alternative fuels and clean vehicles.
- To integrate services related to energy and transport in the portfolio of energy, transport, environment and development agencies.

#### *Priorities for action in 2009*

- Implement effective means of competence-building, in particular:
  - training and capacity-building on transport and energy issues for decision-makers or top management of the agencies;
  - exchanges of staff between different agencies and between agencies and transport experts (e.g. “shadowing” an experienced colleague or hands-on on-the-job training by practitioners or internships) in order to boost knowledge and experience.
- Priority will be given to competence-building proposals which build on existing learning material (e.g. building on previous STEER or other European projects), promote networking through face-to-face training and seek to overcome language barriers in order to reach the widest possible target group.
- Encourage close cooperation between energy and transport experts within or between agencies.
- Work towards long-term structural integration of transport issues into energy-related policies.
- Take action to encourage existing local and regional agencies to offer services related to energy efficiency in transport and to alternative fuels and clean vehicles.

#### *Target groups*

See table p. 38

#### *Indicators*

- Certified abilities and skills of existing or new staff of agencies in the area of energy efficiency in transport, alternative fuels and clean vehicles.

- Existence of an agreed business plan to ensure transport-related services by the agencies involved after completion of the project.
- Increased proportion of transport-/energy-related activities performed by local and regional agencies.
- Number of staff actually fully assigned to transport activities.
- Increased number of energy plans including transport issues.
- Established and identified local stakeholders to promote and implement European policies related to energy efficiency in transport, alternative fuels and clean vehicles.
- Number of local stakeholders satisfied with the help received from the agencies.

## **9.5 Integrated initiatives**

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

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

### **9.5.1 Creation of local and regional energy agencies**

#### Explanatory note:

*This Key Action is not open in 2009, pending the results of an ongoing study: "Evaluation of the relevance of Community funding of local and regional energy agencies".*

### **9.5.2 European networking for local action**

#### Explanatory note:

*Local action is crucial to the successful implementation of EU energy policy. This integrated initiative aims to add value to local actions by supporting collaborative working between local organisations facing similar challenges in different countries. In 2009, it will focus on joint activities involving public authorities, local or regional development agencies or energy agencies, and multipliers like chambers of commerce, associations of professionals, or consumer groups. No priority will be given to training activities because these are more fully addressed in the SAVE, ALTENER and STEER fields.*

#### *General objectives of the key action*

- To enhance collaboration between local / regional organisations in different countries, that plan to strengthen their promotion of sustainable energy by sharing information and experience, for example: by means of common or simultaneous activities across the EU (e.g. activities linked to the Covenant of Mayors, energy weeks or international campaigns).



- To promote the benefits of an integrated but nevertheless well-targeted approach to the promotion of sustainable energy. Organisations working in the different sectors of energy efficiency, renewable energy and sustainable transport at local / regional level can take advantage of the synergies between their sectors to produce economies of scale and a critical mass of activity. Greater influence and impact can be achieved by building on these synergies through international collaboration.
- To promote intelligent energy as a key input to planning for sustainable development at local/regional level, leading to job creation (e.g. new energy businesses, production of bio-resources from agriculture or forestry, sustainable tourism, etc.), environmental protection (reduced greenhouse gas emissions, intelligent use of land), and improved quality of life (including sustainable tourism).
- To promote the benefits offered to individual citizens as well as larger public and private sector consumers by sustainable energy patterns and intelligent energy attitudes.
- To promote energy efficiency (cogeneration) in the use of renewables.

#### *Priorities for action in 2009*

- Large-scale promotional activities by public authorities, local or regional development agencies or energy agencies, multipliers like chambers of commerce, associations of professionals, or consumer groups aimed at changing consumer behaviour with regard to EE and RE. Priority will be given to bottom-up actions, mobilising local stakeholders to participate in synchronised activities across the EU (e.g. energy days and weeks, coordinated between a number of local and regional sites in Europe). Such activities must have a results-oriented approach, demonstrably high expected impacts, a large EU dimension, and strong media impact.
- Joint activities between fully established energy agencies with more than three years' operating experience, working with national, regional or local authorities that wish to trigger investments in sustainable energy projects with the help of regional and structural funds.

#### *Target groups*

See table p. 38

#### *Indicators*

- Number of people attending energy days and weeks or roadshows and number of organisations involved.
- Impact of promotional activities in communication business terms.
- Number of local / regional jobs created in the sustainable energy sector.
- Increase in local / regional GDP / local business activity.
- Increased investment by regional / structural funds in sustainable energy projects.

### 9.5.3 Sustainable energy communities

#### Explanatory note:

*This Initiative was closed in the 2008 Call. It is re-opened under the 2009 Call in a more focused way by a) linking the actions to the newly created Covenant of Mayors; and b) further encouraging wide-scale dissemination - through multipliers such as national associations of towns and cities - of information and tools produced so far in ongoing Sustainable Energy Communities projects (a database of tools and guidebooks will be released by the EACI before the launch of the 2009 Call).*

#### *General objectives of the key action*

- To boost the number of local/regional communities which lead the way towards a low-carbon future in Europe by significantly and demonstrably reducing their local carbon footprint and/or achieve self-sufficiency, beyond EU Energy Policy targets.
- To support local/regional communities which have the ambition to integrate and institutionalise the intelligent use of energy into all areas of life within their territories.
- To have decision-makers of these communities lead by example and convince their citizens, companies and peers to follow suit.

#### *Priorities for action in 2009*

- Actions that will help communities to be or become a member of the Covenant of Mayors, embracing sustainable energy issues in a holistic way (public and private buildings, transport, industry) covering both demand- and supply-side measures, whilst at the same time strengthening collaboration between all relevant stakeholders (public administration, voluntary sector, businesses and citizens) and stimulating energy-efficient behaviour. Proposals must clearly demonstrate the willingness of the communities to play an exemplary role in the Covenant of Mayors and to encourage other communities to follow suit.
- Actions by **regional or national associations of public authorities** that will show leadership and through their role as multiplier can demonstrate to achieve a significant impact on their members to become sustainable energy communities.

#### *Target groups*

See table p. 38

#### *Indicators*

- Number of communities committing to becoming a member of the Covenant of Mayors.
- Expected results of the action planned in terms of energy savings and increased share of renewable energy sources.
- Number and significance of multipliers involved in Sustainable Energy Communities projects.

- Impact of promotional activities.

#### **9.5.4 Bio-business initiative**

##### Explanatory note:

*Bio-business entails two priorities: (i) integrated bioenergy planning for all kinds of solid, liquid, and gaseous bioenergy supply chains, contributing to the development and implementation of biomass action plans; (ii) strengthening sustainable supply chains for solid bioenergy resources, which include forest products and residues, energy crops, and agricultural residues for heating and cooling, and for CHP. (Liquid biofuels and biogas are covered by the Biofuels Key Action). Projects addressing the first priority were accepted from the 2007 Call and projects addressing the second priority have been supported since 2004 under other IEE Key Actions. Both are open in 2009.*

##### *General objectives of the key action*

- To encourage rural planners in public authorities and business interests to work together on planning large-scale integrated bioenergy production at regional level, with the aim of achieving suitably balanced production of bio-resources (for heating/cooling, cogeneration, transport biofuels and other commercial applications), whilst minimising the environmental impact and maintaining biodiversity.
- To stimulate major increases in sustainable integrated production of solid biofuels in the EU by facilitating the marketing of bio-resources at local, regional or multi-regional level, and stimulating long-term business agreements and investments in sustainable bioenergy supply chains, including processing and distribution.
- To ensure the recognition and to foster EU-wide replication of bioenergy projects attaining particularly high levels of sustainability.

##### *Priorities for action in 2009*

- Actions in which public authorities and business interests (market stakeholders and investors) work together to develop and/or share experience on integrated planning to increase, where sustainable, the biomass production at regional level. Particular attention should be paid in such actions to compliance with existing/emerging sustainability criteria and to potential competition with the food, furniture and construction markets.
- Promote the establishment, consolidation or expansion of efficient and reliable markets for solid biomass, including the promotion of long-term agreements between farmers, foresters, landowners, biomass processors, bioenergy suppliers and end-users.
- Promote the latest bioenergy standards and address sustainability, traceability and quality-labelling or certification of solid bioenergy products at EU level.
- Stimulate large-scale investment in integrated sustainable bioenergy production at regional level, providing information and advice to large businesses and financing institutions.
- Promote the replication of outstanding bioenergy projects which give particular and/or additional economic, social and environmental benefits.

- Promote enhanced dialogue between biomass producers (farmers, foresters and fuel suppliers) and potential investors (project developers, financial institutions and potential partners in cooperative project financing or other innovative financing schemes).
- Improve the understanding of public-sector decision-makers, rural planners, entrepreneurs and investors in relation to local and regional bio-business opportunities and their social, economic and environmental benefits.

#### *Target groups*

See table p. 38

#### *Indicators*

- Number of regional biomass action plans for sustainable, integrated bioenergy production, officially endorsed by the relevant public authorities; land areas related to such plans.
- Number of new bio-businesses created; related invested amounts and jobs created.
- Quantity of additional bioenergy products; related net fossil fuel energy savings and net greenhouse gas savings.
- Number of investment allocated to new bio-business agreements.
- Amount of investment allocated to new bio-business agreements.
- Expected additional production of liquid, solid or gaseous bioenergy products.

#### **9.5.5 Energy services initiative**

##### *Explanatory note:*

*The priorities under this initiative are further focused on Directive 2006/32/EC, taking into account the current state of play and ongoing supporting projects, in particular the Concerted Action on energy end-use efficiency and energy services, which started in June 2008.*

##### *General objectives of the key action*

- To support effective implementation of Directive 2006/32/EC on energy end-use efficiency and energy services and to contribute to achievement of the 9% energy savings target in 2016 at national level.
- To support monitoring and evaluation of energy efficiency progress as well as policies and programmes, and implementation of concrete measures, outlined in the National Energy Efficiency Action Plans.
- To develop and promote tailor-made financial mechanisms for energy efficiency projects.
- To boost the market for energy service companies (ESCO), i.e. companies delivering energy services whose payment is based either wholly or partly on the energy savings achieved.

### *Priorities for action in 2009*

- Provide applied monitoring and evaluation results of energy efficiency progress as well as policies and/or programmes outlined in the National Energy Efficiency Action Plans.
- Develop market-based approaches to energy efficiency policies, such as white certificates.
- Foster exchanges of best practice between public-sector bodies on energy-efficient public procurement in line with Annex VI of Directive 2006/32/EC.
- Improve market conditions for energy service companies (ESCOs), e.g. remove legal barriers in national legislation to use of shared and guaranteed savings, third-party financing, and energy performance contracting.
- Implement sustainable schemes for energy audits and energy management in line with Article 12 of Directive 2006/32/EC.
- Analyse, exchange information on best practices on smart metering and informative billing in line with Article 13 of Directive 2006/32/EC (however, actions eligible for funding under the ICT programme will not be supported).
- Identify, analyse and exchange information on best practices on financial mechanisms for promoting energy efficiency, including fiscal measures.

### *Target groups*

See table p. 38

### *Indicators*

- Use of results of IEE projects in the implementation of Directive 2006/32/EC.
- More reliable data and tools for policymaking in the field of energy efficiency.
- Link between the results of IEE projects and accelerated market growth for ESCO industry.
- Number of schemes set up for energy-efficient procurement, energy management and energy audits.
- Number of consumers provided with smart metering and informative billing.
- Implementation of effective financing instruments for energy efficiency, including energy performance contracts.

### **9.5.6 *Intelligent energy education initiative***

#### *Explanatory note:*

*Intelligent energy education in Work Programme 2009 continues the linear approach of covering the various education levels. Following the coverage of primary, secondary and vocational education levels, the focus is now on higher level education, namely to address*

*students at institutions of higher education (universities, teacher training colleges, etc.) who gain professional qualifications as teachers in primary / secondary / vocational education institutions. Such training should build on the experiences from past and ongoing IEE projects in terms of tools and training materials, as well as on other Community programmes on education such as the LifeLong Learning Programme<sup>59</sup>.*

*In order to make more effective use of tools and materials for teaching personnel, better integration of such materials into national resource portals and platforms (for example educational servers) and new ways of communication to manage the vast resources, will be promoted.*

#### *General objectives of the key action*

- To contribute to development of energy education in higher education by encouraging cooperation between Member States.
- To ultimately induce young generations to adopt intelligent energy behaviour.

#### *Priorities for action in 2009*

The Call will only be open for proposals related to intelligent energy education at institutions for **higher education of teachers**, covering one or more of the following activities:

- Exchange of experiences among higher education institutions at EU level in integrating energy education into the overall training of teachers.
- Institutionalise training and awareness-raising among teachers on energy issues, including in-service training.
- Organise exchanges of experience between countries which have integrated intelligent energy education into their higher education curriculum for teachers and countries which have not.

#### *Target groups*

See table p. 38

#### *Indicators*

- Number of education institutions/administrations integrating intelligent energy topics into education curricula.
- Number of teachers educated across Europe and estimated knock-on effect.

#### **9.5.7 Product standards initiative**

##### Explanatory note:

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<sup>59</sup> Decision 1720/2006/EC of the European Parliament and of the Council of 15 November 2006 establishing an action programme in the field of lifelong learning.

*This sector has received few proposals until now. An industry-driven study starting in 2008 will analyse the implementation of the CHP Directive across the EU-27. A number of other studies are being launched by means of tenders in 2008. The main focus in 2009 will therefore be on the use of renewable fuels for high efficiency CHP systems and on the implementation of the CHP Directive.*

#### *General objectives of the key action*

- To finance development by CEN/CENELEC of standards<sup>60</sup> required for implementing the Ecodesign Directive and the Energy Labelling Directive.
- To finance development by CEN/CENELEC of standards required for implementing renewable energy products and fuels in order to meet the objectives of the new RES Directive.
- To finance development by CEN/CENELEC of standards required for effective implementation of the Energy End-Use Efficiency and Energy Services Directive (Directive 2006/32/EC).
- To finance development by CEN/CENELEC of standards in support of new legal proposals for micro-cogeneration.

#### *Priorities for action in 2009*

- Ensure preparation, by the relevant European standards bodies (under specific agreements), of standards on the environmental aspects and, in particular, energy consumption of various energy-using products for implementing the Eco-design Directive and the Energy Labelling Directive.
- Ensure preparation, by the relevant European standards bodies (under specific agreements), of standards on the energy and environmental performance and safety of renewable energy products and systems, including solar, wind, biomass and biogas systems, plus solid, liquid and gaseous biofuels and biodegradable wastes.
- Ensure preparation, by the relevant European standards bodies (under specific agreements), of standards on energy audits, energy management systems, energy services, qualifications of energy experts and managers, benchmarking indicators and top-down and bottom-up methods for measurement and verification of energy savings.

Ensure preparation, by the relevant European standards bodies (under specific agreements), of a European Norm for micro-cogeneration. A European Norm will be developed in support of minimum efficiency requirements for micro-cogeneration appliances and test procedures.

#### *Target groups*

CEN/CENELEC holds a monopoly for work on European standards. All proposals must therefore be channelled through CEN/CENELEC.

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<sup>60</sup> Action will be supported using specific agreements with CEN/CENELEC executed in accordance with the Framework Partnership Agreement between CEN/CENELEC and the European Commission.

Indicators

N/A.

### **9.5.8 Combined heat and power initiative**

Explanatory note:

- *This sector has received very few proposals until now. A number of studies are being launched under Work Programme 2008 regarding CHP Directive and implementation of the Energy Efficiency Action Plan. Furthermore, an industry-driven initiative starting in 2008 will analyse the implementation of the CHP Directive across the EU-27. **This Key Action is closed in 2009.***

## **10. MARKET REPLICATION PROJECTS**

Explanatory note:

*Market replication projects are an integral part of IEE II programme implementation, which was not open in the previous Work Programmes (2007 and 2008). They represent a new type of project in the programme and they will complement "Promotion and Dissemination Projects".*

*Market replication projects contribute to the main objective of IEE II, tackling non-technological barriers to the spread of efficient use of energy and greater use of new and renewable energy sources.*

*The CIP Decision states in Article 44 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 within the participating countries and facilitate their market uptake.*

*Market replication projects (MRP) introduce as a major definition element the focus on replication effects, justified by leverage effect (leverage factor with 1EUR invested from IEE-MRP programme) and mobilisation factor (amount of investments, energy savings, actors, knowledge, etc. mobilised as a measurable result of the project).*

*In 2009 a cooperation scheme with the EIB will be launched.*

### **10.1 Project Development Services for Energy Efficiency and Renewable Energy Projects in Municipalities and Regions**

*Objectives*

The Sustainable Energy Financing Initiative (hereinafter the SEF Initiative) is part of the European Economic Recovery Plan adopted by the Commission on 26 November 2008. The SEF Initiative aims at accelerating the introduction of energy efficiency and renewable energy sources, notably through innovative financial techniques and practices, often at an early stage of market penetration, directing action to smart investment, including the boosting of local jobs. It should do so by:



- encouraging and helping project promoters to identify and prepare bankable projects;
- improving access to equity and credit markets, maximising investment leverage from available budgetary resources; and
- reducing transaction costs, notably by bundling small investments into more economic packages/portfolios.

The SEF Initiative seeks to ensure market replication of proven technologies and processes within the EU through a number of pilot cases. Maximum investment volumes can be ensured through the leveraged use of suitably structured financial products drawing on the Community budgetary resources. As a result, large-scale implementation will be accelerated, in turn attracting further attention and wider market uptake of the activities.

One of the main actions under the SEF Initiative, and its primary focus in 2009, is to provide **project development services**, which are designed to support:

- the generation of a flow of bankable projects, by helping promoters to identify, structure and implement projects. The idea is to enhance local capacity for project development as opposed to direct involvement in the technical preparation of projects; and
- local banks and other intermediaries to assess project risk.

It is intended to help local municipalities/regions to prepare and refine bankable projects which will contribute to achieving and going beyond the objectives of the EU sustainable energy policy and to the implementation of their sustainable energy action plans such as those developed under the Covenant of Mayors Initiative<sup>61</sup>. Eligible projects will be selected by the EIB and submitted to the Commission for approval.

#### *Priorities for action in 2009*

In 2009, it is proposed that project development services will focus initially on **public buildings, social housing, district heating and cooling and integrated urban transport**. Energy Service Companies (ESCOs)<sup>62</sup> will play a substantial role in implementing investments in these areas – and hence specific actions in these areas are outlined below.

It is therefore proposed to focus support on the following sectors:

#### **Sector 1: Public buildings, including social housing, and municipal infrastructures, to support increased energy performance.**

Dedicated project development services to Cities, Municipalities and Regions which are committed to achieving and going beyond the objectives of the EU sustainable energy policy or which act as facilitators for smaller municipalities.

The project development services would aim to implement local/regional EE and RE investment plans.

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<sup>61</sup> [http://ec.europa.eu/energy/sustainable/covenant\\_mayors\\_en.htm](http://ec.europa.eu/energy/sustainable/covenant_mayors_en.htm)

<sup>62</sup> Art. 3 of 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.

Currently up to 6 pilot activities are envisaged for 2009 in different regions and cities across Europe.

## **Sector 2: District heating and cooling, with emphasis on combined heat and power systems.**

- Support for project identification and development;
- Development of a local or regional financing facility for decentralised CHP systems (building or neighbourhood level);
- Support for project development for innovative expansion of district heating grids towards district cooling.

## **Sector 3: Public transport and integrated mobility.**

Two major lines have been identified:

- *CleanBus Framework Financial Facility (CFFF);*

The CFFF would be targeted to Municipalities and other Local Administrations owning bus fleets, public and private providers of urban transport services and, in particular, bus leasing companies. The main objective of CFFF is to promote new technologies which exist but are not yet widespread (e.g. hybrid buses). Several cities have already expressed their interest in the initiative and discussions with London (UK), Florence (IT) and Lyon (FR), among others, have already started.

- *Innovative solutions to optimise urban logistics;*

The objective of this line would be to develop new concepts regarding the delivery of goods in urban areas in order to reduce the impact on traffic congestion and the consequent energy losses and environmental damage. The proposal is to co-finance pilot projects in cities that are ready to take an integrative and innovative approach to goods delivery.

## **Sector 4: Horizontal and supporting activities.**

To support the above actions, a range of horizontal activities are foreseen. These include earmarked budget for:

- Ad-hoc advisory services;
  - Provision for general support given by the EIB for the cities committed to achieving and going beyond the objectives of the EU sustainable energy policy;
  - Risk management training for financial intermediaries;
  - PPP-structuring of projects developed in the above described sectors.
- *Operational scheme*

Once the local / regional sustainable energy investment plans are available, the EIB will review them, with the help of specific expertise from externally contracted consultants, in order to identify “bankable” investment programmes that can be supported by the EIB.

In particular, EIB will pre-appraise projects to cities or groups of cities that have concrete and sufficiently large investment programmes to implement the objectives of the Covenant of Mayors. Such loans should normally be considered for investment programmes of 100 MEUR or more, although other smaller operations may be considered for well justified cases (notably in the pilot phase).

The main objective is to develop several pilot cases that can be replicated. This will be done in close coordination with the Commission and the EACI to ensure synergies. In addition, during 2009, work will be undertaken to prepare financial instruments to complement the above project development tasks (support mechanisms for municipalities, intermediaries and ESCOs).<sup>63</sup>

#### *Key players 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 framework of the Covenant of Mayors initiative. The key players in project development will be local and regional energy actors (e.g. energy agencies or public project developers) as well as intermediate banks and housing associations. As the projects will be implemented at local and regional levels, local SMEs will be central to the physical implementation of the EE and RES investments.

#### *Indicators*

- The number of bankable projects identified.
- Investment mobilised (currently an initial leverage of the project development services of 1:25 is assumed, which would increase in the years 2010-2013).
- The cumulative CO<sub>2</sub> savings from the financed projects.
- The cumulative reductions of greenhouse gas emissions from the financed projects.
- The increase in share of renewables in the energy consumption achieved from the financed projects.
- The cumulative energy savings achieved from the financed projects

The leverage for the project development services funding can therefore be measured in identified: EUR/CO<sub>2</sub> saving, EUR/greenhouse gas saving; EUR/energy saving or EUR/RES in energy consumption.

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<sup>63</sup> From 2010 onwards, project development services will be further developed according to market testing and response. Appropriately structured financial instruments are envisaged from 2010–2013 with the aim of supporting the activities planned under the commitments for the Covenant of Mayors Initiative.

## **11. CALLS FOR TENDERS**

### **11.1. EU Energy Star Programme: Development and Maintenance of the Website (Lot 1) and Technical Support for the development of new Technical Specifications (Lot2)**

*Estimated duration of the contract: 2 years.*

*Indicative timetable: To be launched in the second quarter of 2009.*

Maintenance and development of the Energy Star programme website for a period of two years starting at the end of 2009; coverage of the cost of an expert in office equipment technology to advise the European Commission and the European Community Energy Star Board (ECESB) for developing technical specifications (Annex C to the EU-US Energy Star Agreement)

### **11.2. Technical assistance to the stakeholder representation of consumer organisations and environmental NGOs in preparatory work for implementing measures under the Ecodesign of Energy-Using Products Directive (2005/32/EC) 2010-2013**

*Estimated duration of the contract: 3 years.*

*Indicative timetable: To be launched in the fourth quarter of 2009.*

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-Using Products Directive 2005/32/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 2010-2013. 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/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 help of this contract, the NGOs would not have the necessary expertise to assess the highly technical and product-related content of the draft measures.

A similar contract is running for the period 2007-2010.

### **11.3. Development of a communication strategy for the introduction of a new energy label for efficient household equipment (Directive 92/75/EEC)**

*Estimated duration of the contract: 15 months*

*Indicative timetable: To be launched in the third quarter of 2009*

The current "A-G" energy label introduced in the mid-nineties is well known by consumers who are used to identifying more energy-efficient refrigerators or washing machines thanks to the comparative energy label displayed in shops. The introduction of a refreshed label layout will allow for dynamic market transformation of energy-efficient appliances.

With a view to preparing the ground for public acceptance and recognition of a new label layout, a communication strategy should be devised jointly with the consumer organisations, manufacturers, Member States' public authorities and retailers who play a key part in delivering the message. Plans should be drawn up for raising media attention, for highlighting the benefits for consumers and for training retailers' staff.

#### **11.4. Energy Services Directive measurement methodology, further development and refinement**

*Estimated duration of the contract:* 2 years.

*Indicative timetable:* To be launched in the third quarter of 2009.

Further refine the existing harmonised top-down and bottom-up measurement methodologies as required under the Energy end-use efficiency and energy services Directive 2006/32/EC enabling expansion of the application of bottom-up measurement of energy efficiency in Member States.

#### **11.5. Capacity-building for testing of micro-CHP appliances and evaluation of normative work related to micro-CHP**

*Estimated duration of the contract:* 3 years.

*Indicative timetable:* To be launched in the third quarter of 2009

Micro-CHP appliances will enter the heating market from 2009. The Commission plans to link the evaluation of the efficiency of such appliances to an Eco-design measure for boilers, and plans also to award efficiency labels to micro-CHP appliances. However, due to the fact that micro-CHP technologies are diverse and very new, there is no experience with testing and evaluating micro-CHP appliances and European norms are still being developed. In addition, the CHP Directive refers to "certified values" for micro-CHP appliances, which creates a need for capacity-building to provide such certification.

The objectives of the study will be to make sure that

- the technical norms for micro-CHP under development can be used by notified bodies (theoretical and practical evaluation and feed-back to CEN, taking into account the diversity of micro-CHP technologies),
- there will be notified bodies able to perform accurate testing of micro-CHP appliances based on a variety of technologies for the purposes of Eco-design measures and energy efficiency labelling ("capacity building") and the issuing of CHP guarantees of origin under the CHP Directive.

#### **11.6. Technical assistance in preparation for the report on the operation of the mass balance verification method for use of biofuels/biomass.**

*Estimated duration of the contract:* 9 months.

*Indicative timetable:* To be launched in the second quarter of 2009.

For the purpose of establishing an effective biofuels and biomass sustainability scheme, which should ensure that all biofuels that are to be counted towards the EU target for renewable energy use in transport are effectively produced in a sustainable way, effective verification methods will need to be established. The Commission has worked out the mass balance verification method, which will be used to verify the sustainability of the biofuels feedstocks. In order to ensure that this verification method works properly and to reduce the administrative burden on economic operators, it has been agreed that the Commission will evaluate the operation of this verification method at an early stage and will assess the possibility of allowing other verification methods, in particular the book and claim method. This report is due to be submitted to the Council and European Parliament in 2010.

The book and claim method could, for example, be appropriate in cases where sustainability certification covers a high proportion of the production of a particular product.

The purpose of this study will be to seek technical assistance in gathering data on the operation of the mass balance verification method and in analysis of data for the purpose of drawing up the first evaluation report.

#### **11.7. Technical assistance in evaluating the GHG emissions from cultivation of agricultural raw materials in third countries**

*Estimated duration of the contract:* 9 months.

*Indicative timetable:* to be launched in the second quarter of 2009.

For the purpose of establishing an effective biofuels sustainability scheme, which should ensure that all biofuels to be counted towards the EU target – either EU-produced or imported – are sustainable, data will be needed on the production pathways and their respective GHG emission values in non-EU countries, notably in respect of cultivation and in particular emissions from fertiliser use and N<sub>2</sub>O emissions from soil. The purpose of this study will be to evaluate data on the typical greenhouse gas emissions from cultivation of agricultural raw materials in third countries. It will also need to assess the feasibility of drawing up lists of areas in third countries where the typical greenhouse gas emissions from cultivation of agricultural raw materials can be expected to be higher than the typical values used for the establishment of default values in the RES Directive. This study should also provide assistance to the Commission in establishing such lists and describing the method and data used to establish them.

#### **11.8. Technical support in establishing the 2008 baseline data for reporting requirements under the biofuels sustainability scheme.**

*Estimated duration of the contract:* 2 years.

*Indicative timetable:* to be launched in the third quarter of 2009.

For the purpose of the biofuels sustainability scheme, the Commission is required (by the RES Directive] to report every two years from 2012 onwards on the overall situation as regards biofuels production and consumption in the EU and the impact both in the EU and in third countries. The RES Directive enumerates the aspects that this report must cover.

For the purposes of establishing effective reporting and to be able to measure the impact of increasing biofuels production, baseline data will be needed. The purpose of this technical

support study will be to gather reference data as of the 2008 which will be further used as a reference point for future analysis. In line with the aspects enumerated in the RES Directive, these data will need to cover at least the following: national measures taken to respect the biofuels sustainability criteria and criteria for soil, water and air protection in the EU Member States and third countries that are a significant source of raw material for biofuels consumed within the EU; the impact on social sustainability in the Community and in third countries of increased demand for biofuel, the impact of EU biofuel policy on the availability of foodstuffs at affordable prices, in particular for people living in developing countries, and wider development issues, including respect of land use rights and status of these countries vis-à-vis international conventions on social and labour rights; greenhouse gas savings from the use of biofuels; the relative environmental benefits and costs of different biofuels, the effects of the Community's import policies thereon, the security of supply implications and the ways of achieving a balanced approach between domestic production and imports; the impact of increased demand for biofuels on sustainability in the Community and in third countries, in both economic and environmental terms, including consequences for biodiversity; the impact of increased demand for biomass on biomass using sectors; the availability of biofuels made from wastes, residues, non-food cellulosic material and ligno-cellulosic material; indirect land use changes, including displacement, in relation to all production pathways.

#### **11.9. Organisational models and best practice for facilitating local co-ownership and increasing social acceptance of renewable energy projects**

*Estimated duration of the contract:* 18 months

*Indicative timetable:* To be launched in the second quarter of 2009.

Meeting the EU target of 20% renewable energy in 2020 will only be possible with a significant increase in the number and scale of renewable energy projects. Although renewable energy generally enjoys strong support among citizens, the approval and construction of an increasing number of ever bigger wind farms, biogas installations, solar power plants etc. could lead to increasing problems with social acceptance. Renewable energy projects are already faced with resistance from some local communities. Problems are particularly likely to arise for big projects which, because of their financial scale, are promoted by large companies or investors that are external to the community in which the project is situated. One possible way to mitigate or reduce such problems is by encouraging local community ownership of the projects – "mentally" but also literally, in economic terms. This study should:

- 1) Review existing experience with local co-ownership of renewable energy projects and identify key success factors and elements of best practice;
- 2) Develop recommendations and proposals for standard models for organisational frameworks or agreements that could facilitate cooperation between project developers and local communities to enable the former to open the financing initiatives to latter to share the economic benefits of large renewable projects with the community in which they are sited.

#### **11.10. Assessment of renewable electricity grid issues in EU Member States: present situation, future planning and regulatory framework**

*Estimated duration of the contract:* 1 year.

*Indicative timetable:* To be launched in the second quarter of 2009.

Assessment of the legal, technical and operational framework of grid and electricity market related issues in the EU-27. The study should carry out a comparative analysis of the current framework in each Member State and identify the key elements of the integration of electricity from renewable energy sources into the internal electricity market. Fulfilment of the provisions of Directive 2001/77/EC should be assessed, as well as the ability to meet new requirements, including the achievement of more ambitious targets in this sector defined by the new Renewable Energy Directive. The assessment of the legal framework should cover aspects such as the application procedure for connection to the grid, rules on access to the grid, obligations of systems operators and new producers, tariffs and the cost associated with the connection, and the sharing and bearing of these costs by producers and systems operators. The study should analyse how the technical (operation of the grid) and market (the setting and rules of the electricity market) rules encourage or hinder the integration of more renewable electricity (if relevant by type of technology or geographical location). The difficulties of the integration of variable and non-storable resources should be analysed in more detail. The study should assess also future solutions that allow for higher shares of renewable energy sources in electricity production.

#### **11.11. Modelling renewable energy**

*Contract duration:* 6 months.

*Indicative timetable:* To be launched in the third quarter of 2009.

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

It is therefore important that all models used by the Commission are examined and to ensure that the interface between such models functions well: that the models can all be used in a manner which is coherent and results in consistent and well-integrated analysis.

This study will review the treatment of all renewable energy within the models used by the Commission for energy policy purposes, those of the IEA (World Energy Outlook (WEO) and Energy Technology Perspectives (ETP)) and of the US Energy Information Administration. It will note the compatibility of results of the Commission-used models and determine the existing interface and scope for improved interface between the models. Finally, it will establish the pathways to ensure a coherent interface between the models.

#### **11.12. Renewable energy best practice and implementation of national action plans**

*Contract duration:* 1 year.

*Indicative timetable:* To be launched in the fourth quarter of 2009.

Follow-up to the PROGRESS study, the progress reports published by the Commission in early 2009 and later, and the national action plans of Member States, this study will examine the state of play as regards renewable energy policy in all MS.



Drawing on existing literature (e.g. country profiles), the study will investigate in depth the support schemes for all technologies in all Member States in the context of Member States preparing and submitting to the Commission their national action plans. It will assess the national action plans against the requirements contained in the RES Directive, and will evaluate the expected progress against the interim targets established in the RES Directive.

### **11.13. Study on benchmarking biomass sustainability criteria for energy purposes**

*Contract duration:* 18 months.

*Indicative timetable:* To be launched in the fourth quarter of 2009.

The RES Directive states that the Commission should report on requirements for a scheme on biomass sustainability for energy uses by the end of 2009. The Commission will subsequently assess national measures in place to promote sustainable uses of biomass inside and outside the Community. Such a study may consider best practices on sustainable forest management, green public procurement, verification methods and greenhouse gas impacts.

### **11.14. Information and data base on clean and energy-efficient vehicles**

*Estimated duration of the contract:* 2 years.

*Indicative timetable:* To be launched in the fourth quarter of 2009.

The main objective is to establish a European information and data base on clean and energy-efficient vehicles and provide wide public access to this information through a website.

The information and data base and its dissemination through a dedicated website should support the implementation of the Directive on the promotion of clean and energy-efficient vehicles. It should capitalise on the results of Community-funded projects, such as COMPRO, PROCURA and STARBUS<sup>64</sup>.

Description and expected results:

The information and data base should include a substantive overview for the EU on:

- the different clean and energy-efficient vehicle types and the technological options, including information on energy consumption, CO<sub>2</sub> emission, and pollutant emissions;
- the market shares of the clean and energy-efficient vehicles with top performance in terms of energy efficiency and environmental impact, in the different categories of passenger cars (M1), light duty vehicles (N1), heavy duty vehicles (N2, N3), and buses (M2, M3);
- the industry on the supply side;
- public procurement schemes which promote clean and energy-efficient vehicles;
- joint procurement schemes;

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<sup>64</sup> COMPRO, PROCURA and STARBUS are projects funded under IEE Programme (2003-2006); [http://ec.europa.eu/energy/intelligent/projects/index\\_en.htm](http://ec.europa.eu/energy/intelligent/projects/index_en.htm)

- the market impact of public procurement of clean and energy-efficient vehicles, including an assessment and a comparison of the different schemes.

Targets and users should be:

- local, regional and national authorities;
- fleet owners (public and private);
- individual car buyers;
- automotive manufacturers.

The web-based platform should be built up as an interactive Information Centre where information can be downloaded and also uploaded by stakeholders.

Website tools should be provided to support and facilitate joint procurements of clean and energy-efficient vehicles.

### **11.15. Dissemination and support initiative in the field of energy aspects of urban transport**

*Estimated duration of the contract: 3 years.*

*Indicative timetable: to be launched in the third quarter of 2009.*

The action would be the first phase of an ambitious and long-lasting initiative that covers energy efficiency as well as alternative fuels and clean vehicles.

1. Establishing a widely promoted service portal on the internet on sustainable urban transport Using the existing ELTIS platform as a basis, incorporating experiences and adding value to similar initiatives such as the ManagEnergy portal, the establishment of a widely promoted internet-based service portal for local stakeholders which will include:

- an ever-expanding database with best practices, case studies, RTD, CIVITAS experiences and results from STEER and relevant ALTENER projects;
- regularly updated information on relevant legislation, state aid rules and financial instruments in the fields of energy, environment and transport;
- an overview of news, events, tools, training and educational material (including e-learning);
- an interactive helpdesk;
- facilities to support networking and staff exchanges within the transport-energy community;
- interactive links with agency websites.

2. Setting up a comprehensive public transport information internet portal

This portal should provide EU-wide links to:

- Local and regional public transport operators' websites for readily accessible information on urban and suburban transport facilities (schedules, tariffs, special services, including for people with reduced mobility).
- Websites providing information on the available connections between urban and suburban transport services and other transport modes/facilities, such as railways, ports, airports, park & ride sites, car-sharing services, rent-a-bike facilities.

3. The production and promotion of dissemination, information and educational material on sustainable urban transport

This includes guides for practitioners, handbooks, information kits, education tools for children, horizontal dissemination workshops, and, at the Commission's request, the provision of sectorial advice services to local actors on EU policy, financing or legislation. The basis for this material would be the information included in the above service portal, plus information gathered from national, regional and local initiatives.

### **11.16. Information and database on Eco-design**

*Estimated duration of the contract:* 3 years.

*Indicative timetable:* to be launched in the third quarter of 2009.

Development of an Ecodesign website/page aimed at facilitating access for SMEs to the most relevant information for implementing the Ecodesign Directive such as the legislation adopted, measurement harmonized standards, technical/economic preparatory studies, guidelines for implementation, etc.

## **12. AVAILABLE BUDGET UNDER THE 2009 WORK PROGRAMME**

The operational budget of the IEE II Programme for 2009 totals €6 187 400<sup>65</sup> in commitment appropriations.

From the operational budget line, €6 676 000 has been provisionally allocated to cover the operating expenses of the Executive Agency for 2009. €770 000 is earmarked for administrative expenses.

The indicative budget for grants in 2009 will be €4 741 400. For calls for tenders, a budget of €0 000 000 is planned.

The sum of €15 000 000 is earmarked for the cooperation scheme with the European Investment Bank. "Project Development Services for Energy Efficiency and Renewable Energy Projects in Municipalities and Regions" will be developed under the umbrella of IEE market replication projects and will constitute a contribution to the EC-EIB Sustainable Energy Financing Initiative (SEF Initiative).

The indicative distribution of the available 2009 budget by field and by means of implementation is set out in the table below.

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<sup>65</sup> Not including contributions from third countries.

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

**Indicative distribution of the available 2009 budget by field and by means of implementation**

	<b>Action</b>	<b>Calls for proposals (k€)</b>	<b>Calls for tenders and other mechanisms (k€)</b>	<b>TOTAL (k€)</b>
<b>SAVE</b>	EE buildings	12441,4		
	EE products	4500	1250	
	<b>TOTAL</b>	<b>16941</b>	<b>1250</b>	<b>18191,4</b>
<b>ALTENER</b>	RES electricity	5000	300	
	RES heating/cooling	6000		
	Small-scale RE applications in buildings	4500		
	Biofuels/biomass	3500	2250	
	RES horizontal		1100	
	<b>TOTAL</b>	<b>19000</b>	<b>3650</b>	<b>22650</b>
<b>STEER</b>	Alternative fuels and EE vehicles	2000		
	EE transport	7600	3100	
	Capacity-building in transport for existing local and regional agencies	1200		
	<b>TOTAL</b>	<b>10800</b>	<b>3100</b>	<b>13900</b>
<b>Integrated Initiatives</b>	European networking for local action (horiz.)	3500		
	Sustainable energy communities (horiz.)	7000		
	Bio-business	2500		
	Energy services	2000	500	
	Intelligent energy education (horiz.)	2000		
	Product standards	1000		
	CHP		500	
	<b>TOTAL</b>	<b>18000</b>	<b>1000</b>	<b>19000</b>
<b>Market Replication Projects</b>	Project Development Services under Sustainable Energy Financing Initiative		15000*	<b>15000</b>
<b>GRAND TOTAL</b>		<b>64741</b>	<b>24000</b>	<b>88741,4</b>

\* Action to be implemented by mechanisms other than tenders or proposals.

All the figures above are estimates and are subject to change, depending on the results of the call.

- All calls for tenders of strategic relevance to Community policy are to be managed directly by the Commission departments concerned. Actions developed by the European Investment Bank will be subject to a dedicated cooperation agreement between the EIB 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 third 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.

### **13. SCHEDULE FOR THE 2009 CALLS**

The plan is to launch a call for proposals as soon as possible after adoption of the 2009 Work Programme.

The Commission will publish the call in the Official Journal of the European Union (OJ) and on the website of Directorate-General for Energy and Transport<sup>66</sup>. Further details will be published on the IEE Programme website.

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

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

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<sup>66</sup> [http://ec.europa.eu/dgs/energy\\_transport/index\\_en.htm](http://ec.europa.eu/dgs/energy_transport/index_en.htm)