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**Directorate-General for Energy**

Final Evaluation of the Intelligent  
Energy-Europe II Programme within the  
Competitiveness and Innovation  
Framework Programme

Final Report

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**Deloitte.**

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# Final Evaluation of the Intelligent Energy-Europe II Programme within the Competitiveness and Innovation Framework Programme

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**This report does not represent any official position of the European Commission but the sole opinion of the authors of the study.**

## 0. EXECUTIVE SUMMARY

The Final Evaluation of the Intelligent Energy-Europe II Programme (IEE II) ran from 29 November 2010 until 8 June 2011. It covers a range of evaluation questions specified by DG ENERGY and structuring these into the evaluation criteria of relevance, effectiveness, efficiency, coherence and synergies, utility, sustainability and impact.

Various data collection tools and techniques were used to answer the evaluation questions. Extensive desk research of strategic documents was followed by interviews with EU stakeholders, including the Commission and EACI officials, after which we visited several Member States and projects to collect information from the field. In parallel, we conducted four web-based surveys project and programme managers within the programme. We also presented our first findings and assumptions during an IEE Committee meeting, held on 7 April 2011, in order to validate these and collect additional qualitative data.

For each evaluation criterion and question, we synthesise our main conclusions hereunder.

### **Relevance**

*Were the overall programme objectives adequately specified, notably to ensure secured, sustainable energy for Europe, while enhancing European competitiveness?*

The programme is still in line with the overarching EU objectives in the field of sustainable energy. The IEE II programmes' objectives directly respond to the general EU policy objectives in the field of energy. The actions supported by the programme are in line with the IEE II programme objectives.

The programme's objectives and funding priorities are perceived as relevant to the needs, barriers and issues it was designed to address. There remain non-technological barriers which slow down the uptake of sustainable energy technologies. IEE II contributes to reduce them by supporting activities in the fields of policy support, capacity building, dissemination and promotion and market replication projects.

The programme's objectives appear to be sufficiently flexible and adaptable as they are formulated in a way that allows supporting a wide spectrum of priorities covering the majority of the needs identified by supporting actions reducing those barriers. Flexibility and adaptability of the programme objectives are reinforced by the prioritisation process (annual work programmes) that allows the programme to evolve over time and adapt to policy developments and budget increases.

### **Effectiveness**

*Was the overall legal framework (including rules for participation and contracts), clear, appropriate and effective?*

The legal framework establishing the IEE II programme is clear, understandable and effective. Both the Commission and the EACI made considerable efforts to contribute to the clear legal structure of the programme.

*Were the policy instruments and the modalities for implementation clear, appropriate, and effective?*

Overall, the policy instruments and modalities for implementation are clear and effective for the promotion and dissemination projects. However, there is room for improvement as regards the other components (market replication projects under ELENA facility and call for tenders).

The efforts made by the EACI to simplify the management process might increase the effectiveness of the projects.

*How effective and efficient are the activities of dissemination of the programme results and communication? Should they be improved?*

The means deployed at programme level mostly cover awareness raising and results dissemination for the promotion and dissemination programme component by the EACI and NCPs, and are limited in relation



to the project level means for promotion and dissemination of the results of promotion and dissemination projects. They are nonetheless considered adequate. Programme level communication is perceived as sufficiently effective and efficient for this component. There is room for improvement in the effectiveness of programme level communication for the market replication, tenders and concerted action components although this will require time for results to be generated by the recently initiated market replication projects and is limited by the nature of the tenders and concerted actions. It would also require dedicated means to be done cost-effectively.

The project level dissemination activities for promotion and dissemination projects are believed to contribute to the transmission of results and impacts of actions, but their effectiveness and efficiency is not clear, even if it is believed that they have sufficient means to reach their communication objectives. Project level communication and dissemination on the other components of IEE may not be as effective as for the promotion and dissemination component, but again needs more time for market replication projects to be able to generate results.

*Are the target groups of the IEE programme reflected in the target groups of the dissemination activities? Who is using programme's outputs? To what extent?*

The target groups of the IEE II programme are reflected in its dissemination activities, as both encompass all actors in the development of sustainable energy. There is however no clear and consolidated single overview or reporting on the defined target groups for each of the programme components or for their dissemination activities.

There is moreover no clear and consolidated single overview on who is using projects' outputs and to what extent as there is limited follow up on this. However, it is considered that the target audiences of the dissemination activities should be the ones using the outputs at both project and programme level.

*Did the IEE activities achieve their objectives and were they the most appropriate means for achieving the objectives set?*

Based on the progress of the activities supported by the programme, it is likely that they will achieve their objectives. We can conclude that the specific and strategic objectives of the actions are in line with the programme objectives. Positive feedback has been collected as regards the effectiveness of the actions supported both in reaching their objectives and in contributing to the programme's objectives. Furthermore, the activities supported are judged the most appropriate to meet the objectives set.

Nonetheless, it is unlikely that the results and expected impacts would be quantified (except for the market replication projects). From our analysis, it can be seen that further we move from outputs to impacts, the more it is difficult for project coordinators to quantify the objectives and their related indicators and to collect data to feed them. In addition, there is room for improvement as regards the follow up and monitoring of the strategic objectives of the actions. This puts significant risk in assessing quantitatively the contribution of the programme to its overall objective.

*What are the major results in particular as regards the operational objectives of the programme (art. 38 of CIP Decision)? What are other outputs of the programme? Do they match expectations?*

The results generated by the actions supported are likely to contribute to the operational objectives of the programme. Furthermore, thanks to the diversity of the actions supported, the results will contribute to the full coverage of the operational objectives although the level of contribution would differ slightly from one objective to the other.

## **Efficiency**

*Was the level of funding and other available resources adequate to achieve the objectives set?*

The adequacy of the level of funding and other available resources under IEE II to achieve the programme's objectives is difficult to determine at the overall programme level (macro level) given the fact that specific, measurable, achievable, relevant, and time-bound objectives and expected impacts cannot easily be identified for IEE within the overall EU energy framework.

Nonetheless, the activities funded by the programme are perceived as better value for money than alternatives where these exist, and as having the potential to grow to effectively achieve its objectives.

It is generally considered that the budgets and resources for projects to be adequate. The difficulty to interpret this perception stems from the fact that projects set their own objectives meaning these will naturally tend to be in line with the allocated budget.

We conclude that the means put in place are not excessive, and could be increased to better facilitate achievement of the overarching objectives of the programme, especially given the limited time remaining to achieve these before 2020 and the delays incurred to date vis-à-vis certain sustainable energy development objectives.

*Were the activities carried out efficiently and were they cost effective, taking into account particularly issues such as the overall cost of management against activities funded; contractual and legal procedures; communication and the support given by the Executive Agency for Competitiveness and Innovation, Commission and European Investment Bank to assist programme participants?*

IEE II's main activities were individually perceived as being carried out efficiently and cost effectively.

The promotion and dissemination projects managed by the EACI at programme level represent the biggest management cost for IEE. The EACI are overall perceived as efficient and their resourcing is considered as adequate.

*Is the project selection process timely and efficient? If not, could it be improved?*

The project selection processes for IEE II promotion and dissemination and market replication projects are timely notwithstanding their quality.

Tenders under the IEE programme follow the usual EC procurement processes and rules, including for project selection which can be considered as efficient.

*Did the programme attract (and target) the best and most appropriate beneficiaries?*

We cannot ascertain whether IEE II has targeted and attracted the best and most appropriate beneficiaries to date, given the wide range of potential beneficiaries for the four main programme components, and the impossibility to assess the relative impacts of projects undertaken by different types of actors due to the lack of measured impacts.

Participation targets in IEE II are set for the balanced participation of public and private beneficiaries, SME's, newcomers, and organizations from different Member States to the promotion and dissemination component of the programme and these are met with the exception of the balance between Member States. The latter seems to be due to the competitive nature of the promotion and dissemination calls. Nonetheless, the proportion of beneficiaries from EU-12 has increased compared to IEE I, except in project coordination.

All 12 market replication projects approved to date have been for beneficiaries in EU-15, typically for municipalities in large cities, while some projects under review are for applicants from new Member States and the extension of ELENA with two new facilities should balance this situation.

Tenders under IEE follow the standard EC process, and no specific activities are undertaken to attract particular beneficiary target groups. Concerted actions cover all Member States.

*Did the programme provide value for money?*

IEE II seems to provide value for the money invested. It is however not possible to perform an objective cost benefit assessment of IEE II programme as the benefit data for IEE II is not available. There is no clear alternative to which to compare IEE II, even if a cost/benefit ratio could be determined for it.

The promotion and dissemination projects are regarded as relatively cost-effective by participants. The EACI follows up the cost-effectiveness of promotion and dissemination projects closely.

According to the project participants, projects involving less countries on average are more cost-effective than projects with more countries involved (especially as of 10 countries).

The available data on the six signed market replication ELENA-EIB projects indicates significant potential value for money. However, these amounts might not be fully attributed to EC funding through ELENA (IEE II) as the underlying investment projects invest much larger amounts in material to achieve them, and might in some cases have taken place without ELENA support albeit more slowly and with lesser ambitions.

*How does the programme compare with counterpart programmes?*

The IEEC members respond that IEE II provides relatively more value.

IEE is furthermore overall perceived as a less burdensome programme in terms of administrative requirements, than other EU programmes in sustainable energy like INTERREG, the FP7, or the structural funds.

### **Coherence and synergies**

*What has been the interaction with other EU programmes/initiatives?*

There is evidence of interactions and synergies between IEE II and other EU initiatives in the field of sustainable energy development.

A first type of synergies is those observed in the management of IEE II and of certain related EU initiatives and programmes. A second type of synergies concerns sharing of knowledge, which happens mainly through inter-service consultations and joint communication to beneficiaries with other EU initiatives such as FP7 or the SF/CF.

There are concrete links between projects. There have been a number of initiatives to ensure coordinated communication between IEE II and other EU programmes, and certain projects directly link to other EU programmes like the Structural Funds.

IEE II complements well other existing programmes in sustainable energy (research or physical investment programmes), and have many potential synergies with these.

There are also some potential overlaps between IEE II and the SF/CF, as well the LIFE+ programme.

### **Sustainability**

*Is there evidence that the activities co-funded/funded by the programme will have lasting impacts?*

The actions co-funded/funded by the programme should generate impacts which are likely to have a lasting effects. However, the expected (lasting) impacts of the actions supported are unlikely to be quantified or directly imputable to the sole action of the programme. The issue resides partly in the lack of follow-up after the end of projects, the lack of adequate performance indicators and the lack of activities aiming at ensuring the sustainability of the impacts.

*What should be the duration of a future programme?*

The duration of a future programme should be between three and seven years. This follows from the fact that the horizon for achievement of the EU “20/20/20” objectives in 2020, and that a majority of programme stakeholders consider that IEE will be relevant at least until then. Moreover, the maximum

three year duration of projects is perceived as adequate given that this allows sufficient time for consortia to become effective, and to produce results and impacts through the IEE projects. A future IEE programme should therefore allow for activities of up to three years.

### **Utility**

*Has the programme performed a useful role and is it still required? Is the programme a useful and effective instrument and is there scope for improvement? What are the main points of EU added value reported by the programme participants?*

Overall, the programme was useful as it replies to needs, problems and barriers related to sustainable energy issues that Europe is facing. The programme is a useful instrument that should be continued as, although evolving over time, there are still non-technological barriers to achieve EU energy goals.

The programme is perceived as bringing added-value by being at European level. The main added-value reported are the transnational dimension of the action supported, the transfer of knowledge and best practices from more advanced Member States in energy issues to less advanced Member States helping them preparing the path to achieve European objectives and its adequate combination of actions. The programme is one of a kind, adding high value to have a successor to the IEE II.

### **Impact**

*What has been the impact of the programme on EU energy policy development and implementation? What has been the impact on national and regional policies and programmes?*

A series of elements tends to prove that it is likely that the actions supported by the programme will have an impact on both EU and national level policy development and implementation. Promotion and dissemination actions will aim at preparing the ground for effective policy implementation which can be understood as “indirect” impact to EU and national policy development. Concerted Actions are expected to impact directly the implementation of the EU energy policies. The expected impact of the tenders is directly impacting EU policy development and implementation by providing valuable input to the EC.

*To what extent were there unexpected results?*

There have been unexpected results for the IEE II programme, especially at programme level in terms of the allocation of funding across the programme components and fields. Nonetheless, at project level there is no evidence of systematic unexpected results.

*Is there a relation between the type of action and the kind of impact?*

There is no evidence of a relationship between action types and kinds of impact for IEE II projects.

Nonetheless, there are varying degrees of perceived impact of the IEE II projects across the action types, and it may be expected that projects under the different programme components have slightly different kinds of impacts given their different objectives.

*Do impacts differ between countries? If yes, how and why?*

The impacts of IEE II differ across countries due to the varying national contexts and the differing levels of participation of partners and coordinators from different countries.

It can be expected that the highest impacts of the IEE II programme would be felt in a number of most highly involved old Member States (Germany, Italy, Belgium, UK, France, and Austria).

## **CONCLUSIONS AND RECOMMENDATIONS**

Based on these answers to the study's evaluation questions, we derived the following overall conclusions.

The programme is relevant and useful as it replies to the evolving needs, problems and barriers related to sustainable energy issues that Europe is facing. The combination of the actions which covers a wide spectrum of priorities, the involvement of different type of actors which can clearly influence the uptake of sustainable energy solutions and in particular the combination of market solution oriented projects and projects targeting policy adaptation as well as the influence of the IEE II actions at different moment of the market cycle contribute to the effectiveness of the programme.

We can nevertheless challenge the sustainability and effectiveness of the actions with regard to their contribution to wider IEE and EU energy objectives. Indeed even if individually relevant, it is unclear how the actions as a whole contribute to those objectives due to the ambitious scope of the strategies at stake. This feature of the programme can be viewed both as a strength (respond to the large scope of needs) than a weakness (this makes its overall measurement and management more complex).

In order to mitigate the previous conclusion, the assessment of the effectiveness of the programme demonstrates that each level of objectives corresponds to each other and contributes, in a bottom up approach, to the overall EU energy goals. The assessment of the effectiveness of the actions supported, and taken individually, demonstrates that the activities co-funded/funded by the programme are likely to reach their objectives and to achieve expected results and lasting effects. However, it is unlikely that the expected impacts would be quantified for most of the projects supported (except for the market replication projects) due to the nature of the projects. As a consequence, at programme level, it can be concluded that the contribution of the programme to the EU sustainable energy objectives will be difficult to quantify.

Concerning the legal framework establishing the IEE II programme, we can conclude that it is clear, understandable and effective. Overall, the policy instruments and modalities for implementation are clear and effective for the promotion and dissemination projects. More nuances are brought as regards to the other components of the programme (market replication projects under ELENA facility and call for tenders).

Therefore we can conclude that overall the actions supported by the programme are of good quality while the administrative burden linked to the IEE II programme is felt to be reasonable by all involved parties, and has been reduced over time. This is ensured by adequate implementation and management process.

Concerning the financial resources of the programme, we conclude that the means put in place are not excessive taking into account the ongoing debate on the allocation of the programme's resources to its different annual work programmes, components and fields, and the relatively small size of its budget in relation to overall spending on sustainable energy. This budget could even be increased to better facilitate achievement of the overarching objectives of the programme, especially given the limited time remaining to achieve these before 2020 and the delays incurred to date vis-à-vis certain sustainable energy development objectives.

As regards the communication activities carried, the programme level communication is perceived as sufficiently effective and efficient for promotion and dissemination projects. It is perceived that there is room for improvement in the effectiveness of programme level communication for the market replication, tenders and concerted action components although this will require time for results to be generated by the recently initiated market replication projects on the one hand and on the other is limited by the nature of the tenders and concerted actions. It would also require dedicated means to be done cost-effectively.

The project level dissemination activities for promotion and dissemination projects are believed to contribute to the transmission of results and impacts of actions, but their effectiveness and efficiency is not clear, even if it is generally believed they have sufficient means to reach their communication objectives. Project level communication and dissemination on the other components of IEE may not be as effective as for the promotion and dissemination component, but again needs more time for market replication projects to be able to generate results.

We can state that the target groups of the IEE II programme are reflected in dissemination activities, as both encompass all actors in the development of sustainable energy. There is however no clear and consolidated single overview or reporting on the defined target groups for each of the programme components or for their dissemination activities. We can also draw the same conclusion on who is using projects' outputs and to what extent as there is limited follow up on this at project level. However, it is considered that the target audiences of the dissemination activities should be the ones using the outputs at both project and programme level.

Finally, there is evidence of interactions and synergies between IEE II and other EU initiatives in the field of sustainable energy development (both at management and sharing of knowledge levels). There are also concrete links between projects. IEE II is perceived as complementing other existing programmes in sustainable energy well (research or physical investment programmes), and having many potential synergies with these. However, it is perceived that these potential synergies with other EU programmes could be further exploited.

*We therefore RECOMMEND that:*

**For the remaining years of the ongoing IEE II programme:**

- Programme-level communication be consolidated for all programme components to ensure sufficient visibility and consistency;
- A single consolidated overview of target groups for the different programme components be created, and used as the basis for follow-up of the programme and project communication;
- The training for NCPs be further developed, and they receive more programme support;
- Target groups for the dissemination of the experience of Market replication projects be clearly defined;
- An upfront indicative prioritisation for the two remaining work programmes (2012 and 2013) be considered;
- An alternative selection method for market replication projects be envisaged once it is considered that a sufficient number of "pilot projects" have been established and it is considered that demand is sufficient for this, so as to assess different possible allocation methods for optimal market replication;
- The national specificities/needs continue to be taken into account when prioritising projects, both for promotion and dissemination projects (perhaps even included in selection criteria), and market replication projects;
- There be further follow up of the management costs per programme component and reporting on this to the IEEC;
- There be continued close monitoring of the potential overlaps between IEE II and the SF/CF INTERREG IVC, as well the LIFE+ programmes;
- The synergies of IEE II with other EU programmes be further continued.

**For a potential successor to IEE II:**

- The programme duration be between three and seven years, ideally from 2014-2020;
- There be a stronger upfront prioritisation and programming
- There be a regrouping of programme activities around five types of activities (AWARENESS RAISING, BUILDING CAPACITIES AND SKILLS, PREPARING THE GROUNDS FOR NEW INVESTMENTS, FACILITATING POLICY IMPLEMENTATION, CREATING FAVOURABLE MARKET CONDITIONS).
- The above types of IEE activities be taken as the basis for measuring impacts for which indicators should be defined by project type;
- There be a possibility to extend successful projects, or apply for further dissemination budget in a light procedure;
- There be an increased follow up of the consolidated results and impacts of projects to ensure sustainability.
- The current instruments be continued although similar but smaller-scale exchange fora between the IEEC members or designated other representatives of Member States could be investigated based on the concept of the concerted actions (“working groups”).
- The programme contribute to tackling the barriers to the long term implementation of synergies for the IEE II programme where possible

## 1 INTRODUCTION

The European Commission mandated Deloitte to perform a final evaluation of the Intelligent Energy-Europe II (2007-2013) Programme within the Competitiveness and Innovation Framework Programme, a request for services in the context of the DG TREN FRAMEWORK Contract on Impact Assessments and Evaluations (TREN/A2/143-2007).

The contract was signed by Deloitte and the European Commission on 29 November 2010. The terms of reference describe the need for the following reports:

- an Inception Report within 20 working days from the signature of the contract;
- a Progress Report within 50 working days after the signature of the contract;
- a First Findings and Recommendations Report within 75 working days after the signature of the contract;
- a Final report within 100 working days after the signature of the contract.

This Final Report presents:

- an outline of the context around the IEE programme (section 2);
- the evaluation design (section 3) presenting the scope and objectives of the evaluation and the tools and techniques used;
- Our answer to the evaluation questions (section 4);
- The general conclusions of the evaluation (Section 5);
- Our recommendations (section 6);
- the annexes:
  - Annex 1: The list of documents collected and analysed during the desk research;
  - Annex 2: The sample of projects;
  - Annex 3: The list of interviewees;
  - Annex 4: The case studies.



## 2 CONTEXT OF THE PROGRAMME

This section of the report provides a view of the IEE programme context based on desk research and outcomes of meeting and interviews with Commission and EACI officials.

### 2.1 EU Energy Policy context

Energy is the lifeblood of economic activity and social welfare in the EU. If Europe is to achieve its economic, social and environmental objectives, it must therefore address major energy-related challenges such as sustainability, security of supply and competitiveness.

The EU recognizes that sustainable, secure and competitive energy is the backbone of a smart, sustainable and inclusive EU economy, and a pillar of the Europe 2020 strategy, which has the aim of delivering high levels of employment, productivity and social cohesion and sets out a vision of Europe's social market economy for the 21st century including three mutually reinforcing priorities:

- Smart growth: developing an economy based on knowledge and innovation;
- Sustainable growth: promoting a more resource efficient, greener and more competitive economy;
- Inclusive growth: fostering a high-employment economy delivering social and territorial cohesion.

Correspondingly, the above central energy goals are now laid down in the Lisbon treaty<sup>1</sup>, and amongst the headline targets of the Europe 2020 strategy are the "20/20/20" climate/energy targets<sup>2</sup> (see below) and the "Resource efficient Europe" and "Innovation Union" flagship initiatives designed to help achieve these targets by decoupling economic growth from the use of resources, shifting towards a low carbon economy, increasing the use of renewable energy sources (RES), modernizing the transport sector and promoting energy efficiency (EE), as well as improving the framework conditions and access to finance for innovation so as to ensure that innovative ideas can be turned into products and services that create growth and jobs.

The "20/20/20" targets are:

- A reduction in EU greenhouse gas emissions of at least 20% below 1990 levels;
- 20% of EU energy consumption coming from renewable resources;
- A 20% reduction in primary energy use compared with projected levels, to be achieved by improving energy efficiency.

Further to these targets, the Commission intends to submit a Communication on a roadmap for a low-carbon economy by 2050 in early 2011, including milestones for 2030, highlighting pathways for needed technological improvements and structural changes in the industry, energy and transport sectors (the forthcoming Energy Roadmap 2050).

Furthermore, the Commission has analysed the implications of lowered growth prospects and of other countries Copenhagen pledges for delivering its "20(30)-20-20" targets. Despite these new circumstances the EU can achieve its 20% emission reduction target and move to 30% if conditions are right: associated costs for the EU are lower than projected when adopting the Climate and Energy package. A move towards a 30% reduction would increase the need for a successor to the IEE II programme, which can reduce transaction costs for the application of energy efficiency and/or renewable energy technologies.

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<sup>1</sup> Article 194 of the Treaty on the functioning of the European Union (TFEU)

<sup>2</sup> Communication from the Commission (doc. 7110/10 of 5 March 2010)

Beyond the inclusion of energy and climate targets in the Europe 2020 strategy, the EU, knowing that it faces strategic energy challenges in years to come has developed an extensive energy and climate policy and regulatory framework:

The first Strategic Energy Review, published by the Commission in 2007 as part of climate and energy package, provided the framework for the development of the EU's "20-20-20" policy and targets. The "20-20-20" targets were adopted at the European Spring Council (8-9 March 2007)<sup>3</sup>, at which the EU set the unilateral target to cut its greenhouse gas emissions by 20% by 2020 compared to 1990 levels. The European Council agreed that developed countries should commit to collectively cutting their emissions by about 30% by 2020, compared to 1990 levels, as part of an international agreement, and by 60 to 80% by 2050. The Council supported a 30% cut in the EU's emissions by 2020, provided that this international agreement is successfully concluded. With its action plan on energy policy for the period 2007-2009, the European Council supported the following goals:

- to improve energy efficiency to save 20% of the EU's energy consumption compared to forecasts for 2020;
- to raise the share of renewable energy to 20% of EU overall energy consumption by 2020;
- to raise the share of renewable energy sources (RES) to at least 10% of energy consumption in transport in the EU by 2020.

In order to reach the ambitious target of a 20% share of energy from renewable sources in the overall energy mix, the EU plans to focus efforts on the electricity, heating and cooling sectors and on biofuels. In transport, which is almost exclusively dependent on oil, the Commission hopes to increase the current target of a 5.75% share of biofuels in overall fuel consumption to a 10% share by 2020.

Binding legislation to achieve these targets was passed in June 2009 based on a Commission proposal in January 2008. It comprises four pieces of complementary legislation:

1. a harmonization and strengthening of the Emissions Trading System (EU ETS), the EU's key tool for cutting emissions cost-effectively, reducing the number of allowances available to businesses to 21% below the 2005 level in 2020;
2. an 'Effort Sharing Decision' with binding national emissions reduction targets from sectors not covered by the EU ETS, such as transport, housing, agriculture and waste, aiming to cut the EU's overall emissions from the non-ETS sectors by 10% by 2020 compared with 2005 levels.
3. binding national targets for renewable energy production to lift the average renewable share across the EU to 20% by 2020, contribute to decreasing the EU's dependence on imported energy and reduce greenhouse gas emissions. In this respect, the Directive 2009/28/EC on the promotion of the use of energy from renewable sources, repealing the previous Directives 2001/77/EC and 2003/30/EC establishes (Article 1) "a common framework for the promotion of energy from renewable sources. It sets mandatory national targets for the overall share of energy from renewable sources in gross final consumption of energy and for the share of energy from renewable sources in transport. It lays down rules relating to statistical transfers between Member States, joint projects between Member States and with third countries, guarantees of origin, administrative procedures, information and training, and access to the electricity grid for energy from renewable sources. It establishes sustainability criteria for biofuels and bioliquids";
4. a legal framework to promote the development and safe use of carbon capture and storage (CCS) technology to reduce greenhouse gas emissions by setting up a network of CCS demonstration plants by 2015 and the aim of commercial uptake of CCS by around 2020.

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<sup>3</sup> 7224/1/07 REV 1

The climate and energy package also created pressure to improve energy efficiency although it does not address it directly.

Energy efficiency is mainly tackled through the EU's energy efficiency action plan<sup>4</sup> adopted in October 2006, and aimed at achieving a 20% reduction in energy consumption by 2020, compared to projections. The 20% objective is deemed feasible due to the significant potential for reducing energy consumption, especially in sectors such as buildings and transport. Nonetheless, significant efforts will be needed, and the Commission noted that attaining energy efficiency targets is unlikely with the current policy while achieving renewable energy sources targets seems feasible<sup>5</sup>. The Action Plan includes numerous measures to improve the energy performance of products, buildings and services, to improve the yield of energy production and distribution, to reduce the impact of transport on energy consumption, to facilitate financing and investments in the sector, to encourage and consolidate rational energy consumption behaviour and to step up international action on energy efficiency. This action plan bases itself on a comprehensive framework of directives and regulations to improve energy efficiency in energy-using products, buildings and services. These include the Eco-Design Directive , the Energy Star Regulation , the Labelling Directive and its 8 implementing Directives, the Directive on Energy End-Use Efficiency and Energy Services and the Energy Performance of Buildings Directive (EPBD) for which a recast to clarify and simplify certain provisions, extend the scope of the Directive, strengthen some of its provisions, and provide for the leading role of the public sector has been proposed by the Commission on 13 November 2008 and approved by the Parliament on 18 May 2010.

Progress on energy efficiency is key as this is considered the simplest and cheapest way to secure CO<sub>2</sub> reductions<sup>6</sup>.

Early in 2007 the Commission proposed “An Energy Policy for Europe”<sup>7</sup> as a first resolute step towards becoming a low-energy economy, whilst making the energy we do consume more secure, competitive and sustainable. A common policy, it was felt, is the most effective way to tackle today's energy challenges, which are shared by all Member States. The aims of the policy are to be supported by market-based tools (mainly taxes, subsidies and the CO<sub>2</sub> emissions trading scheme), by developing energy technologies (especially technologies for energy efficiency and renewable or low-carbon energy) and by financial instruments.

Simultaneously, with its “Renewable Energy Road Map. Renewable energies in the 21st century: building a more sustainable future”<sup>8</sup>, the Commissions set out a long-term strategy for renewable energy in the European Union (EU). The aim of this strategy is to enable the EU to meet the twin objectives of increasing security of energy supply and reducing greenhouse gas emissions. Renewable sources of energy – wind power, solar power (thermal and photovoltaic), hydro-electric power, tidal power, geothermal energy and biomass – are an essential alternative to fossil fuels. Using these sources will help not only to reduce greenhouse gas emissions from energy generation and consumption but also to reduce the EU's dependence on imports of fossil fuels (in particular oil and gas).

The Commission's Green paper on “A European strategy for sustainable, competitive and secure energy” (2006) was an important milestone in developing an energy policy for the European Union (EU). In the Green Paper, the Commission put forward concrete proposals in six priority areas for implementing a European energy policy. Ranging from the completion of the internal market through to the implementation of a common external energy policy, these proposals were aimed to help Europe to ensure a supply of energy which is secure, competitive and sustainable for decades to come.

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<sup>4</sup> COM(2006)545

<sup>5</sup> COM(2010) 639

<sup>6</sup> COM(2009)519

<sup>7</sup> COM(2007) 1

<sup>8</sup> COM(2006) 848

In 2005, the Commission laid the foundations for an EU strategy to combat climate change with its communication “Winning the battle against climate change”. In 2007, with its communication “Limiting Global Climate Change to two degrees Celsius - The way ahead for 2020 and beyond” it set out more concrete steps to limit the effects of climate change and to reduce the risk of massive and irreversible disruptions to the planet. These short-term and medium-term measures target both developed countries (the EU and other industrialised countries) and developing countries.

Directive 2003/30/EC of the European Parliament and of the Council on the promotion of the use of biofuels or other renewable fuels for transport set a target of 5.75% of biofuels of all petrol and diesel for transport placed on the market by 31 December 2010. Member States were required to set indicative targets for 2005, taking a reference value of 2% into account.

In December 2002 the EU adopted the Energy Performance of Buildings Directive (EPBD)<sup>9</sup>, which set minimum efficiency standards for both residential and commercial buildings above a surface area 1000m<sup>2</sup>. Most Member States decided to delay transposition until January 2009 due to a lack of qualified independent experts.

In 2001, the Directive 2001/77/EC of the European Parliament and of the Council dealt with the promotion of electricity produced from renewable energy sources in the internal market. The Directive set a 21% indicative share of electricity produced from renewable energy sources in total EU electricity consumption by 2010. It defined national indicative targets for each Member State, encouraged the use of national support schemes, the elimination of administrative barriers and grid system integration, and laid down the obligation to issue renewable energy producers with guarantees of origin if they request them.

In 1997, the Commission’s White paper on renewable energies sets out a strategy and an action plan to promote the market penetration of renewable energy sources with the aim to double the total consumption of renewable energy from 6% to 12% by 2010. The action plan contained several support measures including the organisation of a campaign for the take-up of renewables.

Despite this, the EU is now in an uncertain period regarding energy and climate policy:

The current budget ends in 2013 and the proposal for a new Multiannual Financial Framework is planned to be proposed in second quarter 2011. The existing architecture will be streamlined and simplified, for example with a stronger emphasis on financial engineering and leverage funding in order to optimise management and impact. :

While the current policy and regulatory framework has allowed for progress towards the defined objectives, this is not being achieved sufficiently quickly, and the existing strategy is unlikely to achieve all 2020 targets<sup>10</sup>. The European Parliament has called for more ambitious targets including binding targets in energy efficiency but Member States are reluctant to move forward on this. The barriers to reaching the objectives of the EU energy and climate regulation are evolving, and energy and climate strategy, policy and regulation must adapt accordingly.

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<sup>9</sup> 2002/91/EC

<sup>10</sup> COM(2010)639

## 2.2 IEE programme background

Between 1998 and 2002, the Energy Framework Programme (EFP) was established to give unity to and co-ordinate six specific programmes that had already existed for some time. These were SAVE (covering energy efficiency), ALTENER (renewable energy), SYNERGY (co-operation with third countries), CARNOT (some aspects of coal utilisation), SURE (some limited aspects of nuclear energy) and ETAP (energy modelling and analysis of energy policies).

The ALTENER, SAVE and SYNERGY programmes were continued under a multiannual programme for action in the field of energy titled “**Intelligent Energy for Europe**” (IEE) (2003-2006)<sup>11</sup>, which was adopted by the European Parliament and the Council on 26 June 2003. On 23 December 2003, the creation of the “**Intelligent Energy Executive Agency**” (IEEA) was decided, in order to facilitate the implementation of the programme and to act as authorizing officer, by delegation of the DG Energy and Transport (DG TREN).

The IEE Programme was designed as the main Community instrument for non-technological support in the field of energy. Its approach addressed the market barriers that hamper the efficient use of energy and increased use of new and renewable energies. It also contained a strong emphasis on raising awareness amongst those key organisations and individuals who are central to achieving the wider objective, namely that of accelerating the update of energy efficiency measures and the greater use of clean and renewable energy, in particular at regional and local level.

To better integrate the previous programmes with the new political commitments of the time, two new fields of action were created in addition to those focused on renewable energy sources (RES) and rational use of energy (RUE). These two fields focused (i) on the energy aspects of transport and (ii) on energy issues in relation to developing countries.

To summarise, the Intelligent Energy Europe programme (2003-2006) covered **four specific fields**:

- **SAVE**, which concerned the improvement of EE and RUE, in particular in the building and industry sectors and also energy efficient equipment and products;
- **ALTENER**, which concerned the promotion of RES for centralized and decentralized production of electricity and heat and their integration into the local environment and energy systems, for instance RES-Electricity, RES-Heat and small scale RES integrated into buildings, Biofuels, etc;
- **STEER**, which concerned support for initiatives relating to all energy aspects of transport, the diversification of fuels such as through new developing and RES and the promotion of renewable fuels and EE in transport;
- **COOPENER**, which concerned support for initiatives relating to the promotion of RES and EE in the developing countries, in particular in the framework of the Community cooperation with developing countries in Africa, Asia, Latin America and the Pacific for enabling poverty alleviation and increasing local energy expertise.

The programme also foresaw “**Key Actions**” under each specific field (Vertical Key Actions, VKA) or across several fields (Horizontal Key Actions, HKA). Inside each Key Action a number of Target Areas (TA) were defined.

The **VKA** contained the sectoral objectives of each of the four fields, including the potential instruments that could be used to achieve them. Activities under the vertical key actions were often looking for integrated solutions, combining EE and the use of RES.

The **HKA** were, by nature, trans-sectoral, covering several fields without one field being more dominant than the others. These five were:

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<sup>11</sup> IEE Programme was adopted by Decision No 1230/2003/EC of the European Parliament and of the Council of 26 June 2003.

- **Sustainable Energy Communities.** This horizontal key action dealt with energy within society, favouring RES as sources, together with a conscientious application of EE measures in all end-use sectors.
- **Think globally, act locally.** This action sought to achieve better efficiency in the implementation of local actions by local actors, mainly support the creation of new local & regional energy management agencies where it is deemed necessary.
- **Financing mechanisms & incentives.** The objectives were to analyse the impact of existing financing instruments and to facilitate the development of innovative financial schemes tailor made for the financing of RES and RUE.
- **Monitoring & Evaluation** of different RES/RUE policies and measures, methods, indicators and modelling of future trends and policy impacts, etc.
- **Dissemination & Promotion.** This key action was designed to complement the dissemination and promotion activities included in each of the activities supported by the EIE programme and its single projects. However it was never open in the form of Call for Proposals.

The first two key actions “Sustainable Energy Communities” and “Think globally, act locally” had as a main objective the integration of actions addressing RES and RUE in several sectors while the other three had more the character of accompanying actions.

Community funding was mainly allocated to actions or projects for the promotion of sustainable development and security of supply in the framework of the internal market, the creation of local and regional energy planning and management agencies/structures, the development of information, education and training and operational networks at EU and international level, etc.

On 24 October 2006, in the framework of the Lisbon strategy for growth and jobs, the European Parliament and the Council adopted the establishment of a €3.6 billion **Competitiveness and Innovation Framework Programme (CIP)** (2007- 2013), which aims to contribute to the enhancement of competitiveness and innovation capacity in the European Community, the advancement of the knowledge society, and sustainable development based on balanced economic growth. With small and medium-sized enterprises (SMEs) as its main target group, the programme supports innovation activities, including eco-innovation, providing better access to finance, delivering business support services in the regions as well as encouraging a better use of information and communications technologies (ICT). It also promotes the increased use of RES and EE.

As recommended in the mid-term evaluation of the IEE Programme, the **Intelligent Energy Europe follow on programme (IEE II)** was included in this overarching Competitiveness and Innovation Framework Programme in order to contribute to achieving the objectives of EU energy policy and to implementing the Lisbon Agenda.

Besides IEE II, the following two programmes constitute the CIP programme:

- 1) The Entrepreneurship and Innovation Programme (EIP)
- 2) The Information and Communications Technologies Policy Support Programme (ICT-PSP)

Part of the CIP programme is being managed by the Executive Agency for Competitiveness and Innovation (EACI), which was established in 2003<sup>12</sup>, initially as the ‘Intelligent Energy Executive Agency’ (IEEA). Its name was altered in July 2007 due to the additional tasks it was delegated by the Commission, and it became the ‘Executive Agency for Competitiveness and Innovation’ (EACI). Exercising powers delegated by the Commission to implement the IEE programme, the EACI carries out all operations necessary to implement the parts of the Programme entrusted to it, in particular those connected with the award of contracts (procurement) and grants. The EACI works on the basis of

<sup>12</sup> Commission Decision 2004/20/EC of 23 December 2003,

delegated powers, which are enshrined in the 'Act of Delegation'<sup>13</sup>, and works in close cooperation with its parent Commission services – for Intelligent Energy Europe - in the Directorate-General for Energy.

To date, the EACI has managed more than 400 IEE projects and the establishment of 80 new local or regional energy agencies.

### 2.3 IEE II objectives and scope

The IEE II programme's objective is to support the overcoming of non-technological barriers (including informational, behavioural, institutional and financial barriers) to the innovation, uptake, implementation and dissemination of solutions that contribute to sustainable, secure and competitively priced energy for Europe. The programme mainly focuses on “the removal of market barriers and creating a more favourable business environment for increasing energy efficiency and renewable energy markets (including clean transport), changing behaviour, raising awareness, and making EU energy policy better understood and implemented in Europe's cities and regions.”

As stated in article 37 of Decision 1639/2006/EC of the European Parliament and of the Council, IEE II shall 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.*

Furthermore, as stated under article 38 of the legal decision, the programme's operational objectives are 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 the 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.*

For this, the IEE II programme mainly supports two types of action as per Articles 43 and 44 of the CIP Decision, by providing grants (through call for proposals), procurement (through call for tenders), and

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<sup>13</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.

project development services, as laid down in the Financial Regulation applicable to the general budget of the European Communities:

### **Promotion and dissemination projects**

These can include:

- 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 as regards 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 stake-holders and for the development of standards, labelling and certification systems;
- 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;
- 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, in particular aimed at implementing the clean development mechanism and joint implementation under the Kyoto Protocol;
- 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 actions and projects and cooperation with the Member States through operational networks;
- monitoring of the implementation and the impact of Community legislative and support measures.

Promotion and dissemination actions are split into several fields:

#### 1. Energy efficiency and rational use of energy (SAVE)<sup>14</sup>:

For Europe's citizens, energy efficiency is the most immediate element in a European Energy policy. Improved energy efficiency has the potential to make the most decisive contributions to achieving sustainability, competitiveness and security of supply. IEE II's SAVE programme therefore supports projects that:

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

#### 2. New and renewable energy resources (ALTENER)<sup>15</sup>:

The EU is committed to ambitious target of reaching 20% of renewable energy target by 2020. The challenge – besides higher costs of renewable energy sources today compared to “traditional” energy sources – is the lack of coherent and effective policy framework throughout the EU and a stable long term vision<sup>16</sup>. Meeting the target will require a massive growth in all three renewable energy sectors: electricity, biofuels and heating and cooling. The IEE II ALTENER programme therefore co-finances projects that:

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<sup>14</sup>Article 39 of Decision No 1639/2006/EC establishing a Competitiveness and Innovation Framework Programme (2007 to 2013).

<sup>15</sup>Article 40 of Decision No 1639/2006/EC establishing a Competitiveness and Innovation Framework Programme (2007 to 2013).

<sup>16</sup> COM(2007)1 A Energy policy for Europe



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

3. Energy in transport (STEER)<sup>17</sup> to promote energy efficiency and the use of new and renewable energy sources in transport:

The continuing growth in the transport sector has increased concerns about the economic costs of energy supply as well as the impact on the environment. In the EU, the road transport sector is responsible for 26% of final energy consumption and 24% of CO<sub>2</sub> emissions. Energy use and emissions from the road sector continue to grow around 2% per year. Pollutant emissions from road transport contribute to a large extent to the poor air quality in many European cities where Community standards are not met. The IEE II STEER programme therefore co finances projects that:

- support initiatives relating to all energy aspects of transport and the diversification of fuels;
- promote renewable fuels and energy efficiency in transport;
- support the preparation and application of legislative measures.

4. Integrated initiatives<sup>18</sup>

These are initiatives 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.

### **Market replication projects**

These aim to promote and achieve broader utilisation of innovative techniques, processes, products or practices of EU relevance, which have already been technically demonstrated with success within the participating countries, and facilitate their market uptake. The support for market replication projects was introduced for the first time under the 2009 IEE work programme, and continued in 2010.

IEE market replication projects have so far consisted of project development services to facilitate local energy investment programmes by regions, municipalities and cities through the European Local Energy Assistance facility (ELENA). This facility covers a share of the cost for technical support that is necessary to prepare, implement and finance the investment programme, such as feasibility and market studies, structuring of programmes, business plans, energy audits, preparation for tendering procedures - in short, everything necessary to make cities' and regions' sustainable energy projects bankable.

By making it easier and less costly to carry out initial studies, getting access to external support and organising implementation, the new ELENA facility specifically addresses the human resource and transaction costs barriers that often prevent local governments from going ahead with large scale energy-saving and energy conversion programmes.

Tenders, concerted actions, support for standards, direct support for initiatives like IRENA, etc. are smaller in budgetary terms but their continuation is of course vitally important for DG ENER. Another budget line would have to be found for most of these if IEE were not to continue.

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<sup>17</sup>Article 41 of Decision No 1639/2006/EC establishing a Competitiveness and Innovation Framework Programme (2007 to 2013).

<sup>18</sup>Article 42 of Decision No 1639/2006/EC establishing a Competitiveness and Innovation Framework Programme (2007 to 2013).

## 2.4 IEE II budget and implementation

Article 5 of the CIP's legal decision states that the Commission shall adopt annual work programmes for the implementation of its specific programmes, including IEE. The annual Work Programmes for IEE II are adopted by a decision of the Commission after prior consultation of the Member States, via the IEE Management Committee (IEEC) on priorities, funding and evaluation criteria.

The total budget allocated in the Multiannual Financial Framework for implementation of the IEE II Programme for the period 2007-2013 is 730 million EUR within an overall CIP budget of 3.6 billion EUR. Within this budget, the planned annual operational budgets of the IEE II programme have increased from 60 million EUR in 2007 to over €104 million in 2011, as shown below:

**Table 1: Budget allocation for the IEE II work programmes 2007-2011 (mEUR)**

| Budgeted component funding (€ millions)                 | Field      | 2007        | 2008        | 2009        | 2010         | 2011         |
|---|------------|-------------|-------------|-------------|--------------|--------------|
| <b>Promotion and dissemination projects from calls</b>  | SAVE       | 8.9         | 8.3         | 16.9        | 19.6         | 10.0         |
|   | ALTENER    | 17.7        | 15.1        | 19.0        | 19.2         | 13.1         |
|   | STEER      | 10.5        | 12.9        | 10.8        | 10.3         | 10.0         |
|   | INTEGRATED | 14,8        | 9.2         | 18.0        | 6.7          | 24.0         |
| <i>Budget for promotion and disseminations projects</i> | -          | <i>51.9</i> | <i>45.4</i> | <i>64.7</i> | <i>55.8</i>  | <i>57.1</i>  |
| <b>Market replication projects</b>                      | ELENA EIB  | 0.0         | 0.0         | 15.0        | 15.0         | 19.0         |
|   | ELENA KfW  | 0.0         | 0.0         | 0.0         | 0.0          | 8.0          |
|   | ELENA CEB  | 0.0         | 0.0         | 0.0         | 0.0          | 3.0          |
| <i>Budget for market replication projects</i>           | -          | <i>0.0</i>  | <i>0.0</i>  | <i>15.0</i> | <i>15.0</i>  | <i>30.0</i>  |
| <b>Concerted action projects</b>                        | -          | 3.1         | 2.0         | 0.0         | 10.0         | 3.0          |
| <b>Tender projects</b>                                  | -          | 3.9         | 13.7        | 9.0         | 16.8         | 11.2         |
| <b>Other projects</b>                                   | -          | 0.0         | 1.8         | 0.0         | 6.0          | 3.2          |
| <i>Budget for concerted action and tenders</i>          | -          | <i>7.0</i>  | <i>17.5</i> | <i>9.0</i>  | <i>32.8</i>  | <i>17.4</i>  |
| <b>Total budget for project funding</b>                 | -          | <b>58.9</b> | <b>62.9</b> | <b>88.7</b> | <b>103.6</b> | <b>104.5</b> |

During the first two years of IEE II, the majority of the budget was reserved for calls for proposals for promotion and dissemination projects related to innovative activities. In 2009, the new ELENA facility under the market replication projects was allocated a €15 million share of the total operational budget in

order to support project development facilities in regions, municipalities and cities. The budget for the integrated initiatives (i.e. ELENA, Local energy leadership, Mobilising local energy investments and EE and RES in buildings, Training Building Workforce Initiative, tenders, standard initiatives) has almost doubled in 2011 while the budget for SAVE and Altener were reduced by 50%.

The CIP framework programme including the IEE II programme is partly managed by the 'Executive Agency for Competitiveness and Innovation' (EACI) exercising the delegated powers by the Commission to implement the programme. The EACI 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 (calls for proposals) for promotion and dissemination projects. The Commission also delegates to EACI the management of tenders according to their size and technicality.

Market replication projects (e.g. the ELENA facility) have been so far managed under the sub-delegation agreement with DG ECFIN, and resulting Contribution agreement with the EIB. In the 2011 Work programme, it is planned to extend the scope of the ELENA facility with two additional compartments, to be managed under similar conditions, by the Council of Europe Development Bank (CEB) and KfW Bankengruppe, respectively. This extension is a result of the strong take-off of ELENA and a market demand for project development services for smaller (below 50 MEUR) sustainable energy investments specifically addressing social housing and carbon crediting connected to energy efficiency.

## 2.5 IEE interaction with other EU programmes

To successfully perform its role, co-ordination between the IEE programme and other related EU programmes such as the Research, Technology Development and Deployment (RTD) Framework Programmes (FP7), the Structural Funds and environmental policy must be ensured.

Coordination mainly takes place through inter service consultation (that is, consultation that is internal to the Commission through involvement of its wide range of Directorates Generals) and meetings between officials from relevant DGs.

The IEE II Programme has been specially designed with attention to offer new possibilities for synergies with the **7th Framework Programme for Research and Technological Development (FP7)** and the Structural Funds' (SF)<sup>19</sup>. FP7 is thus oriented towards research, technology development and demonstrations, while IEE II focuses more on the non-technical barriers to the market uptake, promotion and dissemination of energy technologies. The two programmes complement each other very positively in the sense that IEE II creates a continuum of EU support for technologies of strategic importance that are developed through the FP7.

It should not be assumed that the IEE's role becomes obsolete after IEE II with the increasing uptake of given technologies (solar, wind, etc.). Indeed, there is still a long way to go in terms of achieving significant market uptake of RES and EE technologies overall, and many new emerging technologies are appearing for which this role is needed.

**Structural Funds** are funds allocated by the European Union for two related purposes: support for the poorer regions of Europe and support for integrating European infrastructure especially in the transport sector. The current programmes run from 1 January 2007 to 31 December 2013, with €277 billion budget for Structural Funds. The programmes are aimed to strengthen sustainable development of the regions and of the EU territory as a whole. The Structural Funds include provision of assistance in the area of energy, including integration of environmental considerations, improvement of energy efficiency and the development of renewable energies in order to make regions a more attractive place while promoting renewable energies as motors for innovation and growth.

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<sup>19</sup> As detailed in the IEE II Annual Work Programmes

In a previous report<sup>20</sup> on synergies between the CIP, FP7 and the SF it was pointed out that all three programmes share the broad Lisbon objectives, but within each of them a specific focus on different actors and phases of the innovation process. For example, Structural funds are meant to be used by regions to build up research and innovation capacity, enabling them to take part in European level research and innovation activities. The CIP focuses on the innovation and replication phase -with IEE II specifically oriented towards promotion and replication -, whereas the FP7 focuses on the research and development phase. Yet, in the interim evaluation of the IEE II programme, Deloitte recommended that the Commission should undertake an analysis of inter-relations with the Structural Funds, in order to maximise the potential of collaboration between the two programmes.

Another interaction of IEE is with the **European Strategic Energy Technology Plan (SET-Plan)**<sup>21</sup> which sets out a vision of how the EU will progress and achieve leadership in clean, efficient and low carbon technologies mainly through joint strategic planning and more effective implementation of programmes to accelerate the development and deployment of cost-effective low carbon technologies.

As the SET-Plan touches on demonstration, market introduction processes, and market take-up for the main RES and EE technologies (through its European Industrial initiatives), synergies with the IEE programme must be found.

The approach of shifting from a paradigm of financing individual projects to one of co-investing in focussed programmes combining all available resources effectively through Public-Private Partnerships is of interest, and may indeed serve as a template to IEE.

Furthermore, the SET-Plan already considers integration with CIP (through the High Growth and Innovative SME Facility (GIF)), and mentions the increasing pivotal role of EIB-related funding (e.g. with the Risk Sharing Finance Facility), similarly to IEE. This integration should be further investigated.

## **2.6 The challenges of accomplishing and measuring an impact on the related policy objectives**

While many projects in the areas of promotion, dissemination and market replication of innovative technologies, practises, processes and products have been carried out on the basis of IEE II funding it is difficult to estimate to what extent the programme has contributed to substantial energy-savings or progress in the use of renewable energy and cleaner transport.

The overall energy policy goals with which the IEE II programme is linked and to which the programme is supposed to make a contribution are very ambitious, most notably the 20-20-20 targets of the EU climate and energy package. The 20-20-20 targets state that, by 2020, the EU as whole should: reduce greenhouse gas emissions by 20 % compared with 1990 levels; increase the share of renewable energy supply to 20 %; and reduce primary energy consumption by 20 % compared with projected levels through energy efficiency improvements. The EU greenhouse gas target may even be raised to 30% depending on the outcome of the global climate change negotiations.

The IEE II programme is of course only one among a number of policy initiatives that are supposed to further the implementation of these targets. With respect to subsidizing investments in energy-efficiency improvements, renewable energy supply and cleaner transport, direct EU funding of greater magnitude are provided by the framework programmes and structural funds and by a vast number of direct national funding schemes that vary greatly in magnitude. Other kinds of financial instruments – national energy taxes and subsidies related to the generation of consumption of specific energy products, CO2 taxes, and the Kyoto-instruments for CO2 emissions trading – also make a substantial contribution in stimulating (and sometimes creating disincentives) to behaviour that leads towards the EU targets for sustainable

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<sup>20</sup> Synergies between the EU 7th Research Framework Programme, the Competitiveness and Innovation Framework Programme and the Structural Funds, 2007, *ETEPS AISBL Network for European Techno-Economic Policy Support*

<sup>21</sup> COM(2007) 723

energy. Finally, mandatory requirements for specific energy- and climate-related actions and standards with respect to buildings, automobiles, electrical appliances and other products and technologies have been adopted at the EU and member state level, and more mandatory requirements will follow as a result of the implementation of the EU climate and energy package, for example with respect to renewable energy and carbon capture and storage (CCS).

Since IEE II is only one out of many initiatives that may contribute to the targets, it can not in itself be held responsible for the fact that the recent progress in Europe towards the 20-20-20 targets has been disappointing, both with respect to CO<sub>2</sub> emissions from transport, growth of renewable energies and energy efficiency in general.<sup>22</sup>

The policy disentangling problem is amplified by the fact that, on the basis of the existing monitoring indicators and the inherent complex data relations, it is very difficult to measure the impact of the IEE II programme on the energy sustainability objectives to which it is supposed to contribute. Similar problems apply with respect to quantifying the impact of the IEE II programme on innovation and competitiveness. Generally, the IEE II programme is in need of more operational quantitative targets from which a link can be established between programme performance and progress towards the overall policy objectives.

In order to meet this challenge, we are applying an evaluation methodology that would allow us to have estimates on the results of the each type of IEE projects. We are using case studies, surveys and projects sample analysis to collect data from the field (bottom-up approach). Nevertheless, considering that most of the IEE projects have not yet generated results, we will have to use their expected results as basis for the analysis.

## 2.7 The conclusions and implications of the interim evaluation

Between December 2008 and April 2009, Deloitte carried out an Interim Evaluation of the Intelligent Energy-Europe II Programme (IEE II). The evaluation focused both on qualitative and quantitative indicators. The sources for qualitative information were desk research, interviews with the Commission, Members of the European Parliament, EACI officials and national stakeholders (Ministries, Agencies, project promoters...), and to some extent, online surveys. Moreover, a working group was organised with members of the IEE Management Committee. Our sources for quantitative information were web-based surveys of the programme stakeholders and existing data reported by the EACI and the Commission.

The main limit of this evaluation was its early launching in the programme cycle compared to the implementation of the programme itself. Indeed, the first projects (grants) started in September 2008, three months before the evaluation's launch. No result or even output had been generated by the IEE II projects by that time. Considering this limitation, the analyses were largely focused on the programme processes and their initial effects including the structure and management processes that formed the basis for operating the programme.

The evaluation concluded that the programme was highly relevant in view of the objectives and that programme management was quite efficient. However, it suggested *inter alia* that more focus should be directed toward:

- promoting energy technologies, processes and products with an already demonstrated viability;
- supporting financial arrangements and business partnerships that improve the conditions for large-scale investment in the new innovative technologies;
- mobilising real market actors to a higher extent including business sectors, investors, financial institutions and consumers (besides research institutions and public authorities) in order to create a demand pull;
- improving the coordination with participating member state organisations;

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<sup>22</sup> Cf. task specifications, Section 3.1

- improving the coordination with other EU funding schemes, especially the structural funds;
- simplifying and strengthening the indicators for project monitoring;
- improving the communication strategy of the programme.

Experience with the further implementation and adaptations/changes to the IEE II programme since the interim evaluation shows that many of these issues have already been addressed by the programme and through the subsequent actions and priorities of the Executive Agency for Competitiveness and Innovation (EACI). We develop these actions in the answer to the evaluation question in the next section.

There have also been changes with respect to budget allocation in the work programmes. During the first two years of IEE II, the calls for proposals being awarded were almost exclusively for promotion and dissemination projects related to innovative activities. However, from 2009, part of the budget (15%) has been allocated to market replication projects focusing on wider adoption of techniques, processes and products that have already proven to be successful in other cases, and in 2010, the new ELENA facility was allocated a €15 million share of the total operational budget in order to support project development facilities in regions, municipalities and cities. In 2011, this budget allocation is twice higher.

### 3 EVALUATION DESIGN

In this section, we briefly present the methodological design of the study.

#### 3.1 Scope of the evaluation

The Work programme 2010 of the IEE II Programme refers to article 8 of the legal base<sup>23</sup> of the CIP framework programme which states that final evaluations of the specific programmes must be foreseen in such a way that their results can be taken into account in the final evaluation of the framework programme which must be completed by 31 December 2011.

Accordingly, the main aim of this evaluation is to provide a final evaluation of the IEE II programme that analyses the efficiency, effectiveness, relevance, impact, utility, coherence and synergies with other initiatives, and sustainability of actions supported and financed by the programme taking into account time and financial constraints.

The evaluation is carried out through appropriate methodologies to measure the impact of the actions supported against the IEE II programme objectives, and also with regard to evaluation reports of previous programmes (the IEE I and the Energy Framework Programme (1998-2002)). It will result in the production of a final report containing the evaluation in the format required per the task specifications.

#### 3.2 Objectives of the Final evaluation

According to the Terms of Reference (ToR) and the Kick-Off meeting discussions, the objectives of the evaluation are:

1. Confirm the evaluation criteria on which our analysis will be based, and methodologies for the evaluation. The evaluation criteria that we are assessing are:
  - a. Relevance of the programme's objectives notably to ensure secured, sustainable energy for Europe, while enhancing European competitiveness;
  - b. Coherence and synergies with other similar and comparable EU initiatives;
  - c. Effectiveness of the programme with regard firstly the clarity, appropriateness and effectiveness of the legal framework, policy instruments and modalities for implementation on the one hand; and secondly the effectiveness of the activities of dissemination of the programme results and communication and to a larger extent the achievement of the objectives of the IEE activities on the other hand; and finally achievement of the programme objectives.
  - d. Efficiency of the programme in terms of availability of resources, of cost-effectiveness, of timeliness of the selection process, of attraction of the best beneficiaries, of value for money and productivity;
  - e. Sustainability of the programme results and its lasting effects
  - f. Utility of the programme for national stakeholders and its added value;
  - g. Impact<sup>24</sup> of the programme on EU energy policy development and implementation and on national and regional policies and programmes on one hand and comparison of the impact of the different type of activities on the other hand.
2. Perform a thorough analysis to obtain robust conclusions by applying relevant evaluation methods and key principles;

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<sup>23</sup> Decision 1639/2006/EC

<sup>24</sup> Impact is not, as such, an evaluation criterion, but rather a level of effect of one intervention. However, given the complexity of the issue of impact and the abundance of sub-questions and techniques that have been developed around this concept, it is increasingly considered as an evaluation criterion as such.

3. Assess the outcomes of the IEE II programme (2007 - 2013), including the results and impacts of funded and co-funded activities for which information is already available. The expected outcomes identified by the ex-ante and interim evaluations will be used as basis for this analysis;
4. Provide relevant, realistic, and impartial recommendations for adjustments to the implementation of IEE II, and preparation of a successor to the programme after 2013.

In the section 5, we present the results of our analyses and the answer to each evaluation question. The sections 6 and 7 of the final report present our overall conclusions and recommendations.

### **3.3 Tools and techniques used**

In order to feed the different indicators defined to answer the evaluation questions, we have used different data collection tools and techniques. We have first started with an extensive desk research of strategic documents and interviews with EU stakeholders, including the Commission, in order to frame the IEE II programme in a broader strategic context. We have then visited different Member States and projects to collect information from the field. In parallel, we have conducted web-based surveys to specific stakeholders within the projects and more broadly within the programme as a whole.

We describe more in details below these various tools and techniques.

#### **3.3.1 DESK RESEARCH**

Part of the indicators of the analytical framework can be found through desk research (cf. Annex 1). We have received on the one hand a set of relevant documents from the Commission at the beginning of the project and on the other hand we have requested and received many documents from the EACI.

Furthermore, we have collected several documents on the Commission's websites notably, the IEE database, the DG ENER sites and the website of the other programmes (cf. evaluation question on synergies). Moreover we have collected different documents directly from the project coordinators and partners for the project composing our case studies.

In order to have a broader view on the different types of project and to cover different years, we have supplemented our analysis of the projects composing our case study set with the analysis of a sample of projects (cf. Annex 2).

#### **3.3.2 FACE-TO-FACE INTERVIEWS AT EU LEVEL**

We have met 26 Commission officials and EU NGOs active in the energy sector (cf. Annex 3). These interviews with EU stakeholders are used:

- to complete and explain secondary data coming from the desk research;
- to collect qualitative information in order to further highlight and complete the qualitative indicators defined in the analytical framework;
- furthermore to explore future potential improvement to the relevance, effectiveness, efficiency, impacts, utility, sustainability, and coherence and synergies with related initiatives of the IEE II programme.

We have selected the interviewees with the support of the Steering group.



### 3.3.3 ONLINE SURVEYS

We have set up four surveys in English in order to collect views and opinions from:

- National Contact Points (NCPs), response rate: 50%;
- Members of the IEE Committee (IEEC), response rate: 63%;
- IEE II Project Coordinators and partners, response rate: 75% (135/180 IEE projects);
- ELENA project coordinators, response rate: 100%.

In this report we have used the results of these surveys where relevant to answer the evaluation questions.

### 3.3.4 CASE STUDIES

We have selected six projects (cf. Annex 4) as case studies in order to:

- undertake an in depth assessment of the results and impacts achieved so far with these specific projects, this is the reason why we have selected promotion and dissemination projects that started in 2007. These projects are the most likely to have already produced results at the moment of the evaluation;
- obtain answers to “how” and “why” questions; such as for example: How has the objective been met; or why has the project been successful/ not successful;
- help the evaluators to answer the evaluation questions raised in the task specifications, namely relevance, effectiveness, efficiency, impacts, utility, sustainability, and coherence and synergies with related initiatives.

The selected case studies cover the three fields that the IEE II finances: promotion and dissemination projects (ALTENER, SAVE and STEER, as well as the Integrated Initiatives), market replication projects and tenders.

### 3.3.5 FIELDWORK IN EIGHT MEMBER STATES

In order to collect qualitative information for the different evaluation questions as well as to collect information for the case studies, we have performed fieldwork in the following eight Member States: Belgium, Bulgaria, France, Germany, Hungary, Poland, Spain and Sweden. This fieldwork took place from 21 February till 18 March.

In each of the Member States we met the following stakeholders of the IEE programme:

- project coordinators and partners;
- National Energy Agencies;
- SAVE and/or IEE Energy Agencies;
- NCPs;
- national representative organisation, if any;
- academics.

In total, we have interviewed 77 people at Member State level (cf. annex 3).

### 3.3.6 FOCUS GROUP WITH IEE MANAGEMENT COMMITTEE MEMBERS

We have participated in a IEE Committee meeting on 7 April in order to test our first insights and assumptions. During the meeting, we have presented our preliminary findings and have requested oral or written feed-back from the participants. The Commission and the EACI have also actively participated in the debate.

#### 4 EVALUATION RESULTS

As decided by the Steering Group of this evaluation during the Kick-Off meeting, the evaluation addressed relevance, effectiveness, efficiency, coherence, sustainability, utility and impact of the Programme.

**Table 2: The evaluation criteria**

| Criteria                    | Evaluation questions   |
|-----------------------------|--|
| Relevance                   | Were the overall programme objectives adequately specified, notably to ensure secured, sustainable energy for Europe, while enhancing European competitiveness?  |
| Effectiveness               | <p>Was the overall legal framework (including rules for participation and contracts), clear, appropriate and effective?</p> <p>Were the policy instruments and the modalities for implementation clear, appropriate, and effective?</p> <p>How effective and efficient are the activities of dissemination of the programme results and communication? Should they be improved? Are the target groups of the IEE programme reflected in the target groups of the dissemination activities?</p> <p>Did the IEE activities achieve their objectives and were they the most appropriate means for achieving the objectives set?</p> <p>What are the major results in particular as regards the operational objectives of the programme (art. 38 of CIP Decision)? What are other outputs of the programme? Do they match expectations?</p>  |
| Efficiency / Implementation | <p>Was the level of funding and other available resources adequate to achieve the objectives set?</p> <p>Were the activities carried out efficiently and were they cost effective, taking into account particularly issues such as the overall cost of management against activities funded; contractual and legal procedures; communication and the support given by the Executive Agency for Competitiveness and Innovation, Commission and European Investment Bank to assist programme participants?</p> <p>Is the project selection process timely and efficient? If not, could it be improved?</p> <p>Did the programme attract (and target) the best and most appropriate beneficiaries?</p> <p>Did the programme provide value for money?</p> <p>How does the programmes' output productivity compare with similar programmes? How does the programme compare with counterpart programmes?</p> |
| Coherence and synergies     | What has been the interaction with other EU programmes/initiatives?  |
| Sustainability              | <p>What should be the duration of a future programme?</p> <p>Is there evidence that the activities co-funded/funded by the programme will have lasting impacts?</p>  |

| Criteria             | Evaluation questions  |
|----------------------|---|
| Utility              | <p>Has the programme performed a useful role and is it still required?</p> <p>Is the programme a useful and effective instrument and is there scope for improvement?</p> <p>Who is using the programme's outputs? To what extent?</p> <p>What are the main points of EU added value reported by the programme participants?</p>   |
| Impact <sup>25</sup> | <p>What has been the impact of the programme on EU energy policy development and implementation?</p> <p>To what extent were there unexpected results?</p> <p>Is there a relation between the type of action and the kind of impact? Do impacts differ between countries? If yes, how and why?</p> <p>What has been the impact on national and regional policies and programmes?</p> |

In this section, we provide our answers to each evaluation question based on our findings coming from quantitative and qualitative data. For each evaluation question, we present:

1. the judgement criteria that shape our judgement about the issues raised by the evaluation question;
2. the data that we collected via different tools (desk research, interviews, case studies, focus group and surveys);
3. our findings based on the collected data (each finding is numbered and is included in a grey box);
4. the conclusions to the evaluation question.

#### 4.1 Relevance

In this section we tackle the question of the relevance of the IEE II programme in relation to both the programme's overarching policy objectives on a Community level, and the evolving needs and priorities of stakeholders and target groups on the national and EU levels. In the Terms of Reference, one evaluation question is related to the relevance:

- Were the overall programme objectives adequately specified, notably to ensure secured, sustainable energy for Europe, while enhancing European competitiveness?

We address this evaluation question below following the structure as described in the introduction of this section (evaluation question – introduction, data & findings, conclusions).

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<sup>25</sup> Impact is not, as such, an evaluation criterion, but rather a level of effect of one intervention. However, given the complexity of the issue of impact and the abundance of sub-questions and techniques that have been developed around this concept, it is increasingly considered as an evaluation criterion as such.

#### 4.1.1 WERE THE OVERALL PROGRAMME OBJECTIVES ADEQUATELY SPECIFIED, NOTABLY TO ENSURE SECURED, SUSTAINABLE ENERGY FOR EUROPE, WHILE ENHANCING EUROPEAN COMPETITIVENESS?

##### 4.1.1.1 INTRODUCTION

For this evaluation question, we defined one judgement criterion based on the general objectives as defined in the founding Regulation and the Terms of Reference:

- Extent to which the overall objectives of the IEE II programme map to the needs, issues and problems related to Renewable Energy and Energy Efficiency in Europe to ensure secured, sustainable energy for Europe, while enhancing European competitiveness.

To provide an answer to this question, we build on the results of the interim evaluation of the IEE II programme. One of the evaluation questions that the previous evaluation addressed was: “to which extent are the programme’s objectives pertinent to the needs, problems and issues it was designed to address?”. To reply to this question, the relevance of the programme’s objectives, as set in the CIP Decision, were assessed against the overarching EU policy objectives in the domain of energy.

For this final evaluation, the consultant deems not necessary to repeat the exercise as the relevance of the programme has to be assessed against its founding principles which remained the same since the interim evaluation (CIP Decision). However, although the principles of the EU policy related to sustainable energy remain the same, we understand that the overarching EU objectives were reinforced and the development of policy instruments for its implementation evolved over time. Therefore, we focus, in the next subsection, on assessing whether the overall objectives of the programme were adequately specified to ensure tackling evolving needs, issues and problems related to Renewable Energy and Energy Efficiency in Europe in order to ensure secured, sustainable energy for Europe, while enhancing European competitiveness.

The next subsections are based on desk research and data collected during interviews, case studies and the two web based surveys.

##### 4.1.1.2 DATA AND FINDINGS

In this subsection, we look first at the intervention logic of the IEE II programme in order to assess the relevance of its overall objectives to overarching EU policy objectives in the domain of energy. We follow the intervention logic in a top-down approach to assess the correspondence between the specific objectives of the programme and its operational objectives and funding priorities. Next, we present the perceived relevance of the IEE II programme’s objectives to tackle current priorities, needs and issues in the domain of energy. Finally, we describe the perceived adaptability and flexibility of the programme by its stakeholders.

#### **The overarching EU policy objectives and the overall objectives of the IEE II programme**

The interim evaluation of the IEE II programme assessed the IEE II programme objectives against the central goals for EU energy policy (address (1) the competitiveness of European industry; (2) demand for energy and security of supply issues; and (3) environmental damage). An extensive literature review was performed in order to establish what the foundations of the EU actions in the field of renewable energy and energy Efficiency in Europe were. The exercise was based on the most recent policy documents in the field (at the time of the evaluation), from the Lisbon Strategy (2000, renewed in 2005) to the adoption by the European Council of ambitious energy and climate change objectives for 2020 – to reduce greenhouse gas emissions by 20%, rising to 30% if the conditions are right, to increase the share of renewable energy to 20% and to make a 20% improvement in energy efficiency (2007) including the

concrete measures developed to fulfil these goals (notably the Directive adopted in April 2009 on the promotion of energy from renewable sources<sup>26</sup>).

Since the interim evaluation and as illustrated in the context section, the EU has identified sustainable, secure and competitive energy as the objectives of its energy policy, and a pillar of the Europe 2020 strategy<sup>27</sup>, which aims to deliver high levels of employment, productivity and social cohesion, and sets out a vision of Europe's social market economy for the 21<sup>st</sup> century including three mutually reinforcing priorities of smart, sustainable, and inclusive growth. Correspondingly, within the framework of the "Resource efficient Europe" flagship initiative of the Europe 2020 strategy, the EU is now putting forward a series of long-term policy plans in the areas of energy, transport, and climate change to promote sustainable growth, i.e. a more resource efficient, greener and more competitive economy. Amongst the headline targets of the Europe 2020 strategy and EU energy policy are the "20/20/20" energy and climate targets, laid down in the Lisbon treaty<sup>28</sup>.

These objectives and targets are supported by a combination of measures at EU level, and first and foremost by an extensive energy and climate policy and regulatory framework tackling renewable energy, energy efficiency, and CO2 emissions reductions<sup>29</sup>.

The Intelligent Energy Europe (IEE) programme is one of these measures. The IEE programme has a specific role within the overall EU energy and climate policy, enshrined in the legal base of the Competitiveness and Innovation Framework Programme (CIP)<sup>30</sup> in which the IEE II programme (2007-2013) was integrated. The IEE II programme's objective is to support the overcoming of non-technological barriers (including informational, behavioural, institutional and financial barriers) to the innovation, uptake, implementation and dissemination of solutions that contribute to sustainable, secure and competitively priced energy for Europe. The programme mainly focuses on "the removal of market barriers and creating a more favourable business environment for increasing energy efficiency and renewable energy markets (including clean transport), changing behaviour, raising awareness, and making EU energy policy better understood and implemented in Europe's cities and regions."

As stated in the CIP Decision, the objective of the IEE II is to contribute to secure, sustainable and competitively priced energy for Europe, by providing for action:

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

As a general conclusion, the interim evaluation highlighted that the programme was in line with the Lisbon Strategy and with the European policy in the area of energy. The challenges of climate change, increasing import dependence and volatile energy prices are faced by all EU members and EU energy policy has evolved to address these. With its "new energy policy for Europe", the EU has taken first resolute step towards becoming a low energy economy, whilst making the energy we do consume more secure, competitive and sustainable. IEE II is contributing to meeting this objective by promoting energy efficiency and the utilisation of renewable energy in Europe, including in the transport sector.

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<sup>26</sup> Directive 2009/28/EC of the European Parliament and of the Council of 23 April 2009 on the promotion of the use of energy from renewable sources and amending and subsequently repealing Directives 2001/77/EC and 2003/30/EC.

<sup>27</sup> COM(2010) 2020

<sup>28</sup> Article 194 of the Treaty on the functioning of the European Union (TFEU)

<sup>29</sup> We refer to the Context section of this report for further details.

<sup>30</sup> Decision N°1639/2006/EC of the EP and the council of 24 October 2006 establishing a Competitiveness and Innovation Framework Programme (2007 to 2013), OJ L 310/15, 09.11.2006

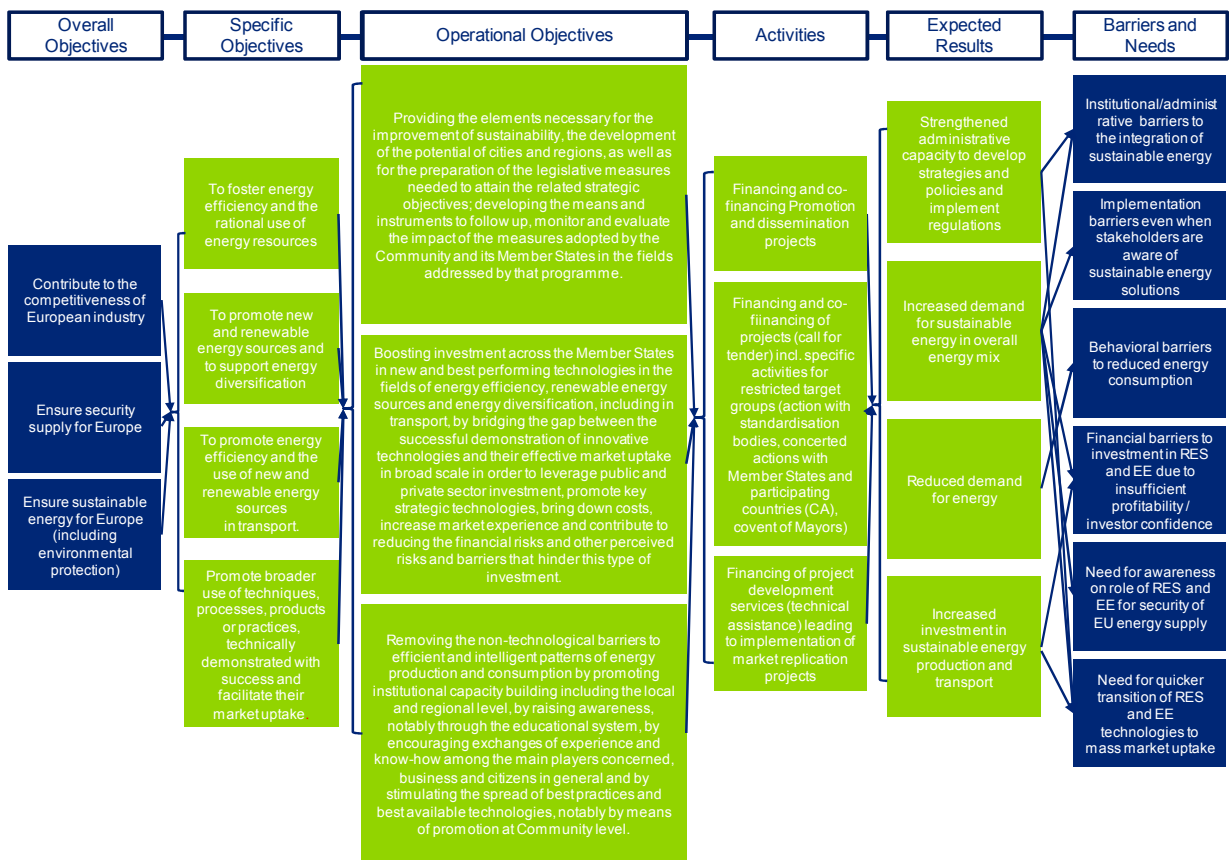
**Finding 1:**

As the recent EU energy policy developments reiterate sustainable, secure and competitive energy as the objectives of its energy policy, and a pillar of the Europe 2020 strategy, the specific objectives of the IEE programme, as stated in the CIP decision, are still in line with the EU energy goals.

**The specific and operational objectives of the IEE II programme**

The intervention logic illustrated in the figure below shows how the IEE II was designed to contribute to the above mentioned overall EU objectives.

**Figure 1: IEE II Intervention Logic**



The specific objectives of the IEE II, as mentioned earlier, are complemented by Article 44 of the CIP Decision which adds the objective of promoting broader use of techniques, processes, products or practices, technically demonstrated with success and facilitate their market uptake.

The operational objectives of IEE II, aim to accelerate the uptake of sustainable energy technologies through increasing the level of investment in sustainable energy technologies and increasing the demand for sustainable energy. More specifically, the IEE's operational objectives aim to:

1. 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 relevant legislative measures;

2. Bridge the gap between the successful demonstration of innovative technologies and their effective, broad market uptake in the fields of EE, RES and energy diversification, including in transport;
3. Remove non technical barriers to efficient and intelligent patterns of energy production and consumption by promoting institutional capacity building; the exchange of experience and best practices.

For this, the IEE II programme mainly supports two types of action as per Articles 43 and 44 of the CIP Decision, by providing grants (through call for proposals), procurement (through call for tenders), and project development services, as laid down in the Financial Regulation applicable to the general budget of the European Communities. As developed further in the context section, the actions are the following:

- Promotion and dissemination projects in the fields of SAVE, ALTENER, STEER and integrated initiatives;
- Market replication projects;
- Tenders used by the EC as input to policy and legislative work.

**Finding 2:**

The logical framework clearly demonstrates that IEE II programmes' specific and operational objectives directly respond to the general EU policy objectives in the field of energy. The actions supported under promotion and dissemination projects (SAVE, ALTENER, STEER, and the Integrated Initiatives) and market replication projects (ELENA facility) as well as the tenders oriented towards the support of EU policy implementation in the field of energy are in line with the IEE II programme objectives. Expected results of the actions supported are to provide EU added value and positively support the EU policies in the field of energy.

**The funding priorities of the IEE II programme**

Article 5 of the CIP common provisions states that all specific programmes should make use of annual work programmes, in order to be able to adjust to future developments.

The IEE annual work programmes, which are subject to consultation by other relevant DG's via the inter-service consultation, opinion by the IEEC and scrutiny by the European Parliament before being adopted by the Commission, enables new priorities to be set on a yearly basis.

The table below illustrates the funding priorities per annual work programme.



**Table 3: funding priorities by annual work programme (WP) – WP 2007 to draft WP 2011**

|   | WP 2007 | WP 2008 | WP 2009 | WP 2010 | WP 2011 |
|---|---------|---------|---------|---------|---------|
| <b>SAVE</b>   |         |         |         |         |         |
| Energy-efficient buildings  | x       | x       | x       | x       |         |
| Industrial excellence in energy   | x       | x       |         |         | x       |
| Energy-efficient products   | x       |         | x       |         | x       |
| Consumer behaviour  |         |         |         | x       |         |
| <b>ALTENER</b>  |         |         |         |         |         |
| Electricity from renewable energy sources (RES-e)<br>RES electricity (WP 10)  | x       | x       | x       | x       | x       |
| Renewable energy heating/cooling (RES-H/C)<br>RES in buildings (WP 10)  | x       | x       | x       | x       | x       |
| Domestic and other small-scale RE applications  | x       | x       |         |         |         |
| Small-scale renewable energy applications in buildings  |         |         | x       |         |         |
| Small-scale decentralised renewable energy systems  |         |         |         |         |         |
| Biofuels  | x       | x       | x       |         |         |
| Bioenergy   |         |         |         | x       | x       |
| <b>STEER</b>  |         |         |         |         |         |
| Alternative fuels and clean (and energy-efficient (WP 09)) vehicles   | x       | x       | x       |         | x       |
| Energy-efficient transport  | x       | x       | x       | x       | x       |
| Capacity-building in transport for (existing local and regional (WP 09)) agencies   |         | x       | x       |         |         |
| Capacity-building and learning on energy aspects of transport   |         |         |         | x       |         |
| <b>Integrated Initiatives</b>   |         |         |         |         |         |
| Creation of local and regional energy agencies<br>Local energy leadership (WP 10)   | x       | x       |         | x       | x       |
| Strengthening Capacities for Financing EE and RES in Housing  |         |         |         | x       |         |
| Mobilising local energy investments   |         |         |         |         | x       |
| The Building Workforce Training and Qualification Initiative in the field of energy efficiency and renewable energy                           |         |         |         |         | x       |
| European networking for local action  | x       | x       | x       |         |         |
| Sustainable energy communities  | x       |         | x       |         |         |
| Bio-business initiative   | x       | x       | x       |         |         |
| Energy services initiative  | x       | x       | x       |         |         |
| Intelligent energy education initiative   | x       | x       | x       |         |         |
| Product standards initiative  | x       | x       | x       |         |         |
| Combined heat and power initiative  | x       | x       |         |         |         |
| Concerted action to address specific issues resulting from implementation of the Buildings Directive (Directive 2002/91/EC)                   | x       | x       |         |         |         |
| Platform for International Cooperation on Energy Efficiency   |         | x       |         |         |         |
| <b>Market Replication Projects</b>  |         |         |         |         |         |
| Project Development Services for Energy Efficiency and Renewable Energy<br>Projects in Municipalities and Regions                             |         |         | x       | x       | x       |
| Public buildings, including social housing, and municipal infrastructures, to support increased energy performance                            |         |         | x       |         |         |
| District heating and cooling, with emphasis on combined heat and power systems  |         |         | x       |         |         |
| Public transport and integrated mobility  |         |         | x       |         |         |
| Horizontal and supporting activities  |         |         | x       |         |         |
| Public and private buildings  |         |         |         | x       | x       |
| Integration of renewable energy sources (RES) into the built environment  |         |         |         | x       | x       |
| Investments into renovating, extending or building new district heating/cooling networks  |         |         |         | x       | x       |
| Urban transport   |         |         |         | x       | x       |
| Local infrastructure  |         |         |         | x       | x       |
| A pilot facility for energy efficiency global loan, project development services and carbon crediting with the KfW Group (KfW-ELENA Facility) |         |         |         |         | x       |
| A project development services for social housing with Council of Europe Development Bank (CEB-ELENA Facility)                                |         |         |         |         | x       |

### **Finding 3:**

In addition to the relevance of its objectives, the use of annual work programmes allow the IEE II programme to follow the most recent EU energy policy developments, as illustrated in the “Context” section.

#### **Perceived relevance of the IEE programme objectives to the needs and barriers**

For this subsection, we build on the needs assessment section of the interim evaluation final report, for which an intensive desk research and analysis have been performed. The main needs and problems of the EU in the field of renewable energies and energy efficiency that were identified can be summarised as follows:

- Institutional barriers: refers to the lack of institutional capacity for effective energy policy making;
- Behavioural barriers: refers to the lack of awareness of the direct and indirect benefits of sustainable energy amongst potential service users and providers;
- Information barriers: information market failures have been identified as inhibiting investments in energy efficiency and RES, namely: (1) the lack of information, (2) the cost of information, (3) the accuracy of information, and (4) the ability to use or act upon information;
- Financial barriers: sometimes called the liquidity constraint, refers to significant restrictions on capital availability for potential borrowers and lack of access to capital inhibits investments in energy efficiency by low-income individuals and small business owners;
- Geographical disparity: refers to the challenge of meeting EU objectives on sustainable energy for New Member States.

The interim evaluation concluded that the programme’s objectives are pertinent to the needs, problems and issues it was designed to address. The programme has been designed to support the dismantling of non technical barriers in order to stimulate the uptake of sustainable energy technologies, which, according to the problems and needs analysis still remains a relevant objective in the current market situation. Institutional, financial, behavioural and information barriers all slow down the integration of energy efficiency and renewable energies into our market economies and IEE II directly tackles some of these barriers by supporting activities in the fields of policy support, institutional capacity building, dissemination and promotion.

According to the stakeholders consulted for this evaluation, it appears that the barriers remain the same in the current context. In general, awareness raising and education, building capacity and skills, boosting investments and support to policy development and implementation were perceived as the major needs related to energy efficiency and renewable energy in Europe. Additional needs and problems mentioned by stakeholders of the IEE II programme can be summarised as follows:

- raising awareness and education are still crucial to behavioural changes to achieve independence in energy supply and efficient use of energy (i.e. need for awareness on role of RES and EE for security of EU energy supply) and social acceptance of new technologies related to renewable energy;
- building capacity in energy efficiency and renewables through dissemination of best practices, methods and models and cross-fertilization within and across Member States is still perceived as crucial, moreover concerning the EU-12 Member States. Stakeholders identified a need to tackle a lack of understanding of how to implement RES and EE solutions in practice;
- boosting investments in EE and RES remained a crucial need for stakeholders, especially investments in measures targeting the transport, social housing and industry (i.e. need for quicker transition of RES and EE technologies to mass market uptake);

- finally, policy support was perceived as essential notably actions to support legislation implementation and development of relevant instruments (data monitoring system, pricing, etc.) as well as, in some cases, encouraging national government involvement and commitment in energy issues.

The vast majority of stakeholders stressed that it is crucial to gain a European dimension to foster sustainable energy, enable the energy environment and foster wide market uptake and adoption of measures favouring a harmonised understanding of the issues at stake.

The objectives of the actions supported by the IEE II programme as presented in the previous subsection demonstrate that the programme is tackling the needs and problems related to the uptake of sustainable energy technologies in Europe.

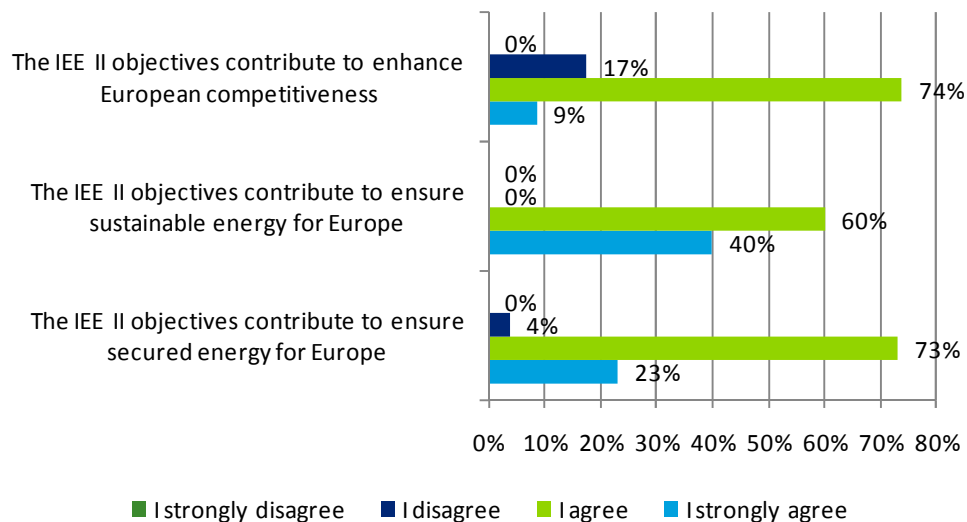
**Finding 4:**

The problem and needs analysis demonstrates that there remain non-technological barriers which slow down the uptake of sustainable energy technologies. While substantial awareness and information barriers remain crucial (moreover in the New Member States), it seems that these have on the whole shifted from a lack of awareness of RES and EE solutions to a lack of understanding of how to implement such solutions in practice.

IEE II reduces the non-technological barriers by supporting activities in the fields of policy support, capacity building, dissemination and promotion and market replication projects. IEE II strengthens the European dimension by fostering the transnational exchange of information and creation of networks.

The results of the surveys targeting National Contact Points (NCPs) and IEEC members, as illustrated in the figure below, show that the vast majority of respondents agree or strongly agree that the IEE II overall objectives contribute to ensure secured (96%) and sustainable (100%) energy for Europe while enhancing European competitiveness (81%).

**Figure 2: Perception of the relevance of the overall objectives to respond to the needs, issues and problems related to energy in Europe – in %**

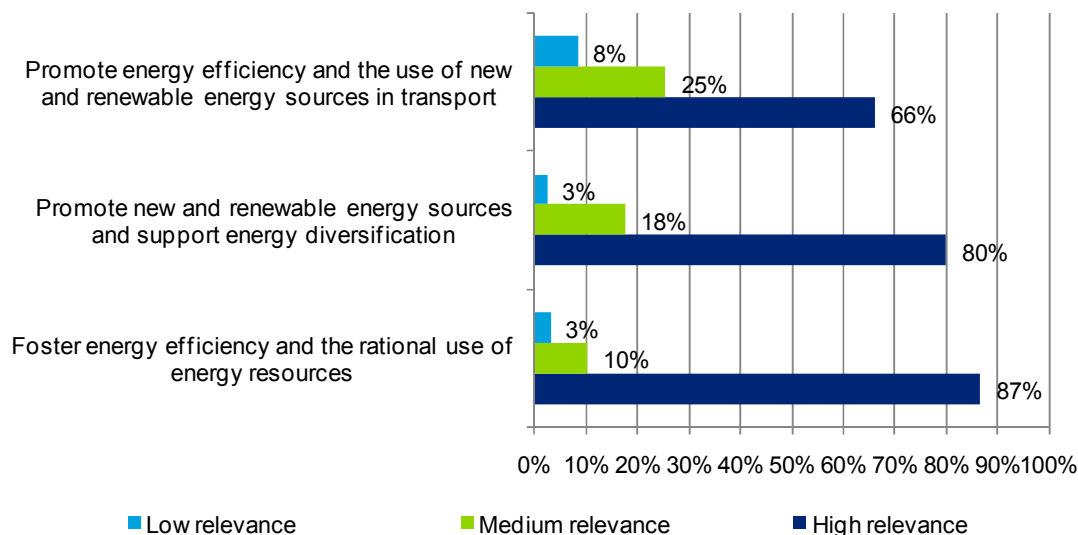


Source: web-based survey IEEC/NCP

The results of the surveys targeting project coordinators (PC) and partners (PP), as illustrated in the figure below, show that the majority of respondents considered that fostering energy efficiency and the rational

use of energy resources (87%), promoting new and renewable energy sources and support energy diversification (80%) and promoting energy efficiency and the use of new and renewable energy sources in transport (66%) are highly relevant to the needs, issues and problems related to energy in Europe.

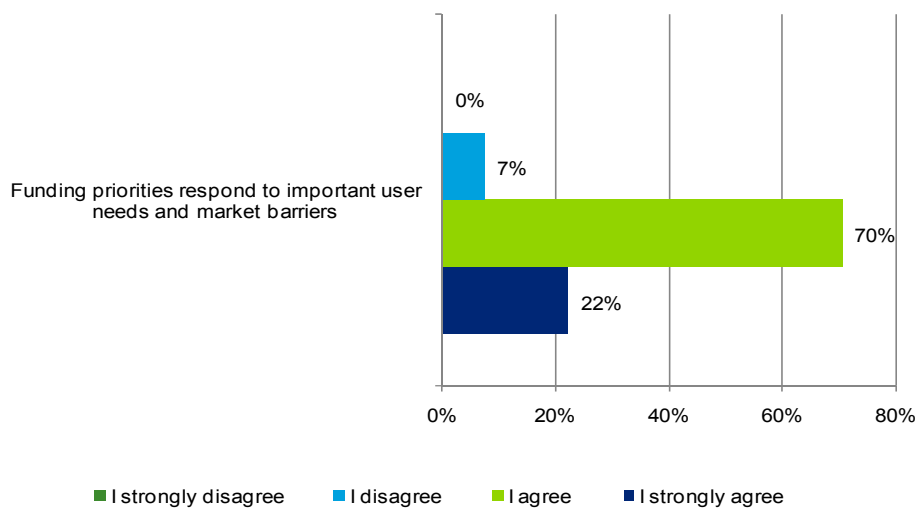
**Figure 3: Perception of the relevance of the specific objectives to respond to the needs, issues and problems related to energy in Europe – in %**



Source: web-based survey PC/PP

The results of the surveys targeting National Contact Points (NCPs) and IEEC members, as illustrated in the figure below, show that 92% of respondents agree or strongly agree that the funding priorities of IEE II respond to important user needs and market barriers.

**Figure 4: Perception of the relevance of the funding priorities to respond to the needs, issues and problems related to energy in Europe – in %**



Source: web-based survey IEEC/NCP

In addition to their perception of the relevance of the IEE II objectives, interviewees were asked to identify potential gaps that the programme should tackle. While no major gaps were identified, stakeholders reported that more focus should be put in actions targeting consumers, projects aiming at disseminating models and methodologies through training and exchange of information and project triggering investments. Stakeholders pointed out notably that:

- awareness raising is well covered by promotion and dissemination projects. However, too few projects are actually targeting consumers. It has to be noted that stakeholders admitted that huge communication campaigns call for relatively high budget;
- some of the stakeholders indicated that the programme supported too few projects triggering investments in mobility/transport;
- most of the stakeholders welcome market replication projects supported by ELENA and the new priority opened in the 2011 call “Mobilising local energy investments” and recognised that this would potentially stimulate investments in sustainable energy projects.

Interviewees also highlighted that there is no programme similar to IEE II both at national and European level. Therefore, it is perceived that the IEE II is highly relevant to ensure wide market uptake related to sustainable and secured energy by pushing the market demand.

#### **Finding 5:**

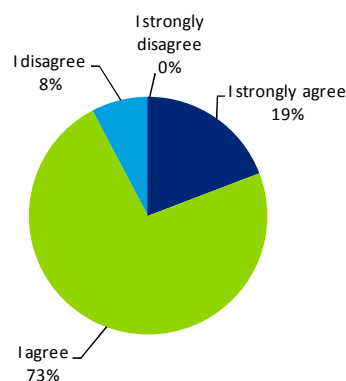
Overall, interviewees and respondents to the surveys perceive the objectives (overall and specific) as well as the funding priorities of the IEE II programme as relevant to the needs, issues and problems related to energy in Europe.

#### **Perceived adaptability and flexibility of the objectives of IEE II programme**

Overall, interviewees perceive that the objectives of the programme are formulated in a way that allows supporting a wide spectrum of priorities and thus covering the majority of the needs/barriers identified. The supporting actions hence reduce those barriers (promotion and dissemination projects, call for tenders and technical assistance). Flexibility and adaptability of the programme objectives are reinforced by the prioritisation process (annual work programmes) that allows the programme to evolve over time and adapt to policy developments and budget increases.

The survey targeting the NCPs and IEEC members, as illustrated in the figure below, shows that 92% of respondents agree or strongly agree that the objectives of IEE II are flexible and adaptable to tackle needs with regards to ensuring secured, sustainable energy for Europe while enhancing European competitiveness.

**Figure 5: Perception of the flexibility and adaptability of the programme objectives to tackle needs with regards to ensuring secured, sustainable energy for Europe, while enhancing European competitiveness – in %**



Source: web-based survey IEEC/NCP

While the vast majority of stakeholders agreed that the programme objectives are relevant to the needs thanks to their flexibility and adaptability, some of them questioned the sustainability and effectiveness of the actions in achieving those objectives due to the ambitious scope of the strategies at stake. Stakeholders pointed out that the contribution of the programme could be rather small but still necessary.

**Finding 6:**

The vast majority of stakeholders consulted through interviews and surveys agree that the programme objectives are sufficiently flexible and adaptable to tackle evolving needs with regards to ensuring secured and sustainable energy.

4.1.1.3 CONCLUSIONS

**The programme is still in line with the overarching EU objectives in the field of sustainable energy.** As the recent EU energy policy developments reiterate sustainable, secure and competitive energy as the objectives of its energy policy, and a pillar of the Europe 2020 strategy, the specific objectives of the IEE programme, as stated in the CIP decision, are still in line with the EU energy goals. The IEE II programmes’ specific and operational objectives directly respond to the general EU policy objectives in the field of energy. The actions supported under promotion and dissemination projects (SAVE, ALTENER, STEER, and the Integrated Initiatives) and market replication projects (ELENA facility) as well as the tenders oriented towards the support of EU policy implementation in the field of energy are in line with the IEE II programme objectives.

**The programme’s objectives and funding priorities are perceived as relevant to the needs, barriers and issues it was designed to address by its stakeholders.** There remain non-technological barriers which slow down the uptake of sustainable energy technologies. While substantial awareness and information barriers remain crucial (even more in the EU-12 Member States), it seems that these have on the whole shifted from a lack of awareness of RES and EE solutions to a lack of understanding of how to implement such solutions in practice. IEE II reduces the non-technological barriers by supporting activities in the fields of policy support, capacity building, dissemination and promotion and market replication projects. IEE II strengthens the European dimension by fostering the transnational exchange of information and creation of networks.

**The programme's objectives are perceived as sufficiently flexible and adaptable by its stakeholders.** The programme objectives are formulated in a way that allows supporting a wide spectrum of priorities covering the majority of the needs identified by supporting actions reducing those barriers (promotion and dissemination projects, call for tenders and technical assistance). Flexibility and adaptability of the programme objectives are reinforced by the prioritisation process (annual work programmes) that allows the programme to evolve over time and adapt to policy developments and budget increases.

## 4.2 Effectiveness

In the Terms of Reference, five evaluation questions were defined for this evaluation criterion. The evaluation questions were the following:

- Was the overall legal framework (including rules for participation and contracts), clear, appropriate and effective?
- Were the policy instruments and the modalities for implementation clear, appropriate, and effective?
- How effective and efficient are the activities of dissemination of the programme results and communication? Should they be improved? Are the target groups of the IEE programme reflected in the target groups of the dissemination activities?
- Did the IEE activities achieve their objectives and were they the most appropriate means for achieving the objectives set?
- What are the major results in particular as regards the operational objectives of the programme (art. 38 of CIP Decision)? What are other outputs of the programme? Do they match expectations?

We will address each evaluation question in more detail following the structure as described in the introduction of this section (evaluation question – introduction, data & findings, conclusions).

### 4.2.1 WAS THE OVERALL LEGAL FRAMEWORK (INCLUDING RULES FOR PARTICIPATION AND CONTRACTS), CLEAR, APPROPRIATE AND EFFECTIVE?

#### 4.2.1.1 INTRODUCTION

For this evaluation question, we have defined the following judgment criteria:

- Extent to which the legal framework for the IEE programme (CIP Decision, rules for participation and contracts) were clear and understandable
- Extent to which the legal framework for the IEE programme (CIP Decision, rules for participation and contracts) corresponded to the needs
- Extent to which the legal framework ensured that the IEE actions were selected, implemented and had reached the programme objectives

The next subsection presents the perception of project coordinators and partners on the overall clarity and appropriateness of the legal framework including the CIP Decision, the rules for participation and the contracts (for grants). Then we present the perceived effectiveness of the legal framework to contribute to the IEE II objectives.

The main information sources to answer this evaluation question are desk research, interviews with project coordinators and partners, case studies and the web-based surveys.

#### 4.2.1.2 DATA AND FINDINGS

The legal framework of the IEE II programme is established in the 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). *It establishes a set of common objectives, the total financial envelope for pursuing those objectives, different types of implementing measures, and the arrangements for monitoring and evaluation and for the protection of the Communities' financial interests (§ 7).* The IEE II programme is one of the three pillars that constitute the Competitiveness and Innovation Framework Programme (CIP).

Specifically for the IEE II programmes, the legal framework sets the objectives and fields of action (articles 37-42), the measures necessary for its implementation (articles 43 and 44), and the annual work programmes procedure (Article 45).

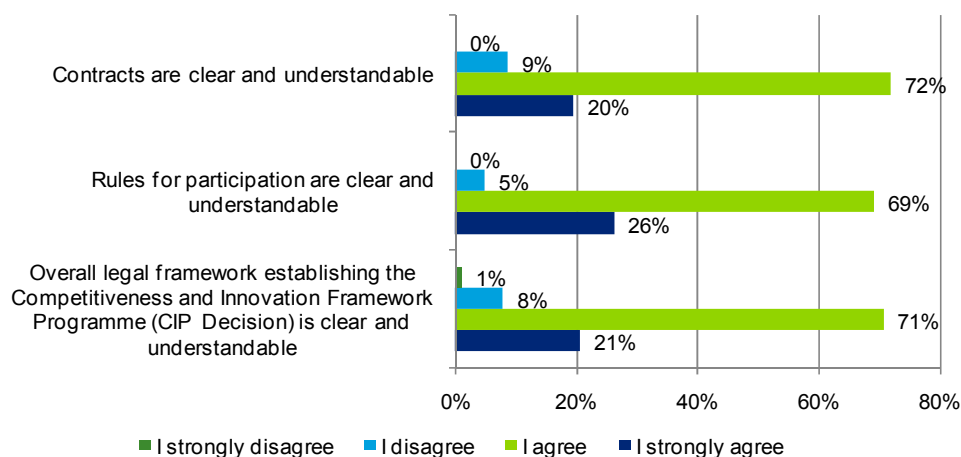


As stated in Article 45, the annual work programmes shall set out in detail the rules for participation<sup>31</sup> (paragraph (f)). In each annual work programme, rules for participation and types of actions describe (1) the general principles for implantation of grants, (2) the specific provisions, (3) the types of action, and (4) the minimum conditions for project consortia.

The contracts are intended hereinafter as the grant agreements. Templates of grant agreement are provided on the IEE II website accompanied by application forms, online submission tool – EPSS guidelines, guide for proposers and financial guidelines.

During the fieldwork, the interviewees were asked to assess whether the overall legal framework establishing the IEE II programme, including the rules for participation and the grant agreements were clear and understandable. The vast majority of interviewees perceive the legal framework, the rules for participation and the contract as clear and understandable. The survey targeting the project coordinators and partners shows that more than 90% of respondents who expressed their opinion agree or fully agree with this statement, as illustrated in the figure below.

**Figure 6: Perceived clarity and understanding of the legal framework (CIP Decision, rules for participation and contracts) – in %**



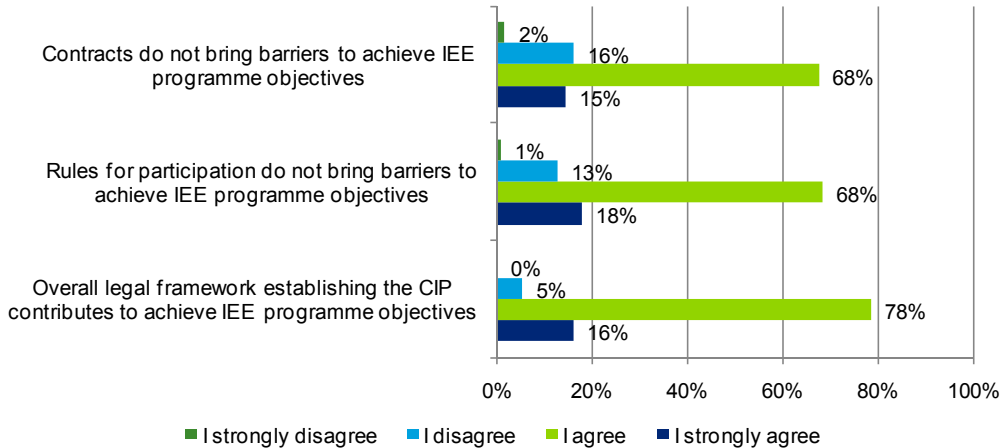
Source: web-based survey PC/PP

The project coordinators and partners consulted through interview or survey were also asked to assess the extent to which the legal framework contributes to reaching the programme objectives.

The overall legal framework establishing the IEE II programme, including the rules for participation and the contracts, is perceived as appropriate and effective to reach the programme objectives by the majority of stakeholders consulted. The survey targeting the project coordinators and partners shows that more than 85% of respondents that expressed their opinion agree or fully agree on this statement.

<sup>31</sup> For this section, we refer to the calls for proposals only (grant agreements in the case of proposals selected on the basis of either a call for proposals or concerted action)

**Figure 7: Perception of the effectiveness of the legal framework to reach the programme objectives**



Source: web-based survey PC/PP

In addition, some of the stakeholders consulted emphasised the effort made by the Commission and the EACI in making the rules for participation and grant agreements clear and understandable. It was highlighted that the “guide for proposers” made available in the IEE II website provides clear guidance to participation for each step of the proposal. The templates and links provided through this document are considered as highly useful.

Some of the stakeholders also mentioned that the NCP plays a significant role in the understanding of the legal framework. Most of the interviewees indicated that the clarity and understanding of the overall legal framework depend highly on the availability and knowledge of the NCP.

In addition, almost all the stakeholders consulted have indicated that the legal framework might appear more difficult to understand for inexperienced project coordinators and partners or those not used to European programmes. It might also take into account the language barriers that participants could face as the call documents are available in a limited number of languages. Again, the role of the NCP was emphasised as crucial in helping the participants in their own language.

**Finding 7:**

The overall legal framework clearly details the objectives, the financial envelope, the different types of implementing measures, and the arrangements for monitoring and evaluation. It also addresses the specific objectives and measures for implementation of the IEE II programme and sets the annual work programme process in which the rules for participation are embedded.

The IEE II website provides useful guidance and preparatory documents to participants.

It is perceived that the NCP plays a significant role in the understanding of the legal framework and that the legal framework might appear more difficult to understand for inexperienced project coordinators and partners or those not used to European programmes.

4.2.1.3 CONCLUSIONS

The legal framework establishing the IEE II programme is clear, understandable and effective. Both the Commission and the EACI made considerable efforts to contribute to the clear legal structure of the programme. The vast majority of stakeholders consulted were clearly positive as regards this aspect of the programme.

#### 4.2.2 WERE THE POLICY INSTRUMENTS AND THE MODALITIES FOR IMPLEMENTATION CLEAR, APPROPRIATE, AND EFFECTIVE?

##### 4.2.2.1 INTRODUCTION

To reply to this evaluation question, we have defined the following judgment criteria:

- Extent to which the policy instruments and the modalities for implementation were clear and understandable
- Extent to which the policy instruments and the modalities for implementation contributed to achieve the best results
- Extent to which the policy instruments and the modalities for implementation ensured that the IEE actions reached the programme objectives

We analyse the following elements relating to the implementation modalities:

1. Work Programme;
2. Call ;
3. Selection procedure;
4. Follow-up/monitoring procedure<sup>32</sup>;
5. Payment.

For each phase, the next subsection presents the assessment of the extent to which the policy instruments and the modalities for implementation were clear and understandable as well as their effectiveness to contribute to the IEE II objectives<sup>33</sup>. We also look at the extent to which simplification have been made to ease the implementation process.

As the programme management and implementation have been evaluated by the interim evaluation, we used its final report as one of our main sources of information. Desk research, interviews, case studies and the web-based surveys complemented with a focus on recently integrated initiatives.

##### 4.2.2.2 DATA AND FINDINGS

#### **Work programme**

As detailed in the previous section, Article 5 of the CIP common provisions states that all specific programmes should make use of annual work programmes, in order to be able to adjust to future developments.

The IEE annual work programmes, which are subject to consultation by other relevant DG's via the inter-service consultation, opinion by the IEEC and scrutiny by the European Parliament before being adopted by the Commission, enables new priorities to be set on a yearly basis. Changing needs, as perceived by the Commission and the IEEC, can therefore be reflected in the annual work programmes.

The work programme contains the following elements:

- Measures needed for implementation of the Programme;
- Priorities;
- Related qualitative and quantitative objectives;

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<sup>32</sup> In this question, we focus on the relevance of the monitoring process. The effectiveness of the indicators to monitor project results and contribution to the programme's objectives will be discussed in the next sections related to Effectiveness.

<sup>33</sup> For this evaluation question, we focus on the perceived appropriateness of the implementation modalities. The efficiency of the programme management methods will be further analysed in the Efficiency sections.

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

The IEEC members consulted for this study express different opinions about their involvement in the work programme process. Some IEEC members do not make further comment on the effectiveness of the work programme process as they recognised that they have limited involvement in the priority setting process. Others mentioned that the Commission should pay more attention to the Member States own priorities when defining the annual priorities at programme level. This latter statement was explained by the perceived lack of time to prepare and comment the draft work programmes.

In general, we noticed that the IEEC members reiterate the perception already identified in the Interim evaluation. IEEC members indicated that there is room for improvement in the interaction process between IEEC members and EC officials, in particular with respect to the number of yearly meetings and the preparation time given in advance of meetings. In addition, it was mentioned that newly introduced components to the programme should be better explained, and more upfront warning should be given on these.

Some of the interviewees also indicated a lack of clarity on the components other than the promotion and dissemination projects from calls (ELENA, Tenders). It is important to note that some nuance should be brought to this perception and is to be found in the nature of the other components of the IEE II programme and in particular their target groups. For the sake of clarity, we provide in the paragraph below a brief recap of these components.

The ELENA facility has been recently put in place (WP 2009) and support covers up to 90% of the costs associated with technical assistance for preparing large sustainable energy investment programmes in cities and regions, which may also be eligible for EIB funding. Therefore, the facility is targeting solely the regional and local authorities (compared to promotion and dissemination projects). The evaluation team noticed that efforts are being made to inform better the IEEC members about this newly introduced component.

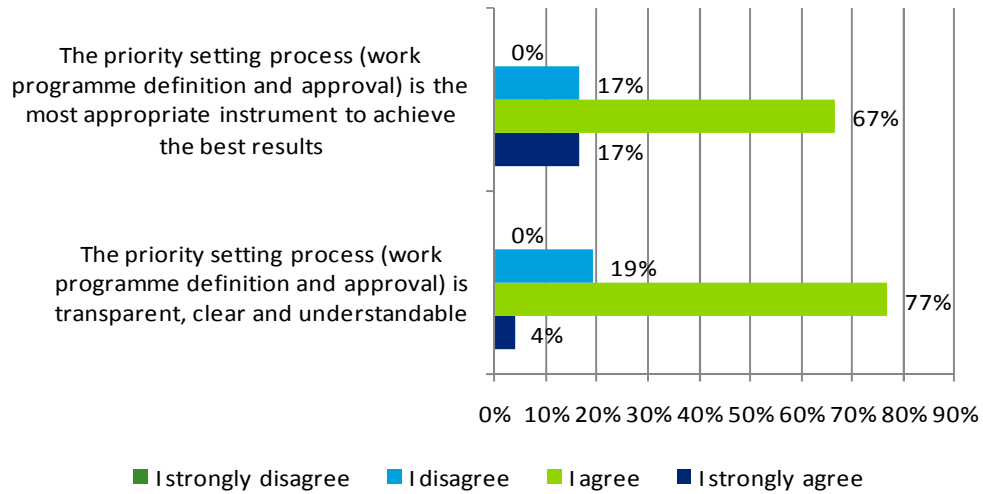
As regards the tenders, they have been launched mainly by DG ENER, for one of three main reasons:

- to obtain information needed for future policy making (studies);
- to obtain technical inputs for a report, which was required by an EU Directive;
- to purchase services which would assist the Commission in the management and implementation of a special initiative, such as ManagEnergy, the Covenant of Mayors or the Sustainable Energy Europe Campaign.

It is important to note that their results are intended mainly to inform the Commission. Those which produce information which is of public interest are widely published.

The process of setting annual priorities is perceived by the majority of interviewees (including project coordinators and partners) as effective to reach programme objectives as it allows prioritising key actions according to the evolving energy needs. The answers provided to the survey targeting the IEEC members and NCPs reinforce this latter statement. According to the web-based survey, 96 % of respondents agree or strongly agree that the priority setting process (work programme definition and approval) is transparent, clear and understandable while 84% agree or strongly agree that this instrument is the most appropriate to achieve the best results (as illustrated in the figure below).

**Figure 8: Perception of the policy instruments and the modalities for implementation**



Source: web-based survey IEEC/NCP

**Finding 8:**

The process of setting annual priorities is perceived as effective to reach programme objectives as it allows prioritising key actions according to the evolving energy needs.

**Call**

As stated in the work programmes, calls are published on the IEE II website and are announced in the Official Journal of the European Union (OJ).

The calls are communicated by using additional information including information sessions/events (including European InfoDays and National InfoDays) and via the NCPs in the Member States. The IEE II website also provides relevant and useful documents to potential candidates (including guide for proposers, templates of grant agreement, application forms, online submission tool – EPSS guidelines, and financial guidelines).

As regards the communication of and information on the calls, all interviewees recognise that there are a lot of efforts made to communicate the modalities to participate. Amongst others, interviewees highlighted the effectiveness of the Info Days, NCPs and the newsletter. In addition, the website is considered as very well structured and containing plenty of useful information on the IEE II. The project coordinators consulted appreciate the template and guidance provided by the EACI. The guide for proposal has been pointed out as a useful tool ensuring efficient proposal writing process and, to some extent, good quality of proposals submitted.

As regards the process behind the call, it was perceived by project coordinators that it is clear and effective for the promotion and dissemination projects. However, participants consulted indicated that the timeline for the submission of the proposals is too short. Some of the stakeholders mentioned that it might favour participation of stakeholders used to EU programmes and previous participants in the IEE programme against newcomers.

In addition, several interviewees indicated that writing a proposal costs time and money that are not covered by the EU co-financing. For small organisations, this can be a barrier to their participation.

They consider the pre-proposal check as very good (the EACI is offering to check whether project ideas are addressing year's priorities. The project ideas are submitted through a short outline of maximum two pages via email. Only general guidance is provided) and that it should be developed into a two-stage procedure. It was suggested that this could be more effective and efficient i.e. a first draft of the proposal (summary of two pages) followed by a full developed proposal if the first one is considered as "awardable".

When NCPs were asked about their involvement as information multipliers, some of them indicated that there is a need for more information in order to effectively disseminate the information to potential participants and attract new participants. They also supported the statement that the timeline for submission might favour participation of stakeholders used to EU programmes and previous participants in the IEE programme against newcomers.

Despite the public process of the calls, there was a consensus amongst the IEEC members and NCPs interviewed that efforts should be made as regards the clarity of the information that could be disseminated about the calls for market replication projects (under ELENA facility) and tenders. We refer here to the previous sub-section of this report in order to bring some nuance to this perception. As previously said, reasons behind this perception are to be found in the nature of the other components of the IEE II programme. In addition to what has been discussed in the previous sub-section, it is important to note that, in the case of the tenders, they are published according to the public procurement rules and comply with competitiveness rules.

#### **Finding 9:**

As regards the promotion and dissemination projects, the publication and communication of the calls are perceived as clear and effective and the supporting documents are useful. EACI provide support through different channels and tools to help the potential proposers but the timing to submit the proposals might favour participation of stakeholders used to EU programmes and previous participants in the IEE programme against newcomers.

Despite the public process of the calls, interviewees perceived that there is room for improvements to make the process clearer as regards market replication projects and tenders. However, concerning the tenders, the information provided to potential tenderers is as clear as the public procurement rules allow to be.

#### **Selection process**

In this subsection, we include the process from the submission of the proposal to the signature of the grant agreement.

As stated in the guide for proposers 2011, the selection process follows the steps below:

1. Submission of the proposals through the Electronic Proposal Submission Service (EPSS). A committee checks whether the proposals fulfil the formal requirements, namely that the application was submitted before the closing date. Applications which do not satisfy the formal requirements are rejected.
2. Evaluation of the proposals. An evaluation committee evaluates the proposals on the basis of the eligibility, selection and award criteria announced in the Call for Proposals. Independent external experts assist the evaluation committee by providing a technical advisory opinion. Based on the evaluation, the committee draws up a ranking list which is submitted for approval to the Director of the EACI.

3. Information on results. Upon approval of the Director, applicants are informed of the results of the evaluation. The coordinator of the proposal receives a summary report on the conclusions of the evaluation. Some proposers might be informed that their proposal is placed on a reserve list, due to budgetary constraints.
4. If successful, negotiation of the proposal. Coordinators are invited for negotiation. In this process, the EACI will clarify with Coordinators the detailed technical and financial aspects of the proposal based on the conclusions of the evaluation. Proposals on the reserve list might be invited for negotiations, should budgetary possibilities exist at a later stage of the process.
5. Internal consultation of other Commission services. Other services within the European Commission are consulted in order to make sure that the actions in question are not already financed by the EU.
6. Grant agreements. Once the negotiation is successfully completed, the agreement is drawn up.

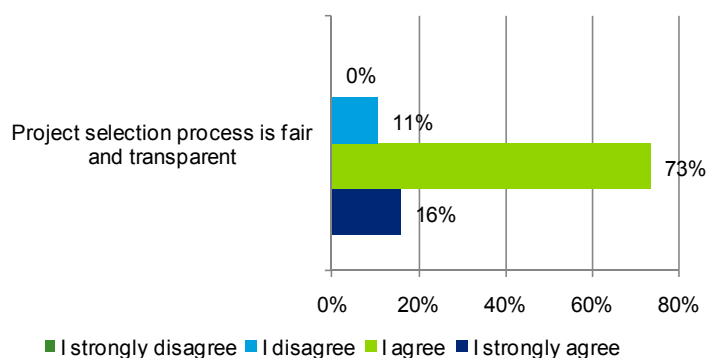
For the market replication projects falling under the ELENA facility, the proposals are submitted to the European Investment Bank (EIB) according to the standard procedure for the submission of projects to the EIB. The EIB is in charge of the evaluation of the proposal against the eligibility criteria and of the pre-selection of applications. The pre-selected and validated applications are then submitted to the Commission services for approval.

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

For the calls of tenders, as stated in the work programme 2011, the Commission and the EACI issue calls for tenders for projects under the IEE Programme, in accordance with the requirements laid down in the annual work programme. The selection process is stipulated in the Terms of Reference.

As regards the promotion and dissemination projects, the selection procedure is considered as clear and transparent by the majority of stakeholders consulted. This statement is reinforced by the results of the survey targeting project coordinators and partners. As illustrated in figure below, 89% of respondents indicated that the selection is fair and transparent.

**Figure 9: Perception on the clarity and fairness of the selection process – in%**



Source: web-based survey PC/PP

However, some of the stakeholders consulted indicate that there is room for improvement. The evaluation period fluctuated over years and could create uncertainties amongst participants. The evaluation period as defined in the new call 2011 (from June to September) is considered as too long. It is important to note that significant efforts have been made by the EACI to increase the

effectiveness of the selection process. In order to provide useful feedback on the reasons for rejection (and/or acceptance), more time is allocated to the evaluation and motivation of the decisions. This would allow unselected applicants to improve the quality of their future proposals.

The negotiation process is appreciated by participants. It is seen as bringing added-value and ensuring good quality of projects. However, negotiation should be done more effectively and focus more on main issues rather than on details. Although considered as an effective modality, project coordinators indicated that it is time consuming. The negotiation following the selection of the projects takes time but they are considered by the EACI and to some extent by the beneficiaries as an enriching exercise for the good implementation of the projects.

As regards the projects to be financed through the ELENA facility, very few stakeholders were in a position to comment on the selection process. Some of them pointed out that there is clearly a lack of information. It is important to note that given the recent introduction of ELENA facility, the projects supported might be considered as pilot projects. Although there is room for improvement in communicating and informing about the procedures, one must take into account the youth of this component.

**Finding 10:**

As regards the promotion and dissemination projects, the selection process and its components are considered as effective and clear. It was indicated that there is room for improvement as regards the time dedicated to the evaluation of the proposals and the negotiation process.

It is perceived that there is a lack of information on market replication projects. However, the youth of this component must be taken into consideration as regards this last statement.

**Follow-up and monitoring procedures**

We cover in the following subsection, follow-up and monitoring procedures of the call for proposals.

The EACI staff (project and financial officers) is in charge of the monitoring of the project. As per grant agreement<sup>34</sup>, project coordinators are requested to provide the EACI with:

- Two technical progress reports. The first progress report covers months 1 to 9 and the second the period from month 19 to month 27;
- An interim technical implementation report and interim financial statements covering the period from month 1 to month 18;
- The final technical implementation report and financial statements, including a consolidated statement and a breakdown between each beneficiary covering the whole duration of the action.

In terms of quality of the service of the EACI, we have overall received positive feedback. The interviewed people considered the relationship with both the Project Officer and the Financial Officer as positive and constructive. Concerning the project implementation, the reporting (activities, results, etc.) is considered as necessary by the programme beneficiaries. Some of the project coordinators and partners consider that the follow up is currently too focused on technical and financial aspects and indicate that the follow up on the quality and results of the projects could be improved.

In order to monitor the projects, the EACI has put in place a series of indicators aiming at monitoring the project objectives and the project contribution to the overall performance of the programme.

<sup>34</sup> Based on a project duration of three years.



Project coordinators are asked first to set the objectives of their action by defining specific (during the action) and strategic (for the long term – to 2020) objectives.

Based on these objectives, project coordinators are then asked to assess the expected impact of the action. They have to formulate specific energy-related impacts and suggest performance indicators to measure them.

The performance indicators should be described and quantified according to the SMART principle (specific, measurable, achievable, relevant and time-bound). The table below summarises the data required from the project coordinators.

**Table 4: project performance indicators**

| Specific objectives, key outputs and outcomes within the duration of the action          |  |   |
|--|--|---|
| Specific objective(s)  | Key outputs (products and services) including their quantification where appropriate | Outcomes (with quantified SMART performance indicators) |
| Strategic objectives and long-term outcomes beyond the duration of the action until 2020 |  |   |
| Strategic objective(s)   |  | Expected outcomes by 2020                               |

Since Work Programme 2011, the expected specific energy-related impacts of the projects within its duration and by 2020 have to be summarised using a set of performance indicators, which are common to all IEE II actions.

The table below lists the set of performance indicators:

**Table 5: programme performance indicators**

| Indicators to assess the programme's impact  |
|--|
| Cumulative investment made by European stakeholders in sustainable energy (measurement in EUR) |
| Renewable energy production triggered (measurement unit toe/year)                              |
| Primary energy savings compared to projection (measurement unit toe/year)                      |
| Reduction of greenhouse gas emissions (measurement unit t CO <sub>2</sub> e/year)              |

The guide for proposers clearly indicates that the figures provided to monitor the performance of the projects should be consistent with the aim of the action meaning that depending on the projects, coordinators should quantify the most relevant of the four indicators.

The indicators will be monitored to measure the impact of projects from year to year and the impact of the Programme as a whole.

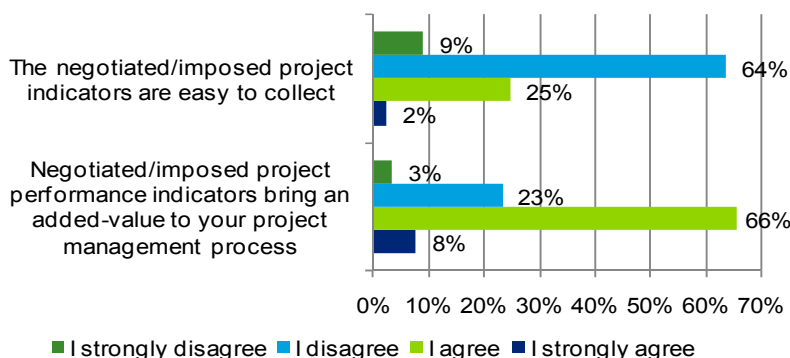
The majority of the interviewees recognise that measurable impact at programme level is necessary. However, they admit that it is too difficult to quantify these four performance indicators. In addition, almost all the stakeholders consulted indicated that the performance indicators at programme level are not suitable to measure actions aiming at promoting and foster energy efficiency and use of energy renewable and dismantling non technical barriers in order to stimulate the uptake of sustainable energy technology.

Indeed, it was perceived that these indicators were not adequate to measure the impact of “soft measures” such as behaviour change, promotion and dissemination of good practices, training and education. The effect of the actions would be too difficult to isolate in order to impute the impact to the sole action of the project. Interviewees also highlighted that those indicators should be more appropriate to projects that can be linked to investment-related programmes and demonstration programmes instead.

The specific impact indicators (quantified at project level) are the type of indicators that are the most difficult to monitor according to programme beneficiaries. While agreeing that the impact indicators bring added-value to the management process of the project, the majority of the respondents indicated that they are not easy to quantify or to collect.

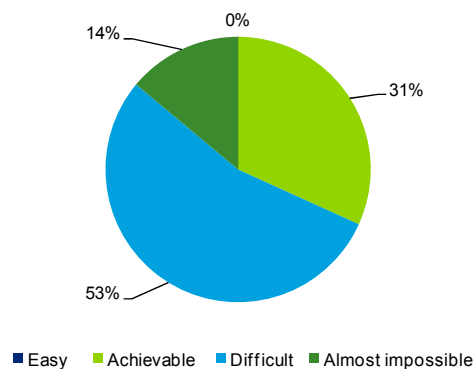
The survey targeting the project coordinators and partners confirms the latter statements. It can be seen in the figures below that 74% of respondents agree or strongly agree that project performance indicators bring an added-value to the project management process. 73% of respondents disagree or strongly disagree that project indicators are easy to collect while 67% found it difficult to almost impossible to quantify the expected impacts of their projects.

**Figure 10: Perception of the relevance of the set of indicators to manage the programme in order to ensure a high standard of service – in %**



Source: web-based survey PC/PP

**Figure 11: Perceived difficulty to quantify expected impact of projects – in %**



Source: web-based survey PC/PP

Results and impacts of the market replication projects should be easier to quantify as they are related to investments triggered i.e. ELENA facility and “Mobilising local energy investments”. For projects funded under ELENA, the Technical Assistance (TA) is intended to develop investment programmes and a minimum leverage factor of 25 must be achieved between the investment and the grant. In accepting the TA the beneficiary accepts that the amount received will have to be repaid in the event of the leverage factor not being achieved. This being said, the monitoring process and the measurement of the impact indicator might be perceived as more straightforward than the other components.

#### **Finding 11:**

In terms of quality of the monitoring and follow up offered by the EACI, we have overall received positive feedback. The interviewed people considered the relationship with both the Project Officer and the Financial Officer as positive and constructive.

As regards the monitoring process, measurable impacts at project level are considered as bringing added-value to the management process of the project while they are not easy to quantify or to collect (for promotion and dissemination projects).

The four performance indicators aggregated at programme level are considered as not suitable to measure actions aiming at promoting and foster energy efficiency and use of energy renewable and dismantling non technical barriers in order to stimulate the uptake of sustainable energy technology.

The quantification of the impact is likely to be achieved when it relates to market replication projects due to the nature of the projects (triggering investments).

#### **Payment**

As per grant agreement, the first pre-financing is intended to provide the beneficiaries with a float. A second pre-financing could be requested under conditions at the interim report of the project. The payment of the balance, which may not be repeated, is made after the end of the action on the basis of the costs actually incurred by the beneficiaries in carrying out the action. It may take the form of a recovery order where the total amount of earlier payments is greater than the amount of the final grant.

As regards to the payment process, a large number of interviews residing in EU-12 Member States indicated that the financial management could be improved as the period between the pre-payment and final payment is too long such that the co-financing must be used to finance two years of work. The pre-payment method would prevent potential participants from EU-12 Member States to initiate new projects.

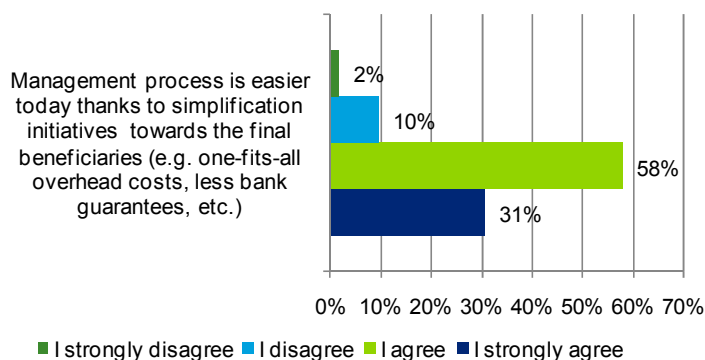
#### **Finding 12:**

The payment process might be a barrier to the participation of coordinators or partners in New Member States, especially small-size organisations, as it is considered that the period between the pre-payment and final payment is too long to be sustainable.

#### **Simplification of the procedures**

As illustrated in the figure below, the vast majority of respondents to the survey (89%) indicates that the management process is easier today thanks to simplification initiatives towards the final beneficiaries (e.g. one-fits-all overhead costs, less bank guarantees, online submission of proposals, etc.). Stakeholders consulted welcome any simplification that could be brought to the management process and considered that it allows project coordinators and partners to focus on achieving the project objectives and thus would increased the effectiveness of the actions supported.

**Figure 12: Perceived ease of management process thanks to initiatives to simplify effectively the procedures towards the final beneficiaries – in %**



Source: web-based survey PC/PP

**Finding 13:**

The efforts made by the EACI to simplify the management process is appreciated and considered as increasing the effectiveness of the projects.

4.2.2.3 CONCLUSIONS

Overall, the policy instruments and modalities for implementation are clear and effective for the promotion and dissemination projects. However, there is room for improvement as regards the other components (market replication projects under ELENA facility and call for tenders).

The efforts made by the EACI to simplify the management process might increase the effectiveness of the projects.

4.2.3 HOW EFFECTIVE AND EFFICIENT ARE THE ACTIVITIES OF DISSEMINATION OF THE PROGRAMME RESULTS AND COMMUNICATION? SHOULD THEY BE IMPROVED?

4.2.3.1 INTRODUCTION

For this evaluation question, we defined three judgement criteria:

- Suitability and effectiveness of the EACI initiatives to disseminate information on:
  - the availability of the programme instruments (including the EACI itself);
  - the results and impacts of IEE actions and their potential use to potential stakeholders/target groups and beneficiaries;
- Extent to which the IEE dissemination activities within the projects contributed to transmit the results and impacts of actions to potential stakeholders and key market actors.
- Appropriateness of the budget and resources allocated to communication both within the EACI as well as within the projects.

Before addressing these we first provide a clarification on the different levels and types of communication within the IEE II programme and their objectives so as to be able to clarify our subsequent assessment of their individual effectiveness and efficiency bearing in mind the overall programme communication context.

Our assessment is based on information from the desk research and data collected during interviews with the EACI communication team and project participants, as well from case studies and the web based surveys performed for this evaluation.

#### 4.2.3.2 DATA AND FINDINGS FROM SOURCES

In this section we first provide an overview and clarification on the different levels and types of communication within IEE II. We then assess their effectiveness and efficiency individually, but bearing in mind the overall programme communication context.

#### **IEE II communication and dissemination types and levels**

Based on desk research, and as confirmed by the EACI, we identified a large number of different communication activities undertaken by IEE programme actors at both programme and project levels.

Three main types of communication activities can be distinguished, with different objectives, and performed at different levels by various programme actors.

**Table 6: Types of communication in IEE II**

| # | Types of communication   | Main objectives   | Level  |
|---|--|---|--|
| 1 | Raising awareness of the existence of the programme and its modalities | Generate interest and involvement in IEE<br>Ensure a sufficient number of high-quality projects ("input")                                       | Programme level (EC and/or the EACI at EU level, NCPs at national level)                   |
| 2 | Promoting and disseminating the results of the programme               | Maximise the potential impact of the programme ("output")<br>Provide programme management with feedback on programme implementation and results | Programme level (EC and/or the EACI at EU level)   |
| 3 | Promoting and disseminating the results of the projects                | Maximise the potential impact of projects ("output")  | Project level (national and EU levels)<br>Programme level (EC and/or the EACI at EU level) |

Source: EACI communication plan, own analysis

We describe these types of communication in more detail below to put our subsequent evaluation of their effectiveness and efficiency into perspective.

1. Raising awareness of the existence of the programme and its modalities to generate interest in the programme and ensure a sufficient number of high quality projects is typically performed by the EC and/or the EACI at EU level, and by the NCP's at national level:
  - Annual work programmes are produced by DG ENER which then hosts inter-service consultations in order to inform and gather feedback from other DG's on the programme, as well as regular IEEC meetings to review the programme priorities and provide other general information on the programme to the IEEC. The material produced by the EC is also circulated to the IEEC and NCP's via the CIRCA website.
  - The DG ENER and IEE websites are used to raise awareness of the IEE programme to the general public including potential applicants (the IEE website is essentially focussed on promotion and dissemination projects);

- The IEE programme is regularly cited in press releases and communications by the EC, and during different sustainable energy campaigns, including those funded by the programme;
  - Annual training is provided by the EACI to the IEE NCP's (mainly focussing on the promotion and dissemination projects);
  - The EACI is present in various conferences and events to raise awareness of the programme;
  - Various specific awareness raising activities are carried out for the different programme components:
    - Promotion and dissemination projects:
      - the EC and EACI hold annual EU-level "IEE infodays" to communicate on the priorities of the annual work programme for the promotion and dissemination projects and the process for participation are considered successful (e.g. last infodays were booked out in 2 weeks due to demand, and there are in general 50% of newcomers to the programme). Communication on upcoming infodays is done through the IEE website and to subscribed participants to the IEE news alerts (17000). There are also some multipliers for this communication, namely the NCP's and associations who disseminate the information to their members;
      - National and regional "IEE infodays" are held annually by the NCP's in the different countries (the size and number of these vary according to the means available to the NCP's in question).
    - Market replication projects:
      - Information on the availability of ELENA-EIB and the process for participating in these is available on the EIB website;
      - Information on the availability of ELENA-KfW and the process for participating in these is available on the KfW website;
      - There is as of yet no specific information on the availability or process for participating in ELENA-CEB projects;
    - Tenders:
      - Information on IEE tenders is published via the official EU procedures.
2. Promotion and dissemination of the programme results to maximize the programme impact and provide management with a view on programme results is typically done by the EC and/or the EACI at EU level:
- The IEE programme is mentioned in various communications and documents published by the EC, although little mention is made of its results;
  - Annual implementation reports on the IEE programme are published by the EC including certain results and KPI's – these are made available to the IEEC members via CIRCA, but are also accessible to the public;
  - Various specific programme results dissemination activities are carried out for the promotion and dissemination programme component, but not for other programme components:
    - Newsletters are published on a monthly basis by the EACI on the latest news of the promotion and dissemination projects;
    - Magazines are published on a bi-monthly basis on the latest news of the promotion and dissemination projects;
    - The IEE website is regularly updated with the results of promotion and dissemination projects.

3. Promoting and disseminating the results of the projects to maximize their potential impact is typically done by the projects themselves at national and EU levels. The EC and/or the EACI also perform some such activities at EU level:
  - The results of projects are sometimes communicated during various EU-level sustainable energy campaigns such as the Sustainable Energy Europe Week;
  - Various specific project results dissemination activities are carried out for the promotion and dissemination projects:
    - All projects must display the IEE logo on deliverables and material produced;
    - All projects must create a project website which is maintained up till 2 years after the project end;
    - All projects have mandatory "communication and dissemination" and "common dissemination" work packages in their work plan. IEE projects spend some € 20 million per year on communication and dissemination. This is necessary as the projects are able to communicate directly to their target groups where the EACI is not – e.g. due to language constraints or lack of proximity to stakeholders (e.g. it is important to go through local/regional news/media rather than EU level for buy-in). Nonetheless, the projects must mention the EU funding. The EACI support the projects in this communication and there is an increasing professionalism even though it is not easy to attract communication people to the IEE projects and operational people are not necessarily best placed to do this. The EACI also perform reviews/follow-up of the project communication as part of their project management, but this is not cross-cutting and there is no consolidation to produce an overview such that it is difficult to measure the impact of the project communication (also due to the complex social reality);
  - Contractor meetings are held by the EACI to increase coordination and communication across the different IEE promotion and dissemination projects.

As is also apparent from the descriptions above, these different types of communication and dissemination activities are essentially undertaken at two levels:

- At programme level, the EC and/or the EACI perform all types of communication and dissemination activities, i.e. awareness raising of the existence of the programme and its modalities, as well as promotion and dissemination of the programme results and project results, EU wide. They are complemented by the IEE NCP's that perform awareness raising activities at national level;
- At project level, the projects promote and disseminate their results.

The types of communication and dissemination activities and levels at which they are undertaken need to be taken into account when assessing the effectiveness and efficiency of the IEE communication and dissemination activities. Despite their interdependencies they are performed by different actors and have distinct objectives.

A third dimension which must equally be considered is the communication on the different programme components. Indeed, the EACI handles communication on the promotion and dissemination projects (along with the projects themselves) as it manages these projects, but does not handle communication on the market replication (ELENA) projects which are managed by the EIB, on most tenders (which are managed by the EC), or on most concerted actions which are managed separately.

**Finding 14:**

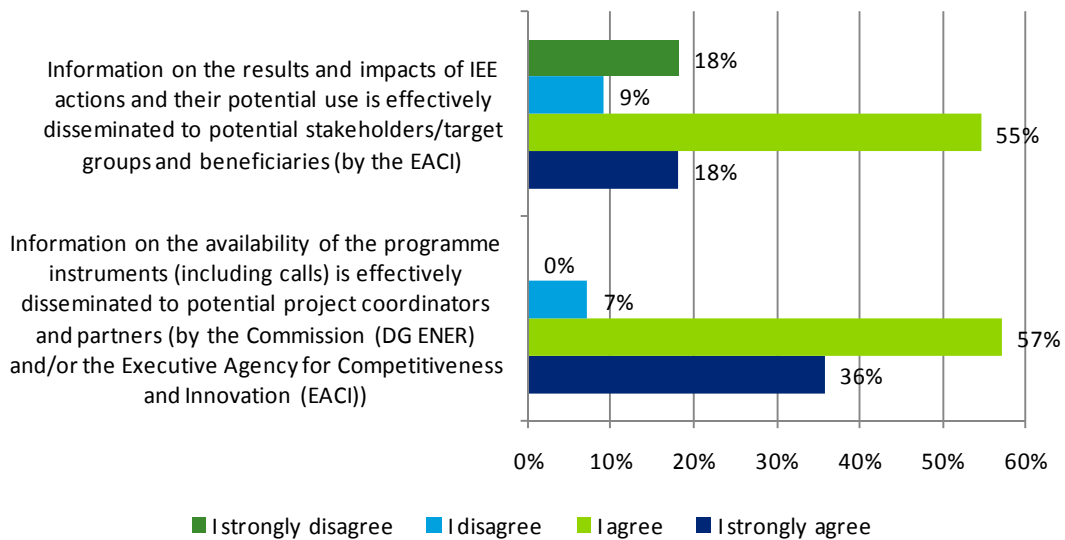
The type and level of communication as well as the programme component being communicated on need to be taken into account when assessing the effectiveness and efficiency of IEE communication. Despite their interdependencies they are performed by different actors and have distinct objectives.

In the following subsections, we assess the individual effectiveness and efficiency of the three types of communication bearing in mind the overall programme communication context from above.

**Suitability of programme level communication and dissemination to raise awareness of the existence of the programme and its modalities**

IEEC members, NCPs and project participants feel that, while it covers all aspects of the programme, communication at programme level (by the EC, EACI or NCP's) is mainly focused on the availability and modalities for participating in IEE II projects targeted at potential participants, which is therefore perceived as better than communication on the results of the projects and programme (i.e. communication to all final target groups, as well as the programme management). This is confirmed by the survey results below, in which we also note that the stakeholders are on the whole satisfied with programme level communication.

**Figure 13: Perception of programme level communication by IEEC – in %**



Source: web-based survey IEEC/NCP



**Table 7: Perception of programme level communication by the P&D project coordinators and partners – in %**

| <b>EACI handling of programme and project</b>      | <b>Very good</b> | <b>Good</b> | <b>Neutral</b> | <b>Poor</b> | <b>Very poor</b> | <b>No opinion</b> | <b>Total</b> |
|--|------------------|-------------|----------------|-------------|------------------|-------------------|--------------|
| Information about the programme                    | 44%              | 46%         | 7%             | 2%          | 0%               | 2%                | <b>100%</b>  |
| Promotion and dissemination of results by the EACI | 16%              | 40%         | 24%            | 7%          | 0%               | 13%               | <b>100%</b>  |

Source: web-based survey PC/PP

**Finding 15:**

Communication at programme level is considered by programme management and participants to be focused on the availability and modalities for participating in IEE II projects, and principally targeted at potential participants. It is perceived as better in this area than on the dissemination of project/programme results. On the whole communication at programme level is considered satisfactory.

Programme level communication uses a number of different media. Statistics available for EACI communication plans 2008, 2009, 2010 show the following trends:

- The number of participants in IEE Info days has tended to increase over time in the national Info days;
- The number of paper copies of publications has overall tended to decrease over time (despite the outlying number of brochures printed in 2009), while the number of website consultations, downloads of electronic versions of publications, and email alerts has overall increased (e-communication). However, looking at individual publications identifies that the number of orders per paper publication is fairly constant and has, in the case of the new IEE Magazine, even considerably increased compared to the preceding IEE News Review although the format changed (with 38,000 copies of the first edition ordered during the first quarter of 2011, up from an average of 20,000 copies published per News Review). Moreover, the number of monthly downloads of publications from the IEE website is also fairly constant, at around 10,000 downloads. The EACI also mentioned that once they were able to produce and distribute large numbers of paper copies of IEE publications, the demand for these paper versions exceeded the number of downloads by a large margin.

It is difficult to identify a trend towards more paper or electronic communication or a difference in their effectiveness to raise awareness about the programme or disseminate its results. Indeed, when questioned on how they discovered the programme, most project coordinators and partners responded that they had participated previously, were made aware of the programme through contacts, or discovered the programme on internet, while none responded that it was through brochures (which is somewhat understandable as their primary objective is to help communicate the output of the programme and spread the results of projects rather than to raise general awareness of the programme or to attract and inform

applicants about call for proposals), and less than 6% discovered the programme through the IEE Info days given the limited number of participants to these and promotion for these outside of the sphere of currently involved stakeholders:

**Table 8: Overview of different channels for discovery of IEE II by project participants – in %**

| How did you discover the Intelligent Energy Europe II programme? | Number     | Percentage  |
|--|------------|-------------|
| Applied in the past  | 67         | 50%         |
| European Info Day  | 3          | 2%          |
| National Info Day  | 5          | 4%          |
| IEE News Alert   | 5          | 4%          |
| Internet   | 16         | 12%         |
| Brochures  | 0          | 0%          |
| Official Journal   | 0          | 0%          |
| Office representing your interest in Brussels                    | 7          | 5%          |
| IEE partner/coordinator  | 10         | 7%          |
| Personal contact   | 17         | 13%         |
| Other  | 4          | 3%          |
| <b>Total</b>   | <b>134</b> | <b>100%</b> |

Source: web-based survey PC/PP

This data confirms the feedback from interviewees.

In terms of the dissemination of project results, a study<sup>35</sup> undertaken by the EACI in 2009 found that the IEE brochures were successful and reached their target groups who were highly satisfied with these and considered they had a real impact on readers and were an effective mechanism to spread best practice and encourage innovation, conveying an interest in ordering more copies of the existing brochures, and a very high interest in receiving brochures with new topics in more languages with more detailed information and better distribution.

Some interviewees moreover noted that the IEE website could be improved in terms of its structure and of the up-to-datedness of presented data, including in the project database.

**Finding 16:**

The different communication media used by the EACI are perceived as effective on the whole, and suited to different objectives. Participation in the Info days and e-communication have overall increased over time while paper distribution has overall decreased.

<sup>35</sup> Intelligent Energy - Europe Project Brochures, What do readers say and what was their impact? January 2010

Turning to the objective of attracting a sufficient number of quality projects, the below tables show that from 2007 to 2010 there has always been an excess of eligible proposals of sufficient quality for each of the promotion and dissemination project fields, both in terms of numbers and budgets leading to an allocation of funding above budget in all years. Moreover, while the number of proposals has not increased over time, the ratio of successful proposals has decreased given the decreasing number of grants allocated (to increasingly large projects), showing an intensification of competition.

Although it is difficult to establish a direct causal link, programme level awareness raising communication seems to lead to an overall sufficient awareness of, and interest in the promotion and dissemination component of IEE, resulting in a sufficient overall number of proposals for the different calls. It may also be that the awareness raising communication needs decrease over time due to the fact that the programme has many repeat participants.

**Table 9: Overview of IEE II proposals and grants for promotion and dissemination projects**

| IEE II - Fields of action | Number of eligible proposals |            |            |            |              |
|---------------------------|------------------------------|------------|------------|------------|--------------|
|                           | 2007                         | 2008       | 2009       | 2010       | Total        |
| SAVE                      | 121                          | 97         | 104        | 130        | 452          |
| ALTENER                   | 127                          | 118        | 129        | 121        | 495          |
| STEER                     | 23                           | 26         | 50         | 42         | 141          |
| INTEGRATED                | 160                          | 98         | 84         | 53         | 395          |
| <b>Total</b>              | <b>431</b>                   | <b>339</b> | <b>367</b> | <b>346</b> | <b>1.483</b> |
|                           | Number of grants             |            |            |            |              |
|                           | 2007                         | 2008       | 2009       | 2010       | Total        |
| SAVE                      | 16                           | 11         | 14         | 12         | 53           |
| ALTENER                   | 19                           | 18         | 24         | 18         | 79           |
| STEER                     | 7                            | 6          | 11         | 7          | 31           |
| INTEGRATED                | 30                           | 20         | 13         | 7          | 70           |
| <b>Total</b>              | <b>72</b>                    | <b>55</b>  | <b>62</b>  | <b>44</b>  | <b>233</b>   |
|                           | Percentage of grants         |            |            |            |              |
|                           | 2007                         | 2008       | 2009       | 2010       | Total        |
| SAVE                      | 13%                          | 11%        | 13%        | 9%         | 12%          |
| ALTENER                   | 15%                          | 15%        | 19%        | 15%        | 16%          |
| STEER                     | 30%                          | 23%        | 22%        | 17%        | 22%          |

| IEE II - Fields of action | Number of eligible proposals |            |            |            |            |
|---------------------------|------------------------------|------------|------------|------------|------------|
|                           | 19%                          | 20%        | 15%        | 13%        | 18%        |
| INTEGRATED                |                              |            |            |            |            |
| <b>Total</b>              | <b>17%</b>                   | <b>16%</b> | <b>17%</b> | <b>13%</b> | <b>16%</b> |

Source: EACI call data

**Table 10: Overview of IEE EC requested contribution for promotion and dissemination projects**

|              | Total requested EC contribution, MEUR |            |            |            |             |
|--------------|---------------------------------------|------------|------------|------------|-------------|
|              | 2007                                  | 2008       | 2009       | 2010       | Total       |
| SAVE         | 114                                   | 93         | 125        | 163        | <b>495</b>  |
| ALTENER      | 117                                   | 113        | 133        | 135        | <b>498</b>  |
| STEER        | 23                                    | 31         | 64         | 54         | <b>172</b>  |
| INTEGRATED   | 112                                   | 68         | 85         | 61         | <b>327</b>  |
| <b>Total</b> | <b>367</b>                            | <b>304</b> | <b>407</b> | <b>413</b> | <b>1492</b> |
|              | Total granted EC contribution, MEUR   |            |            |            |             |
|              | 2007                                  | 2008       | 2009       | 2010       | Total       |
| SAVE         | 18                                    | 11         | 18         | 17         | <b>65</b>   |
| ALTENER      | 18                                    | 19         | 25         | 21         | <b>84</b>   |
| STEER        | 9                                     | 8          | 14         | 10         | <b>41</b>   |
| INTEGRATED   | 19                                    | 13         | 16         | 10         | <b>58</b>   |
| <b>Total</b> | <b>64</b>                             | <b>52</b>  | <b>74</b>  | <b>58</b>  | <b>248</b>  |
|              | Total budgeted EC contribution, MEUR  |            |            |            |             |
|              | 2007                                  | 2008       | 2009       | 2010       | Total       |
| <b>Total</b> | <b>52</b>                             | <b>45</b>  | <b>65</b>  | <b>56</b>  | <b>218</b>  |

Source: EACI call data

It is not clear whether a sufficient number of quality proposals are generated for the market replication component of IEE, as consolidated data on the rejected proposals is not available. Nonetheless, the budget for these projects is taking a long time to be allocated, and the communication means deployed are significantly less than for the promotion and dissemination projects, indicating the potential for further programme level awareness raising activities.

Tenders are published via the standard EC channel which can be assumed to generate sufficient interest, although IEE tenders may be “drowned in the mass”. The IEEC members nonetheless feel that efforts

should be made to improve awareness on these in order to attract new beneficiaries less used to the EC ecosystem.

Concerted actions are performed with a limited number of beneficiaries selected by Member States, and therefore do not need wide awareness raising to ensure participation.

**Finding 17:**

Programme level awareness raising communication leads to an overall sufficient awareness of, and interest in IEE, especially for the promotion and dissemination component. IEEC members feel that efforts should be made to improve awareness raising on the market replication and tenders components of the programme.

From our interviews we conclude that NCPs also see themselves as an important relay to raise awareness on IEE, notably on the promotion and dissemination projects. While they consider their role to be clear and cost-effective (see below figures), we noted the following obstacles to an effective and efficient functioning of the awareness raising communication by NCPs during the fieldwork:

- There is a lack of communication to the NCPs on a methodology to recruit (new) applicants, and the annual NCP workshops seems insufficient for them to get up-to-date background information;
- The NCPs lack tools to be effective in the partner search which is an important part of their awareness raising communication role allowing new applicants to identify and contact potential partners to form consortia needed to apply for promotion and dissemination projects. The NCPs often have to rely on internet searches;
- The NCPs often lack resources and have difficulties to organize quality awareness raising events (e.g. when project coordinators are invited to come and speak on a national Info Day to inform the potential applicants about their projects, their travel cost cannot be reimbursed);
- The NCPs are not well informed on all components and aspects of the programme (e.g. financial and legal aspects) including synergies with other EU programmes. NCP training should be improved for them to raise awareness on the other components than promotion and dissemination projects;
- The NCPs are not well informed on who participates in the programme from their country and under which conditions which limits their ability to ensure networking between national participants and applicants.

This may in part be due to the EC restricting the provision of certain detailed data concerning the calls to the NCPs to ensure a level-playing field, given that some NCPs are allowed by their governments to work as contractors to the IEE Programme and participate in the programme committee as experts (although they are not allowed to vote).

**Finding 18**

The NCPs see themselves as an important relay to raise awareness on IEE, especially on the promotion and dissemination calls, but while they clearly understand their role, they face several obstacles to the effective and efficient functioning of their awareness raising communication activities.

**Suitability of programme level communication and dissemination to promote and disseminate the results of the programme**

Programme level communication to provide a view on the results of the programme for management consists of reporting by the responsible actors on their activities, and to a limited extent on the results of these. The EC produces annual implementation reports which include a view on the full scope of

communication activities, while the EACI produce annual communication plans reviewing their objectives, activities, and results.

Communication and dissemination of the programme and project results at programme level to maximize the impact of the programme is almost exclusively undertaken by the EACI. This communication mainly consists of descriptions of the results of individual projects rather than the programme as a whole through the creation, translation and distribution of the IEE News Review/IEE Magazine (130,000 copies of the IEE News Review ordered), project brochures (330,000 copies ordered), video news releases (650 TV broadcasts, 54 million viewers) and the IEE projects database (1.5 million page views). It also includes an increasing amount of media work in collaboration with the Commission, e.g. to draw up memos and success stories on IEE-funded projects, as well as to disseminate results broadly in the context of IEE initiatives like the EU Sustainable Energy Week (EUSEW, about 31000 participants yearly with e.g. 92,000 copies of IEE information material distributed through EUSEW 2011 events)) and more narrowly in the context of awareness raising communication activities. It aims to complement the communication and dissemination on project results which is performed by the individual promotion and dissemination projects themselves.

For this reason, the fieldwork interviewees overwhelmingly felt that the communication on the promotion and dissemination projects results is better (clearer and more comprehensive) than that on the other components of the programme.

This is for instance characterized by the fact that the IEE website only really covers this component of the programme, and that the work programmes go into far more detail on the promotion and dissemination projects than on the other programme components.

It can be explained by a number of factors:

- The nature and objectives of the different components, whereby tenders and concerted actions will tend to be less widely promoted and disseminated, e.g. because their results are either specifically intended for use by the Commission (tenders) or confidential (concerted actions);
- The fact that the promotion and dissemination and market replication components are managed separately by different actors, and that there was a conscious initial decision to separate communication on these;
- The longer and more significant experience with the promotion and dissemination projects (dating back to IEE I and beyond). Given that the market replication projects have only been in place for 15 months, more time is needed to achieve results and communicate these.

Nonetheless, the NCPs and IEEC members have the impression that they could be better informed on the results of the other IEE II components (market replication, tenders, and concerted actions) for clarity on the entire programme.

### **Finding 19:**

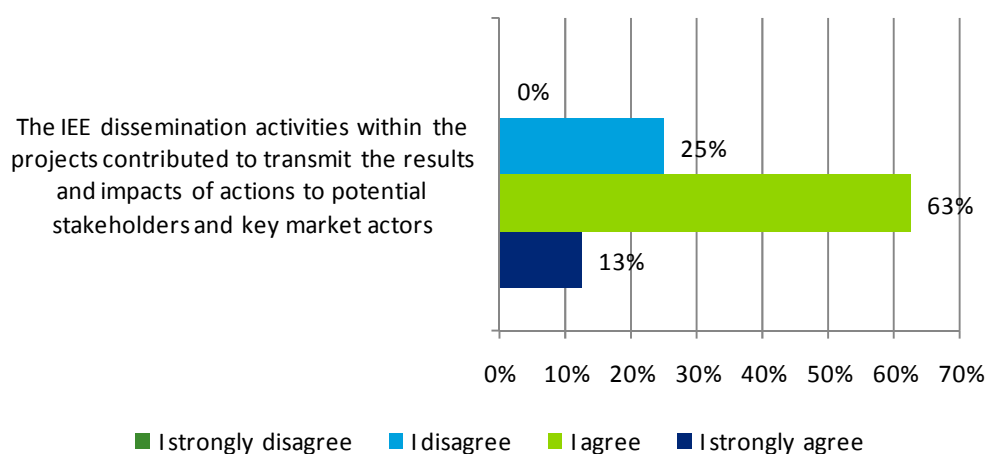
The programme level communication on the results of promotion and dissemination projects is perceived by programme management and participants as better (clearer and more comprehensive) than that on the other components of the programme but stems from the fact that market replication projects have not yet achieved results given their recent initiation, and the more limited relevant publishable results for tenders and concerted actions. IEEC members nonetheless believe that communication on the results of other programme components could be improved.

As the programme level dissemination of programme and project results is unequal and fragmented, certain IEEC members mention it could be consolidated and standardized for a more even, and increased impact.

**Extent to which project level communication and dissemination transmits the results and impacts of actions**

The project level dissemination activities are felt by a majority of stakeholders expressing their opinion on this to contribute to the transmission of results and impacts of actions. This is logical as promotion and dissemination projects have an obligation to do so which is monitored by the EACI, although that is not the case for market replication projects, tenders and concerted actions. Many project participants believe that the projects contribute best to the promotion and dissemination of their results, i.e. better than programme level communication and dissemination of results, due to the fact that the projects are close to their target groups, although this is considered to strongly depend on the projects.

**Figure 14: Perception of the project level dissemination – in %**



Source: web-based survey IEEC/NCP

**Finding 20:**

The project level dissemination activities are felt by a majority of stakeholders expressing their opinion on this to contribute to the transmission of results and impacts of actions.

This is true across the various media used by the projects to communicate and disseminate their results.

In terms of the communication channels used for the promotion and dissemination of project results to targets, project participants feel that the most effective are conferences/seminars (physical contact is the most effective to have an impact on the target audience and get a message across clearly), closely followed by websites and publications as shown below. These are naturally the most frequently used media.

**Table 11: Effectiveness of media for project communication and dissemination**

|  | Website     | Newsletter  | Videos      | Publications<br>(brochures,<br>leaflets) | Media<br>campaign<br>(radio,<br>television,<br>newspaper) | Conferences/<br>seminars |
|--|-------------|-------------|-------------|--|---|--------------------------|
| Very effective to reach our target group     | 35%         | 12%         | 13%         | 26%                                      | 26%   | 52%                      |
| Effective to reach our target group          | 48%         | 42%         | 20%         | 54%                                      | 30%   | 38%                      |
| Somewhat effective to reach our target group | 14%         | 28%         | 17%         | 17%                                      | 14%   | 7%                       |
| Not effective to reach our target group      | 2%          | 3%          | 4%          | 3%                                       | 5%  | 2%                       |
| We did not use this channel                  | 0%          | 11%         | 35%         | 0%                                       | 20%   | 1%                       |
| Don't know                                   | 0%          | 5%          | 11%         | 0%                                       | 5%  | 1%                       |
| <b>Total</b>                                 | <b>100%</b> | <b>100%</b> | <b>100%</b> | <b>100%</b>                              | <b>100%</b>   | <b>100%</b>              |

Source: web-based survey PC/PP

It is difficult to compare the communication media objectively, as the promotion and dissemination projects measure their outputs but not their impacts (mentioning this would require funding after the end of projects and is very difficult to do in many cases). Nonetheless, it seems reasonable that different media are needed to reach the projects' various target groups, and their combined use seems appropriate for many projects. As demonstrated by our sample, most projects correspondingly use several communication media.

**Finding 21:**

In terms of the communication channels used for the promotion and dissemination of project results to targets, project participants feel that the most effective are conferences/seminars (physical contact is the most effective to have an impact on the target audience and get a message across clearly), closely followed by websites and publications. They nonetheless feel that a combination of media are needed for most projects in order to reach their different target groups.



**Finding 22:**

Promotion and dissemination projects measure the outputs of their communication and dissemination but not the impacts of these as this would require funding after the end of projects, and would be very difficult to do in many cases.

Project level communication and dissemination on the other components of IEE is felt by IEEC members and NCPs to be somewhat weaker than for promotion and dissemination projects, mostly due to the fact that there is no standard overall obligation for this or corresponding budget, but also taking into account the different nature and maturity of these components:

- Market replication projects do not have an obligatory communication and dissemination work package. This may to a certain extent limit the degree of replication that can be achieved with these, although beneficiaries may be able to do so commercially, and communication to the EIB and EC is required such that experience is gained into these projects and can potentially be re-distributed. Nonetheless, we note that the market replication projects have only recently been launched, and that communication and dissemination obligations and processes may evolve based on experience;
- Many tenders are used by the EC as input to policy and legislative work, and the EC considers that specific communication and dissemination to other stakeholders for these projects may not be necessary, but that this rather accompanies the EC's outputs (naturally the projects communicate their results to the EC as part of their requirements). Nonetheless, in certain cases, obligations for communication and dissemination may be set, or the projects may pro-actively establish communication and dissemination (e.g. the websites established for the Preparatory Studies for Eco-design Requirements of EuPs ( III ), etc.). The communication and dissemination related tenders naturally have such activities (e.g. for the Sustainable Energy Europe Campaign) and are increasingly run by the EACI in conjunction with other IEE-related communication and dissemination. Moreover, as confirmed in the focus group with IEEC members their sentiment is that information on the IEE tenders should be improved, and that the results of the IEE tenders should be communicated regularly to them in order to assess their value;
- Concerted actions aim to communicate and disseminate best practices in the transposition of sustainable energy-related directives between the Member States, and achieve this via the establishment of working groups, conferences and the distribution of documents amongst the relevant actors. Nonetheless, websites for the concerted actions are also created, allowing the wider distribution of related information to interested parties (although this is not felt to be pro-actively marketed).

**Finding 23**

Project level communication and dissemination on the other components of IEE is felt to be somewhat weaker than for promotion and dissemination projects, mostly due to the fact that there is no standard overall obligation for this, but also taking into account the different nature and maturity of these components. There is no data available on the outputs or results of communication of the other components at project level.

**Appropriateness of the budget and resources allocated to communication**

Having assessed the effectiveness of the different types of IEE II communication activities vis-à-vis their objectives above, we now look at their efficiency by relating their effectiveness to their budgets and dedicated resources.

At programme level, there is no overall EU level budget dedicated to communication. A communication budget is identified for the communication activities of the EACI, mainly covering promotion and dissemination projects, but also increasingly tenders and concerted actions (EACI communication budget). As there is no clear view on the outputs and results of programme level communication and dissemination on the market replication or tenders components it is only possible to assess the efficiency of programme level communication on the promotion and dissemination component in detail.

**Finding 24**

As there is no clear view on the outputs and results of programme level communication and dissemination on the market replication or tenders components it is only possible to assess the efficiency of programme level communication on the promotion and dissemination component in detail.

The programme level budget and resources for communication on IEE including the Sustainable Energy Europe Campaign/EUSEW (mainly the promotion and dissemination component but also to a limited extent for communication and dissemination on tenders and concerted actions) represents €1.975 million and 4.4 FTE out of the increased EACI communication staff of 14.5 FTE. The objectives of the dedicated communication resources are articulated taking into account the IEE communication types and objectives as shown in the table below, and they work with defined targets and indicators, most of which are exceeded, but which are not mapped to the specific objectives, or means, and hence difficult to use as indicators of efficiency.

**Table 12: Reflection of the types of IEE communication and dissemination activities in the EACI (IEE) communication activities**

| EACI (IEE) communication objectives   | Types of IEE communication and dissemination  |
|---|---|
| Communication goal 1: Generate interest in, and a positive perception of IEE            | Raising awareness of the existence of the programme and its modalities  |
| Communication goal 2: Bring about a sufficient number of high-quality project proposals |   |
| Communication goal 3: Create a common culture and build communities for IEE             | Promoting and disseminating the results of the programme<br>Promoting and disseminating the results of the projects |
| Communication goal 4: Maximise the potential impact of achievements and results of IEE  | Promoting and disseminating the results of the programme<br>Promoting and disseminating the results of the projects |

Source: EACI communication plans

The EACI IEE communication budget and resources are considered adequate by the EACI communication team who furthermore mention a constant focus on the cost-effectiveness of their communication activities.

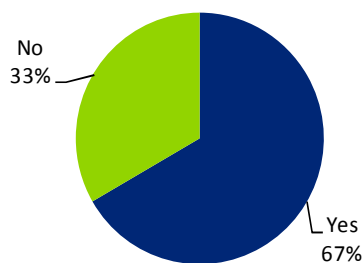
**Finding 25:**

The EACI communication team believe that their budget and resources for communication on IEE are adequate. They also mention a constant focus is on the cost-effectiveness of their communication activities.

No specific communication budgets exist for the EC or EIB programme-level communication.

The budget and resources dedicated to communication on the promotion and dissemination component of IEE at national level, as well as the way of performing communication activities at national level, are also considered as cost-efficient by a majority of IEEC members.

**Figure 15: Cost-efficiency of current way of performing communication activities of IEE NCPs – in %**



Source: web-based survey IEEC/NCP

Notwithstanding, the efficiency of the programme level budget and resources dedicated to IEE communication at EU and national level is debated by IEEC members, with a significant proportion not considering the current budget and resources as the most cost efficient (as demonstrated for instance by the above table on the efficiency of the NCPs activities which almost exclusively consist of programme level national communication).

**Finding 26:**

At programme level, the communication budget and resources are considered adequate by the EACI and NCPs, as well as a majority of IEEC members, although a significant proportion of these are not sure.

From the above, we conclude that it is difficult to analyse the cost-effectiveness or efficiency of the overall IEE programme level communication.

Firstly, only the outputs of programme communication are measured, even then essentially only for the promotion and dissemination component. Secondly, this is not done relative to a benchmark which could provide a reference point in terms of the expected output efficiency of such communication activities (if one can be found, e.g. by referring to other EU programmes). Finally, the results and impacts of the communication are not measured or known due to the cost and difficulty of getting feedback from targets (potential applicants, participants, media, etc.) such that the ultimate efficiency of the communication is difficult to apprehend.

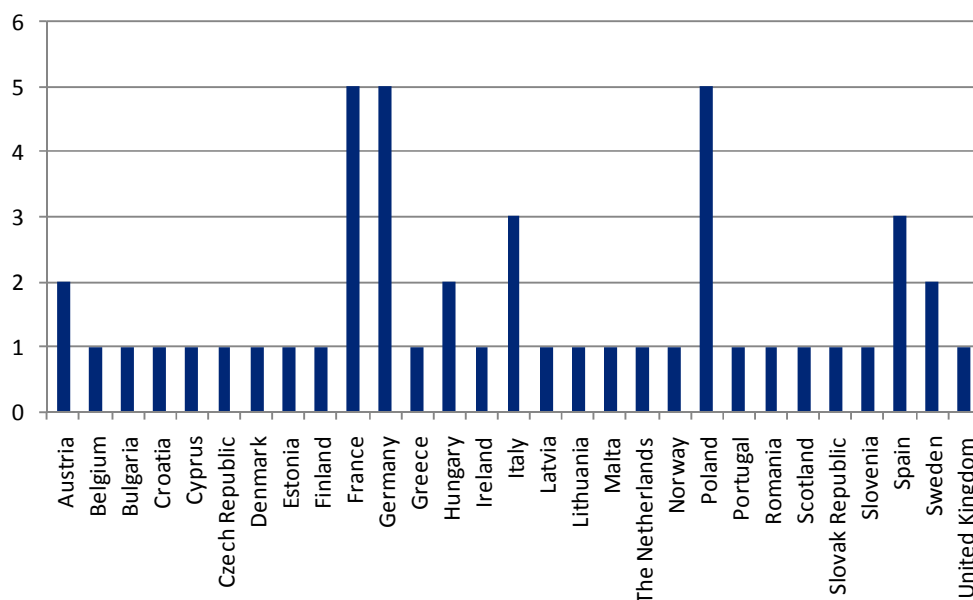
It is nonetheless apparent that there is room for improvement in the efficiency of programme communication.

**Finding 27:**

It is difficult to tell if IEE programme level communication is cost-effective as communication outputs are not measured for the overall programme, or relative to a benchmark for reference, and communication impacts are not measured. It appears that there is room for improvement in the programme communication.

At national level, it is clear that some NCPs have more resources than others, e.g. from government funding, and more information, e.g. for those participating in the IEEC. This can also be testified by the number of national IEE Info days organized by the various NCPs. This may have an impact on the ability of the NCPs to raise awareness of IEE in their Member States, and IEEC members indicate that the network of NCPs should be strengthened, e.g. to advance partner search and to share experience between advanced and new NCPs. The relative efficiency of the NCPs is however not known as it is not clear how much of the participation of national participants can be accounted for by their activities, or which resources they deploy for this.

**Figure 16: Number of national Info days per country in 2010**



Source: EACI data

**Finding 28:**

At national level, it is clear that some NCP's have more resources than others. This may have an impact on the ability of the NCP's to raise awareness of IEE in their Member States and IEEC members indicate the network of NCP's should be strengthened.

The EACI has identified that promotion and dissemination projects themselves spend about €20 million per year for communication and dissemination while less than €1million per year is spent by the EACI on these projects, although about €1.5 million is budgeted per year for the Sustainable Energy Europe Campaign/EUSEW since 2010 when the EACI took this over from the Commission, and part of this budget is dedicated to promotion and dissemination of IEE results.

**Finding 29:**

The communication and dissemination of the results of the IEE II projects is mainly through the IEE II projects themselves as they spend about €20 million per year on communication and dissemination versus less than €1 million per year for the EACI.

The majority of promotion and dissemination project participants generally think that they have sufficient means to adequately disseminate information on their project results.

**Table 13: Perception of adequacy of human and financial resources to effectively disseminate project results**

| Human and financial resources foreseen within your contract are adequate to effectively disseminate information about projects results/impacts. |             |
|---|-------------|
| I strongly agree  | 6%          |
| I agree   | 71%         |
| I disagree  | 17%         |
| I strongly disagree   | 5%          |
| No opinion  | 2%          |
| <b>Total</b>  | <b>100%</b> |

Source: web-based survey PC/PP

They also mention certain opportunities for improvement in the project level communication and dissemination indicating they believe it is possible to increase the efficiency of these activities. The possible improvements include:

- More follow-up by the EACI, to have significant impacts, e.g. through providing standards and tools, as well as support in identifying or contacting targets for invitations to conferences, etc. This should definitely be addressed by the programme, and e.g. the NCP's and/or EACI could better support dissemination, especially with certain key stakeholders, including EU-level stakeholders, and the NCP's. The EACI could also further ensure quality and consistency across projects;
- Communication and dissemination being made a more important work package in projects than it currently is, e.g. by extending the duration of the work package beyond the duration of the other project work packages (i.e. to cover the period after creation of the final report), while today the

work package is often performed before the most interesting results are available such that it is weaker than it could be;

- A further reduction in the number of EU-level conferences for projects where these are less relevant due to a local or regional scope or country specificity, and taking into account cost-effectiveness (some participants mentioned that EU level final conferences for projects do not always attract sufficient interest). We note in this respect that such conferences are closely watched by the EACI that naturally discourage them when not relevant.

### **Finding 30:**

The project participants generally consider that they have enough means to communicate adequately on their results but would like more support from the EACI to do so.

#### 4.2.3.3 CONCLUSIONS

Due to a lack of objective underlying data and reference points, it is difficult to judge whether the IEE communication and dissemination activities are effective and efficient.

The means deployed at programme level mostly cover awareness raising and results dissemination for the promotion and dissemination programme component by the EACI and NCPs, and are limited in relation to the project level means for promotion and dissemination of the results of promotion and dissemination projects. They are nonetheless considered adequate by a majority of programme management and participants indicating that programme level communication is perceived as sufficiently effective and efficient for this component. The programme management and participants see room for improvement in the effectiveness of programme level communication for the market replication, tenders and concerted action components although this will require time for results to be generated by the recently initiated market replication projects and is limited by the nature of the tenders and concerted actions. It would also require dedicated means to be done cost-effectively.

The project level dissemination activities for promotion and dissemination projects are believed to contribute to the transmission of results and impacts of actions by all stakeholders, but their effectiveness and efficiency is not clear, even if a majority of participants believe they have sufficient means to reach their communication objectives. Project level communication and dissemination on the other components of IEE may not be as effective as for the promotion and dissemination component, but again needs more time for market replication projects to be able to generate results.

#### 4.2.4 ARE THE TARGET GROUPS OF THE IEE PROGRAMME REFLECTED IN THE TARGET GROUPS OF THE DISSEMINATION ACTIVITIES? WHO IS USING PROGRAMME'S OUTPUTS? TO WHAT EXTENT?

##### 4.2.4.1 INTRODUCTION

We have regrouped two evaluation questions addressed separately in the Terms of Reference under this section for the sake of clarity as they are complementary and feed into each other. When speaking about the programme's outputs, we understand them as the sum of the outputs generated by the funded activities.

For these evaluation questions, we defined two judgement criteria:

- Extent to which the target groups of the dissemination activities of the programme and those of the programme correspond;
- Extent to which programme stakeholders are using programme outputs, based on desk research – comparison “target group of the IEE” and “target group of the sample of projects”.

Our assessment first identifies the target groups of the programme’s dissemination activities and its overall target groups. We then compare the two. After this, we analyse which target groups are using the programme’s outputs, in more detail, and to what extent. The assessment is based on information from the desk research (mostly the case studies and sample of projects) and data collected during interviews, and surveys for the evaluation.

#### 4.2.4.2 DATA AND FINDINGS FROM SOURCES

To start, let us identify the target groups of the programme and its dissemination activities.

##### **Target groups of the programme and its dissemination activities**

The target groups of the IEE II programme and its dissemination activities are very diverse, theoretically encompassing all actors in the development of sustainable energy confronted with non-technological barriers.

At programme level, the EACI communication plan identifies its own stakeholders, including those for communication on IEE, categorizing them into three main categories of key stakeholders

- 1) funding applicants, project consortia, network partners and members, users of results, media & other multipliers, and SME's;
- 2) institutions (EC, EP, Court of Auditors, and Member States);
- 3) and others (public authorities, NGOs, citizens, service providers, evaluators, and business organisations).

However, there is no clear and consolidated single systematic overview of the defined target groups for the IEE programme components (the target groups of the promotion and dissemination projects were initially identified in the 2007 work programme in a dedicated section and are now identified in the text of the various key actions, but not systematically) or the programme’s other main programme-level actors (EC, EIB).

At project level, while the IEE work programme 2009 for instance identifies 14 different target groups and 35 sub target groups for promotion and dissemination projects alone (see below), with specific targets varying for the different fields and actions, there is no single consolidated overview of the defined target groups for projects under each of the programme components, or for the targets of their dissemination activities.

**Table 14: Defined target groups and sub-groups of IEE (promotion and dissemination) projects**

| Target group       | Target sub-group                |
|--------------------|---------------------------------|
| Public authorities | National authorities            |
|                    | Regional authorities            |
|                    | Local and Municipal authorities |
|                    | Planners                        |

| Target group                | Target sub-group                 |
|-----------------------------|----------------------------------|
|                             | Regulators                       |
| Policy makers               | Support scheme managers          |
|                             | Market analysts and modelers     |
|                             | Statistical offices              |
| Utilities                   | TSOs and DSOs                    |
|                             | District heating companies       |
|                             | ESCO's                           |
| Energy / transport agencies |                                  |
| Education system            |                                  |
| Investors                   | Financial institutions           |
|                             | Bankers                          |
|                             | Project developers               |
| Civil society               | NGOs                             |
|                             | Associations                     |
|                             | End users                        |
| Architects                  | Building services engineers      |
|                             | Building managers/administrators |
|                             | Public Buildings owners          |
|                             | Homeowners                       |
|                             | Housing associations             |
| Manufacturers               | Chambers of commerce             |
|                             | Commerce                         |
|                             | Product distributors             |
| Farmers and landowners      | Forestry industries              |
| Industry                    | SME's                            |



| Target group        | Target sub-group                |
|---------------------|---------------------------------|
|                     | Craftsmen                       |
|                     | Installers                      |
|                     | Fuel processors                 |
|                     | Industry associations           |
| Transport operators | Fleet operators                 |
|                     | Freight operators               |
|                     | Drivers groups and associations |
|                     | Vehicle manufacturers           |
| Standards bodies    |                                 |
| Media               |                                 |

Source: IEE work programme 2009

**Finding 31:**

The target groups of the IEE II programme and its dissemination activities are very diverse, theoretically encompassing all actors in the development of sustainable energy confronted with non-technological barriers. There is no clear and consolidated single systematic overview of the defined target groups for each of the programme components or for their dissemination activities.

**Extent to which the target groups of the dissemination activities of the programme and those of the programme correspond**

Given the lack of a clear overview of the programme component’s targets or of the targets of their dissemination activities, we assume that these cover the full spectrum of actors involved in the development of sustainable energy, and that they correspond.

**Finding 32:**

Given the lack of a clear overview of the programme component’s targets or of the targets of their dissemination activities, we assume that these cover the full spectrum of actors involved in the development of sustainable energy, and that they correspond.

As the programme targets and those of its dissemination activities are considered as equivalent and covering the full spectrum of actors in the development of sustainable energy, we now determine which actors are in reality using the programme’s outputs, and to which extent.

**Extent to which programme stakeholders are using programme outputs, based on desk research – comparison “target group of the IEE” and “target group of the sample of projects”**

There is no available consolidated reporting on the dissemination of outputs of promotion and dissemination projects to the programme’s different stakeholders (whether at project or programme level).

This is also the case for the dissemination of tenders or concerted actions, and for the dissemination of market replication projects. Nor is there any reporting on the extent to which the programme reaches its target groups overall.

**Finding 33:**

There is no available reporting at programme level of the target groups reached by the programme or by its dissemination activities.

At project level, the target groups of IEE II projects, and the degree to which these are reached, vary across the different programme components and individual projects:

- 1) The promotion and dissemination projects overall aim at all actors in the development of sustainable energy, with the specific targets naturally depending on the projects. Project coordinators and partners for the IEE II projects identified the following target groups for their IEE II projects, overall covering all target groups identified for promotion and dissemination projects:

**Table 15: Reported target groups of IEE promotion and dissemination projects**

| Project stakeholder groups focus   | Number of respondents mentioning this stakeholder as a target group (multiple counting) | Percentage of respondents mentioning this stakeholder as a target group (multiple counting) |
|--|---|---|
| Public authorities   | 109   | 81%   |
| Policy makers  | 100   | 75%   |
| Utilities  | 36  | 27%   |
| Energy agencies  | 58  | 43%   |
| Transport agencies   | 21  | 16%   |
| Education system   | 47  | 35%   |
| Investors (financial institutions, bankers, project developers)            | 51  | 38%   |
| Citizens   | 59  | 44%   |
| Building professionals (e.g. architects, engineers, installers, craftsmen) | 53  | 40%   |
| Manufacturers  | 41  | 31%   |
| Farmers, landowners  | 29  | 22%   |
| Industry   | 47  | 35%   |

| Project stakeholder groups focus | Number of respondents mentioning this stakeholder as a target group (multiple counting) | Percentage of respondents mentioning this stakeholder as a target group (multiple counting) |
|----------------------------------|---|---|
| Transport operators              | 25  | 19%   |
| Standards bodies                 | 10  | 7%  |
| Media                            | 41  | 31%   |
| Other (please specify)           | 16  | 12%   |

Source: web-based survey PC/PP (134 respondents)

Target groups for promotion and dissemination projects vary from project to project and are agreed upon in the project contracts signed by the IEE promotion and dissemination project participants with the EACI such that projects have an obligation to do their best to reach these.

- 2) Market replication projects do not have an obligatory communication and dissemination work package although they have a contractual commitment to collaborate in any action that will disseminate their experiences and results. It is clear that their “replicability” relies to some extent on the dissemination of information resulting from the projects. The targets of this dissemination should at a minimum be the stakeholders involved in such projects:
  - Public authorities: municipalities and other local and regional authorities (for ELENA-EIB) – multipliers such as the covenant of mayors should be used to the extent possible;
  - Policy makers: the EC must naturally be able to assess the results and impacts of ELENA projects, and this information should be disseminated to the IEEC to ensure that similar structures to ELENA can be put in place at national level;
  - Investors: the IFIs managing the projects must naturally benefit from the project learnings, but so should other IFIs and financial sector actors in order to be able to develop new products and services based on the learnings from these projects.

While communication and dissemination activities and target groups may not be formalized and it is too early for concrete results from market replication projects, we note that the ELENA-EIB project coordinators surveyed mentioned that they had either started to disseminate information on their experience, or expected to do so in the future. This will most likely require impetus and support from the programme level.

- 3) While the main target group of the IEE tenders is the EC which is of course reached as the beneficiary of the project outputs, and uses their results in policy and legislative work, it may be valuable to disseminate the results of certain tenders more broadly where applicable, either by the EC or as part of the tender projects themselves if appropriate. As an example, the tenders for preparatory studies for the elaboration of ecodesign requirements for energy using products provide results which can be used by all actors involved in the value chains of these products as well as by public authorities, policy makers, and civil society, and are accordingly published on a website. The IEEC members feel that they should be more explicitly included as a target group of the dissemination activities of tenders;

- 4) The target group of concerted actions is the Member States. These are of course reached as the Member State's representatives are involved in the projects. Moreover, each concerted action has a website through which appropriate information is provided to the general public.

**Finding 34:**

The target groups of IEE II projects vary across the different programme components and individual projects. Where target groups are defined for the different components and their projects, these are reached:

- Overall, promotion and dissemination projects reach their targets covering the full scope of sustainable energy development actors;
- Market replication projects will disseminate their experience once results are achieved, although such activities are not yet clearly formalised for this;
- Tender projects reach their primary target – the EC – their results may be disseminated more broadly where appropriate;
- Concerted actions reach their primary target – the Member States. Where relevant some results are also provided to the general public.

Despite the overall ability of the promotion and dissemination projects to identify and reach their targets, project coordinators and partners consulted pointed out that the dissemination package is often difficult to implement due to the lack of time to disseminate in comparison to the implementation of the project, and the lack of resources devoted to it. This might impact the effective use of project results.

At project level, almost all the interviewees indicated that the target audience as identified in the project contract has been reached. However, there is no follow up process in place to measure how and for what the programme outputs are actually used. Providing information on the use of the project results depends highly on the type of stakeholders:

- In most cases, interviewees who could clearly provide data on this indicated that the stakeholders using projects results are decision-makers and public authorities in order to gain deeper understanding of the sector, collect additional data and/or adapt/develop strategies in relation to energy;
- For projects targeting stakeholders such as consumers, industries and professionals, it is likely that project coordinators and partners would lose track of what the results are used for.

At programme level, stakeholders consulted also highlighted that it is difficult to know who is using the outputs of the programme stemming from the projects results as there is no available reporting at programme level of the target groups reached by the programme or by its dissemination activities. Almost all the interviews suggested that the feedback process after funding period should be improved.

A number of possible improvement opportunities have been identified by the project participants:

- Further support from the EACI would be useful to identify optimal target groups and reach these, especially given that the EACI is perceived as having a view on the key stakeholders to involve;
- The need for projects to disseminate results EU-wide is not always perceived as relevant – this requirement could be made conditional;
- The EACI and NCPs could be better leveraged to identify and target multipliers for IEE project dissemination, at EU and national levels.

### **Finding 35:**

While promotion and dissemination projects are generally able to cover their target groups, the project participants believe that dissemination can be improved. More support from the EACI and NCPs would be appreciated for this.

#### 4.2.4.3 CONCLUSIONS

The target groups of the IEE II programme are reflected in its dissemination activities, as both encompass all actors in the development of sustainable energy. There is however no clear and consolidated single overview or reporting on the defined target groups for each of the programme components, or for their dissemination activities.

There is moreover no clear and consolidated single overview on who is using projects' outputs and to what extent as there is limited follow up on this. However, it is considered that the target audiences of the dissemination activities should be the ones using the outputs at both project and programme level.

#### 4.2.5 DID THE IEE ACTIVITIES ACHIEVE THEIR OBJECTIVES AND WERE THEY THE MOST APPROPRIATE MEANS FOR ACHIEVING THE OBJECTIVES SET?

##### 4.2.5.1 INTRODUCTION

To reply to this evaluation question, we defined the following judgment criteria:

- Extent to which there is a correspondence among the objectives defined in the different stages of the intervention logic
- Extent to which the IEE activities achieved their objectives
- Extent to which the IEE activities were the most appropriate means to reach their objectives

Effectiveness of the activities supported by the programme, and thus of the programme, is judged in light of the objectives to be achieved. In this report, the overall effectiveness of the programme is addressed by two separate evaluation questions:

- the first one addressing the extent to which the IEE II activities reached their objectives and were the most appropriate means to achieve the objectives set;
- the second addressing the extent to which the results generated by the projects contributed to achieve the programme operational objectives as stated in the CIP Decision.

Although addressed separately, these two evaluation questions are complementary and will feed into each other in order to assess the overall effectiveness of the programme. The replies to these questions will be based on a bottom up approach addressing correspondence of each level of objectives, starting from the activities up to the programme. Part of this bottom up approach has been addressed in the previous sections through the analysis of the intervention logic. In the relevance assessment, we analysed, through a top-down approach, the correspondence between the different levels of objectives, from the overarching EU energy goals to the objectives of the programme's fields and key actions. We will therefore refer, as a starting point, to this analysis when addressing the first judgment criterion that we defined.

More specifically for these two evaluation questions, we look first at the correspondence between the objectives of each activity and the objectives of each of the programme fields and key actions. Second, we assess the extent to which the activities reached their objectives using the monitoring and evaluation system defined in the work programmes. In the next section, we will assess the extent to which results of the activities contributed to the operational objectives of the programme.

The main information sources to answer this evaluation question are case studies complemented by the web-based surveys.

#### 4.2.5.2 DATA AND FINDINGS FROM SOURCES

In the section addressing the relevance of the programme’s objectives, we concluded that the programme was still in line with the overarching EU objectives in the field of sustainable energy. The IEE II programmes’ specific and operational objectives directly respond to the general EU policy objectives in the field of energy. The actions supported under promotion and dissemination projects (SAVE, ALTENER, STEER, and the Integrated Initiatives) and market replication projects (ELENA facility) as well as the tenders oriented towards the support of EU policy implementation in the field of energy are in line with the IEE II programme objectives.

To further analyse the effectiveness of the activities supported by the programme, we first need to look at the correspondence between the objectives of each of the programme fields and key actions and the objectives of the activities. We then look at the results achieved (completed projects) or the expected results (ongoing projects).

As a first element to analyse further the effectiveness of the activities and for the sake of clarity, the table below summarise the objectives, outputs, outcomes/results and impacts as defined in the guide for proposers that apply to each project.

**Table 16: objectives, outputs, outcomes/results and impacts as requested for each project**

|                                   | Objectives   | Outputs   | Outcomes/results  | Impacts   |
|-----------------------------------|--|---|---|---|
| Within the duration of the action | Specific objectives<br>(What are the action trying to achieve during its life-time)      | Direct products and services that the action will deliver | Effect of the action in terms of: <ul style="list-style-type: none"> <li>• Enabling policies and strategies</li> <li>• Market transformation</li> <li>• Changing behaviour</li> <li>• Access to capital</li> <li>• Development of skills</li> </ul> | Energy-related impacts: <ul style="list-style-type: none"> <li>• Sustainable energy investments triggered</li> <li>• Higher share of renewable energies</li> <li>• Primary energy savings</li> <li>• Reduction of green house gas emission</li> </ul> |
| For the long term – to 2020       | Strategic objectives<br>(what are the expectations until 2020 in view of the EU targets) |   | Extrapolation up to 2020  | Extrapolation up to 2020  |

It is also requested to define performance indicators that should be described and quantified according to the SMART principle (specific, measurable, achievable, relevant and time-bound) in order to monitor the outcomes and impacts of the projects<sup>36</sup>.

The analysis of the specific and strategic objectives of the projects selected for the case studies demonstrate that they are in line with the objectives at the level of the priority, the key action and the field covered.

**Finding 36:**

There is a correspondence amongst the objectives defined in the different stages of the intervention logic. The bottom up analysis demonstrates that the objectives of the projects (specific and strategic) are in line with those of the field, key action and priority for action.

In terms of results, as the projects selected are not finished yet, we based our analysis on the expected outcomes. Taking into account the evaluation of the interim reports submitted, the projects showed satisfactory development of the action. The activities carried out and the outcomes were basically in line with the contractual requirements. Extrapolating from the interim reports, the projects are likely to meet their objectives and to reach the expected results set.

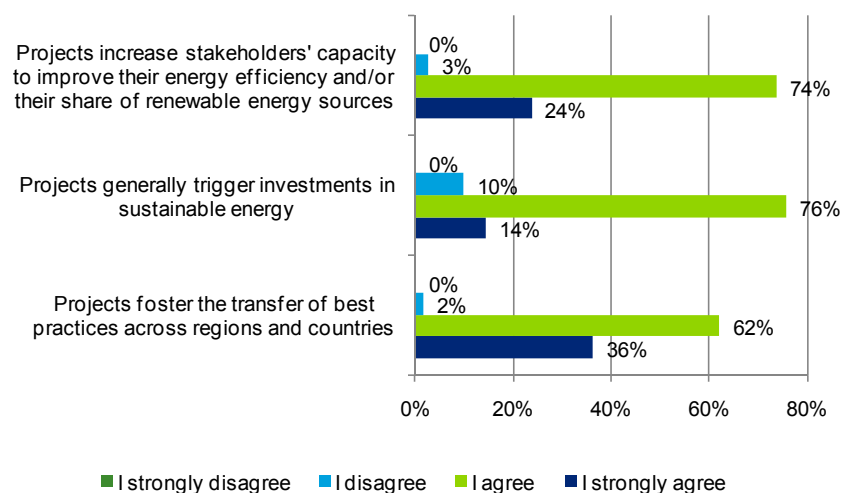
The views gathered through our interviews with project coordinators and partners reinforce this statement. Most of the stakeholders consulted agreed that, in general, the projects supported are likely to achieve their objectives. None of the coordinators and partners consulted for the case studies indicated that the completion of project outputs has been seriously at risk and they perceive the project results as achieved or achievable.

The web-based survey targeting the project coordinators and partners brings valuable input as regards the expected results and impacts of the projects. Respondents were asked to assess the potential results generated by the projects.

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<sup>36</sup> As already detailed in previous section, the EACI has recently introduced a set of four performance indicators to measure the expected impact of the actions. These indicators will not be taken into account in this section as our case studies related to 2007 call for proposals.

**Figure 17: perceived potential results of the projects – in %**



Source: web-based survey PC/PP

More than 85% of the respondents to the surveys agree or strongly agree that projects foster the transfer of good practices across regions and countries, generally trigger investments in sustainable energy and increase stakeholders' capacity to improve their energy efficiency and/or their share of renewable energy sources.

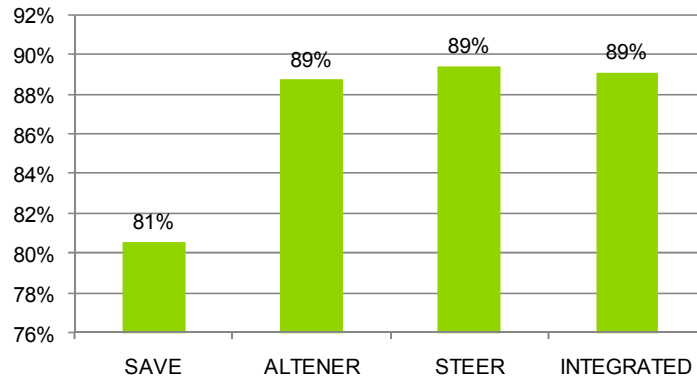
The survey also demonstrates that the only statement that collects more than 10% of disagreement concerns the potential of the project results to trigger investments in sustainable energy. It was often mentioned during the interviews that one of barriers to achieving this objective is sometimes due to the political and economic situation.

Respondents were asked to assess the extent to which the expected impacts formulated in their grant agreement will be fulfilled. The figure below shows that, in average, a good share of the projects will fulfil the expected impacts.

As shown in the survey, project coordinators and partners indicated that, in average, 87% of the expected impacts that their project should generated will be fulfilled. It can be seen that projects targeting “mobilising investments” as primary priority reach the highest score while the lowest is hit by the projects covered by the priority “building capacities and skills”.

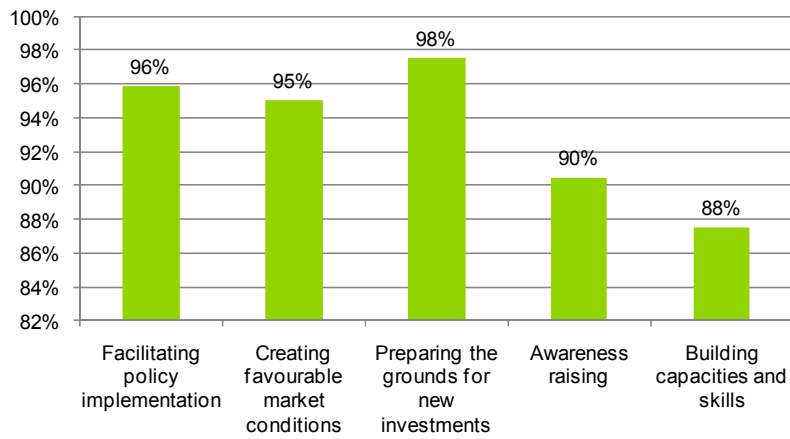


**Figure 18: perceived fulfilment of expected results/impacts – in % by field of action**



Source: web-based survey PC/PP

**Figure 19: perceived fulfilment of expected results/impacts – in % by primary priority for action**



Source: web-based survey PC/PP

Amongst the case studies, we analysed a project under the ELENA facility. Few comments were expressed as concerns to the effectiveness of these projects:

- The ELENA facility was introduced in 2009 under the market replication projects and the first contracts were signed in 2010. At the moment of the final evaluation, 12 projects were approved. launched.
- Almost all stakeholders consulted indicated a lack of information about the calls and the project results and progress monitoring.
- Interviewees were less familiar with the EIB as management body.

However, in the views of the objectives of ELENA projects, the stakeholders consulted (at EU and national level) expect great impact from the actions supported. It is perceived that the actions are in line with the EU goals, especially to reply to the increasing need of investment in the sustainable energy sector. ELENA facility is perceived as supporting the achievement of the EU Energy Efficiency Action Plan.

In addition, the quantification of the results and impacts is likely to be achieved when it relates to market replication projects due to the nature of the projects (triggering investments). As previously presented, market replication projects funded under ELENA facility should achieve a minimum leverage factor of 25 between the investment and the grant. Therefore monitoring and measuring the results are likely to be straightforward.

As shown in the ELENA case study, the specific objectives of the project are compliant with the IEE II objectives. If objectives are met at the end of the project, this should significantly contribute to the overall IEE II objectives. However, it is too early to assess any significant progress of the development of the action.

As regards the Concerted Actions, the analysis of the work programmes demonstrates that the Concerted Actions (CA) follow the EU Directives, supporting the Member States in transposing and implementing the Directives through exchange of views, approaches and experiences in a confidential forum. Only one CA is funded per EU Directive:

1. Concerted action on the implementation of the Energy Performance of Buildings Directive (EPBD);
2. Concerted Action on the implementation of the Energy Services Directive;
3. Concerted Action on the implementation of the Renewable Energy Directive.

There was a consensus amongst the IEEC members consulted that the Concerted Actions are essential to support the policy development and implementation at national level. They also indicated that the contribution is significant to achieve the IEE II objectives as they support preparing the policy ground to sustainable energy.

The analysis of the case studies demonstrates that the distinction between results and impacts is not always clearly made – which can bring nuance in the perceptions recorded through the web-based surveys. In addition, it is not always clear whether indicators tackled the results or impacts to be reached during the duration of the projects and those defined to measure long-term effects (to 2020). We reiterate the conclusion of the interim evaluation of the IEE II that the indicators of individual projects do not score a 100% on the different SMART criteria (based on case studies). As most of the indicators are Specific, there is little risk that the low SMARTness of the indicators decreases the effectiveness measurement of the individual projects. The lack of measurability and achievability, mainly of the strategic objectives and the lack of a time frame, however, creates an issue to monitor the impact of the projects in the long run.

In addition, as previously said, most of the project coordinators and partners consulted found it difficult to almost impossible to quantify the expected impacts of their projects. The results certainly contribute to achieve the objectives, but it is difficult to measure to what extent the impacts are positive given the nature of the projects.

**Finding 37:**

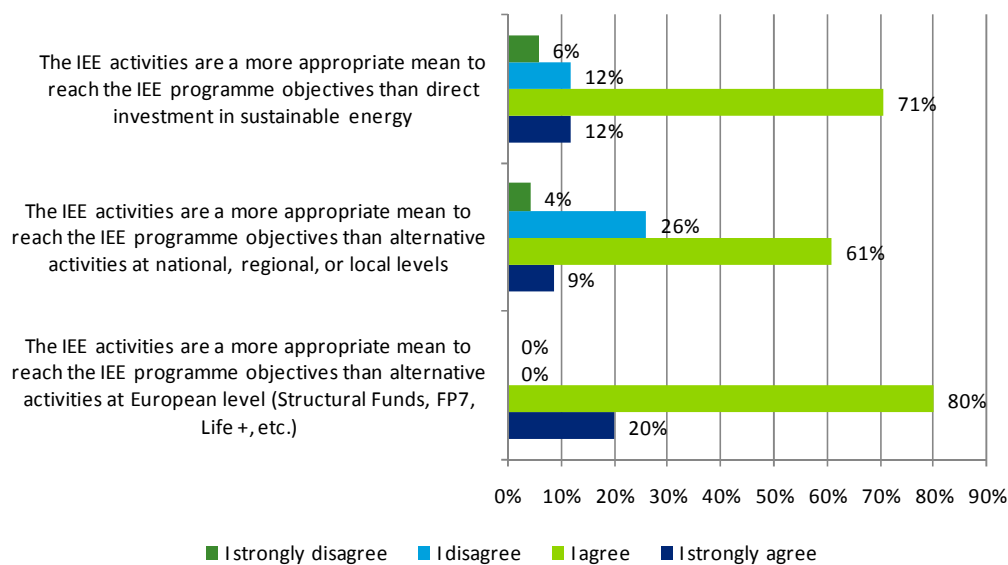
Even there are no measurable results yet as regards the projects supported by the IEE II (promotion and dissemination and market replication projects), it is perceived by the majority of stakeholders consulted that it is likely that they will achieve their specific objectives. It is perceived that the projects will generate expected results and impacts (in the long run).

However, due to the lack of SMARTness of the indicators, mainly to measure strategic objectives, the monitoring of the impacts of the actions in the long-term might be at risk. The effectiveness of the actions (promotion and dissemination projects) is then based on qualitative judgments.

As regards the market replication projects, it is likelier that results (and potentially impacts) would be quantified due to the nature of the projects (triggering investments).

NCPs and IEEC members were also asked to assess the appropriateness of the activities supported. The survey demonstrates that 100% of respondents agree or strongly agree that the IEE activities are a more appropriate mean to reach the IEE programme objectives than alternative activities at European level (Structural Funds, FP7, Life +, etc.), 70% than alternative activities at national, regional, or local levels and 83% than direct investment in sustainable energy.

**Figure 20: perceived appropriateness of the activities supported compared to alternative activities – in %**



Source: web-based survey IEEC/NCP

**Finding 38:**

The IEE activities are perceived as the most appropriate means to reach their objectives compared to alternative activities.

#### 4.2.5.3 CONCLUSIONS

Based on the progress of the activities supported by the programme, it is likely that they will achieve their objectives. It can be concluded that the specific and strategic objectives of the actions are in line with the programme objectives. Positive feedback has been collected as regards the effectiveness of the actions supported both in reaching their objectives and in contributing to the programme's objectives. Furthermore, the activities supported are judged the most appropriate to meet the objectives set.

While the qualitative assessment of the effectiveness of the actions is not questioned, it is unlikely that the results and expected impacts would be quantified (except for the market replication projects). From our analysis, it can be seen that further we move from outputs to impacts, the more it is difficult for project coordinators to quantify the objectives and their related indicators and to collect data to feed them. In addition, there is room for improvement as regards the follow up and monitoring of the strategic objectives of the actions. This puts significant risk in assessing quantitatively the contribution of the programme to its overall objective.

#### 4.2.6 WHAT ARE THE MAJOR RESULTS IN PARTICULAR AS REGARDS THE OPERATIONAL OBJECTIVES OF THE PROGRAMME (ART. 38 OF CIP DECISION)? WHAT ARE OTHER OUTPUTS OF THE PROGRAMME? DO THEY MATCH EXPECTATIONS?

##### 4.2.6.1 INTRODUCTION

To reply to this evaluation question, we defined the following judgment criterion:

- Extent to which the results generated by the projects contributed to achieve the programme operational objectives as stated in the CIP Decision

As already explained in the previous section, this evaluation question is directly linked with the previous evaluation question.

Our main sources of information are the desk research, the case studies and the web based survey targeting NCPs and IEEC members.

##### 4.2.6.2 DATA AND FINDINGS FROM SOURCES

Based on the analysis of the effectiveness of the activities to reach their set of objectives, we looked at the correspondence of the expected results to the operational objectives of the programme. As it was concluded previously, it is too early at this stage to identify measurable results and impacts of the projects as the majority of them are still ongoing or just completed.

In addition, we also determined that although project results are likely to be achieved, it might be difficult to quantify them.

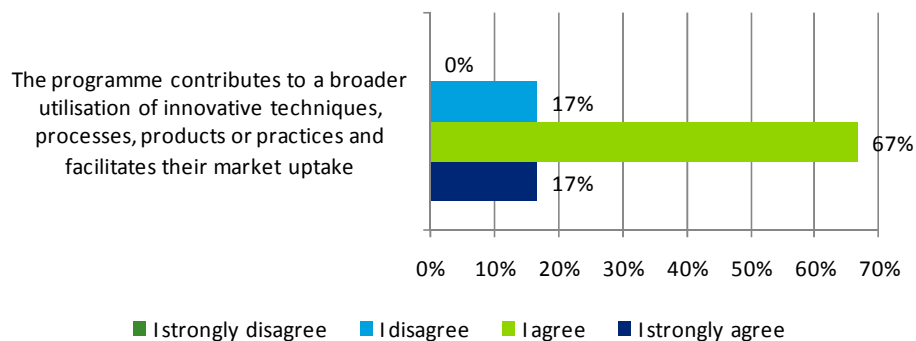
Nonetheless, qualitative data has been collected, mainly through the web-based surveys and the interviews on the perceived contribution of the actions supported to the operational objectives of the programme, namely:

- improved sustainability, development of the potential of cities and regions, as well as preparation of legislative measures needed to attain the related strategic objectives of IEE and the means and instruments to follow up, monitor and evaluate by the IEE II programme;
- increase of investment in EE and RES (including in transport) due to IEE programme;
- removal of non-technological barriers to EE and RES uptake in the EU due to the IEE programme.

Overall, there was a consensus amongst stakeholders interviewed that the programme outputs contribute to the overall objective of the IEE II programme.

As shown in the figure below, 74% of the IEEC members and NCPs that have replied to the survey consider that the outputs the programme will through the actions supported contribute to a broader utilisation of innovative techniques, processes, products or practices and facilitates their market uptake.

**Figure 21: perceived contribution of programme’s outputs to the IEE II overall objective – in %**



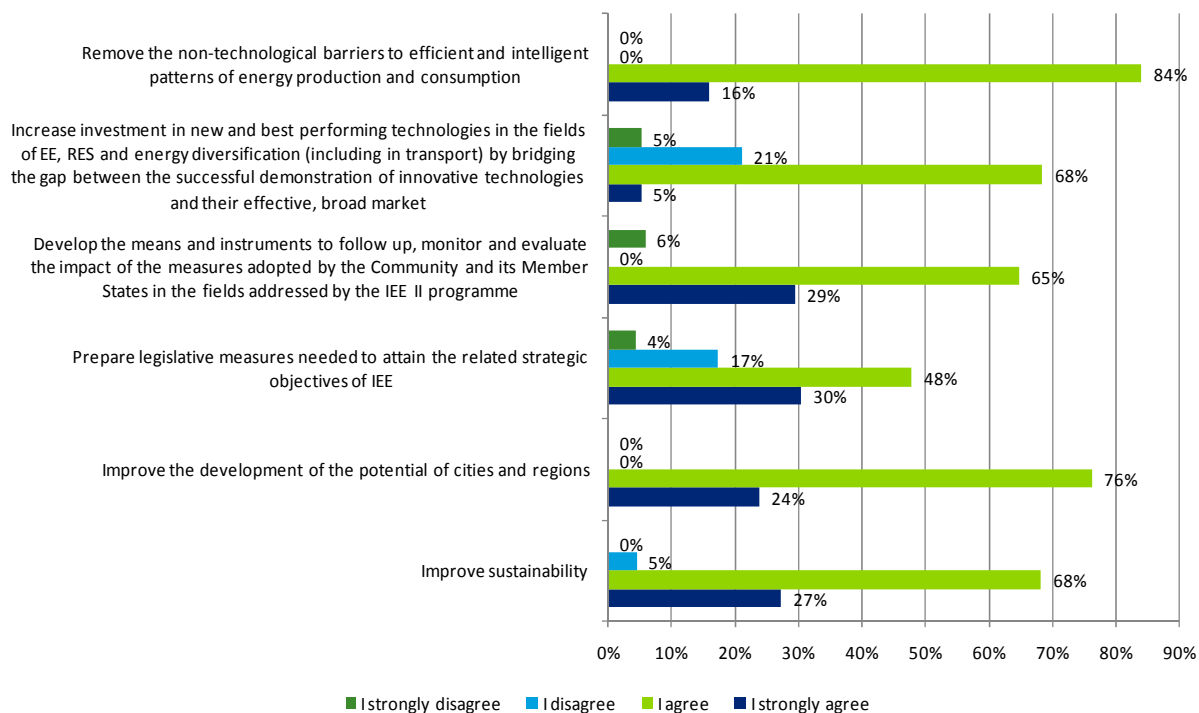
Sources: web-based survey IEEC/NCP

When asked whether the main results generated by the projects contribute to achieving the operational objectives of the programme, the respondents to the survey expressed a positive feedback in general.

Based on the level of agreement, the following ranking amongst the various components of the operational objectives can be established:

- remove the non-technological barriers to efficient and intelligent patterns of energy production and consumption (100%);
- improve the development of the potential of cities and regions (100%);
- improve sustainability (95%)
- 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 field addressed by the IEE II programme (94%);
- prepare legislative measures needed to attain the related strategic objectives of IEE (78%);
- increase investment in new and best performing technologies in the fields of EE, RES and energy diversification (including in transport) by bridging the gap between the successful demonstration of innovative technologies and their effective, broad market uptake (73%).

**Figure 22: perceived contribution of programme’s outputs to the IEE II operational objectives – in %**



Sources: web-based survey IEEC/NCP

During our interviews, it was also highlighted that the contribution to the operational objectives of the programme is maximised by the combination of activities supported by the IEE II (promotion and dissemination projects, market replication projects, tenders and concerted actions). Each of the activities supported generates specific results targeting specific components of the programme’s operational objectives.

The vast majority of stakeholders interviewed indicated that although the results of the actions will certainly contribute to achieve the programme objectives, it is difficult to measure to what extent. Some of the main barriers to measure the performance of the programme identified by the stakeholders consulted are notably:

- The perceived inadequacy between the performance indicators and the nature of the programme (aiming at promoting and removing non –technological barriers as regards to energy efficiency and renewables) – this statement relates to the newly introduced impacts indicators at programme level;
- The perceived lack of follow up on long-term impacts that the actions could generate;
- The perceived lack of comparison between project results (promotion and dissemination) due to the large scope of the IEE II objectives (preventing an aggregation at programme level)

**Finding 39:**

There is a consensus that the results generated by the projects will contribute to achieve programme's operational objectives. It can be seen that the expected results are contributing equally to the three objectives set. However, the expected outputs of the programme score the lowest level of potential contribution in preparing legislative measures needed to attain the related strategic objectives of IEE and increasing investments in new and best performing technologies in the fields of EE, RES and energy diversification (including in transport).

While results are likely to contribute to each of the operational objectives thanks the diversification of actions supported, it is unlikely that this contribution would be quantified.

4.2.6.3 CONCLUSIONS

At the time of this evaluation, the data collected do not allow to measure the outputs of the programme and the extent to which they match expectations as the majority of the projects are still ongoing or just completed. However, useful qualitative insights have been gathered which lead towards a positive perception that the results generated by the actions supported are likely to contribute to the operational objectives of the programme.

Furthermore, it is perceived that thanks to the diversity of the actions supported, the results generated will contribute to the full coverage of the operational objectives although the level of contribution would differ slightly from one objective to the other.

### 4.3 Efficiency

The following seven evaluation questions were defined for the efficiency evaluation criterion in the Terms of Reference:

- Was the level of funding and other available resources adequate to achieve the objectives set?
- Were the activities carried out efficiently and were they cost effective, taking into account particularly issues such as the overall cost of management against activities funded; contractual and legal procedures; communication and the support given by the Executive Agency for Competitiveness and Innovation, Commission and European Investment Bank to assist programme participants?
- Is the project selection process timely and efficient? If not, could it be improved?
- Did the programme attract (and target) the best and most appropriate beneficiaries?
- Did the programme provide value for money?
- How does the programmes' output productivity compare with similar programmes?
- How does the programme compare with counterpart programmes?

We address each of the questions in detail below.

#### 4.3.1 WAS THE LEVEL OF FUNDING AND OTHER AVAILABLE RESOURCES ADEQUATE TO ACHIEVE THE OBJECTIVES SET?

##### 4.3.1.1 INTRODUCTION

For this evaluation question, we defined two judgement criteria:

- Comparison between the objectives and budget of the programme;
- Extent to which the financial resources put in place to manage the programme were the most appropriate and efficient to achieve programme objectives.

We start by comparing the overall objectives and budget of the programme. Then, taking into account that the programme has objectives defined at several levels of granularity, we compare the more detailed objectives to the allocated budget at their level, also assessing the appropriateness and efficiency of the financial resources put in place to achieve them.

Our assessment is based on information from the desk research and data collected during interviews, case studies and surveys for this evaluation.

##### 4.3.1.2 DATA AND FINDINGS FROM SOURCES

#### **Comparison between the objectives and budget of the programme**

IEE II's overall programme objectives are not fully in line with the "smart" criteria, i.e. specific, measurable, achievable, relevant and time bound objectives, as they are neither measurable nor time bound. This makes it difficult to define an adequate overall budget level for the programme to achieve its objectives most effectively as the objectives can vary as a function of the budget.

#### **Finding 40:**

The objectives defined for IEE II are not fully in line with "smart" criteria, i.e. specific, measurable, achievable, relevant and time bound objectives ("smart" objectives). This makes it difficult to define an adequate overall budget level for the programme to achieve its objectives most effectively as the objectives can vary as a function of the budget.

The fact that IEE's objectives are not fully "smart" results from the difficulty to identify specific, measurable and time-bound objectives and expected impacts which can be accounted for by IEE within the overall EU energy framework due to:



- IEE II only addressing a part of the EU energy policy in the field of sustainable energy development through tackling non-technological barriers, and is one among a number of policy initiatives and programmes contributing to the attainment of EU energy targets, such that its objective and expected impact cannot be the overall fulfilment of the EU energy policy targets in this field;
- The programme’s “soft” nature in that it does not directly fund investments in sustainable energy technology deployment directly leading to measurable impacts on these energy policy targets, but rather participates to the reduction of barriers to their wider uptake. For this reason, measurable objectives may need to be defined based on standards and accepted methodologies, or related to the links between the programme and other initiatives delivering direct measurable impacts. Such objectives also need to take into account the horizon over which invested funds can be expected to have an impact;
- The limited size of IEE funding as a proportion of the overall available funding for the development of sustainable energy – its 2007, 2008 and 2009 operational budgets represented roughly 0,06%, 0,06%, and 0,08% of new global investment in sustainable energy respectively<sup>37</sup>. Direct EU funding of greater magnitude is furthermore provided by FP7, the Structural and Cohesion funds, EEPR, and various loans and financial instruments of EU-level International Financial Institutions (IFI) such that IEE funding for RES accounted for roughly 1% of EU-level RES funding in the period 2007-2009, although that proportion increases to roughly 7% if only non-loan funding at EU level is considered<sup>38</sup>. These figures, although only rough estimates, give some perspective, especially when taking into account that the majority of sustainable energy funding is covered by a vast number of national funding schemes that vary greatly in magnitude;
- The existence of large outside influences strongly impacting on IEE’s potential success. The main outside influence for IEE, given that it essentially focuses on existing technology, is the cost of energy generated by different non-renewable sources. This is not influenced by IEE which likely only very marginally impacts the cost of energy generated by renewable sources, although it may be influenced to a larger extent by other elements of the EU energy policy including financial or fiscal instruments – national energy taxes and subsidies related to the generation of consumption of specific energy products, CO2 taxes, and the Kyoto-related instruments for CO2 emissions trading such as the EU ETS – also make a substantial contribution in stimulating (and sometimes creating disincentives) to behaviour that leads towards the EU targets for sustainable energy. Binding measures for specific energy- and climate-related actions and standards with respect to buildings, industry, transport, electrical appliances and other products and technologies also play a role;
- The seven year duration of the programme (2007-2013), over the course of which the needs and context evolve.

**Finding 41:**

It is difficult to identify specific, measurable and time-bound objectives and expected impacts for IEE within the overall EU energy framework due to:

- The programme only addressing a part of EU sustainable energy development objectives within a wider framework;
- The programme’s “soft” nature;
- The limited size of IEE funding a proportion of the overall available funding for the development of sustainable energy;

<sup>37</sup> Own calculations based on IEE programme data and UN estimates for global new investment in sustainable energy in 2009

<sup>38</sup> Own calculations based on publicly available data from the EC

- The existence of large outside influences strongly impacting on IEE’s potential success;
- The seven year duration of the programme (2007-2013), over the course of which the needs and context evolve.

Taking the opposite view, the programme objectives could be tailored to a given overall budget. The annual prioritization and operational budgeting process for IEE II moreover creates an opportunity to adjust the programme objectives to its budget on an ongoing basis (or to adjust the annual programme budgets to the objectives) by providing for flexibility in the allocation of the programme budget over time and covered activities. This allows the programme to take into account the evolving context and EU and national priorities in sustainable energy.

**Finding 42:**

Taking the opposite view, the programme objectives could be tailored to a given overall budget. The annual prioritization and operational budgeting process moreover creates an opportunity to adjust the programme objectives to its budget on an ongoing basis allowing the programme to take into account the evolving context in sustainable energy.

Perhaps following from the above points, and despite the increase in the average yearly budget of the overall IEE programme from €62,5 million per year under IEE I (2003-2006) to €103,9 million under IEE II (2007-2013), there is no consensus amongst IEEC members on the adequacy of the overall budget in relation to the programme’s objectives, or on its distribution through time (it should be noted in this respect that the expected total investments at EU level to achieve the EU energy policy objectives have significantly increased – about doubled - since the IEE I programme). From our survey we observe that an equal number of IEEC members believe the IEE II budget is adequate to achieve the programme’s objectives as those who do not.

We also note that the overall budget for IEE II is under half of the budget of €1,64 bn proposed in the ex-ante evaluation of IEE II<sup>39</sup> while only the COOPENER field was removed from the programme’s scope.

**Finding 43:**

There is no consensus amongst IEEC members on the adequacy of the overall IEE II budget to achieve the programme’s objectives.

Analyzing the evolution of the total operational budget of the programme over time, we note that the budget has not been evenly allocated over the duration of the programme, increasing year on year from 2007 onwards, as prescribed in the 2007 annual work programme which notes that *“The budget will be increased year after year during the timespan for implementation of the Programme”*, with the most significant jump in 2009. Taking into account the total programme budget, the operational budgets for the remaining years should further increase if the entire budget is to be consumed.

A question which could be raised for the two remaining years of the programme, and for that matter, for a potential successor programme, is whether such an increasing allocation of operational budget is most effective and efficient in terms of achieving the programme’s objectives, both from the perspective of the time taken for impacts to be felt (this is still not the case for most IEE II projects, including those started in 2007), and from that of the management of the programme’s resources (an increase in the operational budget would either mean underutilization of resources initially or the need for increased resources over time).

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<sup>39</sup> Ex ante evaluation of a renewed multiannual Community programme in the field of energy (2007-2013), Ref: TREN/A1/17-2003: Lot 1 - Framework Contract for Impact Assessments and Ex-ante Evaluations

The recent Roadmap for moving to a competitive low carbon economy in 2050<sup>40</sup> identified the need for quick increased action, notably towards lagging energy efficiency, as an efficient means to ensure that the most cost-effective path is taken towards achieving the 20/20/20 targets. Delaying action is indeed considered as increasing the cost of later efforts, such that an inverse pattern of IEE spending might even be relevant over time.

**Table 17: Evolution of the total operational budget during IEE II**

|                          | 2007  | 2008  | 2009  | 2010   | 2011   | Total  |
|--------------------------|-------|-------|-------|--------|--------|--------|
| TOTAL OPERATIONAL BUDGET | 65000 | 70400 | 96187 | 111193 | 112000 | 454780 |
| Evolution vs Y-1         |       | 8%    | 37%   | 16%    | 1%     | -      |

Source: EACI data, own calculations

**Finding 44:**

The operational budget for IEE II has increased year on year, and will continue to increase if the full programme budget is to be consumed during the programme’s lifetime. It is not obvious that this is the most efficient allocation of funding over time.

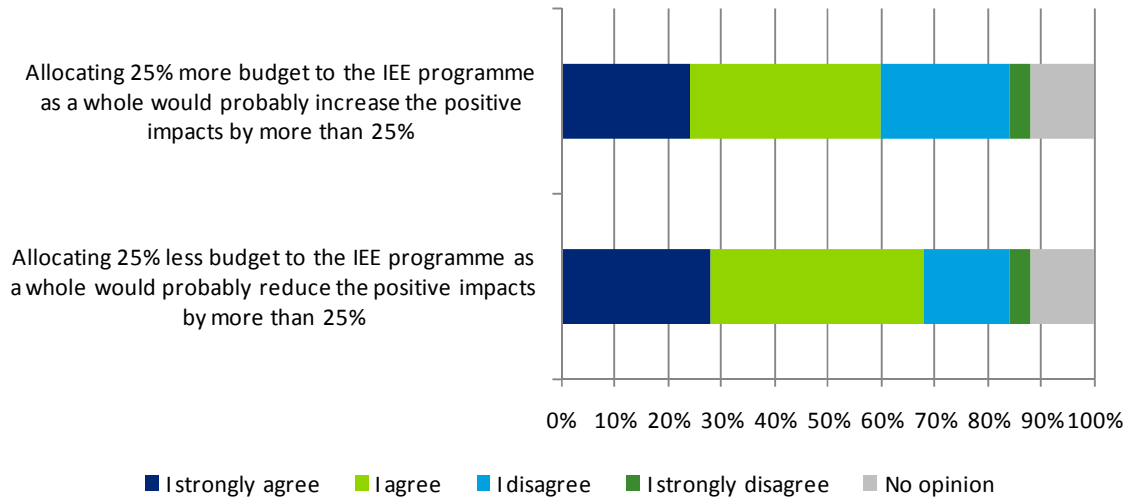
Looking to the future, the IEEC members and project coordinators and partners feel that an increase in the budget would more than proportionally positively impact the programme while a decrease would more than proportionally decrease its impact, indicating there is a belief that the programme has not reached a scale of diminishing returns and has the potential to grow in order to best achieve its objectives.

This appears to be in line with a 2010 UNEP report<sup>41</sup> which underlines the shift in the focus of the sustainable energy industry from Europe and North America, to Asia, with Europe only just maintaining its position as the region having the largest share of global investment in sustainable energy in 2009 at \$43,7 bn, down from \$48,4 bn in 2008, and clearly being caught up by Asia and Oceania where investments in 2009 totalled \$40,8 bn coming from \$31,3 bn in 2008. While this shift may be explained by the differing severity of the economic and financial crisis in various parts of the world, it can be considered worrying for the EU given its stated objective of leading the global sustainable energy industry.

<sup>40</sup> COM(2011) 112

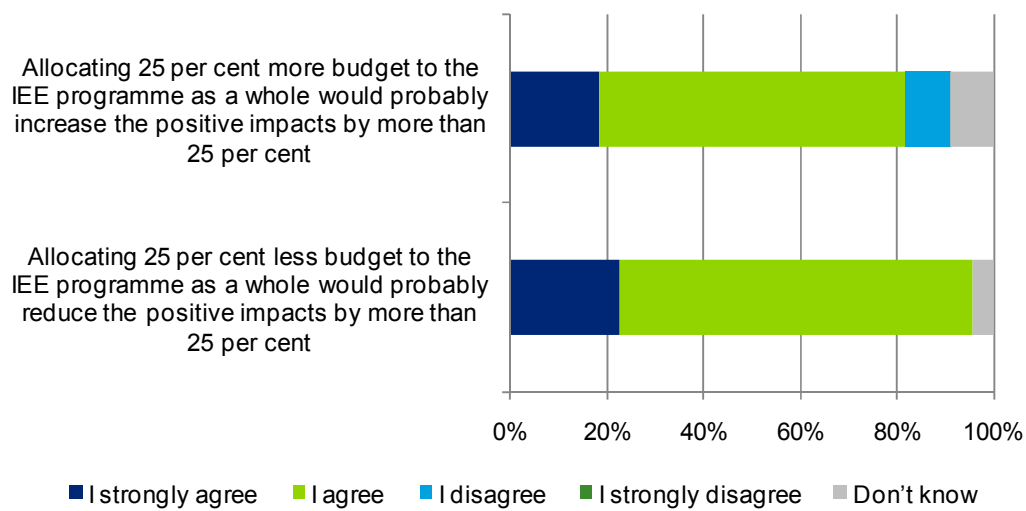
<sup>41</sup> Global Trends in Sustainable Energy Investment 2010 - Analysis of Trends and Issues in the Financing of Renewable Energy and Energy Efficiency

**Figure 23: Perception of IEEC members on the future budget of the IEE programme**



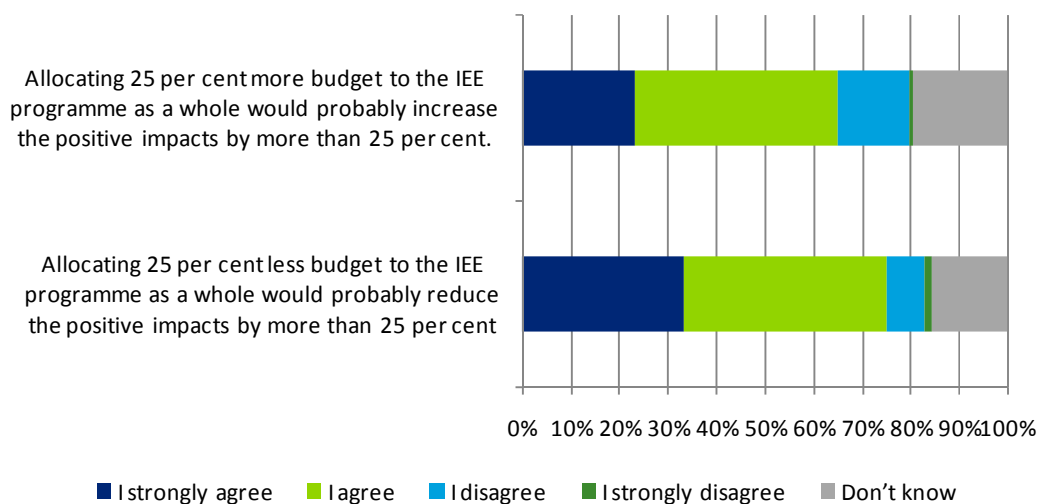
Sources: web-based survey IEEC/NCP

**Figure 24: Perception of the EACI project officers on the future budget of the IEE programme**



Source: web-based survey EACI project officer

**Figure 25: Perception of the EACI project coordinators and partners on the future budget of the IEE programme**



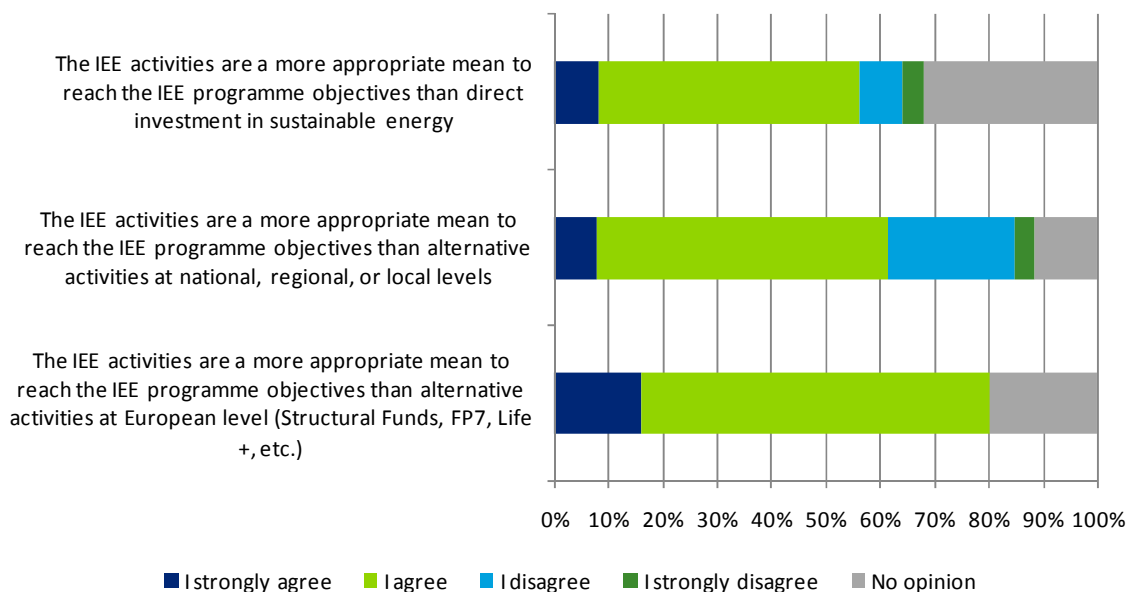
Source: web-based survey PC/PP

**Finding 45:**

The IEEC members, EACI project officers, and project coordinators and partners believe the IEE programme has the potential to grow to effectively meet its objectives in the future.

This is confirmed by their perception that the funds allocated to IEE II are better spent in IEE than in alternatives to achieve IEE’s objectives, where these exist, i.e. that there is no greater opportunity cost to investing in IEE II.

**Figure 26: Perception of IEEC members on appropriateness of IEE to reach objectives compared to alternatives**



Source: web-based survey IEEC/NCP

**Table 18: Perception of project coordinators and partners on the impact of IEE activities compared to alternatives**

|   | Energy savings | CO <sub>2</sub> reductions | Increased renewable energy capacity | Economic growth | Capacity building among organisations | Social awareness of sustainable energy use |
|---|----------------|----------------------------|-------------------------------------|-----------------|---------------------------------------|--|
| Much higher impact  | 21%            | 23%                        | 19%                                 | 16%             | 34%                                   | 43%  |
| Higher impact   | 33%            | 37%                        | 27%                                 | 40%             | 29%                                   | 25%  |
| Same impact   | 8%             | 12%                        | 6%                                  | 11%             | 8%                                    | 9%   |
| Lower impact  | 11%            | 7%                         | 8%                                  | 6%              | 4%                                    | 2%   |
| Much lower impact/no impact                                     | 2%             | 2%                         | 3%                                  | 3%              | 5%                                    | 4%   |
| Don't know  | 6%             | 6%                         | 8%                                  | 9%              | 6%                                    | 6%   |
| The impact in question is not possible for this kind of project | 20%            | 13%                        | 30%                                 | 15%             | 15%                                   | 11%  |

|              |             |             |             |             |             |             |
|--------------|-------------|-------------|-------------|-------------|-------------|-------------|
| <b>Total</b> | <b>100%</b> | <b>100%</b> | <b>100%</b> | <b>100%</b> | <b>100%</b> | <b>100%</b> |
|--------------|-------------|-------------|-------------|-------------|-------------|-------------|

Source: PC/PP websurvey

**Finding 46:**

A majority of IEEC members and project participants believe the IEE funded activities are better value for money than alternatives where these exist.

As it is difficult to identify an adequate budget for the programme at a macro level, we now approach this problem from a bottom-up micro-level, comparing the programme’s more granular objectives to the budget and resources put in place to achieve these and assessing their adequacy.

**Extent to which the financial resources put in place to manage the programme were the most appropriate and efficient to achieve programme objectives.**

At a more granular level, we note that the bulk of the programme funding has been budgeted for promotion and dissemination projects (66% of budget to date), with market replication projects (14% of budget to date), tenders (13% of budget to date), and concerted actions (4% of budget to date) much less represented.

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**Table 19: IEE II budgeted component funding to date**

| Programme component (k €)                       | 2007    |                             | 2008   |                             | 2009   |                             | 2010   |                             | 2011   |                             | Total    |                             |
|---|---------|-----------------------------|--------|-----------------------------|--------|-----------------------------|--------|-----------------------------|--------|-----------------------------|----------|-----------------------------|
|   | Budget  | % of total operation budget | Budget | % of total operation budget | Budget | % of total operation budget | Budget | % of total operation budget | Budget | % of total operation budget | Budget   | % of total operation budget |
| Promotion and dissemination projects from calls | 51904,6 | 88%                         | 45446  | 72%                         | 64741  | 73%                         | 55770  | 54%                         | 57084  | 55%                         | 274945,6 | 66%                         |
| Market replication projects                     | 0       | 0%                          | 0      | 0%                          | 15000  | 17%                         | 15000  | 14%                         | 30000  | 29%                         | 60000    | 14%                         |
| Concerted action projects <sup>42</sup>         | 3100    | 5%                          | 2000   | 3%                          | 0      | 0%                          | 10000  | 10%                         | 3000   | 3%                          | 18100    | 4%                          |
| Tender projects                                 | 3886,4  | 7%                          | 13720  | 22%                         | 9000   | 10%                         | 16750  | 16%                         | 11175  | 11%                         | 54531,4  | 13%                         |
| Others projects                                 | 0       | 0%                          | 1750   | 3%                          | 0      | 0%                          | 6040   | 6%                          | 3240   | 3%                          | 11030    | 3%                          |
| <i>Total budget for projects</i>                | 58891   | 100%                        | 62916  | 100%                        | 88741  | 100%                        | 103560 | 100%                        | 104499 | 100%                        | 418607   | 100%                        |

<sup>42</sup> Concerted actions are budgeted for three years but appear in the IEE II budget in their first year only for the full amount



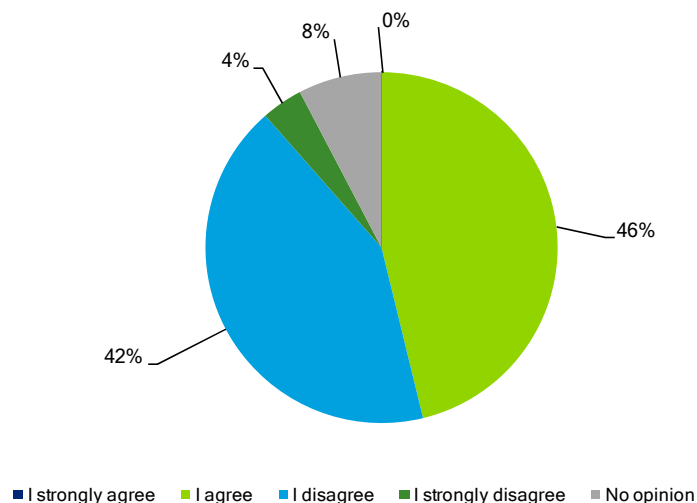
*Source: IEE annual work programmes*

#### Finding 47:

The bulk of the programme funding has been budgeted for promotion and dissemination projects (66% of budget to date), with market replication projects (14% of budget to date), tenders (13% of budget to date), and concerted actions (4% of budget to date) much less represented.

No specific objectives have been set in terms of the contribution of the different IEE programme components to the overall results and impact of the programme although the budgets for the tenders and concerted actions cannot be expected to be significantly different to their current levels given their nature and dependency on the needs and staffing of the Commission, such that the main allocation decision is between promotion and dissemination projects and market replication projects. This lack of specificity potentially contributes to the fact that there are differing views amongst IEEC members on the best allocation of funds between the various components and only a very slight majority agree that the allocation is currently adequate.

**Figure 27: Perception of IEEC members on the adequacy of the allocation of the IEE budget to its different components**



Source: web-based survey IEEC/NCP

The disagreement may also be due to the significant variability in, and difference between, the budgeted and actual annual funding for the programme components since 2007, as well as a perceived lack of visibility on some of the actual funding, and on the results and impacts of the components. The tables below show that the actual funding for promotion and dissemination projects has been between 4% (2010) and 23% (2007) above budget, while the actual funding for market replication projects to date is between 15% (2009) and 33% (2010) below budget (although funding a number of further proposals are currently under analysis by the EIB it can be expected that the full budget for market replication projects will be allocated within the allotted time for this). Consolidated figures on the actual funding for tenders and concerted actions are not available.

**Table 20: IEE II budgeted component funding to date**

| Budgeted component funding (€ millions)          | 2007        | 2008        | 2009        | 2010         | 2011         |
|--|-------------|-------------|-------------|--------------|--------------|
| Budget for promotion and disseminations projects | 51.9        | 45.4        | 64.7        | 55.8         | 57.1         |
| Budget for market replication projects           | 0.0         | 0.0         | 15.0        | 15.0         | 30.0         |
| Budget for concerted action projects             | 3.1         | 2.0         | 0.0         | 10.0         | 3.0          |
| Budget for tender projects                       | 3.9         | 13.7        | 9.0         | 16.8         | 11.2         |
| Budget for other projects                        | 0.0         | 1.8         | 0.0         | 6.0          | 3.2          |
| <b>Total budget for project funding</b>          | <b>58.9</b> | <b>62.9</b> | <b>88.7</b> | <b>103.6</b> | <b>104.5</b> |

Source: IEE II work programmes 2007-2011

**Table 21: IEE II actual component funding to date (promotion and dissemination projects and market replication projects)**

| Actual component funding (€ millions)                        | 2007 | 2008 | 2009 | 2010 | 2011 |
|--|------|------|------|------|------|
| Actual funding for promotion and disseminations projects     | 63.9 | 51.6 | 74.3 | 58.1 | n/a  |
| Actual funding for market replication projects <sup>43</sup> | 0.0  | 0.0  | 12.8 | 10.1 | n/a  |

Source: EACI data, IEE implementation reports 2007-2008

Looking at the total amounts budgeted and allocated to the various programme components, the lack of consensus may also arise from the fundamental difference between the budgeted allocation of funding to IEE II programme components and the proposed allocation resulting from the ex-ante evaluation of IEE II, in which the promotion and dissemination components (including the discontinued COOPENER) were to represent €743 million of the €1,639 bn proposed total budget (i.e. less than 50% of the total budget rather than the actual 66%), and market replication projects were proposed for a total of €896 million (i.e. more than 50% of the total budget rather than the actual 14%). There is indeed a significant difference in the balance between the components proposed in the ex-ante analysis and that budgeted or achieved in IEE II to date.

**Finding 48:**

The IEEC members are divided on the adequacy of the allocation of the IEE budget between programme components, possibly due to:

- A significant variability in and difference between the annual budgeted and actual allocations;

<sup>43</sup> Based on projects approved by the EIB

- A lack of visibility on some of the actual allocations;
- A different approach to that proposed by the ex-ante evaluation of IEE II.

If we look at the distribution of the IEE II budget across the defined programme fields considering all programme components, we observe that the largest budgeted field is the INTEGRATED INITIATIVES, followed by ALTENER. Particular emphasis was put on SAVE projects in the 2010 budget and on INTEGRATED INITIATIVES in 2011 (given the large budget dedicated to ELENA which is entirely budgeted under the INTEGRATED INITIATIVES and may simply indicate a lack of a detailed upfront allocation which would have been a difficult exercise for such an innovative facility). Again, the proportion of the total budget allocated to the different fields varies strongly over time, possibly due to the lack of specific objectives in terms of the contribution of the different fields to the yearly results and impact of the programme (although there is a planned overall allocation which should be respected), as well as due to the complexity of the allocation process which also depends on the number and quality of proposals submitted.

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**Table 22: IEE II budgeted field funding to date**

| Programme component (k €) | Field                  | 2007   |                          | 2008   |                          | 2009   |                          | 2010   |                          | 2011   |                          | Total    |                          |
|---------------------------|------------------------|--------|--------------------------|--------|--------------------------|--------|--------------------------|--------|--------------------------|--------|--------------------------|----------|--------------------------|
|                           |                        | Budget | % of yearly total budget | Budget | % of yearly total budget | Budget | % of yearly total budget | Budget | % of yearly total budget | Budget | % of yearly total budget | Budget   | % of yearly total budget |
| All components            | SAVE                   | 12796  | 22%                      | 10779  | 17%                      | 18191  | 20%                      | 31950  | 31%                      | 15985  | 15%                      | 89701.9  | 21%                      |
|                           | ALTENER                | 17695  | 30%                      | 17354  | 28%                      | 22650  | 26%                      | 29190  | 28%                      | 15614  | 15%                      | 102504.1 | 24%                      |
|                           | STEER                  | 10500  | 18%                      | 12903  | 21%                      | 13900  | 16%                      | 12800  | 12%                      | 10000  | 10%                      | 60103.66 | 14%                      |
|                           | INTEGRATED INITIATIVES | 17900  | 30%                      | 21880  | 35%                      | 34000  | 38%                      | 29620  | 29%                      | 62900  | 60%                      | 166301.3 | 40%                      |
| <i>Total Budget</i>       |                        | 58891  | 100%                     | 62916  | 100%                     | 88741  | 100%                     | 103560 | 100%                     | 104499 | 100%                     | 418611   | 100%                     |

*Source: IEE annual work programmes*

Moreover, there does not seem to be a relationship in the allocation of funding across fields between the various programme components.

**Finding 49:**

The budget allocation across IEE fields (SAVE, ALTENER, STEER, and INTEGRATED INITIATIVES) is overall in favour of INTEGRATED INITIATIVES and ALTENER, with the highest budgeted allocation of promotion and dissemination projects to ALTENER. There is however, significant variability in the allocation of the budget to fields per year although the INTEGRATED INITIATIVES may create a balance between RES and EE.

In terms of achieving the 20/20/20 objectives, the EC recognizes that more progress has been made towards achieving the RES target than for EE<sup>44</sup>. It may therefore be surprising that the allocation under IEE II to the SAVE field has slightly decreased over time as opposed to that for ALTENER, and is at its lowest proportional level to the programme budget in 2011. This should however be nuanced by the fact that there is a sharing of budget in the INTEGRATED INITIATIVES between EE and RES to ensure a balance for the overall allocation, and that the INTEGRATED INITIATIVE Key Action 'energy services' has for instance purely focused on EE.

**Finding 50:**

Although the EC recognizes that more progress has been made towards achieving the RES target than for EE the budgeted allocation under IEE II to the SAVE field has slightly decreased over time as opposed to that for ALTENER, and is at its lowest level in 2011. A balance may nonetheless be achieved through the INTEGRATED INITIATIVES which cover both RES and EE.

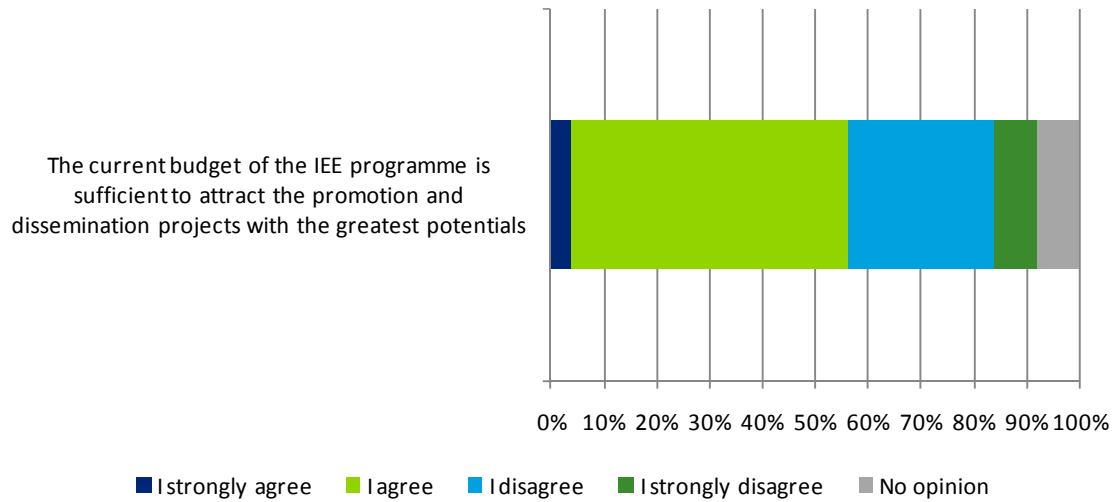
Promotion and dissemination projects:

Turning to the individual programme components, and the promotion and dissemination projects first, we note that with the distribution of programme funding mainly oriented towards this component, a majority of IEEC members, EACI project officers, and project participants believe that the current IEE II budget is sufficient to attract the promotion and dissemination projects with the greatest potential (although this says nothing of which proportion of these is attracted).

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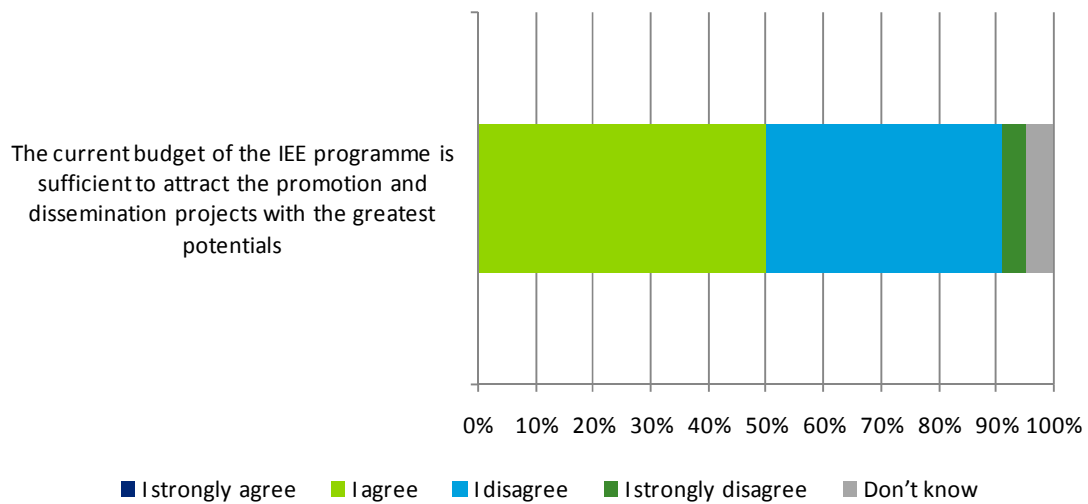
<sup>44</sup> COM(2011) 109/4, COM(2010) 639

**Figure 28: Perception of the adequacy of the IEE II budget to attract projects with the greatest potential by IEEC members**



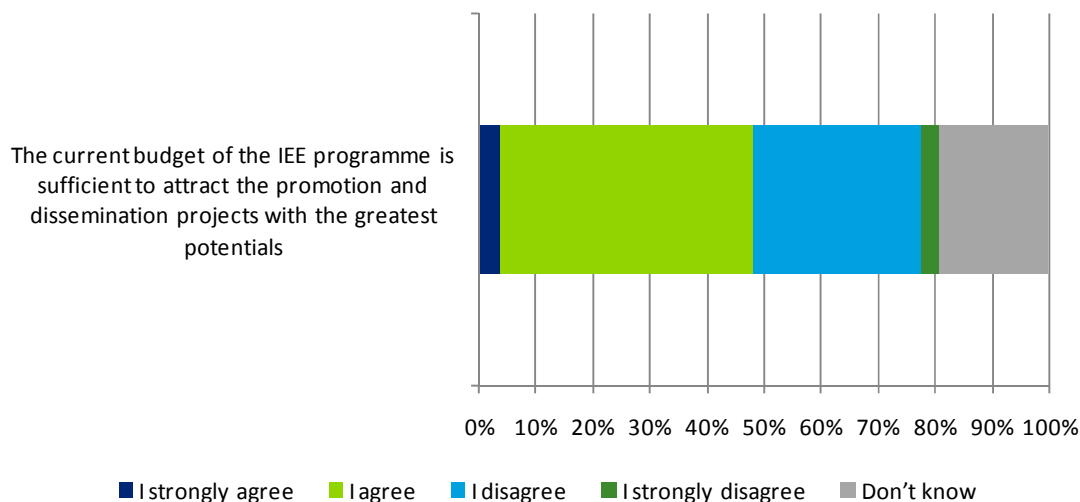
Source: web-based survey IEEC/NCP

**Figure 29: Perception of project officers on the sufficiency of the IEE II budget to attract the promotion and dissemination projects with the greatest potential**



Source: web-based survey EACI project officer

**Figure 30: Perception of project coordinators and partners on the sufficiency of the IEE II budget to attract the promotion and dissemination projects with the greatest potential**



Source: web-based survey PC/PP

While that may be true, it is also worth noting that the proportion of proposals for promotion and dissemination projects being funded, both in terms of numbers and of requested budgets has more than halved in number and nearly halved in EC contribution from IEE I to IEE II. This can to some extent be explained by the increase in the EU co-financing rate from 50% to 75% of eligible costs which increased the contribution per project by more than the increase in the yearly budget on the whole (coupled to increasing average project budgets). Nonetheless, the success rate stands at 16% in number and 17% in EC contribution to date for IEE II which is also significantly lower than the “benchmark” of 30% quoted by several interviewed EC officials.

This relatively low success rate indicates significant “wasted” efforts by applicants although the cost of these efforts is not borne by the programme given the absence of funding for the proposal stage (some Member States such as Sweden nonetheless provide co-funding to applicants). A vast majority of interviewees nonetheless link the lower success rate to a higher average quality of selected projects although this is not evidenced by the average score of grants or rejected proposals for which averages have tended to decrease over time on the whole although this may largely be due to adaptations to the scoring system.



**Table 23: Overview of proposals and grants to promotion and dissemination projects under IEE I and IEE II**

|                                       | IEE I |       |       |       |       | IEE II |       |       |       |       |
|---------------------------------------|-------|-------|-------|-------|-------|--------|-------|-------|-------|-------|
|                                       | 2003  | 2004  | 2005  | 2006  | Total | 2007   | 2008  | 2009  | 2010  | Total |
| Number of eligible proposals          | 241   | 214   | 265   | 294   | 1014  | 431    | 339   | 367   | 346   | 1483  |
| Number of selected projects           | 92    | 133   | 125   | 98    | 448   | 72     | 55    | 62    | 44    | 233   |
| Percentage of proposals successful    | 38%   | 62%   | 47%   | 33%   | 44%   | 17%    | 16%   | 17%   | 13%   | 16%   |
| Total budget of all proposals, MEUR   | 264   | 243   | 278   | 307   | 1092  | 495    | 412   | 543   | 550   | 2001  |
| Total requested EC contribution MEUR  | 132   | 120   | 136   | 153   | 541   | 367    | 304   | 407   | 413   | 1492  |
| Total granted EC contribution, MEUR   | 47    | 55    | 53    | 45    | 200   | 64     | 52    | 74    | 58    | 248   |
| Percentage of EC contribution granted | 35%   | 46%   | 39%   | 29%   | 29%   | 17%    | 17%   | 18%   | 14%   | 17%   |
| Average EC contribution granted, MEUR | 0.508 | 0.416 | 0.427 | 0.459 | 0.447 | 0.887  | 0.938 | 1.199 | 1.321 | 1.064 |

Source: EACI data, own calculations

Breaking this data down over the different promotion and dissemination project fields we note the much higher initial success rate of STEER projects due to a lower number of high quality proposals in this field in 2007 (only 23 eligible proposals, over five times less than in all other fields) and 2008 (only 26 eligible proposals, over three times less than in all other fields). The success rate has now normalized compared to the other fields although the number of proposals remains significantly lower given STEER's lower indicative budget (except compared to integrated initiatives where the number of proposals has fallen sharply). The success rate for SAVE projects is particularly low in 2010 given the large number of proposals received.

**Table 24: Percentage of requested EC contribution granted to promotion and dissemination projects by field**

| Percentage of requested EC contribution granted, MEUR |            |            |            |            |            |
|---|------------|------------|------------|------------|------------|
|   | 2007       | 2008       | 2009       | 2010       | Total      |
| SAVE  | 16%        | 12%        | 15%        | 10%        | <b>13%</b> |
| ALTENER   | 15%        | 17%        | 19%        | 16%        | <b>17%</b> |
| STEER   | 38%        | 27%        | 22%        | 18%        | <b>24%</b> |
| INTEGRATED  | 17%        | 18%        | 19%        | 17%        | <b>18%</b> |
| <b>Total</b>  | <b>17%</b> | <b>17%</b> | <b>18%</b> | <b>14%</b> | <b>17%</b> |

Source: EACI data, own calculations

**Finding 51:**

A majority of IEEC members and project participants believe that the current IEE II budget is sufficient to attract the promotion and dissemination projects with the greatest potential. This may be true but says nothing of the proportion of these funded which has more or less halved from IEE I to IEE II.

The budget distribution over fields for promotion and dissemination projects differs from the overall programme budget distribution across fields, with ALTENER projects being most represented, then INTEGRATED INITIATIVES.

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**Table 25: IEE II budgeted field funding for promotion and dissemination projects to date**

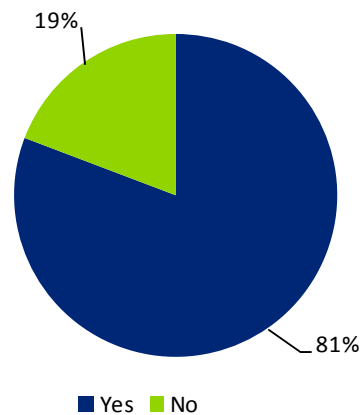
| Budget (k €)                                    | Field                  | 2007    |      | 2008  |      | 2009  |      | 2010  |      | 2011  |      | Total    |      |
|---|------------------------|---------|------|-------|------|-------|------|-------|------|-------|------|----------|------|
| Promotion and dissemination projects from calls | SAVE                   | 8909.6  | 17%  | 8289  | 18%  | 16941 | 26%  | 19600 | 35%  | 10000 | 18%  | 63739.6  | 23%  |
|   | ALTENER                | 17695   | 34%  | 15104 | 33%  | 19000 | 29%  | 19170 | 34%  | 13084 | 23%  | 84053    | 31%  |
|   | STEER                  | 10500   | 20%  | 12903 | 28%  | 10800 | 17%  | 10300 | 18%  | 10000 | 18%  | 54503    | 20%  |
|   | INTEGRATED INITIATIVES | 14800   | 29%  | 9150  | 20%  | 18000 | 28%  | 6700  | 12%  | 24000 | 42%  | 72650    | 26%  |
| <i>Total</i>                                    |                        | 51904.6 | 100% | 45446 | 100% | 64741 | 100% | 55770 | 100% | 57084 | 100% | 274945.6 | 100% |

*Source: IEE annual work programmes*

There is less debate among IEEC members on the split of the promotion and dissemination funding across the different fields. This may seem surprising given that the granted EC contributions in the different fields, and their distribution across these, have significantly evolved over time, and have not been in line with the budgeted amounts approved in the yearly prioritization process (see also section 5.7.3 unexpected results), with differences sometimes over 100% of the budgeted amounts. However, it perhaps simply reflects the lack of specific upfront annual objectives set for the contribution of promotion and dissemination projects from the different fields, and the confidence in the balancing between RES and EE due to the INTEGRATED INITIATIVES, such that the overall planned allocation for the programme may be respected.

The figures also reflect that the promotion and dissemination projects budget was allocated based on the number and quality of promotion and dissemination project proposals.

**Figure 31: Perception of IEEC members on the adequacy of the allocation of the IEE promotion and dissemination budget to its different fields**



Source: web-based survey IEEC/NCP

Tackling the budget from a bottom-up rather than top-down perspective, we see a trend towards increasing average project budgets over time, with corresponding increasing EC contributions. This is most noteworthy for projects under the integrated initiatives where average project budgets have more than doubled since the start of IEE II. Naturally, the average project budget and EC contribution have increased from IEE I to IEE II given the increased co-financing rate (from 50% to 75%) – in fact they have more than doubled, increasing more than proportionally to the co-financing rate increase.

**Table 26: Average IEE II promotion and dissemination project budgets to date**

| Average project budget of projects which received grants, kEUR |              |              |              |              |              |
|--|--------------|--------------|--------------|--------------|--------------|
|  | 2007         | 2008         | 2009         | 2010         | Total        |
| SAVE   | 1.567        | 1.369        | 1.751        | 1.843        | <b>1.637</b> |
| ALTENER  | 1.276        | 1.443        | 1.421        | 1.555        | <b>1.422</b> |
| STEER  | 1.690        | 1.841        | 1.697        | 1.875        | <b>1.764</b> |
| INTEGRATED   | 922          | 997          | 1.688        | 1.980        | <b>1.191</b> |
| <b>Total</b>   | <b>1.233</b> | <b>1.309</b> | <b>1.601</b> | <b>1.752</b> | <b>1.447</b> |

Source: EACI data, own calculations

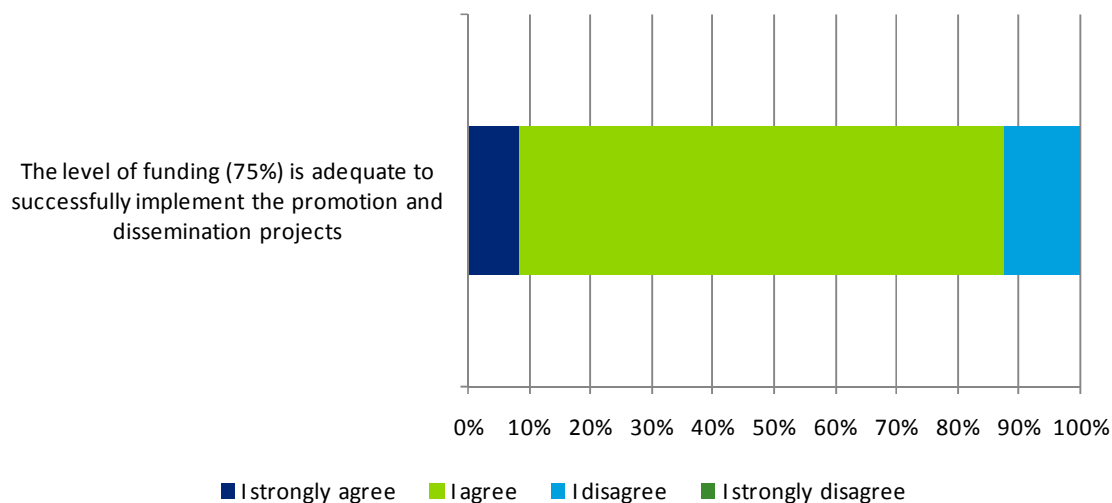
**Table 27: Average IEE II promotion and dissemination project EC contributions to date**

| Average granted EC contribution, kEUR |            |            |              |              |              |
|---------------------------------------|------------|------------|--------------|--------------|--------------|
|                                       | 2007       | 2008       | 2009         | 2010         | Total        |
| SAVE                                  | 1.154      | 1.027      | 1.313        | 1.410        | <b>1.228</b> |
| ALTENER                               | 947        | 1.082      | 1.062        | 1.164        | <b>1.062</b> |
| STEER                                 | 1.248      | 1.372      | 1.272        | 1.406        | <b>1.316</b> |
| INTEGRATED                            | 623        | 629        | 1.266        | 1.485        | <b>830</b>   |
| <b>Total</b>                          | <b>887</b> | <b>938</b> | <b>1.199</b> | <b>1.321</b> | <b>1.064</b> |

Source: EACI data, own calculations

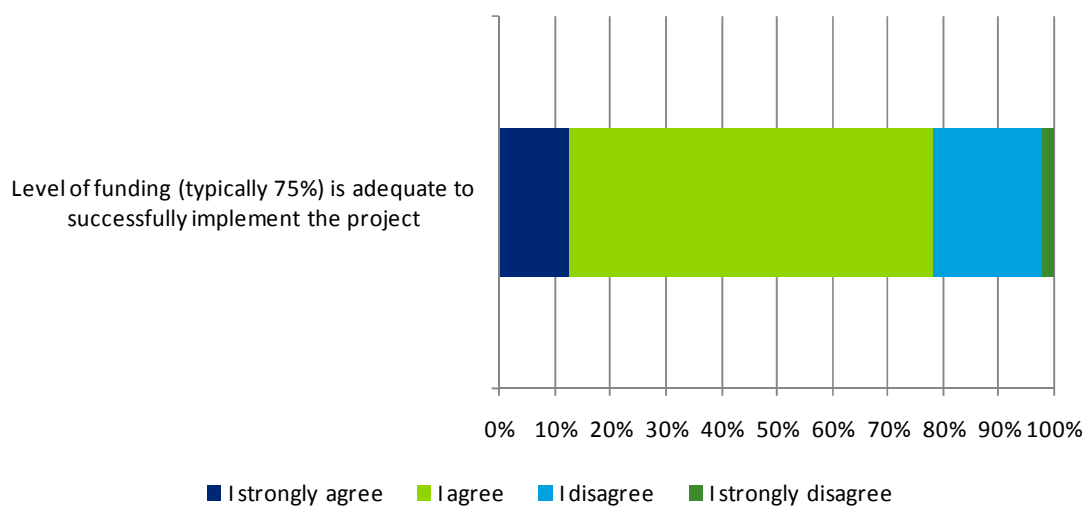
Both the IEEC members and the project participants feel that the project level funding is now generally sufficient for successful implementation of promotion and dissemination projects. There is also a clear consensus from interviewed project participants that the increase in the funding rate of promotion and dissemination projects from 50% in IEE I to 75% in IEE II is positive and has allowed for an adequate level of funding, and access to the programme for participants that might have been excluded had they had to come up with 50% of the financing of their projects.

**Figure 32: IEEC perception of adequacy of IEE funding for promotion and dissemination projects**



Source: web-based survey IEEC/NCP

**Figure 33: Perception of project coordinators and partners on the funding levels for projects**



Source: web-based survey PC/PP

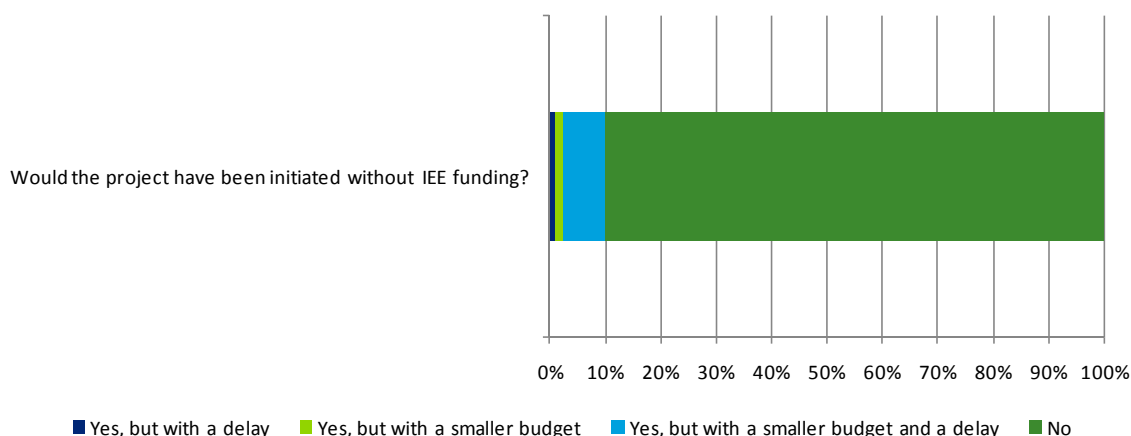
Most interviewed project participants confirmed that the IEE II project budgets are sufficient to successfully implement their projects, and lead to their expected results and impacts. Given the large increase in average project budgets over time, this may be based on the most recent (2010) average project budgets and EC contributions of €1,75 million and €1,32 million respectively although it is difficult to tell.

**Finding 52:**

At project level, both the IEEC mgmt committee and the project participants feel that the budgets and EC contributions for promotion and dissemination projects are sufficient.

It should finally also be remarked that most project participants believe that their promotion and dissemination projects would not take place without IEE funding. If such projects are considered as necessary to contribute to the attainment of the EU energy policy targets, it follows that this funding is appropriate.

**Figure 34: Perception of project participants on whether their activity would be funded without IEE**



Source: web-based survey PC/PP

Market replication projects:

Next we look at the budget and allocation of funding to market replication projects.

A first point is that these projects were budgeted as INTEGRATED INITIATIVES only while the actual allocation across the different fields is balanced to date, in fact covering all fields. This may simply betray a difficulty to plan this component in detail and define a more specific allocation upfront, given the innovative nature of the facility and the dependency on the projects submitted by the programme's targets.

**Table 28: IEE II market replication projects funding across fields to date**

|                        | 2009       |      |              |      |
|------------------------|------------|------|--------------|------|
| Field                  | # Projects | %    | Budget       | %    |
| SAVE                   | 3          | 38%  | € 6,206,580  | 49%  |
| ALTENER                | 2          | 25%  | € 2,480,570  | 19%  |
| STEER                  | 1          | 13%  | € 1,148,083  | 9%   |
| INTEGRATED INITIATIVES | 2          | 25%  | € 2,920,240  | 23%  |
| Total                  | 8          | 100% | € 12,755,473 | 100% |

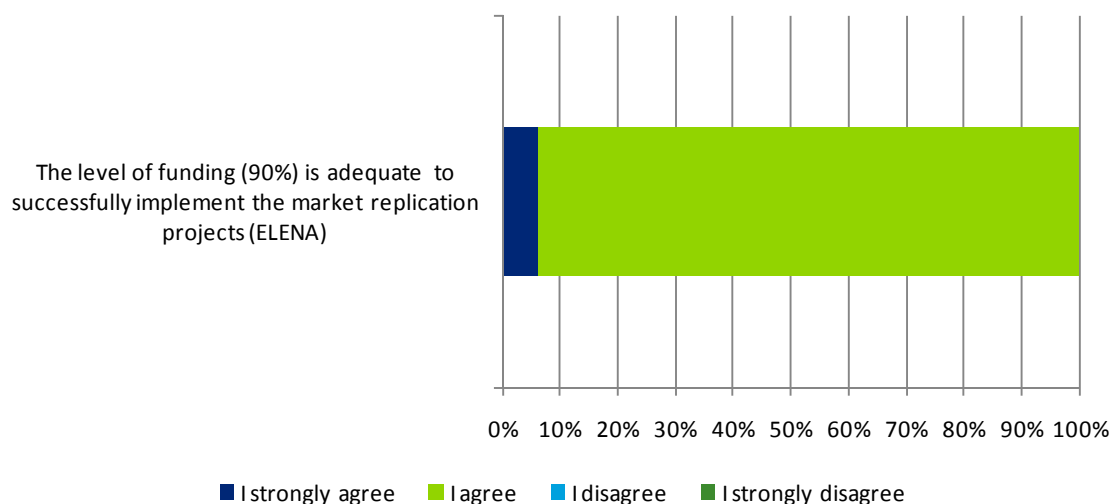
Source: EIB data, EC data, own calculations

The evolution of the funding for this component is interesting. Funding only started in the 2009 annual work programme contrary to the planned start as of 2008, and took time to be mobilised due to delays in setting up the facility, which was only done by the end of 2009, with the first market replication project contract then quickly signed by 04/05/2010. From early 2010, a number of requests were submitted and to date about 85% of the budgeted 2009 market replication funding has been allocated to 8 projects. Moreover, about 67% of the 2010 funding has also been allocated to four projects, and it is expected that the remaining budget will most likely soon be allocated given that there are 23 further requests under review. The budget for market replication projects has doubled from €15 million in 2009 and 2010 to €30 million in 2011 to widen the scope of this component to technical assistance for smaller investment projects through new ELENA-KfW and ELENA-CEB facilities, but the component still only represents roughly 27% of the operational budget in 2011, significantly below the proportion proposed in the ex-ante analysis of IEE II (over 50%). The ELENA-KfW facility is now starting up while ELENA-CEB is still being put in place.

At about €1.9 million, the average funding for market replication projects is slightly higher than for promotion and dissemination projects (having grown from an average of €1.6 million in 2009 to €2.5 million in 2010), and represents about than 1.4% of the underlying investments of the projects for which ELENA technical assistance is provided leading to a leverage of about 72. Both the IEEC members and project participants feel that the project level funding is generally sufficient for successful implementation of the market replication projects with co-financing of the project development services at 90% of eligible costs.



**Figure 35: Perception of IEEC members on the funding levels for market replication projects**



Source: web-based survey IEEC/NCP

As the objectives of the market replication projects are measured, it will be easier to track to what extent these are achieved with the allocated means (although attribution of the full results of the supported investments projects to ELENA must be considered with caution given the fact that some projects would possibly have been undertaken without ELENA funding albeit more slowly and at a smaller scale), and hence whether the market replication budget meets its objectives. It is however, too early for this today given that the first project began in May 2010 with its first investments planned for May 2011. The EIB nonetheless already perceives a significant impact of ELENA on the EU Energy Service Company (ESCO) market.

Tenders, concerted actions and other projects:

Similarly to the promotion and dissemination and market replication components, the budget and actual allocation of funding for tenders, concerted actions and other projects has also varied widely in the annual work programmes. Consolidated figures on the actual allocation are not available for these components.

The highest funding for tenders has been in the INTEGRATED INITIATIVES and SAVE fields, while for concerted actions it has been in the SAVE field with €7.6 million for the CA EPBD and €5 million for the CA ESD to the €5.5 million for the CA RES, and for other projects it has clearly been in the INTEGRATED INITIATIVES field.

**Table 29: IEE II budgeted tenders funding across fields to date**

| Budget (kEUR)   | Field                  | 2007   | 2008  | 2009 | 2010  | 2011  | Total   |
|-----------------|------------------------|--------|-------|------|-------|-------|---------|
| Tender projects | SAVE                   | 3886,4 | 2490  | 1250 | 5400  | 2925  | 159514  |
|                 | ALTENER                | 0      | 2250  | 3650 | 3930  | 1500  | 11330   |
|                 | STEER                  | 0      | 0     | 3100 | 2500  | 0     | 5600    |
|                 | INTEGRATED INITIATIVES | 0      | 8980  | 1000 | 4920  | 6750  | 21650   |
| <i>Total</i>    |                        | 3886.4 | 13720 | 9000 | 16750 | 11175 | 54531.4 |

Source: IEE annual work programmes

**Table 30: IEE II budgeted other projects funding across fields to date**

| Budget (kEUR)  | Field                  | 2007 | 2008 | 2009 | 2010 | 2011 | Total |
|----------------|------------------------|------|------|------|------|------|-------|
| Other projects | SAVE                   | 0    | 0    | 0    | 2450 | 60   | 2510  |
|                | ALTENER                | 0    | 0    | 0    | 590  | 1030 | 1620  |
|                | STEER                  | 0    | 0    | 0    | 0    | 0    | 0     |
|                | INTEGRATED INITIATIVES | 0    | 1750 | 0    | 3000 | 2150 | 6900  |
| <i>Total</i>   |                        | 0    | 1750 | 0    | 6040 | 3240 | 11030 |

Source: IEE annual work programmes

The average budget for tenders (overall €665,000) and concerted actions (overall €3.6 million for each three year period over which concerted actions are budgeted, with the two concerted actions for EPBD and ESD each having been prolonged once) has also varied throughout the programme duration. We note that tenders have a much smaller average budget than the promotion and dissemination and market replication projects (about half that of promotion and dissemination projects), while concerted actions are on average three times as big as promotion and dissemination projects but the activities cannot easily be compared as they are different in nature.

**Table 31: Evolution of concerted actions and tenders during IEE II**

| kEUR  | 2007 | 2008  | 2009 | 2010  | 2011  | Total |
|---|------|-------|------|-------|-------|-------|
| <i>Budget for concerted actions</i>         | 3100 | 2000  | 0    | 10000 | 3000  | 18100 |
| Number of budgeted concerted actions        | 1    | 1     | 0    | 2     | 1     | 5     |
| Average budget per concerted action project | 3100 | 2000  | -    | 5000  | 3000  | 3620  |
| <i>Budget for tenders</i>                   | 3886 | 13720 | 9000 | 16750 | 11175 | 54531 |
| Number of budgeted tenders                  | 4    | 22    | 16   | 25    | 15    | 82    |
| Average budget per tender project           | 972  | 624   | 563  | 670   | 745   | 665   |

Source: EACI data, own calculations

**Finding 53:**

There has been significant variability in the number and budgeted funding for tenders over time. In budgetary terms, tenders are in general only half as big as promotion and dissemination and market replication projects, while concerted actions are three times as big.

Summarizing, we see that resources put in place to achieve projects are overall perceived as adequate even if they have varied greatly over time and between components and fields. The difficulty to interpret this perception stems from the fact that projects set their own objectives (which must of course be approved as relevant by programme management) meaning these will naturally tend to be in line with the allocated budget.

As concerted actions follow the legislation and are created for key directives, there are naturally a limited number of these as directives are created or amended. Tenders are heavily linked to the policy and reporting needs of the Commission, and given the significant input for these required of the Commission (to define the specifications in detail), there is limited scope for an increase in their number or size. The key allocation decision is therefore rather between the promotion and dissemination projects and the market replication projects.

**Finding 54:**

The resources put in place to achieve projects are overall perceived as adequate even if they have varied greatly over time and between components and fields. The difficulty to interpret this perception stems from the fact that projects set their own objectives (which must of course be approved as relevant by programme management) meaning these will naturally tend to be in line with the allocated budget.

## 4.3.1.3 CONCLUSIONS

The adequacy of the level of funding and other available resources under IEE II to achieve the programme's objectives is difficult to determine at the overall programme level (macro level) given the fact that specific, measurable, achievable, relevant, and time-bound objectives and expected impacts cannot easily be identified for IEE within the overall EU energy framework due to:

- The programme only addressing a part of EU sustainable energy development objectives within a wider framework;
- The programme's "soft" nature;
- The limited size of IEE funding a proportion of the overall available funding for the development of sustainable energy;
- The existence of large outside influences strongly impacting on IEE's potential success;
- The seven year duration of the programme (2007-2013), over the course of which the needs and context evolve.

Nonetheless, the activities funded by the programme are perceived by its management and participants as better value for money than alternatives where these exist, and as having the potential to grow to effectively achieve its objectives.

Participants and programme management generally consider the budgets and resources for projects to be adequate, even though they have varied greatly over time and between fields. The difficulty to interpret this perception stems from the fact that projects set their own objectives meaning these will naturally tend to be in line with the allocated budget.

Given the above, the ongoing debate on the allocation of the programme's resources to its different annual work programmes, components and fields, and the relatively small size of its budget in relation to overall spending on sustainable energy, we conclude that the means put in place are not excessive, and could be increased to better facilitate achievement of the overarching objectives of the programme, especially given the limited time remaining to achieve these before 2020 and the delays incurred to date vis-à-vis certain sustainable energy development objectives.

#### 4.3.2 WERE THE ACTIVITIES CARRIED OUT EFFICIENTLY AND WERE THEY COST EFFECTIVE, TAKING INTO ACCOUNT PARTICULARLY ISSUES SUCH AS THE OVERALL COST OF MANAGEMENT AGAINST ACTIVITIES FUNDED; CONTRACTUAL AND LEGAL PROCEDURES; COMMUNICATION AND THE SUPPORT GIVEN BY THE EXECUTIVE AGENCY FOR COMPETITIVENESS AND INNOVATION, COMMISSION AND EUROPEAN INVESTMENT BANK TO ASSIST PROGRAMME PARTICIPANTS?

##### 4.3.2.1 INTRODUCTION

For this evaluation question, we defined two judgement criteria:

- Extent to which the human resources (EACI, EC and EIB) allocated to the programme management contributed to effectively manage the programme;
- Extent to which the administrative procedures (contractual and legal, monitoring, etc.) contributed to an efficient programme management.

We start by detailing the resources allocated to the management of the programme and assessing their cost effectiveness, after which we analyse the efficiency of the management processes put in place.

Our assessment is based on information from the desk research and data collected during interviews, case studies and web based surveys for this evaluation.

#### 4.3.2.2 DATA AND FINDINGS FROM SOURCES

Let us first look at the resources allocated to the management of IEE II and their efficiency.

#### **Extent to which the human resources (EACI, EC and EIB) allocated to the programme management contributed to effectively manage the programme**

##### Programme level:

A number of resources within different EU organizations are allocated to the operational management of IEE II at the programme level:

- In the Commission, the Unit C3 Energy efficiency & Intelligent Energy, DG ENER, is responsible for the overall management and supervision of the programme. Four officers (including the Head of Unit) are involved in these tasks as well as an officer from DG MOVE, representing roughly 2 FTE. A further 7 FTE from DG ENER are involved in the implementation and follow up of tenders related to policy/legislative activities under IEE (the principal source of funding for DG ENER tenders), as well as 0,1 FTE from DG MOVE. Concerted actions are also followed by the Commission which attends most meetings though actual management of the concerted actions has been delegated to the EACI;
- Two units in the EACI are responsible for the programme management of IEE promotion and dissemination projects: Unit 1 Renewable Energy and Unit 2 Energy Efficiency, overall representing over 30 FTE;
- Management of the market replication projects is ultimately sub-delegated to the EIB which signs a contribution agreement with DG ECFIN (Unit 3 Financing of climate change, infrastructure policies and Euratom), to which DG ENER sub-delegate responsibility for follow-up of the EIB. Within the EIB it is the EE/RES in Transport and Energy department of the project approval/appraisal directorate which manages EE and RES projects including the ELENA-EIB facility. The team consists of four people and two from the transport department amounting to about 4.5 FTE). As the ELENA facility is relatively new, it is difficult to establish the exact resourcing for it. In DG ECFIN, one resource is dedicated to follow-up of ELENA, though not full time.

The strategic management of IEE II also involves the IEEC.

The tables below show the evolution of the programme-level resources actually managing the IEE Programme and corresponding management costs. As can be seen, most of the management resources are allocated to the promotion and dissemination projects component managed by the EACI, although the EC resourcing slightly increases over time to cover the increasing number of tenders as well as the market replication projects and concerted actions.

**Table 32: Evolution of programme resources to manage the programme (FTE)**

| Institution (FTE)                           |          | 2007 | 2008 | 2009 | 2010  | 2011 |
|---|----------|------|------|------|-------|------|
| European Commission                         | DG ENER  | 2.7  | 3.2  | 4.4  | 4.9   | n/a  |
|   | DG MOVE  | 0.2  | 0.2  | 0.2  | 0.2   | n/a  |
|   | DG ECFIN | 0    | 0    | 0.5  | 0.5   | n/a  |
| EACI  |          | 33   | 38   | n/a  | n/a   | n/a  |
| EIB   |          | 0    | 0    | <4.5 | <4.5  | n/a  |
| <i>Total programme management resources</i> |          | 35.9 | 41.4 | <9.6 | <10.1 | n/a  |

Source: EC, EACI, EIB, own calculations

**Table 33: Evolution of programme resources to manage the programme (Cost kEUR)**

| Institution (Cost kEUR)                     |          | 2007 | 2008 | 2009                 | 2010  | 2011 |
|---|----------|------|------|----------------------|---|------|
| European Commission                         | DG ENER  | 343  | 406  | 559                  | 622   | n/a  |
|   | DG MOVE  | 25   | 25   | 25                   | 25  | n/a  |
|   | DG ECFIN | 0    | 0    | 64                   | 64  | n/a  |
| EACI  |          | 3930 | 4704 | 4992                 | 5148  | n/a  |
| EIB   |          | 0    | 0    | 0 (to the programme) | n/a (3% of committed ELENA grants, i.e. <450) | n/a  |
| <i>Total programme management resources</i> |          | 4299 | 5136 | 5640                 | 5859  | n/a  |

Source: EC, EACI, EIB, own calculations

### Finding 55

The programme management resources and cost have increased over time to handle the increasing workload. Most of the IEE II management resources are allocated to the promotion and dissemination projects managed by the EACI, although the EC resourcing has slightly increased over time to cover the tenders as well as the market replication projects and concerted actions.

The ratio of programme management costs to total project budget for the programme has slightly decreased over IEE II, remaining under 10% throughout, as well as below the budgeted management costs in the annual work programmes (EACI operational expenses and administrative expenses).

**Table 34: Evolution of programme management costs versus projects budget**

| Cost kEUR   | 2007  | 2008  | 2009  | 2010   | 2011   | Total   |
|---|-------|-------|-------|--------|--------|---------|
| <i>Total budgeted management cost</i>                   | 6109  | 7484  | 7446  | 7633,3 | 7501   | 36173,3 |
| <i>Total programme management resources</i>             | 4299  | 5136  | 5640  | 5859   | n/a    | 20933   |
| <i>Total budget for projects</i>                        | 58891 | 62916 | 88741 | 103560 | 104499 | 418607  |
| Ratio of programme management costs to projects' budget | 7%    | 8%    | 6%    | 6%     | n/a    | 7%      |

Source: EACI data, IEE work programmes, own calculations

### Finding 56

The ratio of programme management costs to projects budget has decreased over IEE II, remaining under 10% throughout.

In the next table, we present the evolution of the promotion and dissemination projects managed by the EACI.

**Table 35: Evolution of the promotion and dissemination projects managed by the EACI**

| Year | Number of projects at beginning of year | Number of New projects | Number of Closed projects | Number of projects at year-end | Number of project officers | Average number of projects/project officer |
|------|---|------------------------|---------------------------|--------------------------------|----------------------------|--|
| 2007 | 327                                     | 99                     | 24                        | 402                            | 17                         | 21   |
| 2008 | 402                                     | 73                     | 66                        | 409                            | 20                         | 20   |
| 2009 | 409                                     | 55                     | n/a                       | n/a                            | n/a                        | n/a  |
| 2010 | n/a                                     | 62                     | n/a                       | n/a                            | n/a                        | n/a  |
| 2011 | n/a                                     | 44                     | n/a                       | n/a                            | n/a                        | n/a  |

Source: EACI, own calculations

**Finding 57**

The number of projects managed by the EACI increases with time but the number of POs evolves in parallel. The average number of IEE I and II projects managed per project officer decreased from 23 at the end of 2006 to 20 at the end of 2008.

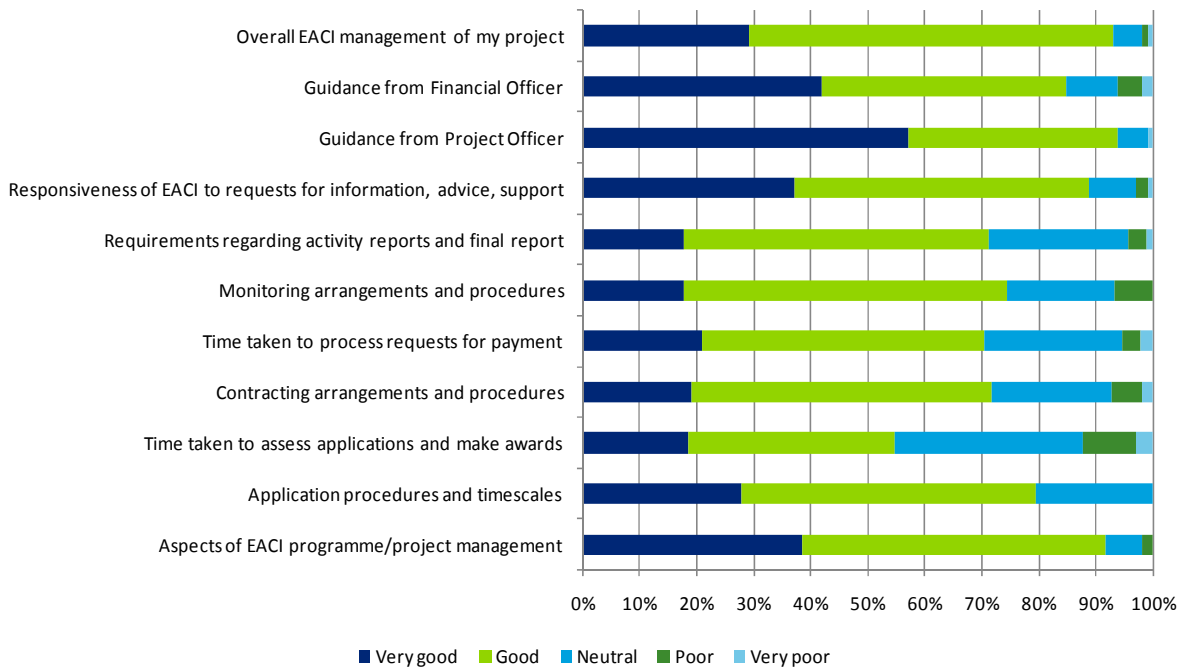
As noted in the interim evaluation of IEE II, a 2008 evaluation of the first three years of operation of the EACI<sup>45</sup> stated that “*the Agency’s resources are appropriate to achieve its objectives and to realise its tasks*”. It drew the following conclusions about the adequacy between the agency resources and the achievement of their tasks:

- “*The number of EACI human resources to perform the Agency tasks is appropriate in quality and quantity*.”
- “*The administrative budget is adequate*”.

A further evaluation of the EACI is ongoing, but results have not yet been published at the time of this report drafting.

Overall, the performance of the EACI in managing the promotion and dissemination component of IEE II is considered as good by the project participants, and this is also the case for all specific aspects of the EACI’s management on which the participants were questioned.

**Figure 36: Project participant’s perception of handling of promotion and dissemination projects by the EACI**



Source: web-based survey PC/PP

Most interviewed project participants agreed that the quality of the project officer (PO) is crucial to the smooth running of the projects and mentioned positive experiences with the POs who were reported as being accessible and responding adequately to questions raised. More generally, the EACI is perceived by

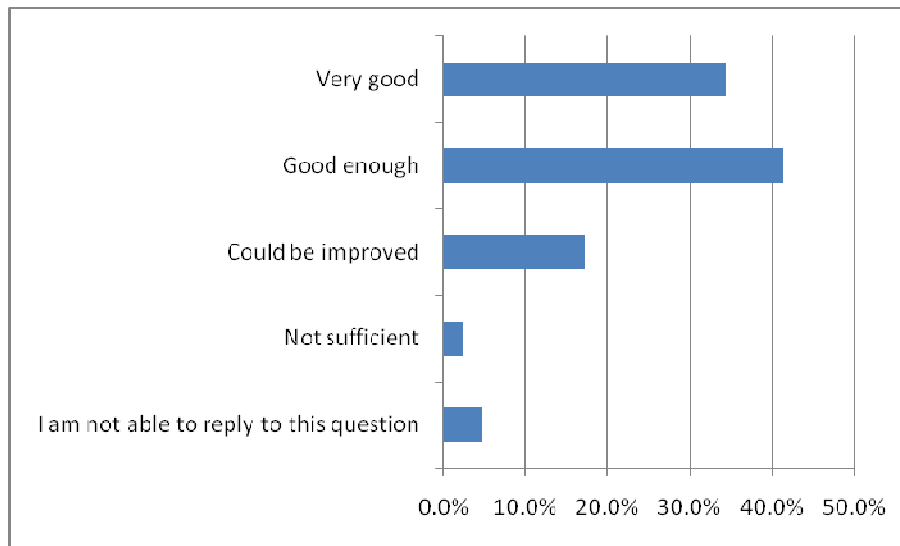
<sup>45</sup> Evaluation of the first three years of operation of the Executive Agency for Competitiveness and Innovation – (ex-Intelligent Energy Executive Agency), Deloitte, December 2008



project participants as working efficiently and according to improved procedures over time, with significant improvements made compared to the management before it was under the EACI's responsibility.

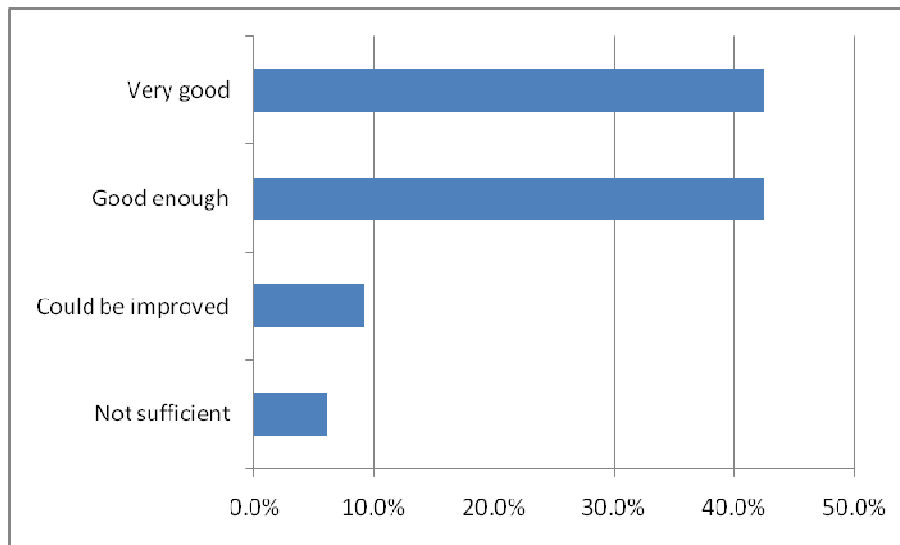
This confirms the findings of the 2008 EACI evaluation, which noted that the quality of EACI support and the availability of the EACI to answer questions from the IEE beneficiaries were good.

**Figure 37: Answers to question survey: The quality of the support received from the EACI staff during the execution of the project is...**



Source: Web based survey from the EACI evaluation – November 2008

**Figure 38: Answers to question survey: The EACI staff's availability to answer questions is...**



Source: Web based survey from the EACI evaluation – November 2008

The IEEC members, NCPs, and project participants whom we interviewed considered that the EACI officers are competent, and that the agency is adequately staffed, though several found the EACI to be overloaded at times, leading to lower support on projects. Project participants cited an increased quality of contacts with project officers since IEE I.

As noted in the interim evaluation, the EACI set up an internal task force to simplify processes. The introduction of the 60% flat rate for the project overheads for instance increased the efficiency of the proposal effort for the project coordinators and partners as well as for the EACI. Nonetheless, significant efforts are still needed by the EACI as grants are based on a cost based payment instead of a fee/hour system used for tenders (as imposed by the financial regulation), meaning the EACI financial officers must check all costs incurred by the projects.

**Finding 58**

Overall, the performance of the EACI in managing the promotion and dissemination projects is considered as good by project participants. The programme’s beneficiaries and stakeholders generally consider the EACI human resources as competent and available to support the projects’ implementation.

There is a lack of clarity on the efficiency of the management of the other programme components than the promotion and dissemination projects, although interviewed IEEC members mentioned that management of the concerted actions is good, and the tender project selected in the sample indicated a proportional project management cost in line with that of the promotion and dissemination projects. For market replication projects it is yet too early to assess the efficiency of their management given that the first projects have started less than a year ago – these are moreover pilot projects which may differ to a certain extent to future ELENA projects which will nonetheless benefit from their experience.

**Finding 59:**

There is a lack of clarity on the efficiency of the management of the other programme components than the promotion and dissemination projects as it is too early to tell for market replication projects, the first of which started less than a year ago, and despite interviewed IEEC members mentioning that the management of the concerted actions is good. The tender project selected in the sample also indicates a proportional project management cost in line with that of the promotion and dissemination projects.

Project level:

Most interviewed promotion and dissemination project participants mentioned that their project coordinators efficiently and effectively managed the projects. The effort required to participate in projects as a coordinator was perceived to be significantly higher than that to merely participate in the projects as a partner (although the required effort was perceived to vary much across partners too, depending on whether they led project work packages or not).

From the sample of projects analysed, the project management costs represented about 14% of total eligible project costs of the projects.

**Table 36: Project management and eligible project costs for the sample of selected IEE II promotion and dissemination projects**

| kEUR  | Project management costs | Total eligible project costs | % Project management costs |
|---|--------------------------|------------------------------|----------------------------|
| Total for promotion and dissemination projects (23) | 4,731.469                | 32,973.174                   | 14.3%                      |
| Average for promotion and dissemination projects    | 205.716                  | 1,433.616                    | 14.3%                      |

Source: EACI data, own calculations

The available data for the market replication projects does not allow to identify clearly the project management costs for these projects themselves, but a quick approximation based on this data indicates that it might also be in the range of 10-15% of eligible project costs as for promotion and dissemination projects. Moreover, it is too early in the process for most of the market replication projects to be able to assess the efficiency of their project management given they have started less than a year ago.

There is no consolidated data available to assess the project level management costs for tenders, concerted actions or other projects.

**Finding 60:**

The project management costs at project level seem to be about 14% of total eligible project costs for promotion and dissemination projects, and in the range of 10-15% of total eligible project costs for market replication projects. Project management costs are not available for the other components.

**Extent to which the administrative procedures (contractual and legal, monitoring, etc.) contributed to an efficient programme management**

While the many projects undertaken under IEE II must be monitored and followed-up to ensure alignment with plans and objectives, a key aspect of efficient management of EU programmes is to ensure that the administrative burden placed on participants is reasonable, such that a balance is struck between control and cost.

This balance is felt to be adequate for IEE II by a vast majority of project participants consulted.

The project participants having participated in IEE in the past moreover feel that there has been a reduction in the administrative burden over time, e.g. through the use of flat rates and the electronic submission of proposals.

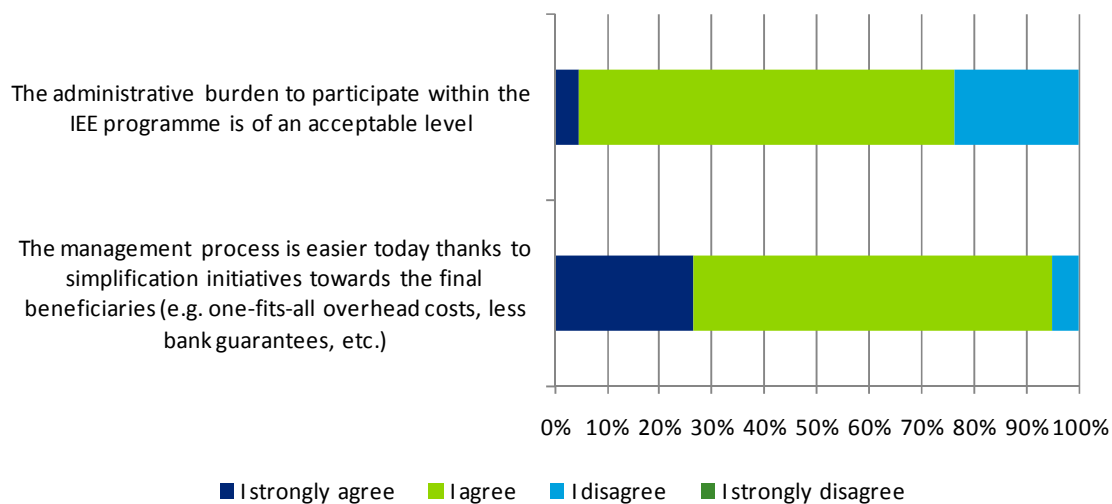
**Table 37: Project participant’s perception of the administrative burden in IEE II**

|                     | Management process is easier today thanks to simplification initiatives towards the final beneficiaries (e.g. one-fits-all overhead costs, less bank guarantees, etc.) | Administrative burden to participate within the IEE programme is of an acceptable level |
|---------------------|--|---|
| I strongly agree    | 27%  | 5%  |
| I agree             | 51%  | 67%   |
| I disagree          | 9%   | 22%   |
| I strongly disagree | 2%   | 3%  |
| No opinion          | 12%  | 2%  |
| <b>Total</b>        | <b>100%</b>  | <b>100%</b>   |
| Count               | 129  | 129   |

Source: web-based survey PC/PP

This opinion is shared by the IEEC members.

**Figure 39: IEEC members’ perception of the administrative burden in IEE II**



Source: web-based survey IEEC/NCP

**Finding 61:**

The administrative burden linked to the IEE II programme is felt to be reasonable by all involved parties, and has been reduced over time.

Nonetheless, project participants feel that the degree of control is sufficient.

For promotion and dissemination projects, the participants also confirmed that the EACI follow-up the project costs very closely, both during the negotiation of proposals and during the project lifetime to ensure the efficiency of the proposed and undertaken activities. On the whole this is felt to be beneficial by project participants (a learning process), although in some cases, it was perceived that there was an excessive focus on reducing project costs.

Although it is too early to assess the level of control and management efficiency for market replication projects, it should be noted that the project selection process was made as light as possible for the Commission to increase efficiency as it is a two-step process which may be heavier for the EIB. The light selection process for the Commission means they may not have all detailed information available to the EIB. The project reporting requirements to the Commission for market replication projects are also less demanding than for promotion and dissemination projects although, these may again differ from those to the EIB, with not all information transmitted as is to the Commission (perhaps also given the overall more quantified and tangible nature of the outputs of market replication projects which may be easier to monitor). The fact that these projects are not executed by international consortia may also reduce a degree of complexity in their management.

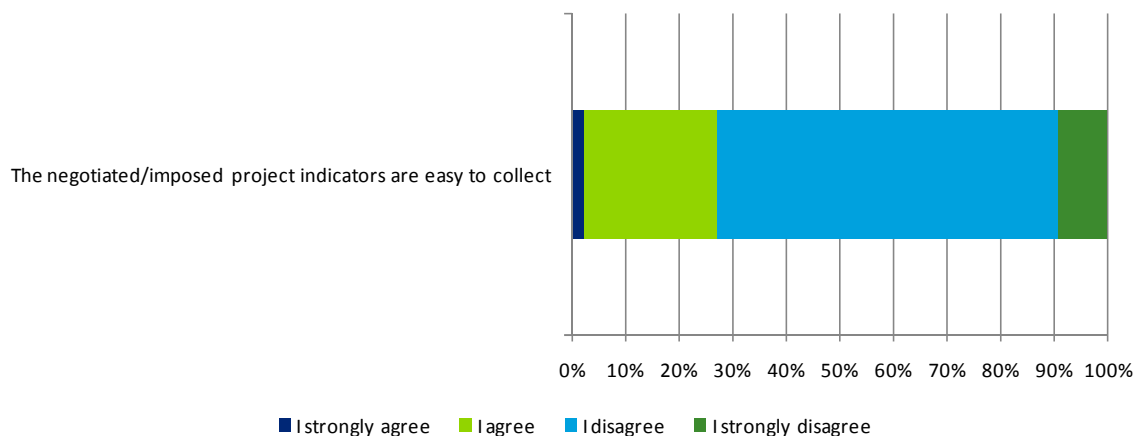
Interviewed IECC members and EC officials felt that the management of concerted actions and tenders was relatively efficient.

**Finding 62:**

The promotion and dissemination project evaluation process pays particular attention to the efficiency of the projects by going into the project costs details. This aspect is negotiated with the project's partners after the selection of the projects, and followed up closely during project's lifetime. The selection and follow-up for market replication projects is lighter than for promotion and dissemination projects for the Commission, but is a two-step process which may be as heavy for the EIB – it is too early to assess the efficiency and level of control of this process and it appears that the Commission may not have all information available to the EIB as is.

One area where efficiency of project management is perceived as lesser for promotion and dissemination projects is the collection of project indicators to be able to report to the EACI.

**Figure 40: Project participants' perception of the difficulty of collecting indicators for promotion and dissemination projects**



Source: web-based survey PC/PP

#### 4.3.2.3 CONCLUSIONS

IEE II's main activities were individually perceived as being carried out efficiently and cost effectively by programme management and project participants.

The promotion and dissemination projects managed by the EACI at programme level represent the biggest management cost for IEE. The EACI are overall perceived as efficient by project participants, as are their project coordinators, and the IEEC members note that their resourcing is considered as adequate.

The efficiency of the management of other programme components is less clear as consolidated and clear data is not available on this.

#### 4.3.3 IS THE PROJECT SELECTION PROCESS TIMELY AND EFFICIENT? IF NOT, COULD IT BE IMPROVED?

##### 4.3.3.1 INTRODUCTION

For this evaluation question, we defined two judgement criteria:

- Extent to which the duration of the selection process for IEE projects contributed to efficiently tackling the programme objectives;
- Extent to which the resources involved in the selection process for IEE projects contributed to efficiently tackling the programme objectives;

We first assess the duration of the project selection process for the different programme components, then look at the extent to which the resources involved contributed to effectively tackling the programme objectives.

Our assessment is based on information from the desk research and data collected during interviews, case studies and web based surveys for this evaluation.

##### 4.3.3.2 DATA AND FINDINGS FROM SOURCES

A key trade-off for the project selection process is that between the quality of the process and its duration. The programme management believe that an adequate balance has been established in this respect. As the process is different for the various components of the IEE II programme, we treat these individually below.

#### **Extent to which the duration of the selection process for IEE projects contributed to efficiently tackling the programme objectives**

##### Promotion and dissemination projects:

Promotion and dissemination projects are selected through a formal yearly selection process with the same fixed timelines for all participants. The selection process starts with the publication of calls for proposals based on the approved annual IEE work programmes. The main steps in the process are then:

- The submission of proposals by applicants before a defined deadline, normally at least 3 months after the call publication;
- The evaluation of submitted proposals (first for eligibility by the EC, then for award by an evaluation committee of experts) leading to a list of pre-approved proposals (sometimes including a reserve list) for negotiation with the EACI. This generally takes about six months;
- The negotiation of changes with selected projects by the EACI for their approval – the close of this phase is usually three to four months after the end of the evaluation;
- The contract signature, which can again take several months to be closed.

The EACI confirms that the contracting time is on average less than one year, and comparable to that for the other programmes it manages (and certainly less than for the RTD FP). This time is needed to send detailed evaluation summaries to all proposers, and carry out careful negotiations to make sure that selected projects start on the right track, eventually saving resources during the subsequent

implementation of these projects. The longest steps in the process are typically the evaluation of projects and the negotiation and signature of contracts. As can be seen in the table below, the overall process (from call publication to contract signature) has taken up to 1,5 years for the last reserve list proposals in certain calls (for which negotiation can only start when all other negotiations are finished and enough savings become available to pick these proposals from the reserve list).

**Table 38: Project selection process timing for promotion and dissemination projects and market replication projects**

| Programme component                  | Project selection process stage | 2007        | 2008        | 2009       | 2010       | 2011       |
|--------------------------------------|---------------------------------|-------------|-------------|------------|------------|------------|
| Promotion and dissemination projects | Work programme approval         | 10/01/2007  | 10/01/2008  | 13/02/2009 | n/a        | n/a        |
|                                      | Work programme establishment    | 30/03/2007  | 12/03/2008  | 31/03/2009 | 23/03/2010 | 18/01/2011 |
|                                      | Call publication                | 20/04/2007  | 13/03/2008  | 31/03/2009 | 23/03/2010 | 18/01/2011 |
|                                      | Proposal deadline               | 28/09/2007  | 26/06/2008  | 25/06/2009 | 25/06/2010 | 12/05/2011 |
|                                      | Evaluation end                  | n/a         | <31/12/2008 | 15/12/2009 | n/a        | 1/10/2011  |
|                                      | Negotiation end                 | n/a         | 30/04/2009  | n/a        | n/a        | 1/01/2012  |
|                                      | Contract signature end          | <31/12/2008 | 15/09/2009  | n/a        | n/a        | n/a        |
| Market replication projects          | Publication of priorities       | -           | -           | 31/03/2009 | 23/03/2010 | 18/01/2011 |
|                                      | Proposal deadline               | -           | -           | 31/12/2011 | n/a        | n/a        |
| Tenders                              | Call publication                | -           | -           | -          | -          | -          |
| Concerted actions                    | Call publication                | -           | -           | -          | -          | -          |

Source: EACI, IEE work programmes

**Finding 63:**

The project selection process timing and duration for promotion and dissemination projects has differed over the years taking about a year on average.

The length of the selection process for promotion and dissemination projects is very positively perceived by a majority of project participants, some of whom nevertheless mention that the overall duration may sometimes cause issues, including their project no longer being as relevant when it starts as it was when the idea first arose, sometimes more than two years prior. Taking a closer look, participants almost unanimously mention that the time allotted for the submission of proposals is reasonable, and are slightly less positive with regards to the time taken to assess applications and make awards.

**Table 39: Project participant's perception of the application timescales in IEE II**

|   | Very good | Good | Neutral | Poor | Very poor | No opinion | Total       | Count |
|---|-----------|------|---------|------|-----------|------------|-------------|-------|
| Application procedures and timescales             | 27%       | 50%  | 20%     | 0%   | 0%        | 3%         | <b>100%</b> | 129   |
| Time taken to assess applications and make awards | 18%       | 35%  | 32%     | 9%   | 3%        | 4%         | <b>100%</b> | 129   |

Source: web-based survey PC/PP

The fact that the vast majority of participants surveyed find the duration of the application and assessment phases neutral, good or very good, indicates that notwithstanding the quality of the selection process, selection is timely. Some interviewed project participants nonetheless mentioned that the project selection process duration should ideally be further reduced to the extent this is possible.

**Finding 64:**

The selection process for promotion and dissemination projects is perceived as timely by most project participants, including the time taken to assess applications and make awards. The fact that the vast majority of participants surveyed find the phase neutral, good or very good, indicates that notwithstanding the quality of the selection process, selection is timely.

Certain IEEC members moreover highlight a lack of visibility on the selection process. It is not always clear to them why the evaluation, negotiation and contract signature phases are so long.

While it is felt that the lack of timeliness does not contribute favourably to efficiently tackling the programme objectives, the selection process is nonetheless generally viewed as fair and leading to the selection of the best projects. The project participants furthermore appreciate the quality of the explanations of the decisions to award or reject proposals.

**Table 40: Project participant’s perception of the quality of award feedback in IEE II**

|   | Very good | Good | Neutral | Poor | Very poor | No opinion | Total       | Count |
|---|-----------|------|---------|------|-----------|------------|-------------|-------|
| Explanation for the decision to award or reject | 18%       | 51%  | 21%     | 4%   | 0%        | 6%         | <b>100%</b> | 129   |

Source: web-based survey PC/PP

**Finding 65:**

While it is felt that the lack of timeliness does not contribute favourably to efficiently tackling the programme objectives, the selection process is generally viewed as fair, leading to the selection of the best projects, and of good quality.

A number of IEEC members nonetheless mention that the transparency of the promotion and dissemination project selection process could be improved for the IEEC.



### Market replication projects:

Unlike promotion and dissemination projects, market replication projects are selected on a first come first served basis in a selection process potentially lasting three years for the funds allocated from the work programme in a given year. In practice the allocation process is unlikely to take that long given that the majority of the 2009 and 2010 ELENA-EIB budgets have been allocated in less than a year from the effective start of their allocation periods. While the envelope and priorities for the funding from a given year are described high-level in the annual work programme, specific dates for the selection process are not mentioned, and the funding simply becomes available on a first come first served basis once the facility is publicized by the IFI managing it, as has been done by the EIB for ELENA-EIB funding and KfW for ELENA-KfW funding on their websites (and at different events).

For ELENA-EIB the steps of the project selection process are that:

- Candidates submit their applications to the EIB which reviews these on a “first-come, first-served basis” and according to light criteria as set out in the relevant EIB web page (e.g. a minimum of €50 million investment programme size, alignment with EU energy policy objectives, etc.);
- The EIB rejects, amends, or accepts the application, in which case they submit projects to the EC (DG ECFIN) for approval (after negotiation if there are amendments);
- DG ECFIN has 15 days to approve projects under a light approval process involving consultation of DG ENER (and the EACI as appropriate) – the principle being that ELENA-EIB is jointly managed with delegation of certain implementation tasks to the EIB leveraging its internal control system, resulting in a lighter approval process by the Commission to ensure speediness and efficiency, also taking into account the much lower expected volume of applications than for promotion and dissemination projects;
- Once the EC approve a project, the contract can be signed between the beneficiary and the EIB. The funding from the ELENA envelope of a given year remains available for up to three years, depending on its take-up.

The selection process for ELENA-KfW has recently started with a similar process, and ELENA-CEB has not yet been put in place at the time of the evaluation but its selection process will likely also be based on a similar system to that of ELENA-EIB. Nonetheless, ELENA-KfW and ELENA-CEB will need to cater for the fact that their scale is smaller than that of ELENA-EIB, and the range of potential applicants higher, such that the potential number of applications may be higher.

### **Finding 66:**

Unlike for promotion and dissemination projects, market replication projects are approved on a first come first served basis through a multi-stage approval process first involving the EIB then the Commission.

At this stage 85% of the 2009 funding and 67% of the 2010 funding for market replication projects under the ELENA-EIB facility has already been allocated (projects approved) and it is expected that the remaining budget will most likely soon be allocated given that there are 23 further requests under review (specific projects identified or pre-approved). As the contracting period for the funds from a given year is three years, we see that the uptake has been quick considering that the ELENA-EIB facility started one year late (project applications for ELENA-EIB could only be submitted as of January 2010 given that the contribution agreement with the EIB was only signed in December 2009, and the EIB naturally only then publicized the availability of the funding). The Commission and EIB find the project uptake rate for this new facility very satisfactory.

The project selection process has just been launched for ELENA-KfW, and is not yet launched for ELENA-CEB.

### **Table 41: Budgeted and allocated market replication funding under IEE II**

| Budgeted and actual allocation (k €)                         | Field     | 2009  | 2010  | 2011  |
|--|-----------|-------|-------|-------|
| Budget for market replication projects                       | ELENA EIB | 15000 | 15000 | 19000 |
|  | ELENA KfW | -     | -     | 8000  |
|  | ELENA CEB | -     | -     | 3000  |
| <i>Budget for market replication projects</i>                |           | 15000 | 15000 | 30000 |
| Actual market replication allocations<br>(projects approved) | ELENA EIB | 12755 | 10113 | 0     |
|  | ELENA KfW | -     | -     | 0     |
|  | ELENA CEB | -     | -     | 0     |
| <i>Total actual market replication allocations</i>           |           | 12755 | 10113 | 0     |
| % budget allocated   |           | 85%   | 67%   | 0%    |

Source: EC, EIB data, own calculations

From the available data for 5 of the 6 signed contracts, it transpires that the average time from the reception of proposals to contract signature was 4,5 months, i.e. much quicker than the time taken to assess and negotiate the much larger number of proposals received under the promotion and dissemination project calls, as can be expected. Moreover, given that the ELENA facility is a new and innovative instrument, it is to be expected that there be a learning process before reaching lean operations. Additionally, while there is no structural peak of selection workload as for the promotion and dissemination projects from the selection process, the selection process for ELENA may need some flexibility to be able to handle a varying throughput of applications given that these come on an ad hoc basis.

As the market replication project coordinators mentioned that in general, it took them between 3 and 6 months to create proposals forming the basis of ELENA contracts, the overall lead time from the start of efforts by applicants (on average about 9 months) seems very reasonable by EU standards. The coordinators also mentioned that the administrative burden for this process was reasonable.

#### **Finding 67:**

85% of the 2009 funding and 67% of the 2010 funding for market replication projects has already been allocated and it is expected that the remaining budget will most likely soon be allocated given that there are 23 further requests under review. This shows a rapid uptake of ELENA funding with the project selection process seeming to take about 4.5 months on average for signed contracts.

#### Tenders projects:

Tenders under the IEE programme follow the usual EC procurement processes and rules, including for project selection. These are considered by certain Commission desk officers interviewed as rather heavy and leading to long lead times, which is logical given that by nature they place more effort on the side of the EU which must identify and describe exactly what they are procuring and under which conditions, as per standard procurement procedures. The overall lead time may be relatively long given that the tenders must be identified and defined before the establishment of the annual work programmes (as they are submitted for review to the IEEC), and can only be launched once the work programmes is approved, and based on the procurement process rules and availability of internal resources to follow them up (the EC

resources dedicated to tenders are typically not fully dedicated to these and have variable workload based on EC priorities although the number and size of tenders are planned in function of the available resources and priorities).

Indicative timelines for the tender project selection processes for the individual IEE tenders are identified in the annual work programmes but cannot always be respected. Nonetheless, timelines are published as per the standard procedure for tenders, though IEEC members believe that information on the IEE tenders selection process could be improved, e.g. by consolidating the information on IEE tenders and regularly communicating publications, modifications and awards of IEE tenders to the IEEC to ensure clarity via a consolidated view (this is claimed to be difficult to obtain independently given the large number of different tenders being published by the EC).

**Finding 68:**

Tenders under the IEE programme follow the usual EC procurement processes and rules, including for project selection.

Concerted actions projects:

Concerted actions have no real project selection process as it is the Member States who define their representatives in the concerted action projects, given that they are the target group of these projects. They are launched for three year periods (renewable if appropriate) as is felt relevant by the Member States and the Commission based on the creation or update of key sustainable energy directives, and simply detailed in the annual work programmes.

Summarizing the above, we note a varied picture in terms of the timeliness of the selection processes for IEE II projects. IEEC members would ideally like this to be improved for promotion and dissemination projects but are not sure this would be possible due to the difficulty to perform project selection effectively with the same quality levels as currently achieved for IEE II. It appears that the quality of the selection process may be deemed to warrant the relatively long selection process. On the other hand, market replication projects have a relatively quick selection process – its quality will only become apparent once results are achieved.

**Extent to which the resources involved in the selection process for IEE projects contributed to efficiently tackling the programme objectives**

There is no information readily available on the efficiency of the project selection process in terms of the resources involved. IEEC members mention they should have such a visibility.

For promotion and dissemination projects, a large number of external evaluators are involved in the evaluation of the proposals received in response to the calls (e.g. 86 in 2008) but it is difficult to assess to what extent this is an efficient process. As mentioned above, the lead time of the process is considered long but perhaps warranted to maintain the level of quality of the process.

In terms of negotiation, project participants mention that the process could be made more efficient by imposing a limited number of review rounds, and allowing for adaptation to proposals based on input from both parties to the negotiation.

The selection process for market replication projects is quick but it is difficult to comment on its efficiency given that this process is still relatively new, may be experiencing a learning curve, and that results of projects are yet to be achieved given the first projects only started less than a year ago. Moreover, it seems that there may be a need for flexibility from the EIB to handle a variable throughput of applications based on the first come first served nature of the process.

As tenders follow the well known standard procurement processes, these can be considered relatively efficient.

## **Finding 69:**

There is no information readily available on the efficiency of the project selection process in terms of the resources involved. IEEC members mention they should have such visibility.

### 4.3.3.3 CONCLUSIONS

The project selection processes for IEE II promotion and dissemination and market replication projects are timely notwithstanding their quality.

Tenders under the IEE programme follow the usual EC procurement processes and rules, including for project selection which can be considered as efficient.

There is no information readily available on the efficiency of the project selection process in terms of the resources involved. IEEC members mention this should be made available.

### 4.3.4 DID THE PROGRAMME ATTRACT (AND TARGET) THE BEST AND MOST APPROPRIATE BENEFICIARIES?

#### 4.3.4.1 INTRODUCTION

For this evaluation question, we defined one judgement criterion:

- Correspondence between the IEE programme targets and actual beneficiaries.

We assess this criterion based on information from the desk research and data collected during interviews, case studies and surveys for this evaluation.

#### 4.3.4.2 DATA AND FINDINGS FROM SOURCES

#### **Correspondence between the IEE programme targets and actual beneficiaries**

As previously seen, the IEE II programme has a broad range of target groups, including for its beneficiaries.

IEE II does not define overall specific participation targets for the different types and groups of beneficiaries. This is possibly due to the diverse nature of the various programme components, and corresponding wide range of potential beneficiaries for these components. The promotion and dissemination projects especially cover a very broad spectrum of activities for which numerous types of actors may be relevant, especially given the accessible scale of the projects. It is perhaps also due to the difficulty to assess the relative impacts, effectiveness, and efficiency of projects undertaken by different types of actors given the absence of data for this to date.

## **Finding 70**

IEE II does not define overall specific participation targets for the different types and groups of beneficiaries given the different nature of the various programme components, the wide range of potential beneficiaries for the four main components, and the difficulty to assess the relative impacts of projects undertaken by different types of actors.

Nonetheless, some non quantified targets aiming for “balanced” participation in the programme are set for the participation of specific types and groups of beneficiaries to the IEE II promotion and dissemination projects given their particular importance to ensure proximity to the market, and the introduction of new ideas and actors to the programme. The targets cover:

1. Balanced participation by public and private, non-profit and profit-making beneficiaries, as well as a high proportion of SMEs, to ensure fulfilment of the pre-competitive objectives of the IEE II Programme. The indicators used for follow-up of this are:
  - The percentages of public and private beneficiaries;
  - The proportion of SMEs (including among the private beneficiaries);

- The percentage of new local and regional authorities involved in the applications;
- 2. Balanced participation of new participants and previously identified stakeholders:
  - A good proportion of new beneficiaries successfully participating in IEE II, particularly from new Member States and countries with just a few organisations having participated. Several indicators are used to track this, namely the 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;
  - Involvement of previously identified stakeholders relevant to the action. The indicator used to follow this up is the participation rates of stakeholders, duly categorised, and qualitative analysis of the benefits of various combinations of stakeholders;
- 3. Balanced participation across the Member States:
  - Active participation by applicants from all participating countries. The indicator is the representation of eligible countries;
  - More active involvement of beneficiaries from new Member States. The indicator is the percentage of coordinators from new Member States successfully participating in IEE II;

The targets are monitored and reported on in the annual IEE implementation reports (available for 2007, 2008 and 2009).

#### **Finding 71**

Participation targets are set, mainly for the participation of SMEs, newcomers, and organizations from new Member States to the promotion and dissemination component of the programme. These targets are not quantified but aim for “balanced” participation in the programme. They are reported on in the annual IEE implementation reports.

As the targets are not quantified it is difficult to be precise on their attainment, but the programme generally seems to perform well on most of these measures.

Starting with the participation of public and private, non-profit and profit-making beneficiaries, we observe that most of the programmes’ applicants and beneficiaries are privately funded organisations (>60%), and that a higher proportion of private beneficiaries participate in IEE II than was the case in IEE I, as well as that this proportion has slightly increased over time.

**Table 42: Public and private applicants (multiple counting)<sup>46</sup>**

| Applicants (multiple counting)   | IEE I | Call 2007 | Call 2008 | Call 2009 | Call 2010 | IEE II |
|----------------------------------|-------|-----------|-----------|-----------|-----------|--------|
| <b>Public (GOV+PUC+INO)</b>      | 38%   | 38%       | 33%       | 33%       | n/a       | 35%    |
| <b>Private (PNP, PRC, other)</b> | 62%   | 62%       | 67%       | 67%       | n/a       | 65%    |
| <b>Total</b>                     | 100%  | 100%      | 100%      | 100%      | n/a       | 100%   |

Source: EACI data, own calculations

**Table 43: Public and private contracted organisations (multiple counting)**

| Contracted organisations (multiple counting) | IEE I | Call 2007 | Call 2008 | Call 2009 | Call 2010 | IEE II |
|--|-------|-----------|-----------|-----------|-----------|--------|
| <b>Public (GOV+PUC+INO)</b>                  | 38%   | 40%       | 34%       | 33%       | n/a       | 36%    |
| <b>Private (PNP, PRC, other)</b>             | 62%   | 60%       | 66%       | 67%       | n/a       | 64%    |
| <b>Total</b>                                 | 100%  | 100%      | 100%      | 100%      | n/a       | 100%   |

Source: EACI data, own calculations

The main evolutions noted are that amongst the IEE II beneficiaries, approximately 21% are private commercial organisations throughout IEE II, 7% less than in IEE I, and that there is a slight decrease in the participation of governmental and public commercial organizations over time, and compared to IEE I. As the available data shows an increase in the others category, it may be that these figures will be closer to IEE I after cleaning.

<sup>46</sup> It should be noted that the figures include multiple counting which means that organisations that participate in more than one project are counted twice or more (this is the case in all following tables where mention is made of multiple counting)

**Table 44: Contracted organisations (multiple counting)**

| Contracted organisations (multiple counting)   | IEE I | Call 2007 | Call 2008 | Call 2009 | Call 2010 | IEE II |
|--|-------|-----------|-----------|-----------|-----------|--------|
| <b>Governmental (GOV)</b>                      | 30%   | 31%       | 28%       | 26%       | n/a       | 28%    |
| <b>Public Commercial (PUC)</b>                 | 8%    | 8%        | 5%        | 6%        | n/a       | 6%     |
| <b>Private non-profit (PNP)</b>                | 29%   | 30%       | 32%       | 34%       | n/a       | 32%    |
| <b>Private Commercial (PRC)</b>                | 28%   | 20%       | 20%       | 21%       | n/a       | 21%    |
| <b>International Organization (INO)</b>        | 0%    | 1%        | 2%        | 1%        | n/a       | 1%     |
| <b>European Economic Interest Group (EEIG)</b> | 0%    | 0%        | 1%        | 1%        | n/a       | 1%     |
| <b>OTHER</b>                                   | 4%    | 9%        | 12%       | 11%       | n/a       | 11%    |
| <b>Total</b>                                   | 100%  | 100%      | 100%      | 100%      | n/a       | 100%   |

Source: EACI data, own calculations, OTHER not yet cleaned/verified except for Call 2005, incl still many PNP

Responses to the websurvey for project participants confirmed this too with 35% public organizations and 65% private.

**Table 45: Organisation types stated in the survey of promotion and dissemination project participants**

| Organisation profile                   | Number     | Percentage  |
|--|------------|-------------|
| Governmental                           | 45         | 33%         |
| Public Commercial Organisation         | 3          | 2%          |
| Private Non-profit making Organisation | 47         | 35%         |
| Private Commercial Organisation        | 27         | 20%         |
| European Economic Interest Group       | 0          | 0%          |
| International Organisation             | 0          | 0%          |
| Other                                  | 13         | 10%         |
| <b>Total</b>                           | <b>135</b> | <b>100%</b> |

Source: PC/PP websurvey

## Finding 72

The majority of the IEE II programme's beneficiaries are privately funded organisations of which one third are private commercial organisations. The proportion of private beneficiaries has slightly increased over time and compared to IEE I, but the proportion of private commercial organizations is lower than in IEE I, and there is a decrease in governmental and public commercial organizations.

As for the participation of SMEs<sup>47</sup>, the data collected shows that the number and proportion of SMEs applying to the programme and participating increased over time and compared to IEE I.

The proportion of SME beneficiaries increased more than that of SME applicants, such that while there were proportionally less SMEs amongst the beneficiaries of IEE I (37%) compared to the applicants (42%), the proportion of SMEs amongst both applicants and beneficiaries of IEE II was the same (47%). This was notably due to big increases in the proportion of SME beneficiaries in both 2008 and 2009.

The vast majority and an increasing proportion of the SME beneficiaries in IEE II are privately funded.

**Table 46: SME applicants involvement (multiple counting)**

| SME involvement (multiple counting) | IEE I | Call 2007 | Call 2008 | Call 2009 | Call 2010 | IEE II |
|-------------------------------------|-------|-----------|-----------|-----------|-----------|--------|
| N° of SME                           | 2459  | 1358      | 1348      | 1646      | n/a       | 4352   |
| % of PNP, PRC, OTH                  | 69%   | 66%       | 77%       | 75%       | n/a       | 73%    |
| % of total submitting organisations | 42%   | 41%       | 51%       | 50%       | n/a       | 47%    |

Source: Applicants' self-reported data, own calculations

**Table 47: SME beneficiaries involvement (multiple counting)**

| SME involvement (multiple counting) | IEE I | Call 2007 | Call 2008 | Call 2009 | Call 2010 | IEE II |
|-------------------------------------|-------|-----------|-----------|-----------|-----------|--------|
| N° of SME                           | 595   | 241       | 242       | 372       | n/a       | 855    |
| % of PNP, PRC, OTH                  | 62%   | 60%       | 76%       | 81%       | n/a       | 72%    |
| % of total selected organizations   | 37%   | 36%       | 49%       | 54%       | n/a       | 47%    |

Source: EACI data, own calculations

The proportion of SME's correspondingly increased in nearly all key actions between the 2007 and 2009 calls, excluding those that were closed, and the Energy Service Initiative key action where it remained relatively high. The highest proportion of SME's was noted in the Clean Vehicles and RES Domestic key actions in 2009.

<sup>47</sup> SMEs are organizations having < 250 FTE and =< € 50 million turnover or € 43 million balance sheet total



**Table 48: SME beneficiaries per Key Action, Call 2007**

|                           | SME beneficiaries per Key Action, Call 2007 |       |     | SME beneficiaries per Key Action, Call 2009 |       |     |
|---------------------------|---|-------|-----|---|-------|-----|
|                           | SME   | Total | %   | SME   | Total | %   |
| Buildings                 | 28  | 98    | 29% | 53  | 93    | 57% |
| Industry                  | 30  | 46    | 65% | 0   | 0     | -   |
| Products                  | 27  | 57    | 47% | 42  | 79    | 53% |
| Energy Service Initiative | 10  | 19    | 53% | 31  | 63    | 49% |
| Education                 | 28  | 93    | 30% | 0   | 0     | -   |
| SEC                       | 14  | 49    | 29% | 35  | 66    | 53% |
| Transport                 | 25  | 70    | 36% | 53  | 111   | 48% |
| Clean Vehicles            | 4   | 12    | 33% | 9   | 10    | 90% |
| Biofuels                  | 9   | 21    | 43% | 15  | 26    | 58% |
| RES-E                     | 14  | 30    | 47% | 31  | 66    | 47% |
| RES-H/C                   | 11  | 52    | 21% | 15  | 33    | 45% |
| RES Domestic              | 16  | 42    | 38% | 29  | 38    | 76% |
| BioBusiness               | 13  | 33    | 39% | 31  | 52    | 60% |
| CHP                       | 3   | 4     | 75% | 0   | 0     | -   |
| Local networks            | 9   | 29    | 31% | 28  | 48    | 58% |
| Energy Agencies           | 0   | 14    | 0%  | 0   | 0     | -   |
| Total                     | 241   | 669   | 36% | 372   | 685   | 54% |

Source: EACI data, own calculations

Responses to the websurvey for project participants confirmed the high proportion of SMEs with 55% of respondents mentioning their organization is an SME. As the vast majority of respondents were project coordinators, this seems to indicate a higher representation of SMEs amongst project coordinators than within the entire programme.

**Table 49: SME's amongst project participants**

| SME          | Number     | Percentage  |
|--------------|------------|-------------|
| Yes          | 74         | 55%         |
| No           | 56         | 41%         |
| Don't know   | 5          | 4%          |
| <b>Total</b> | <b>135</b> | <b>100%</b> |

Source: web-based survey PC/PP

**Finding 73**

The target for a high proportion of SMEs amongst the (private) beneficiaries targeted by IEE II is achieved.

**Finding 74**

The number and proportion of SMEs applying to the programme and participating has risen over time and compared to IEE I. The proportion of SME beneficiaries increased more than that of SME applicants from IEE I, with the two at 47% for IEE II to date. The proportion of SMEs has moreover increased during IEE II for nearly all key actions.

The high rate of participation in IEE II by private organisations and SME's contrasts somewhat with the perception of many interviewed project participants that the programme is more accessible to larger and non-commercial organisations given the need for co-financing. This may to some extent be due to the definition of SME's which covers organisations which could be considered as relatively big in the field of sustainable energy development.

**Finding 75**

The high rate of participation in IEE II by private organizations, and SME's contrasts somewhat with the perception of many interviewed project participants that the programme is more accessible to larger and non-commercial organizations given the need for co-financing. This may to some extent be due to the definition of SME's which covers organizations which could be considered as relatively big in the field of sustainable energy development.

Regarding the balanced participation of new participants and previously identified stakeholders, the overall participation rate of newcomers in IEE II is 33%.

We nonetheless perceive a decrease in the successive IEE II calls of the proportion of newcomers to the programme, both as applicants and as beneficiaries, such that the proportion of successful newcomers remains broadly in line with those of the IEE I programme. The decreases are due to the exceptionally high number and proportion of newcomers to the call 2007.

**Table 50: N° of IEE newcomers amongst applicants (multiple counting)**

| N° of IEE newcomers (multiple counting) | IEE I | Call 2007 | Call 2008 | Call 2009 | Call 2010 | IEE II |
|---|-------|-----------|-----------|-----------|-----------|--------|
| N°                                      | 1658  | 1429      | 968       | n/a       | n/a       | 2397   |
| % of total submitting organisations     | 40%   | 43%       | 37%       | 37%       | n/a       | 39%    |

Source: EACI data

**Table 51: N° of IEE newcomers amongst beneficiaries (multiple counting)**

| N° of IEE newcomers (multiple counting) | IEE I | Call 2007 | Call 2008 | Call 2009 | Call 2010 | IEE II |
|---|-------|-----------|-----------|-----------|-----------|--------|
| N°                                      | 524   | 275       | 148       | n/a       | n/a       | 423    |
| % of total selected organisations       | 32%   | 41%       | 30%       | 28%       | n/a       | 33%    |

Source: EACI data

**Finding 76**

The overall participation rate of newcomers in IEE II is 33%. This rate has tended to decrease over the successive calls of IEE II.

We also note that the proportion of newcomers amongst the programme beneficiaries is systematically over 5% below that of the applicants (except for the call 2007), indicating that previous participants to the programme have a competitive advantage to participate in subsequent years. This is confirmed by the majority of interviewees, who mention this is especially the case for the coordinator role in projects.

**Finding 77**

The proportion of newcomers amongst the programme beneficiaries is systematically over 5% below that of the applicants (except for the call 2007), indicating that previous participants to the programme have a competitive advantage to participate in subsequent years. This is confirmed by the majority of interviewees, who mention this is especially the case for the coordinator role in projects.

In the 2007 call which had a particularly high proportion of newcomers, most newcomers were to be found in the Industry, Energy Service Initiative and Transport key actions.

**Table 52: Newcomer beneficiaries per Key Action, Call 2007**

| Newcomers                 | New | Total | %   |
|---------------------------|-----|-------|-----|
| Buildings                 | 29  | 98    | 30% |
| Industry                  | 35  | 46    | 76% |
| Products                  | 14  | 57    | 25% |
| Energy Service Initiative | 12  | 19    | 63% |
| Education                 | 50  | 93    | 54% |
| SEC                       | 11  | 49    | 22% |
| Transport                 | 39  | 70    | 56% |
| Clean Vehicles            | 4   | 12    | 33% |
| Biofuels                  | 4   | 21    | 19% |
| RES-E                     | 14  | 30    | 47% |
| RES-H/C                   | 11  | 52    | 21% |
| RES Domestic              | 21  | 42    | 50% |
| BioBusiness               | 17  | 33    | 52% |
| CHP                       | 1   | 4     | 25% |
| Local networks            | 13  | 29    | 45% |

Source: EACI data

The table below shows the number of beneficiaries in the programme calls with the number of projects they manage under these calls. It makes clear that within IEE II, on average one out of ten beneficiaries is involved in more than one project in a given call, and that a small number are involved in many projects per call (i.e. more than 6).

**Table 53: Number of projects per final beneficiary**

| N° of Projects                          | N° of beneficiaries |           |           |           |        |
|---|---------------------|-----------|-----------|-----------|--------|
|   | IEE 2               |           |           |           |        |
|   | Call 2007           | Call 2008 | Call 2009 | Call 2010 | IEE II |
| 1                                       | 566                 | 363       | 451       | n/a       | 1,380  |
| 2 to 5                                  | 48                  | 58        | 63        | n/a       | 169    |
| 6 to 10                                 | 1                   | 0         | 6         | n/a       | 7      |
| more than 10                            | 0                   | 0         | 1         | n/a       | 1      |
| Total number of different beneficiaries | 615                 | 421       | 521       | n/a       | 1,557  |
| Total number with more than 1 project   | 49                  | 58        | 70        | n/a       | 177    |
| % with more than 1 project              | 8%                  | 14%       | 13%       | n/a       | 11%    |

Source: EACI data, own calculations

When looking at the number of beneficiaries participating in several projects throughout all IEE calls, this proportion obviously increases. While we do not have data on this from the EACI, 65% of participants to the project participant web-based survey responded that that they participated in several projects under

IEE, representing a significantly higher proportion than the respondents having only participated in a single project.

**Table 54: Number of projects per final beneficiary**

| Total number of projects | Number     | Percentage  |
|--------------------------|------------|-------------|
| 1                        | 47         | 35%         |
| 2                        | 23         | 17%         |
| 3                        | 10         | 7%          |
| More than 3              | 55         | 41%         |
| <b>Total</b>             | <b>135</b> | <b>100%</b> |

*Source: web-based survey PC/PP*

**Finding 78**

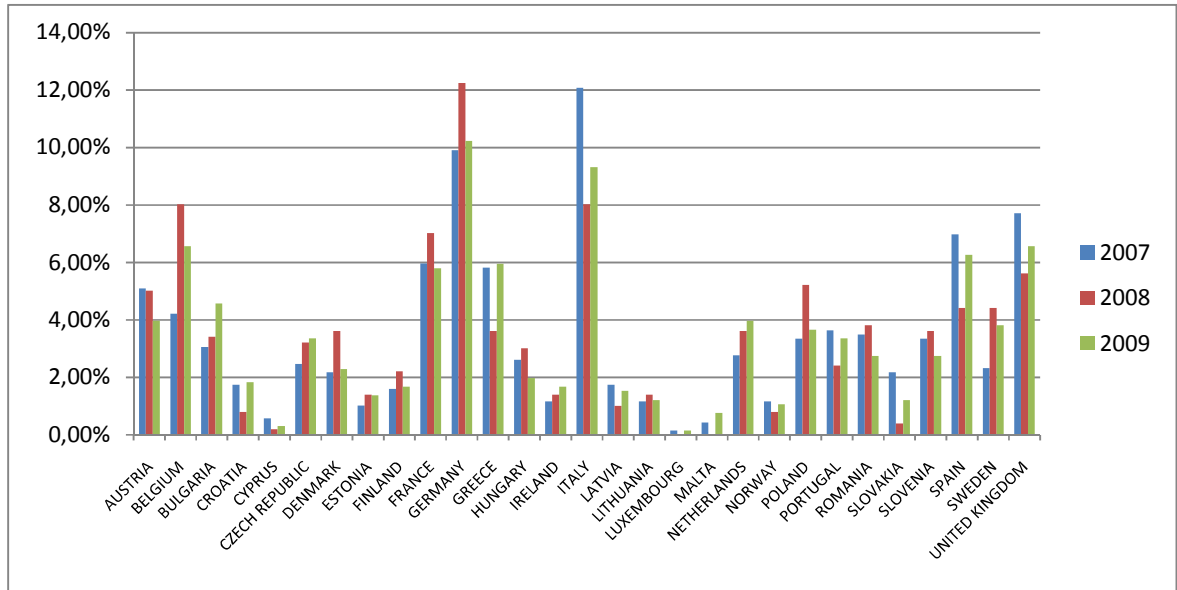
The number of beneficiaries that participate in more than one IEE project in a given call varies over time, and is overall around 11% of beneficiaries. Some beneficiaries participate in many projects per call. When looking at the number of beneficiaries participating in several projects throughout all IEE II calls, this proportion obviously increases. 65% of project participants responding to the websurvey participated in several IEE projects.

**Finding 79**

As no quantitative targets are set in the work programmes for the proportion of new beneficiaries applying to and succeeding in IEE II, it is unclear whether this target is met.

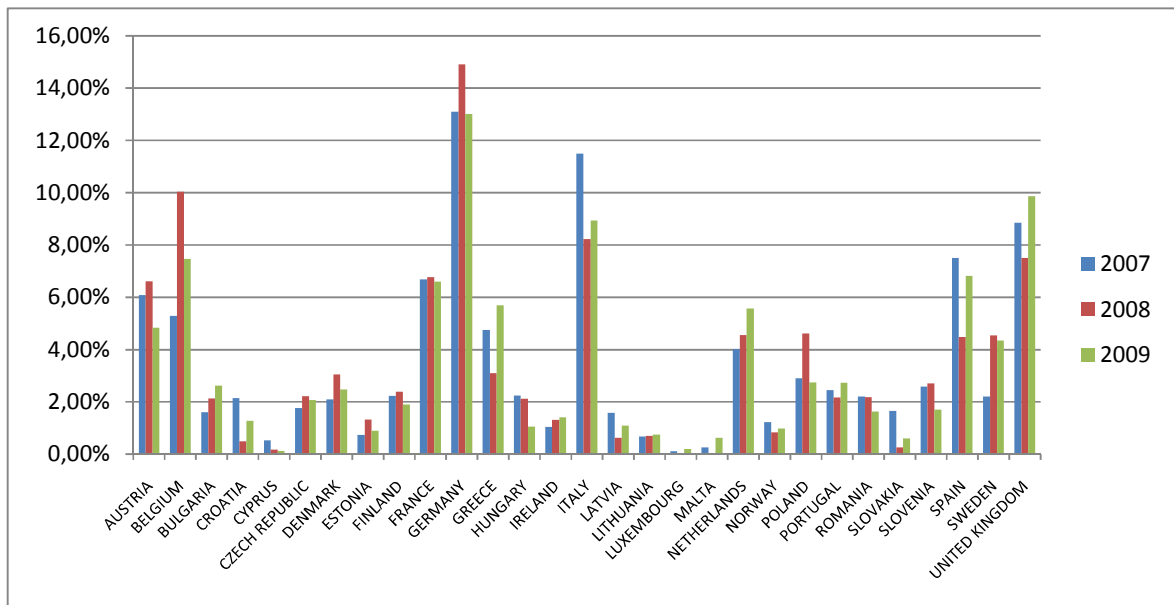
The participation across Member States in IEE II is not balanced. The data indicates a higher participation to projects and EC contribution, and especially to project coordination by a limited number of old Member States, particularly Germany and Italy. This can be expected given the relative populations and sizes of the economies of the countries, and that the projects are attributed competitively with participants from these Member States tending to have a competitive advantage. Nonetheless, the unbalance is marked.

**Figure 41: Proportion of IEE II promotion and dissemination project participants from countries**



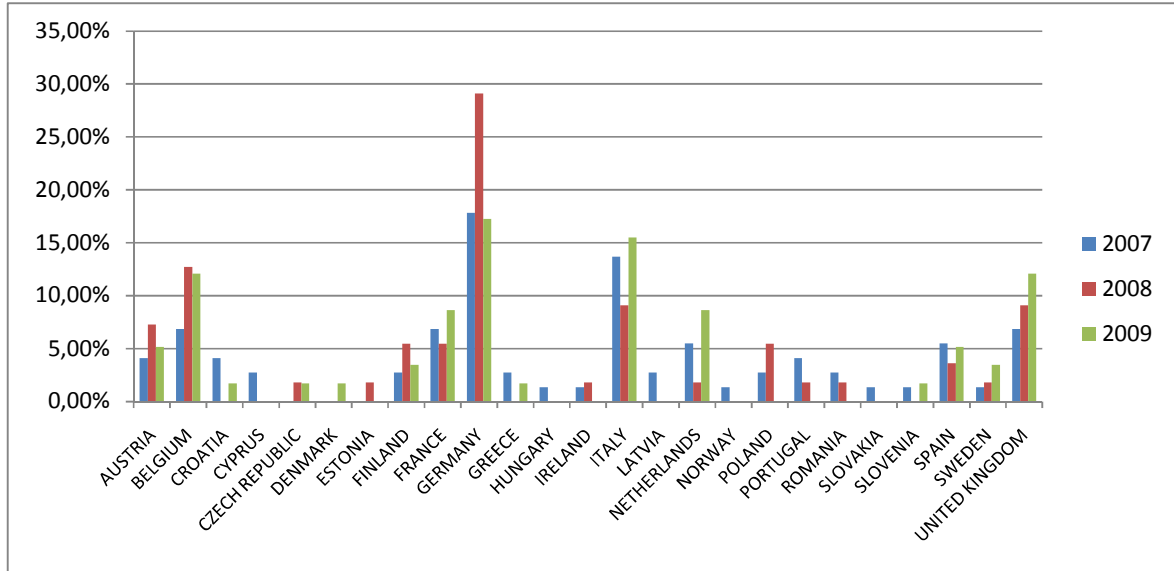
Source: EACI data, own calculations

**Figure 42: Proportion of IEE II promotion and dissemination EC contribution to countries**



Source: EACI data, own calculations

**Figure 43: Proportion of IEE II promotion and dissemination project coordinators from countries**



Source: EACI data, own calculations

Summing these figures and looking over time, we note that beneficiary participation for new Member States (EU-12) has increased in IEE II as compared to IEE I.

**Table 55: Number of projects per final beneficiary**

| Beneficiary Participation % by country | IEE I | 2007  | 2008  | 2009  | 2010 | IEE II |
|--|-------|-------|-------|-------|------|--------|
| EU-15                                  | 77.4% | 72.6% | 71.7% | 72.0% | n/a  | 72.1%  |
| EU-12                                  | 20.7% | 26.2% | 26.7% | 25.1% | n/a  | 26.0%  |
| EEA/OTH                                | 1.9%  | 1.2%  | 1.6%  | 2.9%  | n/a  | 1.9%   |
| Total                                  | 100%  | 100%  | 100%  | 100%  | n/a  | 100%   |

Source: EACI data, own calculations

**Finding 80:**

The participation in IEE II is unbalanced across countries. The proportion of beneficiaries from EU-12 has increased compared to IEE I.

However, the proportion of participants from new Member States involved in coordination of IEE II projects (10%) has lagged significantly behind that of their participation (26%).

**Table 56: Proportion of project coordinators**

| Project coordinators | 2007 | 2008 | 2009 | 2010 | IEE II |
|----------------------|------|------|------|------|--------|
| EU-15                | 84%  | 89%  | 97%  | n/a  | 89%    |
| EU-12                | 15%  | 11%  | 3%   | n/a  | 10%    |
| EEA                  | 1%   | 0%   | 0%   | n/a  | 1%     |

Source: EACI data, own calculations

For most interviewees this is explained by the fact that involved beneficiaries from new Member States may often be smaller and less experienced (in sustainable energy and IEE) than those from old Member States, and view project coordination as a daunting and risky task. Most newcomers to the programme first participate as project partners. Worryingly though, the number and proportion of coordinators from new Member States has decreased over time in IEE II while it would be expected that the inverse would have been observed.

**Finding 81:**

The proportion of participants from old Member States coordinating IEE II projects remains higher than that of the programmes' beneficiaries. Moreover, the proportion of coordinators from EU-12 has decreased over time.

There are no measures on the distribution of participants across the defined fields. It is however, interesting to observe that the percentage of requested EC contribution granted over time and across the different fields has significantly varied.

The percentage of requested EC contribution granted has significantly decreased for the steer field (from 38% in 2007 to 18% in 2010), while it has been stable or slightly increased in the other fields. This shows a significant increase in the number and quality of STEER proposals received (as confirmed by EC interviewees), presumably due to efforts made to attract applicants in this field.

**Table 57: Proportion of requested EC contribution granted across fields**

| Percentage of requested EC contribution granted |      |      |      |      |
|---|------|------|------|------|
|   | 2007 | 2008 | 2009 | 2010 |
| SAVE  | 16%  | 12%  | 15%  | 10%  |
| ALTENER   | 15%  | 17%  | 19%  | 16%  |
| STEER   | 38%  | 27%  | 22%  | 18%  |
| INTEGRATED                                      | 17%  | 18%  | 19%  | 17%  |
| Total   | 17%  | 17%  | 18%  | 14%  |

Source: EACI data, own calculation



## Finding 82

The percentage of requested contribution granted has significantly decreased in steer, while it has been stable or slightly increased in the other fields. This shows a significant increase in the number and quality of steer proposals received, presumably due to efforts made to attract project participants in this field.

For the other programmes components than promotion and dissemination projects, there are no targets or indicators followed-up in terms of the participation of different types of beneficiaries. We nonetheless note that all current beneficiaries of ELENA-EIB are from old Members States, and typically from municipalities (or groups of municipalities) from large territories, although some applications under review are for applicants from new Member States. The extension of ELENA with two new facilities, one of which dedicated to new Member States should balance this situation

**Table 58: Market replication projects across countries**

|       | 2009 and 2010 |      |              |      |
|-------|---------------|------|--------------|------|
|       | # Projects    | %    | Budget       | %    |
| EU-15 | 12            | 100% | € 22.868.389 | 100% |
| EU-12 | 0             | 0%   | € 0          | 0%   |
| Other | 0             | 0%   | € 0          | 0%   |
| Total | 12            | 100% | € 22.868.389 | 100% |

Source: EIB data, EC data, own calculations

## Finding 83

All 12 market replication projects approved to date have been for beneficiaries in EU-15, typically for municipalities (or groups of municipalities) in large territories.

Tenders under IEE follow the standard EC process, and no specific activities are undertaken to attract specific beneficiary target groups besides the exclusion and eligibility criteria in the tenders themselves.

Concerted actions have been undertaken with representatives selected by all Member States. These may be private or public, but it can be assumed they are the most appropriate, due to their selection, and coverage of all Member States is ensured.

## Finding 84

Tenders under IEE follow the standard EC process, and no specific activities are undertaken to attract specific beneficiary target groups. Concerted actions cover all Member States.

### 4.3.4.3 CONCLUSIONS

We cannot ascertain whether IEE II has targeted and attracted the best and most appropriate beneficiaries to date, given the wide range of potential beneficiaries for the four main programme components, and the impossibility to assess the relative impacts of projects undertaken by different types of actors due to the lack of measured impacts.

Participation targets in IEE II are set for the balanced participation of public and private beneficiaries, SME's, newcomers, and organizations from different Member States to the promotion and dissemination component of the programme and these are met with the exception of the balance between Member States which seems to be due to the competitive nature of the promotion and dissemination calls. Nonetheless,

the proportion of beneficiaries from EU-12 has increased compared to IEE I, except in project coordination.

All 12 market replication projects approved to date have been for beneficiaries in EU-15, typically for municipalities in large cities, while some projects under review are for applicants from new Member States and the extension of ELENA with two new facilities should balance this situation.

Tenders under IEE follow the standard EC process, and no specific activities are undertaken to attract particular beneficiary target groups. Concerted actions cover all Member States.

#### 4.3.5 DID THE PROGRAMME PROVIDE VALUE FOR MONEY?

##### 4.3.5.1 INTRODUCTION

For this evaluation question, we defined two judgement criteria:

- Comparison of overall programme results and impacts in relation to budget;
- Comparison between the benefits/impacts of the projects and their respective costs.

We first briefly assess the overall results and impacts in relation to the programme budget, then perform a more detailed study of the benefits and impacts of projects from the different programme components relative to their costs.

Our assessment is based on information from the desk research and data collected during interviews, case studies and web based surveys for this evaluation.

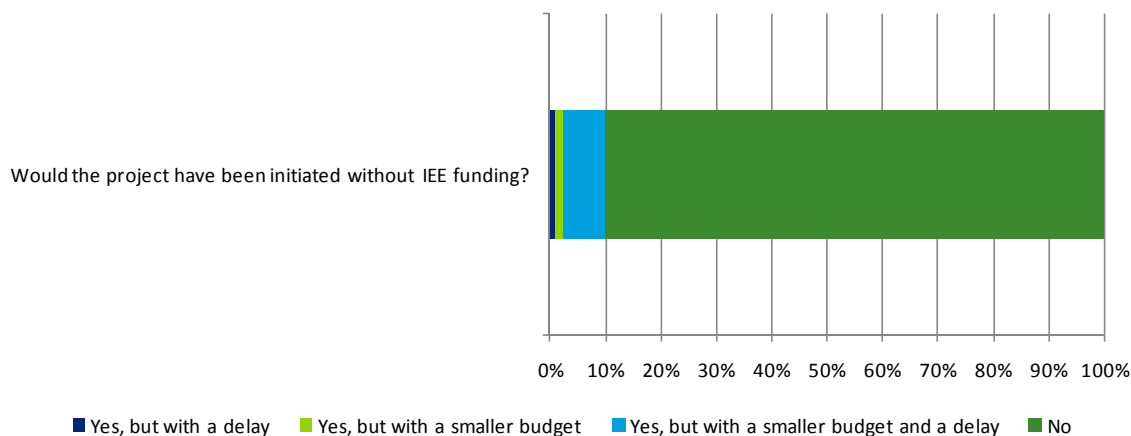
##### 4.3.5.2 DATA AND FINDINGS FROM SOURCES

#### **Comparison of overall programme results and impacts in relation to budget**

As previously seen, there is no clear, consolidated overview of the actual benefits (results and impacts) of the IEE II projects or programme to date (notably given the time it takes for these to materialize and the difficulty of measuring them). It is therefore not possible to assess the cost-benefit ratio of the IEE II projects or programme objectively.

Moreover, to confirm whether IEE II has provided value for money meaningfully, it would be necessary to be able to isolate the impact of its activities, and compare this to alternatives. This would be very difficult given the diverse nature of its activities, the fact that certain of its activities have no real alternatives, and the extreme difficulty of isolating its benefits, especially when its activities do not directly include material investments. As already seen, most project participants consider the measurement of impacts as very difficult. They also believe that many of the IEE II (co-)funded activities, do not have alternatives, or in any case, not more cost-effective alternatives.

**Figure 44: Project participants’ opinion on whether their project would have been initiated without IEE funding**



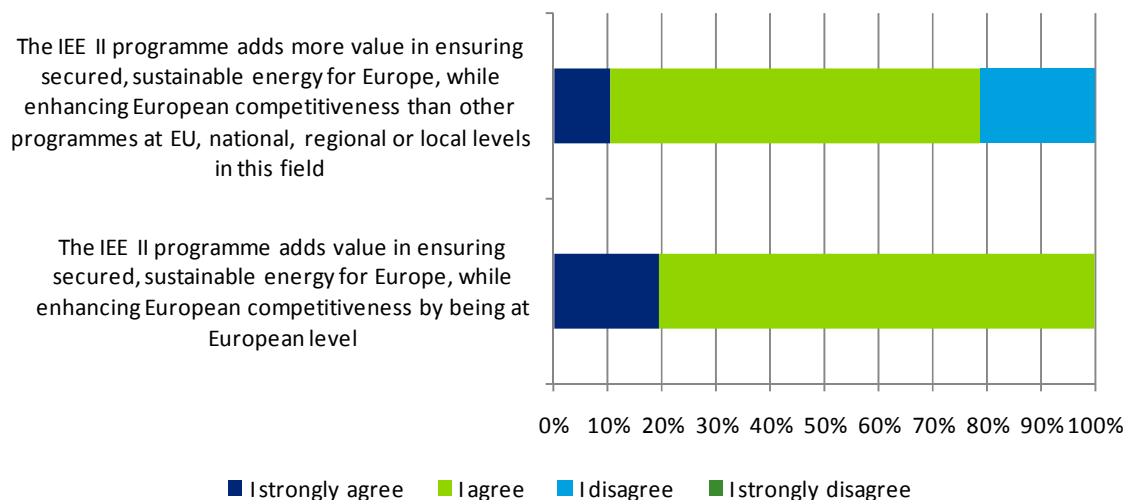
Source: web-based survey PC/PP

**Finding 85:**

To date there is no available data on the actual benefits if IEE II and it is therefore not possible to perform an objective cost benefit assessment of the IEE II programme.

Nevertheless, a vast majority of field work interviewees, whether from programme management of participants, confirmed that they believe that IEE II has provided value.

**Figure 45: IEEC members’ perception of whether IEE provides value, and if so whether more so than alternatives**



Source: web-based survey IEEC/NCP

**Finding 86:**

A vast majority of field work interviewees, whether from programme management of participants, confirmed that they believe that IEE II has provided value.

### **Comparison between the benefits/impacts of the projects and their respective costs**

As the cost data is available and certain data on expected benefits is available, we can provide some rough estimates on the expected value for money of some of the programme's activities (this analysis must still be fine-tuned).

#### **Promotion and dissemination projects:**

According to the web-based survey of project participants, thirty-six promotion and dissemination project participants confirmed that they were able to quantify impact targets, and provided estimations of these, as well as of the degree to which they would be achieved by the project, which we have been able to convert into a standard impact measured in tons of CO<sub>2</sub> equivalent saved per thousand euro invested. Based on the conversion, we determine the following expected benefits.

**Table 59: Promotion and dissemination projects' expected impacts**

| Field        | Target estimated | Percentage of projects | t CO <sub>2</sub> eq p.a. / TEUR |
|--------------|------------------|------------------------|----------------------------------|
| SAVE         | 7                | 19%                    | 52                               |
| ALTENER      | 10               | 18%                    | 68                               |
| STEER        | 8                | 35%                    | 15                               |
| INTEGRATED   | 11               | 17%                    | 148                              |
| <b>Total</b> | <b>36</b>        | <b>20%</b>             | <b>67</b>                        |

*Source: web-based survey PC/PP, own calculations*

The IEE II programme is generally perceived as a relatively cost-effective programme by promotion and dissemination project participants' self-evaluation.

#### **Finding 87:**

The promotion and dissemination projects are regarded as relatively cost-effective by participants.

Projects involving less than 10 countries are also on average self-perceived as being more cost-effective than those involving more than 10 countries, and many participants mention a maximum efficient consortium size of about 9 to 10 participants given the current programme structure.

This seems to be confirmed by data from the web-based survey, indicating that participants believe that projects involving the largest number of countries tend to be less cost-effective. Interviewees also mention that the coordination costs of projects increase more than proportionally with the number of participants in consortia, i.e. that there are diseconomies of scale in projects when a large number of participants are involved.

Nonetheless, this should be nuanced based on the different types of projects, as some naturally benefit from having a larger number of participants.

**Table 60: Promotion and dissemination projects' perceived cost-effectiveness based on number of countries involved**

| No. of countries involved |                   |
|---------------------------|-------------------|
|                           | Average C-E score |
| 0-2 countries             | 4,3               |
| 3-5 countries             | 3,6               |
| 6-9 countries             | 3,9               |
| 10-14 countries           | 3,4               |
| 15-28 countries           | 3,4               |
| <b>Total</b>              | <b>3,8</b>        |

*Source: web-based survey PC/PP, own calculations (scale: 5 = Maximum impact, in line with the focused best practise project, 4 = Higher than average impact, 3 = Average impact, like the typical P&D project, 2 = Lower than average impact, 1 = Minimum impact /no impact, - = Don't know. Values based on self-assessment)*

**Finding 88:**

Project participants self-assess projects involving up to about nine or ten countries as generally being more cost-effective.

The project participants also self-consider projects led by private commercial organizations as tending to be more cost-effective on average.

From a qualitative perspective, most project participants believe that the programme manages to tackle the non-technological barriers to the development of sustainable energy through its funded projects, i.e. that its objectives are somewhat achieved, which, given the limited overall means in relation to the total investment in sustainable energy, may give some indication that the programme is efficient.

**Table 61: Promotion and dissemination projects expected impacts**

| Characteristics of the IEE II programme/projects | Projects foster the transfer of best practices across regions and countries | Projects generally trigger investments in sustainable energy | Projects increase stakeholders' capacity to improve their energy efficiency and/or their share of renewable energy sources | Funding priorities respond to important user needs and market barriers | The programme complements well national or regional funding schemes and other EU programmes |
|--|---|--|--|--|---|
| I strongly agree                                 | 35%   | 12%  | 21%  | 19%  | 18%   |
| I agree  | 60%   | 65%  | 65%  | 59%  | 57%   |
| I disagree                                       | 2%  | 9%   | 2%   | 6%   | 9%  |
| I strongly disagree                              | 0%  | 0%   | 0%   | 0%   | 0%  |
| No opinion                                       | 4%  | 14%  | 12%  | 16%  | 16%   |
| <b>Total</b>                                     | <b>100%</b>   | <b>100%</b>  | <b>100%</b>  | <b>100%</b>  | <b>100%</b>   |

Source: web-based survey PC/PP

Market replication projects:

The available data on the six market replication ELENA-EIB projects for which contracts have been signed indicates total energy savings of 428.5 Gwh/year after all investments, total renewable energy production of 407.73 Gwh/year after all investments, and total CO2 reductions 284400 tons CO2/year after all investments. However, these amounts might not be fully attributed to EC funding through ELENA (IEE II) as the projects obviously invest much larger amounts in material to achieve them, and may in some cases have taken place without ELENA funding (as confirmed by the project coordinators) albeit more slowly and with lesser ambitions.

**Table 62: Market replication projects expected impacts**

| €                                      | EC contribution | Total project development budget | Total Investment | t. CO2 avoided p.a. per EUR ELENA-inv. (taking full benefits) | MW energy saved per EUR ELENA-inv. (taking full benefits) | MW RES energy produced p.a. per EUR ELENA-inv. (taking full benefits) |
|--|-----------------|----------------------------------|------------------|---|---|---|
| Market replication projects (6 signed) | 9182123         | 10709212                         | 994800000        | 0.030973  | 0.046667857   | 0.044404763   |

Source: EIB data, own calculations

### **Finding 89:**

The available data on the six signed market replication ELENA-EIB projects indicates significant potential value for money. These amounts might not be fully attributed to EC funding through ELENA (IEE II) as the underlying investment projects invest much larger amounts in material to achieve them, and might in some cases have taken place without ELENA support albeit more slowly and with lesser ambitions.

#### Tenders projects, concerted actions projects, and other projects:

There is no available data for the expected value for money of concerted actions, tenders, or other projects.

#### 4.3.5.3 CONCLUSIONS

The vast majority of programme stakeholders perceive IEE II as having provided value for the money invested. It is however not possible to perform an objective cost benefit assessment of IEE II programme as the benefit data for IEE II is not available, and there are no clear alternatives to which to compare IEE II, even if a cost/benefit ratio could be determined for it.

The promotion and dissemination projects are regarded as relatively cost-effective by participants. As previously noted, the EACI follows up the cost-effectiveness of promotion and dissemination projects closely.

The project participants' self-assessment also identifies that projects involving less countries on average perceive themselves as more cost-effective than projects with more countries involved (especially as of 10 countries).

The available data on the six signed market replication ELENA-EIB projects indicates significant potential value for money. However, these amounts might not be fully attributed to EC funding through ELENA (IEE II) as the underlying investment projects invest much larger amounts in material to achieve them, and might in some cases have taken place without ELENA support albeit more slowly and with lesser ambitions.

#### 4.3.6 HOW DOES THE PROGRAMMES' OUTPUT PRODUCTIVITY COMPARE WITH SIMILAR PROGRAMMES?

One judgement criterion was defined for this question: comparison of overall programme output in relation to its budget with the output of comparable programmes in relation to their budget.

There is unfortunately no available objective and consolidated cost-benefit data on the IEE II programme, or on comparable programmes to be able to perform a comparison of the output productivity of IEE II against similar programmes. The choice of a comparable programme would not be easy given the broad range of activities covered by IEE II.

#### 4.3.7 HOW DOES THE PROGRAMME COMPARE WITH COUNTERPART PROGRAMMES?

##### 4.3.7.1 INTRODUCTION

For this evaluation question, we defined one judgement criterion:

- Comparison of overall programme efficiency with efficiency of comparable programmes.

Our assessment is based on information from the desk research and data collected during interviews, case studies and web based surveys for this evaluation. We essentially rely on the perception of the project participants and management due to the lack of objective data.

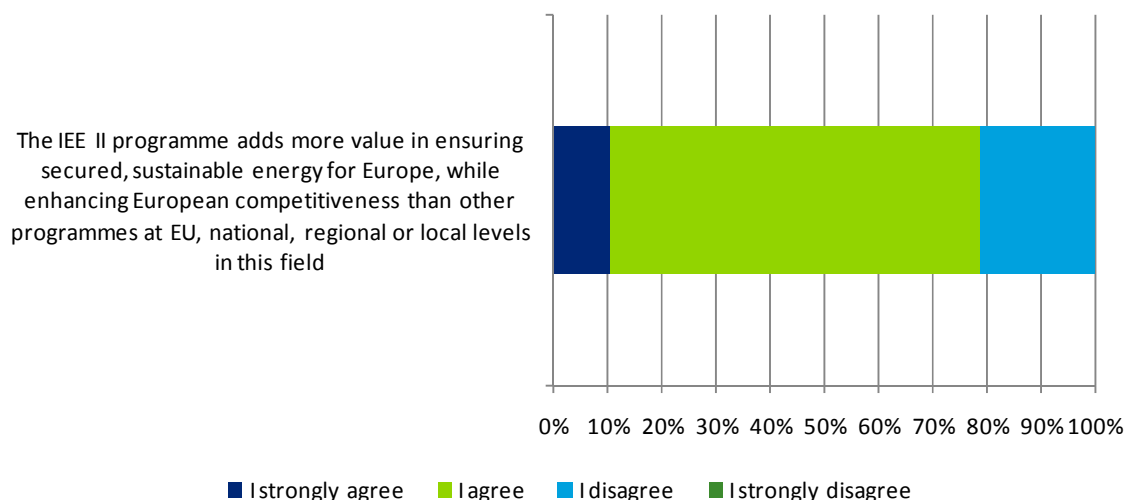
#### 4.3.7.2 DATA AND FINDINGS FROM SOURCES

##### **Comparison of overall programme efficiency with efficiency of comparable programmes**

As there is no objective data available to compare the efficiency of IEE II with that of a comparable programme, we rely on the perception of the project participants and management for this.

When asked to compare the value provided by the IEE II programme to that of other EU programmes aiming to develop sustainable energy, the IEEC members respond that IEE II provides relatively more value. Given the programme's smaller size than the other EU level programmes in the field, we can conclude that IEEC members believe the programme is more efficient than these.

**Figure 46: IEEC members' perception of the relative value of IEE II compared to other EU programmes**



Source: web-based survey IEEC/NCP

##### **Finding 90:**

When asked to compare the value provided by the IEE II programme to that of other EU programmes aiming to develop sustainable energy, the IEEC members respond that IEE II provides relatively more value.

IEE II is moreover perceived by the project participants as a less burdensome programme than other EU programmes like INTERREG, the FP7, or the structural funds in terms of administrative requirements. While not all of these programmes have similar types of projects and components, of similar scale, to IEE, some do (e.g. INTERREG IVC), and they share the characteristic of being EU-level programmes.

##### **Finding 91:**

IEE is overall perceived as a less burdensome programme in terms of administrative requirements, than other EU programmes like INTERREG, the FP7, or the structural funds.

#### 4.3.7.3 CONCLUSIONS

As there is no objective data available to compare the efficiency of IEE II with that of a comparable programme, we rely on the perception of the project participants and management for this.



When asked to compare the value provided by the IEE II programme to that of other EU programmes aiming to develop sustainable energy, the IEEC members respond that IEE II provides relatively more value.

IEE is furthermore overall perceived as a less burdensome programme in terms of administrative requirements, than other EU programmes in sustainable energy like INTERREG, the FP7, or the structural funds.

## 4.4 Coherence and synergies

The following evaluation question was defined for the coherence and synergies evaluation criterion in the Terms of Reference:

- What has been the interaction with other EU programmes/initiatives?

We address it in detail below.

### 4.4.1 WHAT HAS BEEN THE INTERACTION WITH OTHER EU PROGRAMMES/INITIATIVES?

#### 4.4.1.1 INTRODUCTION

For this evaluation question, we defined one judgement criterion: Description of interactions between IEE II programme and other CIP programmes, Structural Funds, FP7 framework programme, as well as the INTERREG (IVC) programme.

Our assessment is based on information from the desk research and data collected during interviews, case studies and web based surveys for this evaluation.

#### 4.4.1.2 DATA AND FINDINGS FROM SOURCES

#### **Description of interactions between IEE II programme and other CIP programmes, Structural Funds, FP7 framework programme, as well as the INTERREG (IVC) programme**

As IEE II is one of the constituent programmes of the CIP framework programme, a first mode of interaction with other EU programmes is the existence of shared management with CIP or its other constituent programmes. Several examples of this were mentioned by EC interviewees. DG ENTR manages coordination of horizontal issues across IEE and other CIP programmes (status, evaluations, impact assessments, communication), and tries to identify common issues or opportunities across the programmes (joint reviews are held). This allows for exchange of best practices, bearing in mind that IEE has the possibility to use the same instruments (e.g. financial facilities, etc.) as those used for the other constituent programmes of CIP. Links between CIP programmes have also been established at project officer level, e.g. with DG INFSO, to foster exchanges between the IEE programme and the "ICT for Energy Efficiency" initiatives (under the CIP/ICT-PSP programme). Meetings are held twice a year to update and share information on ICT supported projects. The EACI is also increasingly trying to leverage the Enterprise Europe Network (within DG ENTR) to promote IEE.

The main component of IEE II to date, the promotion and dissemination projects, are managed by the EACI, which also manages some other CIP programmes as well as the Marco Polo programme, some common activities across these programmes are performed by the same resources. This is the case for central programme communication activities which are performed by the same team for IEE as for the other programmes managed by the EACI. There are naturally also continuous exchanges within the EACI between colleagues managing the Eco-innovation and Marco Polo programmes, and those managing IEE II, as well as with colleagues managing the Enterprise Europe Network.

The IEE market replication projects undertaken to date are jointly managed by the EIB and the Commission. Effective synergies already exist between ELENA EIB projects and EIB loans on the projects where these are taken (a majority of the ELENA projects so far but only for parts of the large-scale investments), as the EIB is deeply involved from the start such that loan applications can subsequently be processed more smoothly. Beyond the link to EIB loans, the ELENA projects have rapidly established synergies with Structural Fund/Cohesion Fund (SF/CF) funding with two of the 12 approved ELENA EIB projects already involving JESSICA funding. ELENA EIB projects could also in theory synergise with the new European Energy Efficiency Facility (EEE-F)<sup>48</sup> facility in which the EIB is

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<sup>48</sup> The EEE – F is a new investment fund complemented by technical assistance (TA) and awareness raising dedicated to sustainable energy agreed in December 2010 by The Council of Ministers and the European Parliament which aims to provide up to €800 million of funding for EE, RES, and clean urban

also involved (although only as a provider of funding), or with other SF/CF funding (e.g. JEREMIE or JASPERS).

The ELENA-KfW and ELENA-KfW facilities are to be managed under similar conditions to the current ELENA-EIB, by the CEB and KfW, and will have links to the loan procedures within these IFI's, as well as to ELENA-EIB (in order to learn from the accumulated experience). Furthermore, the ELENA CEB facility will target SF/CF funds with furthering the synergies with SF/CF funding.

Further synergies in the management of certain IEE activities could possibly be achieved in the coming years of IEE II with the launch of the Mobilising local energy investments (MLEI) integrated initiative under the promotion and dissemination component of the 2011 work programme. Indeed, this key action aims to support projects in providing technical assistance to mobilise local energy investments following the model of ELENA very closely but through calls for proposals. The initiative has been developed with assistance from the EIB.

Besides management interactions are those involving knowledge sharing between different EU initiatives and programmes in sustainable energy development.

Naturally, DG ENER and the EACI maintain links with EC and other EU colleagues managing the various other EU energy or environment related initiatives and programmes, even if these remain informal. Examples of these links are:

- The inter-service consultations held on the annual IEE work programmes which allow to take into account the priorities of other DG's (e.g. the IEE work programmes are presented to relevant colleagues at DG MOVE, DG CLIMA, DG REGIO, INTERREG secretariats and INTERACT), as well as for some de-duplication of projects across different EU initiatives and IEE through the identification of overlaps. Some programmes are more concerned in this than others (e.g. LIFE+, INTERREG IVC);
- Ongoing communication between DG ENER and EACI project officers, and those of other DG's such as DG RTD project officers involved in the energy component of FP7. These communications are however not systematic or structured (e.g. well established for wind and bio-energy but not for others like geothermal, etc.), and may therefore not always be optimal. Technical meetings are also held and support provided e.g. to REGIO, URBACT and INTERREG contacts. Following the recommendations from the interim evaluation of IEE II, the EACI has developed stronger links and collaboration activities with INTERACT secretariat Vyborg, INTERREG IVC secretariat Lille and DG REGIO contacts for URBACT as well as with financial engineering instruments.

Moreover, IEE II seeks joint communication with other EU initiatives towards their EU programme beneficiaries. There are again various such examples:

- Joint workshops are held with DG REGIO on energy and financing (e.g. during the last years of OPEN DAYS);
- A funding info day on sustainable energy' joint information session was held in 2010 on available EU funding for energy, including participants from IEE II, the FP7, and the SF/CF, organised by the EACI. This was the first time a "one-stop-shop for potential beneficiaries", with presentations from EACI, RTD, REGIO, etc on their programmes was organized, and was considered a success by the EACI;

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transport investments. Approximately €146 million of its funding comes from leftover funds from the EEPF (€125 million of which will be placed as risk capital for investments and €20 million to TA), €75 million from the EIB, and €5 million from Deutsche Bank which will manage the fund (the facility has an initial fund volume of €205 million - the remaining funding is yet to be found from development finance and the private sector).

- An article was run on the IEE programme in the last issue of the INTERACT magazine reaching out to several thousand beneficiaries in the REGIO/INTERREG/INTERACT networks;
- Joint contractors' meeting between IEE and INTERREG projects are planned in 2011.

Finally, there are interactions between IEE projects from the various programme components and those under other EU programmes. Examples abound, and include the following:

- A number of IEE II promotion and dissemination projects were aimed at identifying how best to access and use the available money for SF/CF:
  1. Collaborative actions for Triggering Investments in Sustainable Energy Actions using Regional and Structural Funds (SF-ENERGY INVEST);
  2. Promoting the use of Structural Funds and Cohesion Funds for energy investments in New Member States and Candidate Countries (PROMOSCENE);
  3. Sustainable Energy Actions for Europe's Cohesion (Energy 4 Cohesion (E4C)).
- Two out of the 12 investment projects for which market replication technical assistance projects have been funded by IEE II (ELENA EIB) are also linked to JESSICA SF/CF funding, and a number are linked to EIB funding which is facilitated due to the ELENA process demonstrating clear synergies.

**Finding 92:**

There is evidence of interactions and synergies in the management of IEE II and of some related EU initiatives and programmes:

- As IEE II is one of the constituent programmes of the CIP framework programme, some aspects of its management are shared with that of CIP or its other constituent programmes;
- There are informal links between the management of IEE II and other related initiatives.

**Finding 93:**

There is evidence of interactions and synergies between IEE II and other related EU initiatives or programmes in their communication and projects. There have been a number of punctual initiatives to ensure coordinated communication, and certain projects link different EU programmes.

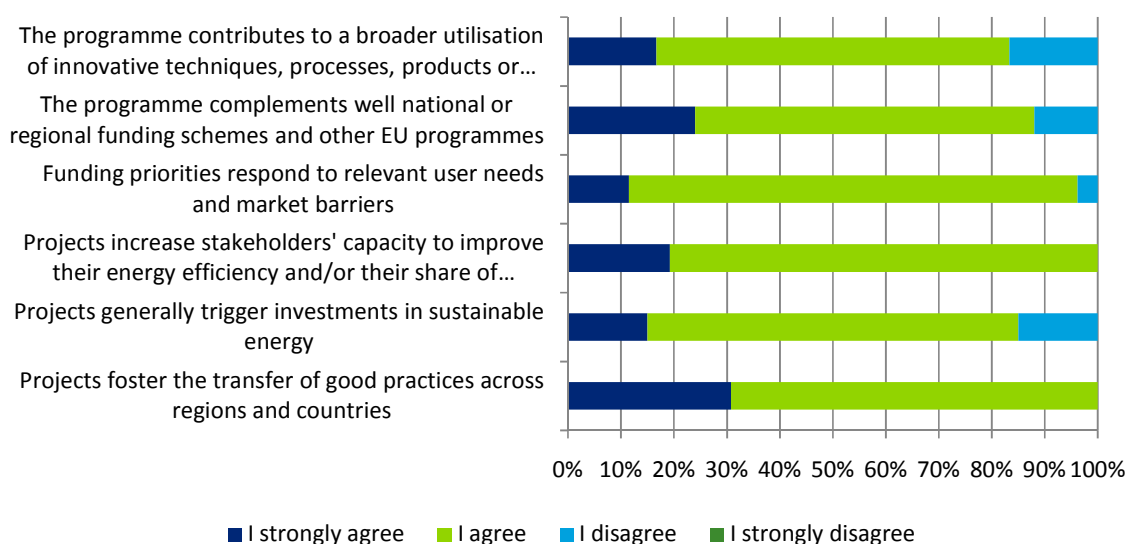
The promotion and dissemination projects of the IEE II programme are perceived by their participants as complementing other existing EU programmes in sustainable energy well (research or physical investment programmes) and having many potential synergies with these. IEE II is considered as one of the key links between research and market deployment of sustainable energy technology as confirmed in the interviews with participants, often triggering investments or generating capacity which may be leveraged by other EU programmes.

**Table 63: Promotion and dissemination projects' expected impacts**

| Characteristics of the IEE II programme/projects | Projects generally trigger investments in sustainable energy | Projects increase stakeholders' capacity to improve their energy efficiency and/or their share of renewable energy sources | The programme complements well national or regional funding schemes and other EU programmes |
|--|--|--|---|
| I strongly agree                                 | 12%  | 21%  | 18%   |
| I agree  | 65%  | 65%  | 57%   |
| I disagree                                       | 9%   | 2%   | 9%  |
| I strongly disagree                              | 0%   | 0%   | 0%  |
| No opinion                                       | 14%  | 12%  | 16%   |
| <b>Total</b>                                     | <b>100%</b>  | <b>100%</b>  | <b>100%</b>   |
| Count  | 129  | 129  | 129   |

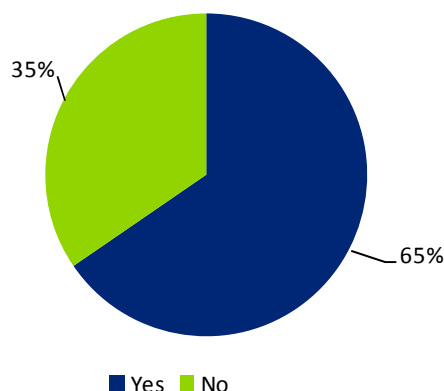
Source: web-based survey PC/PP

**Figure 47: IEEC members' perception of IEE II characteristics**



Source: web-based survey IEEC/NCP

**Figure 48: IEEC members' perception of potential IEE II synergies**



Source: web-based survey IEEC/NCP

This corroborates the finding already mentioned in the interim evaluation of IEE II and in a previous report<sup>49</sup> on synergies between the CIP, FP7 and the SF, in which it was pointed out that all three programmes share the broad Lisbon objectives, but with each of them focussing on different actors and phases of the innovation process.

For example, Structural funds are used by regions to build up research and innovation capacity, enabling them to take part in European level research and innovation activities. The CIP focuses on the innovation and replication phase -with IEE II specifically oriented towards promotion and dissemination -, whereas the FP7 focuses on the research and development phase.

**Finding 94:**

The IEE II programme is perceived as complementing other existing programmes in sustainable energy well (research or physical investment programmes), and having many potential synergies with these, by both its participants and management.

Some EC interviewees and project participants nonetheless mentioned that there could be more leverage of potential synergies between IEE and related EU initiatives and programmes than has been the case to date.

Members of the IEEC indeed mention that various synergies could be further improved with the following EU initiatives and programmes, such as improved knowledge sharing, and better elimination of overlaps:

- FP7;
- Structural funds;
- INTERREG;
- SET Plan;
- Eco-innovation;
- Other CIP constituent programmes;
- LIFE+;

<sup>49</sup> Synergies between the EU 7th Research Framework Programme, the Competitiveness and Innovation Framework Programme and the Structural Funds, 2007, *ETEPS AISBL Network for European Techno-Economic Policy Support*

Furthermore, there is a general consensus amongst the promotion and dissemination project participants that IEE could better connect with other investment-related programmes and demonstration programmes (both at EU and national levels) that could allow for more concrete impacts and justify the use of the common “hard indicators” for IEE projects. The MLEI key action from the 2011 work programme is a step in this direction.

**Finding 95:**

IEEC members and project participants mention synergies with other EU programmes could be further improved. The project participants would mostly like stronger links between IEE and other investment-related programmes in sustainable energy. The MLEI key action from the 2011 work programme is a step in this direction.

To further improve interactions and synergies between IEE and other EU initiatives, certain project participants and EC officials note that some barriers to the implementation of such interactions should be tackled:

- A number of project participants refer to the EU regulation prohibiting funding from multiple EU programmes for a single project as a limiting factor;
- Differences in the scale of the various EU initiatives in sustainable energy are mentioned by several EC officials:
  - Proof at sufficient scale is needed to demonstrate that technologies are viable at the industrial or commercial level, and the money allocated to R&D in the EU (by private and public actors) while historically insufficient has recently significantly increased with the EU now leading global R&D spending in sustainable energy<sup>50</sup>, and set to continue to further increase this investment to achieve its objectives<sup>51</sup>. Major support is indeed needed to ensure achievement of the EU energy policy objectives, and this is the origin of the SET-Plan which aims to accelerate the take-up of core energy-related technologies through building sufficient scale into defined initiatives, and increased focus on energy in the RTD FP’s. The scale of activities undertaken in these initiatives is often greater than that of the IEE projects;
  - Some EC officials question whether IEE projects achieve the necessary scale to be able to adequately stimulate market uptake of proven technological solutions in the addressed fields – as noted earlier, IEE investments account for a small fraction of EU spending on sustainable energy development;
- Time lags between the EU initiatives given they are situated at different stages of the technology lifecycle are mentioned by several EC officials:
  - Often the right market actors are not reached at the early stages of R&D projects as this would involve unacceptable increases in budgets. This means that there is a clear divide between the more academic world of research and the markets (there are of course exceptions where industry is involved early on, and in which the link from R&D to market innovation is better made);
  - The cyclical approach of programming periods whereby priorities must be defined upfront creates difficulties in exploiting complementarities/synergies as IEE should essentially have inputs in the structuring of the Structural funds/Cohesion funds priorities looking forward (although there is some room for later adaptation). In a sense, IEE must foresee the future needs and support their prioritization in the Structural funds/Cohesion funds and must come with recommendations/input at the right time, which is now for the next programming period (2014-2020). Moreover, it is important to avoid unhealthy

<sup>50</sup> Global Trends in Sustainable Energy Investment 2010 - Analysis of Trends and Issues in the Financing of Renewable Energy and Energy Efficiency

<sup>51</sup> COM(2009) 519 mentions a chronic lack of energy R&D financing

competition between different priorities for funding within the Structural funds/Cohesion funds – a balance must be achieved.

- Different target groups and key stakeholders are mentioned by several EC officials and project participants: it is felt that the stakeholders involved in the various stages of the technology lifecycle supported by different EU initiatives and programmes are not the same and that this causes difficulties as certain key stakeholders may not be addressed by IEE, e.g. given the fact that the structural funds are managed de-centrally. This is one possible reason for the unexpected lack of take-up of available funding in the structural funds for EE and RES. Indeed, the uptake is only of 13% of the 10,8 Billion € available funds dedicated to energy, of which 9,2 Billion € are dedicated to RES and EE, with varying levels across countries, versus an average of 27% for other domains of the structural funds, 5 years into the programming period. This is however expected to accelerate in the final years and the available data only covers the period until September 2009).

#### **Finding 96:**

To further improve interactions and synergies with other EU initiatives, certain EC officials and project participants identify a number of barriers to their implementation which should be tackled:

- EU regulation prohibiting overlaps in funding;
- The differing scale of EU initiatives;
- Time lags between EU initiatives;
- Different target groups and key stakeholders across EU initiatives.

A number of potential overlaps in activities between IEE and the Structural funds/Cohesion funds have been identified:

- The Structural funds/Cohesion funds include funding for creation of networks and promotion/mainstreaming of best practices (e.g. Interreg IVC may have overlaps with IEE for projects such as RECORA, REGENERGY, REGIOSUSTAIN, ENERCYREGIO, or ÖKOPROFIT);
- LIFE+ has a climate change section under which energy projects similar to IEE are undertaken.

#### **Finding 97:**

There are some potential overlaps between IEE II and the SF/CF, as well the LIFE+ programme.

#### 4.4.1.3 CONCLUSIONS

There is evidence of interactions and synergies between IEE II and other EU initiatives in the field of sustainable energy development.

A first type of synergies is those observed in the management of IEE II and of certain related EU initiatives and programmes:

- As IEE II is one of the constituent programmes of the CIP framework programme, some aspects of its management are shared with that of CIP or its other constituent programmes;
- There are informal links between the management of IEE II and other related initiatives.

A second type of synergies concerns sharing of knowledge, which happens mainly through inter-service consultations and joint communication to beneficiaries with other EU initiatives such as FP7 or the SF/CF.

Finally, there are concrete links between projects. There have been a number of initiatives to ensure coordinated communication between IEE II and other EU programmes, and certain projects directly link to other EU programmes like the Structural Funds.



IEE II is perceived by its management and participants as complementing other existing programmes in sustainable energy well (research or physical investment programmes), and having many potential synergies with these.

IEEC members and project participants mention that these potential synergies with other EU programmes could be further materialized. The project participants would mostly like stronger links between IEE and other investment-related programmes.

To further improve interactions and synergies with other EU initiatives, a number of barriers to their implementation mentioned by several stakeholders might need to be tackled:

- EU regulation prohibiting overlaps in funding;
- The differing scale of EU initiatives;
- Time lags between EU initiatives;
- Different target groups and key stakeholders across EU initiatives.

There are also some potential overlaps between IEE II and the SF/CF, as well the LIFE+ programme.

## 4.5 Sustainability

Two evaluation questions were defined in the Terms of Reference for this evaluation criterion:

- Is there evidence that the activities co-funded/funded by the programme will have lasting impacts?
- What should be the duration of a future programme?

We address these in detail below.

### 4.5.1 IS THERE EVIDENCE THAT THE ACTIVITIES CO-FUNDED/FUNDED BY THE PROGRAMME WILL HAVE LASTING IMPACTS?

#### 4.5.1.1 INTRODUCTION

To reply to this evaluation question, we defined the following judgment criteria:

- Observed lasting impacts (in ensuring secured, sustainable energy for Europe, while enhancing European competitiveness) of activities co-funded/funded by the IEE programme

We understand this question as addressing the sustainability of the expected impacts of the action after the funding period.

As it is too early to observe the impacts of the projects, we base our analysis on qualitative data gathered through our fieldwork. The analysis of the case studies and the web-based survey targeting NCPs and IEEC members also brings useful insights on the potential sustainability of the expected impacts of the actions co-funded/funded by the programme.

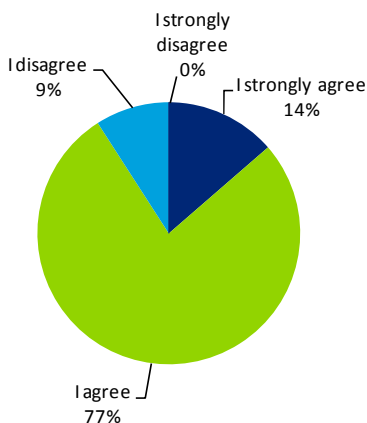
#### 4.5.1.2 DATA AND FINDINGS FROM SOURCES

Useful insights on the sustainability of the impact generated can be found in the strategic objectives of the projects. In the guide for proposers, it is stated that the strategic objectives (for the longer term – to 2020) defined for the action should include activities to ensure its sustainability and, hence, to have an impact after the IEE funding ends.

A first element to reply to this question is to look at the formulation of the strategic objectives. As illustrated in the case studies, strategic objectives are often formulated to embed the expected impacts of the actions with poor quantification of the indicators. In addition, very few concrete activities at strategic level are defined to ensure the sustainability of those impacts after the end of the funding. Sustainability of impacts is often perceived as relying on the takeover of the projects' outputs by their targeted beneficiaries.

As regards the potential lasting impacts, almost all the stakeholders consulted indicated that promotion and dissemination projects are likely to have lasting impacts by nature. The figure below shows that 91% of the NCPs and IEEC members who responded to the survey agree or strongly agree that the activities co-funded/funded by the programme will generate lasting impacts. Interviewees have highlighted that, for instance, the activities supporting policy development and implementation are obviously creating lasting impacts (Concerted Actions; tenders). However, these impacts (lasting or not) would not be quantified or directly imputable to the sole action of the programme. The issue resides partly in the lack of follow-up after the end of projects, the lack of adequate performance indicators and the lack of activities aiming at ensuring the sustainability of the impacts.

**Figure 49: Perceived lasting impact of the activities co-funded/funded by the programme – in %**



Source: web-based survey IEEC/NCP

Even if some projects have specific tasks around sustainability, it is perceived that too little focus is put on this. It was perceived that the sustainability differs from an activity to another and from one project to another. In addition, some of the respondents highlighted that the only requirement related to the sustainability of the promotion and dissemination projects is to maintain the website two years after the funding period which is judged insufficient to ensure the lasting effect of the outputs generated.

Some of the interviewees also indicated that there will be lasting impacts coming from the consortia created from the IEE II projects. This might impact the learning curve of participants, their familiarisation with EU programmes. This creates lasting and valuable impacts which can be reused for other projects.

As regards the market replication projects supported by ELENA, interviewees indicated that it is too early to assess the sustainability of the actions. However, it is expected to produce lasting impacts on municipalities and to lead to duplication in other Member States cities. As previously discussed, it is also likely that the lasting impacts will be easily quantified due to the nature of the projects.

**Finding 98:**

It is too early to observe lasting impacts of the actions co-funded/funded by the programme. All stakeholders agree that the projects supported will generate lasting impacts. This is also reinforced by the fact that there is a requirement for the actions to include activities ensuring their sustainability and that the EACI check at the evaluation stage that the actions foresee activities that would ensure that the outputs generated will have a lasting effects. However, even if there will be lasting impacts, it is perceived that they are unlikely to be measured quantitatively. It is also perceived that too little focus is put on defining activities that would ensure that the outputs generated will have a lasting effect.

4.5.1.3 CONCLUSIONS

It is considered that the actions co-funded/funded by the programme will generate impacts which are likely to have a lasting effects. However, the expected (lasting) impacts of the actions supported are unlikely to be quantified or directly imputable to the sole action of the programme. The issue resides partly in the lack of follow-up after the end of projects, the lack of adequate performance indicators and the lack of activities aiming at ensuring the sustainability of the impacts.

#### 4.5.2 WHAT SHOULD BE THE DURATION OF A FUTURE PROGRAMME?

##### 4.5.2.1 INTRODUCTION

For this evaluation question we defined one judgement criterion:

- The optimal duration of a successor to the IEE II programme.

Our assessment is based on information from the desk research and data collected during interviews, case studies and web based surveys for this evaluation.

##### 4.5.2.2 DATA AND FINDINGS FROM SOURCES

#### **The optimal duration of a successor to the IEE II programme**

The duration of IEE II corresponds to the period of the financial perspective 2007-2013, i.e. seven years, having been extended from the 4 year duration of the IEE I programme.

Besides simply taking into account the duration of the next financial period and the planning and budgeting cycles (also seven years), several other factors are to be considered when assessing the optimal duration of a successor programme:

- The foreseeable need for the programme until a given point in time;
- Alignment of the programme with EU energy policy and objectives;
- A stable environment for participants, applicants and management;
- The duration of the successor CIP framework programme (to the extent that a successor to IEE might be included in this programme);
- The duration of projects financed under the programme;
- The flexibility of the programme to adapt to evolving needs;
- The administrative costs associated with managing the programme under different hypotheses.

Not all above points can be addressed in detail in this evaluation, but we nonetheless consider the main factors below.

A vast majority of interviewed stakeholders (at management and project levels) perceive the need for the programme to continue in the foreseeable future, and likely until 2020, given that this is the date at which the EU “20/20/20” objectives should be achieved, and that the programme is one of the elements of EU energy policy contributing to their achievement.

The fact that the EU is behind track in its achievement of the EE target of a 20% increase in energy efficiency by 2020 (recent projections based on the policy to date estimate it would only get half way there, and have led to the release in early 2011 of an updated EE implementation plan) reinforces the foreseeable need for such a programme to be continued until this horizon, at least as concerns EE activities.

#### **Finding 99:**

A vast majority of interviewed stakeholders (at management and project levels) perceive the need for the programme to continue in the foreseeable future, and likely until 2020, given that this is the date at which the EU “20/20/20” objectives should be achieved.

Many project participants mention a need for applicants and participants to feel that the programme is stable and sustainable in order to promote participation. Shortening the duration of a successor programme might send negative signals to the market, indicating doubts as to the sustainability of the programme.

Supposing the IEE programme were to remain in the CIP framework programme, its duration should probably be coordinated with that of the framework programme, or at least of the other constituent programmes therein. The duration of a successor to the CIP programme is not known at this stage.

Nonetheless, for the sake of aligning planning and budgeting cycles, it would possibly make most sense for the duration of a successor to the CIP programme to equally be synchronized with the upcoming financial perspective.

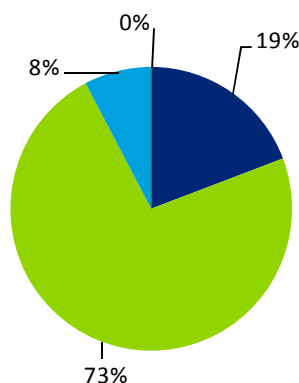
Both the project participants and IEEC members feel that the maximum three year duration of projects is overall adequate given that this allows sufficient time for consortia to become effective, and to produce results and impacts through the promotion and dissemination projects, as well to perform investments in the market replication projects. They therefore feel that activities in a future programme should continue to have a maximum duration of three years. A number of participants nonetheless argue in favour of some projects being allowed to last longer given this may be needed to achieve results and impacts in certain cases. In any case, there is consensus on the fact that it would be difficult to reduce the maximum duration of projects and continue to produce significant results and impacts through the programme's projects given the size and complexity of the projects undertaken.

**Finding 100:**

Project participants and IEEC members perceive the maximum 3 year duration of projects as adequate given that this allows sufficient time for consortia to become effective, and to produce results and impacts through the promotion and dissemination projects, as well to perform investments in the market replication projects. Activities in a future programme should therefore continue to have a maximum duration of three years.

The programme is currently considered by a majority of interviewees as sufficiently flexible to adapt to the evolving needs in sustainable energy development with its annual prioritization. This means that even with a relatively long programme lifetime, annual reprioritization can allow needed changes, reducing the risk of keeping a longer lifetime. This is demonstrated by the IEEC responses to the survey.

**Figure 50: IEEC members' perception of the flexibility of IEE II**



■ I strongly agree ■ I agree ■ I disagree ■ I strongly disagree

Source: web-based survey IEEC/NCP

Moreover, this flexibility is not just theoretical but has been used over the course of IEE II which has been flexible in the allocation of funds over time, with annual operational budgets evolving at different rates based on the estimated need and capacity for projects.

It can be expected that the shorter the successor programme to IEE II is, the higher the proportion of the administrative costs in the programme given that there are a number of fixed constraints and costs (evaluations, etc.). This also argues in favour of a relatively longer programme duration.

Summarizing the above points, we note that the current programme duration is felt by most interviewees to be an adequate basis for that of a successor programme, i.e. seven years.

**Finding 101:**

The current programme duration of seven years is felt by many stakeholders to be an adequate basis for that of a successor programme.

4.5.2.3 CONCLUSIONS

The duration of a future programme should be between three and seven years.

This follows from the fact that the horizon for achievement of the EU “20/20/20” objectives in 2020, and that a majority of programme stakeholders consider that IEE will be relevant at least until then. Moreover, project participants and IEEC members perceive the maximum 3 year duration of projects as adequate given that this allows sufficient time for consortia to become effective, and to produce results and impacts through the IEE projects. A future IEE programme should therefore allow for activities of up to three years.

## 4.6 Utility

In the Terms of Reference, three evaluation questions were defined for this evaluation criterion. For each evaluation question, we have defined judgment criteria. The evaluation questions were the following:

- Has the programme performed a useful role and is it still required?
- Is the programme a useful and effective instrument and is there scope for improvement?
- What are the main points of EU added value reported by the programme participants?

To address the utility of the programme, we grouped the evaluation questions in one single section.

### 4.6.1 HAS THE PROGRAMME PERFORMED A USEFUL ROLE AND IS IT STILL REQUIRED? IS THE PROGRAMME A USEFUL AND EFFECTIVE INSTRUMENT AND IS THERE SCOPE FOR IMPROVEMENT? WHAT ARE THE MAIN POINTS OF EU ADDED VALUE REPORTED BY THE PROGRAMME PARTICIPANTS?

#### 4.6.1.1 INTRODUCTION

For this evaluation question, the following judgment criteria were defined in the steering group:

- Added value of programme reported by programme participants in ensuring secured, sustainable energy for Europe, while enhancing European competitiveness;
- Projected added value of a successor programme to the IEE II programme reported by programme participants in ensuring secured, sustainable energy for Europe, while enhancing European competitiveness;
- Comparison of perceived added value of IEE programme with alternatives
- Main points of EU added value reported by programme participants.

The main sources of information to answer this evaluation question were desk research, interviews and the survey targeting IEEC members and NCPs.

#### 4.6.1.2 DATA AND FINDINGS FROM SOURCES

When addressing the utility of an intervention, evaluators look whether the effects (outcomes, results) of the intervention have an added value for the target groups and how the intervention's impacts compare with the needs of the target population(s). In addition, potential scope for improvement is addressed in the subsection below.

### **Usefulness of the programme**

One of the elements to answer whether the programme was useful lies in the assessment of the combined relevance of the actions supported and their effectiveness in reaching their objectives. Although no data was available on measurable results or impacts on targeted beneficiaries of the actions, we have collected insightful feedback from programme's stakeholders on the expected results and impacts and the extent to which they were in line with expectations. The logical framework behind the statement is as follows:

- The assessment of the relevance of the programme and its intervention logic demonstrates that the programme was designed to reply to identified needs, problems and barriers in relation to sustainable energy in Europe;
- The assessment of the effectiveness of the programme demonstrates that each level of objectives (programme's specific and operational objectives, fields, key actions and priority objectives, actions' specific and strategic objectives) corresponds to each other and contributes, in a bottom up approach, to the overall EU energy goals;

- The assessment of the effectiveness of the actions demonstrates that the activities co-funded/funded by the programme are likely to reach their objectives and to achieve expected results and that overall projects are able to identify and reach their targets audience;
- The expected impacts of the actions supported are likely to have lasting effects.

**Finding 102:**

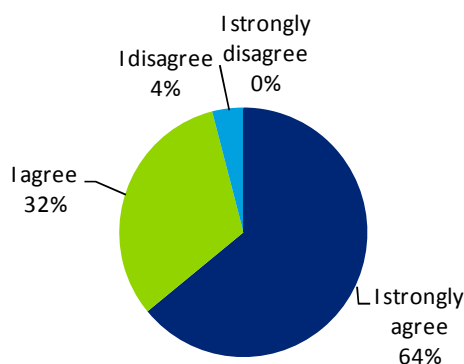
The programme and its supported actions, through their objectives, expected results and impacts, reply to identified needs of the target population.

In addition, we identified, in the section related to relevance, that the non-technological barriers remain an important issue in achieving EU energy goals. While reply on the question whether the programme is still required is to be found in the ex-ante evaluation for a potential successor of IEE II, we have collected primary data on the perceived need for a successor to IEE II.

There was a consensus amongst stakeholders consulted that the programme replies adequately to current needs and contribute to achieve EU energy goals. It was also highlighted that these needs, even if they evolve over time, remain at stake for the forthcoming years. Therefore, it was judged that the programme is still required.

The survey targeting IEEC members and NCP reinforce this statement. As shown in the figure below, 96% of responded agree or strongly agree that the programme is still required.

**Figure 51 : perception of whether the programme is still required – in %**



Source: web-based survey IEEC/NCP

**Finding 103:**

There is a consensus amongst the stakeholders consulted that the IEE II programme is still required.

**Perception of the added-value of the programme**

Interviewees and respondents to the survey were also asked to identify the added-value of the programme, including its added-value to be at European level.

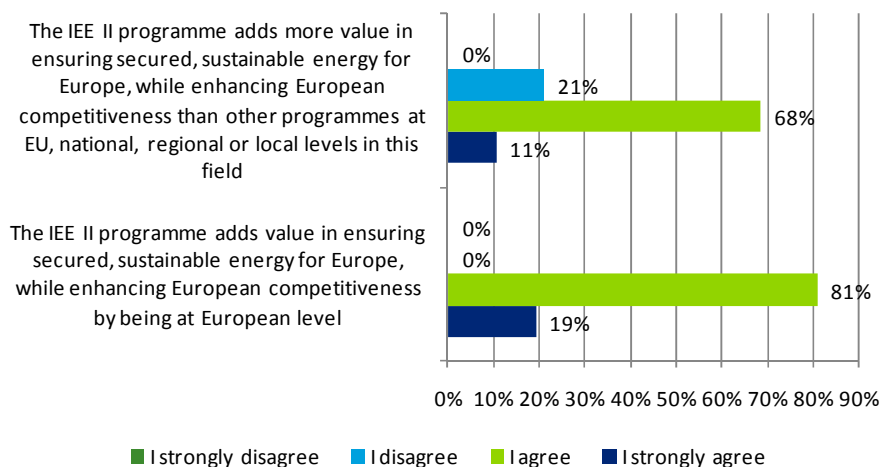
Almost all the interviewees highlighted that there is no programme similar to IEE II both at national and European level. Therefore, it is perceived that the IEE II is highly useful. Additionally, energy and more specifically EU energy goals should be tackled at EU level to ensure optimised and harmonised effect across Member States. Therefore the programme should remain at European level.

This is confirmed by the results of the IEEC members and NCPs survey. All respondents agree or strongly agree that the IEE II programme adds value in ensuring secured, sustainable energy for Europe, while enhancing European competitiveness by being at European level while 79% agree or strongly agree



that the IEE II programme adds more value than other programmes at EU, national, regional or local levels in this field.

**Figure 52: perception of Added value of programme reported by programme participants in ensuring secured, sustainable energy for Europe, while enhancing European competitiveness – in %**



Source: web-based survey IEEC/NCP

In addition, most of the stakeholders consulted indicated that the added-value of the programme resides in its capacity to bring the European dimension through the consortia of different Member States. Given the objectives of the programme, transfer of knowledge and best practices at European level are essential. In addition, some of the interviewees indicated that through combining significant and different levels of expertise on projects, the probability of finding adequate solutions might increase.

It was often mentioned that transfer of knowledge and best practices from more advanced Member States in energy issues to less advanced Member States is particularly adding value in helping them preparing the path to achieve European objectives.

Some of the interviewees emphasised the added-value of the combination of the actions supported involving and targeting different type of actors which can clearly influence the uptake of sustainable energy solutions and in particular the combination of market solution oriented projects and projects targeting policy adaptation.

**Finding 104:**

It was indicated that the main added-value of the programme resides in:

- the transnational dimension of the action supported;
- the transfer of knowledge and best practices from more advanced MS in energy issues to less advanced MS helping them preparing the path to achieve European objectives;
- its adequate combination of actions.

### **Perceived scope for improvement**

When addressing the potential improvements that should be made to the IEE, we refer to the analysis performed throughout this report and to our general conclusions and recommendations.

However, in light of the views expressed by the stakeholders consulted, some of the perceived improvements that might be made can be listed as follows:

- Strengthening the focus on bridging the gap between EU-15 Member States and EU-12 Member States in sustainable energy issues;
- Promoting more and strengthening Concerted Actions. Their success lies not only in the transposition of EU legislation, but also in its implementation;
- Strengthening synergies with the Structural Funds/Cohesion Funds – the key issue being the creation of funding opportunities for investments in sustainable energy;
- Strengthening the link of IEE II supported actions and activities linked to investments and demonstrations (which should not fall into the scope of the IEE support);
- Improving the monitoring system of project results;
- Providing more upfront notification to participants and NCPs on annual priorities;
- Providing possibility to extend successful projects in order to maximise their lasting impacts.

For further details, we refer to our main conclusions and recommendations.

#### **Finding 105:**

In general, it was perceived that the programme should continue with the current objectives and that the current structure (instruments and modalities of implementation) should not change drastically. The priorities for the successor of IEE II should continue to closely follow the evolving EU legislation in sustainable energy.

#### 4.6.1.3 CONCLUSIONS

Through the conclusions we have made for each evaluation question of this report, as presented briefly above, we can say that, overall, the programme was useful as it replies to needs, problems and barriers related to sustainable energy issues that Europe is facing. However, detailed analysis of the results and impacts of the programme on the end-beneficiaries of the programme outputs would bring further data to assess the utility of the programme.

Primary data collected amongst programme's stakeholders shows that the programme is considered as a useful instrument that should be continued. Although evolving over time, there are still non-technological barriers to achieve EU energy goals.

The programme is perceived as bringing added-value by being at European level. The main added-value reported by programme's stakeholders are the transnational dimension of the action supported, the transfer of knowledge and best practices from more advanced Member States in energy issues to less advanced Member States helping them preparing the path to achieve European objectives and its adequate combination of actions. It also was highlighted that the programme is one of a kind, adding high value to have a successor to the IEE II.

Although the objectives and structure of the programme should not be reviewed drastically, there is scope for improvement. For further details, we refer to our general conclusions and recommendations.

## 4.7 Impact

In the Terms of Reference, five evaluation questions were defined for this evaluation criterion. For each evaluation question, judgment criteria were agreed in the steering group. The evaluation questions were the following:

- What has been the impact of the programme on EU energy policy development and implementation?
- What has been the impact on national and regional policies and programmes?
- To what extent were there unexpected results?
- Is there a relation between the type of action and the kind of impact?
- Do impacts differ between countries? If yes, how and why?

We will answer these evaluation questions following the structure as described in the introduction of this section (evaluation question – introduction, data & findings, conclusions).

### 4.7.1 WHAT HAS BEEN THE IMPACT OF THE PROGRAMME ON EU ENERGY POLICY DEVELOPMENT AND IMPLEMENTATION? WHAT HAS BEEN THE IMPACT ON NATIONAL AND REGIONAL POLICIES AND PROGRAMMES?

#### 4.7.1.1 INTRODUCTION

We grouped under the same umbrella the two evaluation questions related to the impact of the programme on policy development and implementation both at EU and national and regional level. For this evaluation, we defined two judgment criteria:

- Extent to which IEE programme projects have produced impacts on EU level policy development and implementation
- Extent to which IEE programme projects have produced impacts on national and regional level policy development and implementation, and programmes

The main sources of information were desk research and interviews, case studies and the two web-based surveys.

#### 4.7.1.2 DATA AND FINDINGS FROM SOURCES

There are different components to the programme which tackle directly or indirectly EU and national/regional policy development and implementation. Their expected impacts on each level of policy differ from an action to another.

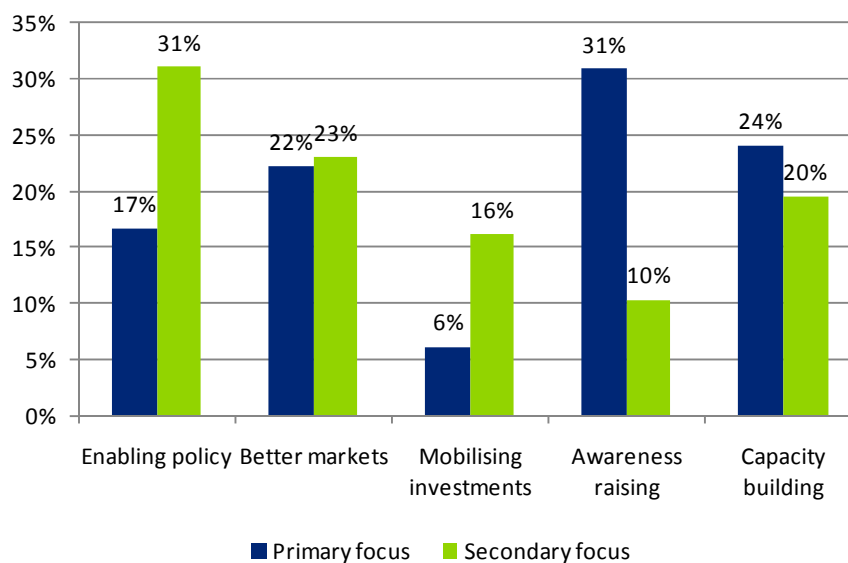
- **Promotion and dissemination** component supports actions such as *strategic studies on the basis of shared analysis and regular monitoring of market developments and energy trends for the preparation of future legislative measures or for the review of existing legislation*. In addition, for each field and key actions, priorities for action include “enabling policy and strategies”. This priority supports projects which *monitor, promote and/or build on the existing EU policy and legislative frameworks, which 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*<sup>52</sup>. As shown in the figure below, 17% of the total IEE II projects (2007

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<sup>52</sup> It has to be noted that the field “integrated initiatives” covered the key action “creation of local and regional energy agencies” from 2007 to 2008. These local and regional agencies had amongst other objectives *to contribute to implementation and future development of EU, national, local and regional policies, strategies and legislation for promoting action by householders, businesses (especially SMEs) and the public sector to improve energy efficiency and increase use of renewables, especially in*

– 2009) are under “enabling policy and strategies” as primary focus while 31% under this priority as secondary focus.

**Figure 53: distribution of promotion and dissemination by priority – primary and secondary focus – in %**



Sources: EACI list of projects

- **Concerted actions** aim to communicate and disseminate best practices in the transposition of sustainable energy-related directives between the Member States, and achieve this via the establishment of working groups, conferences and the distribution of documents amongst the relevant actors. There is one CA per EU Directives (three in total), supporting the Member States in transposing and implementing the Directives through exchange of views, approaches and experiences in a confidential forum.
- Many **tenders** are used by the EC as input to policy and legislative work.

**Finding 106:**

The analysis of the actions supported by the programme shows that there is a variety of activities aiming at enabling policy development and implementation both at EU and national/regional levels. The expected impact varies across components.

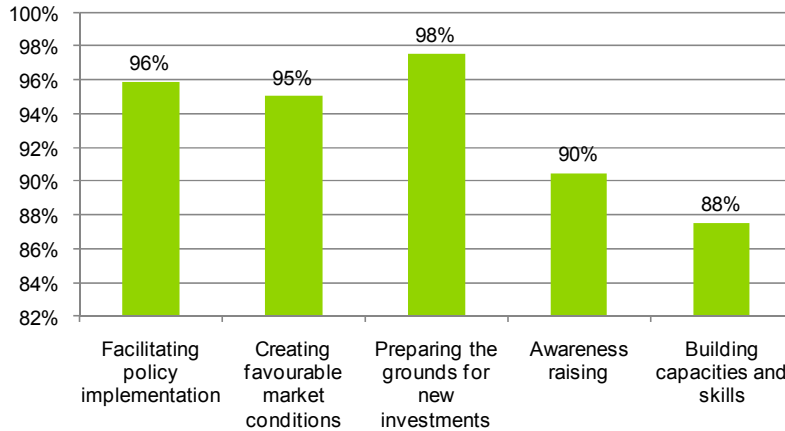
In addition, the survey targeting the project coordinators and partners provide useful insights on the expected impacts of the actions on policy development and implementation of the promotion and dissemination projects.

As shown in the figure below, 96% of respondents which actions follow the priority action aiming at facilitating policy implementation indicate that the expected results/impacts as formulated in their grant agreement are likely to be fulfilled.

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*buildings and transport (including biofuels).* As the Community funding of local and regional energy agencies have been recently evaluated, the evaluator deems not necessary to focus on this specific component of the programme.

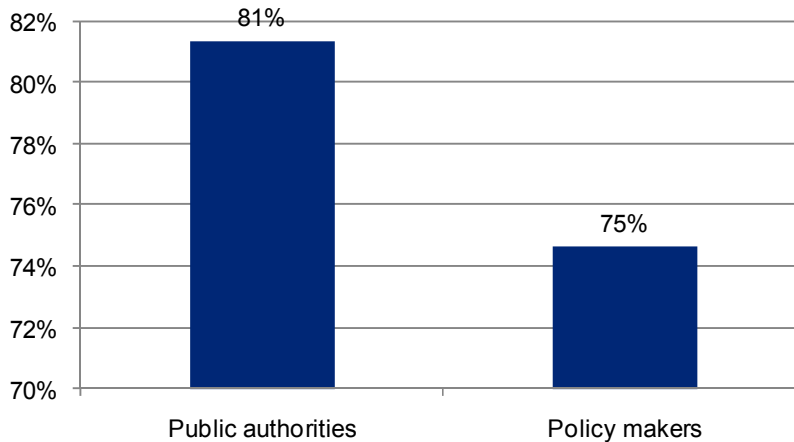
**Figure 54: perceived fulfilment of expected results/impacts – in % by primary priority for action**



Source: web-based survey PC/PP

Another important insight related to the fulfilment of the expected impacts is to be found in the target groups of the projects. The figure below shows that a good share of the project coordinators and partners indicated that public authorities (81%) and policy makers (75%) are amongst the audience targeted by the objectives of their projects.

**Figure 55: project stakeholder groups focus – in %**



Source: web-based survey PC/PP

There is a long list of ways in which IEE projects have provided support to RES and EE policy developments. As recent illustration of this contribution, we could mention, as reported in the EACI Annual Activity Report 2010, that the Agency fed back the results of its energy efficiency projects to DG ENER to assist them in elaborating the current Energy Efficiency Action Plan and in defining new measures to help the EU meet its energy efficiency target. Data from these energy efficiency projects and from the Concerted Actions managed by the EACI were also used to support the implementation of the Directives in the field of buildings, products and services. As regards RES policies, several projects contributed to policy discussions for future framework. Amongst others, we can cite RE-SHAPING, WINDBARRIERS and QUALICERT.

**Finding 107:**

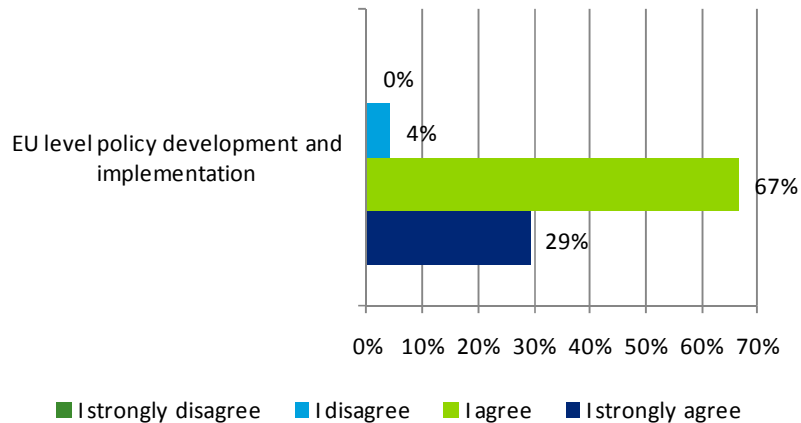
Promotion and dissemination actions are likely to have impacts in preparing the ground for effective policy implementation as expected impacts were indicated to be fulfilled by the end of the projects. This is supported by the good share of the public authorities and policy makers amongst the target groups of the actions.

**Perceived impact of IEE projects on EU level policy development and implementation**

In general, interviewees highlighted that the activities supporting policy development and implementation are obviously generating impacts (e.g. Concerted Actions and tenders) but that the potential of the projects’ results are not fully exploited by the beneficiaries (i.e. policy-makers). This relates to the limited dissemination of the results on those actions. Exchange of information/study results and best practices could be broadly used in order to allow better duplication between Member States. Same was perceived as regards the promotion and dissemination projects as little focus is put in using the results to feed into EU legislation preparation.

The survey shows a much stronger agreement that the IEE projects impact the EU level policy development and implementation. 96% of the IEEC members and NCPs who have replied to the survey agree or strongly agree to this statement.

**Figure 56: perceived impact of IEE projects on EU level policy development and implementation – in %**



Source: web-based survey IEEC/NCP

In some cases, interviewees could identify significant impact on the implementation of EU directives in Member States (e.g. for transposition of the EPBD and ESD – promotion and dissemination projects and Concerted Actions). However, there is no clear view on what would be the impact of the project’s results on the development of EU policies. It is perceived that the programme is not impacting at its full potential the EU policy development. The barriers mentioned were:

- The strong influence of traditional energy sector lobbies;
- The lack of aggregated results and data at programme level that could be use to reinforce decision-making process.

**Finding 108:**

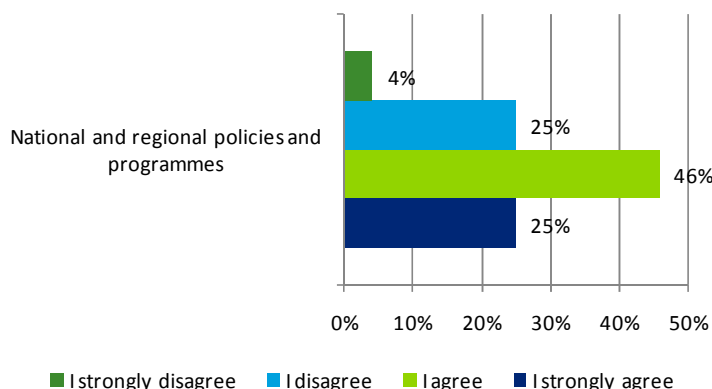
No serious doubt was expressed as regards the impact of IEE projects on EU level policy implementation by the stakeholders consulted. Useful results are produced to support EU legislation implementation. However, some concrete barriers were reported as regards the impact of IEE projects on EU level policy development.

### **Perceived impact of IEE projects on regional and national level policy development and implementation, and programmes in the field of energy**

In general, all stakeholders perceived that projects co-funded or funded by the programme are likely to impact regional and national level policy development and implementation and programmes in the field of energy. It was often mentioned that, for the IEE II programme's actions aiming directly at enabling policy and strategies, it is even more a matter of fact (Concerted Actions, promotion and dissemination projects with this priority).

The survey shows that 71% of the IEEC members and NCPs indicated that the IEE II programme had an impact on national and regional policies and programmes.

**Figure 57: Perceived impact of IEE projects on regional and national level policy development and implementation, and programmes – in %**



Source: web-based survey IEEC/NCP

Most of the cases where stakeholders were able to identify a concrete example of expected impacts were related to the project results as a leverage factor to influence national and regional authorities to include sustainable energy issues in the national/regional action plans.

The potential obstacles to fully impact regional and national level policy development are the same as the ones expressed in the previous section i.e. the strong influence of traditional energy sector lobbies and the lack of aggregated results and data at programme level that could be use to reinforce decision-making process. In addition, the difficulty to involve more actively the national authorities and to influence them based on the results of projects (lack of monitoring system) is perceived as limitation in the production of impacts.

#### **Finding 109:**

The results of IEE projects are expected to impact the national and regional level policy development and implementation. However, some concrete barriers are likely to impede the expected impact of IEE projects results.

#### 4.7.1.3 CONCLUSIONS

While limited identification of measurable impacts could be performed at this stage, a series of element tends to prove that it is likely that the actions supported by the programme will have an impact on both EU and national level policy development and implementation. Promotion and dissemination actions will aim at preparing the ground for effective policy implementation which can be understood as “indirect” impact to EU and national policy development. Concerted Actions are expected to impact directly the implementation of the EU energy policies. The expected impact of the tenders is directly impacting EU policy development and implementation by providing valuable input to the EC.

It was perceived that some barriers could impede the projects results to fully impact the EU and national and regional policy development and implementation:

- the strong influence of traditional energy sector lobbies;
- the lack of aggregated results and data at programme level that could be use to reinforce decision-making process;
- the difficulty to influence more actively the national authorities to make sustainable energy issues an important priority.

#### 4.7.2 TO WHAT EXTENT WERE THERE UNEXPECTED RESULTS?

##### 4.7.2.1 INTRODUCTION

For this evaluation question, we defined one judgement criterion: the existence of IEE II programme results not initially planned for.

Our assessment of this question is based on information from the interviews, case studies and web based surveys for the evaluation.

##### 4.7.2.2 DATA AND FINDINGS FROM SOURCES

#### **The existence of IEE II programme results not initially planned for**

While IEE projects are not research projects, we note from many project participants’ interview responses that their knowledge of the market situation is not always high enough to ensure that the expected results of projects can be precisely anticipated upfront. Moreover, the economic context evolves quickly with external factors, such that a degree of flexibility is needed (and felt to be present) in the management of the programme. Unexpected results are therefore not always easy to define given that many of the IEE II funded activities have uncertain results, depending on the reaction of target groups to the undertaken activities. For the purposes of this report, we consider unexpected results as results differing from plan.

Moreover, unexpected results can occur both at programme level (e.g. unexpected demand and capacity for the different programme components) and at project level (e.g. unexpected demand and capacity for the projects). We first look at the programme level, then at the project level.

As the IEE II programme allocates funds for grants which co-finance activities, and specialised procurement, it must take into account both the need and the capacity for projects using such funds. One way to assess the extent of unexpected programme results is to analyse the difference in the expected number of proposals against the actual number for the promotion and dissemination calls, as well as the expected number of funded projects and budget against the actual numbers for the other programme components.

For the promotion and dissemination projects, this gives the following results, showing significant differences in the allocation of funds to the different fields from the budgeted amounts mentioned in the annual work programmes in all years, possibly due to the lack of specific objectives in terms of the contribution of the different fields to the overall yearly results and impact of the programme (although there is a planned overall allocation which should be respected), as well as due to the complexity of the allocation process which also depends on the number and quality of proposals submitted.



This should however be nuanced by the fact that there is a sharing of budget in the INTEGRATED INITIATIVES between EE and RES to ensure a balance for the overall allocation reflecting the CIP decision, and that the INTEGRATED INITIATIVE Key Action 'energy services' has for instance purely focused on EE.

**Table 64: Promotion and dissemination projects component funding vs. budget**

| Grants vs. Budget for promotion and dissemination projects as % budget | 2007    | 2008    | 2009   | 2010    |
|--|---------|---------|--------|---------|
| SAVE   | 107.23% | 36.23%  | 8.49%  | -13.66% |
| ALTENER  | 1.71%   | 28.92%  | 34.16% | 9.34%   |
| STEER  | -16.78% | -36.21% | 29.52% | -4.44%  |
| INTEGRATED   | 26.29%  | 37.41%  | -8.55% | 55.16%  |
| Total  | 123.09% | 113.47% | 91.62% | 77.32%  |

Source: IEE II WP's; EACI data, Own calculations

**Finding 110:**

For the promotion and dissemination projects, there are significant differences in the allocation of funds to the different fields compared to the budgeted amounts in all years, although these may be nuanced by the allocation of budget in the INTEGRATED INITIATIVES between EE and RES to ensure a balance for the overall allocation reflecting the CIP decision.

For the market replication projects, we note that there are also significant differences in the allocation of funds compared to the budget although the initial allocation may simply reflect the difficulty to identify a specific allocation for the innovative market replication facility upfront, and as this funding is still open for allocation over several years the final situation may be closer to the initial target.

**Finding 111:**

For the market replication projects, there are also significant differences in the allocation of funds compared to the budgeted amounts although this may simply reflect the difficulty to identify a specific allocation for the innovative market replication facility upfront, and as this funding is still open for allocation over several years the final situation may be closer to the initial target.

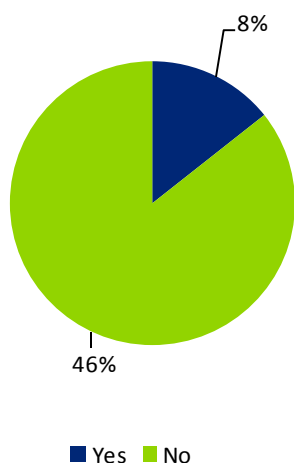
No consolidated data is available on the actual allocation of funds to tenders, concerted actions, or other mechanisms. Neither is there a consolidated view on the results and impacts at project level despite the mention of this being done in the various implementation reports. The IEE II 2007 implementation reports states that: *“Because of its nature, IEE II follows a bottom-up approach to evaluate its impact. Programme indicators are to be built up from individual project indicators plus complementary activities on harmonisation, rationalisation and estimation of the knock-on impact.... It should be 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 year to year and the impact of the Programme as a whole.”* Similarly, the 2008 and 2009 reports have analogous comments, and no concrete measures, as it has not proven possible to measure and consolidate results cost-effectively to date.

We nonetheless gathered anecdotal evidence of a number of unexpected results from the promotion and dissemination projects during the fieldwork. One example is that several projects found it harder than expected to involve their target groups, possibly due to the crisis, and its impact on them (e.g. SME's had more limited means than expected to dedicate to sustainable energy initiatives).

The drive towards all IEE projects having certain common result and impact indicators besides their specific result and impact indicators, with a set of mandatory quantitative impact indicators for all projects introduced by the EACI since the 2009 call (reduction in CO2 emissions, increased RES share, increased EE, and stimulation of investment in RES/EE) means that unexpected results and impacts should be easier to identify for the projects as of the 2009 call, probably as of 2013.

Amongst the IEEC members, those expressing an opinion overall feel that the programme has not had significant unexpected results.

**Figure 58: IEEC members' observation of unexpected results of IEE II**



Source: web-based survey IEEC

#### **Finding 112:**

A majority of IEEC members do not feel that IEE II has had unexpected results. There is no consolidated evidence across IEE projects to confirm or infirm this – such data will hopefully be more readily available at a later stage with the programme drive towards standard results and impact indicators. There is limited anecdotal evidence of some unexpected project results.

#### 4.7.2.3 CONCLUSIONS

There have been unexpected results for the IEE II programme, especially at programme level in terms of the allocation of funding across the programme components and fields.

Nonetheless, at project level there is no evidence of systematic unexpected results and a majority of IEEC members do not feel that IEE II has overall had unexpected results.

#### 4.7.3 IS THERE A RELATION BETWEEN THE TYPE OF ACTION AND THE KIND OF IMPACT?

##### 4.7.3.1 INTRODUCTION

For this evaluation question, we defined one judgement criterion: the existence of a relationship between IEE II action types and different kinds of impacts.

Our assessment is based on information from the desk research and data collected during interviews, case studies and web based surveys for the evaluation.

**Existence of a relationship between IEE II action types and different kinds of impacts**

As the strategic objectives to which IEE II contributes (sustainable, secure and competitive energy for the EU) are strongly interrelated it is very difficult to establish a relationship between the different action types and the different kinds of impacts defined at this level. It is more useful to try to identify a relationship between the types of activities and their impacts at the level of the specific and operational objectives.

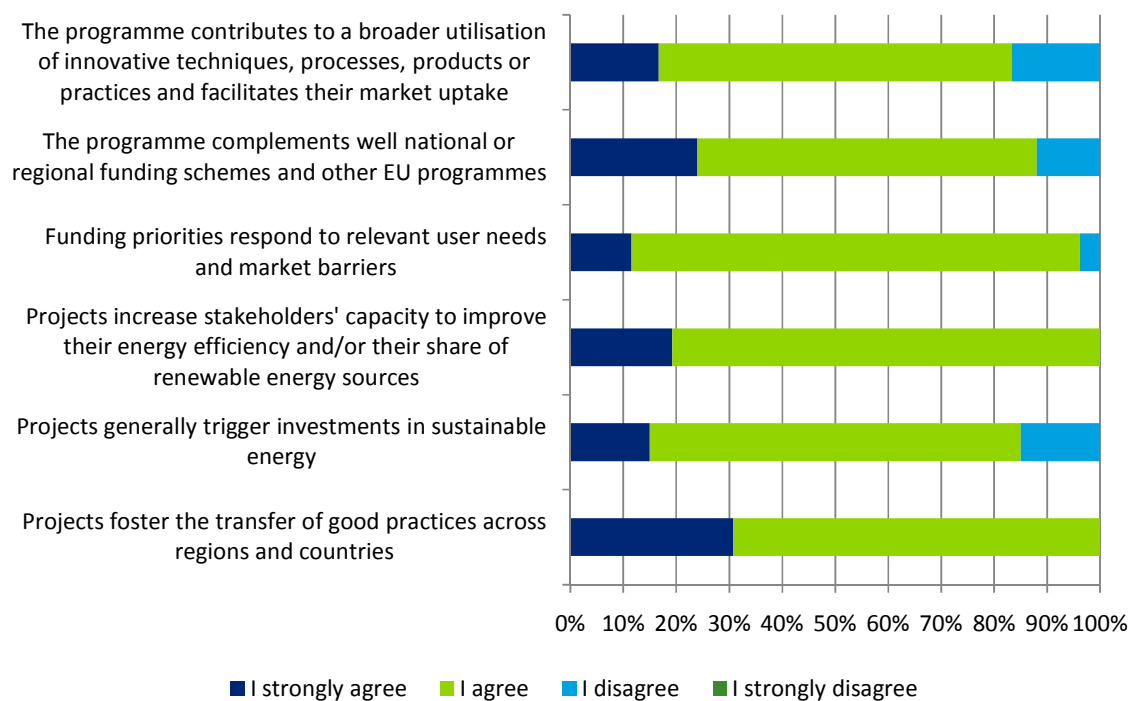
Our analysis of the IEE II projects (confirmed by the EACI) identified five main types of activities undertaken by the programme to address the market failures linked to non-technological market barriers, which are covered by IEE II's different instruments and fields:

- Ensuring increased awareness and information on sustainable energy objectives and solutions, and address skills gaps to change the behaviour of energy users and suppliers (AWARENESS RAISING). Such activities should do more than raise the awareness of individual citizens, householders and public- and private-sector decision-makers. They should lead to changes in their purchasing, investment and authorisation decisions and in their daily demand for energy. One major component of this type of action should involve education authorities, schools, colleges and universities;
- Reinforcing the capacity of actors in the field of sustainable energy (BUILDING CAPACITIES AND SKILLS) by:
  - Setting up public-private partnerships for qualification and training schemes, including 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;
  - Building / reinforcing of networks of market actors so that they can more efficiently share know-how, procedures, and best practices;
- Generating and leveraging significant investments in EE and RES (PREPARING THE GROUNDS FOR NEW INVESTMENTS) through:
  - Flexible financial instruments in collaboration with financial institutions and private investors;
  - Encouraging new suppliers of sustainable energy products and services to emerge and/or helping existing suppliers to grow by working to create more favourable market conditions and economies of scale in a single more competitive EU market;
  - Such activities should involve the financing community (bankers, financial institutions, fund managers, venture capitalists, etc.) and aim to address the financing needs on the markets for small and medium-sized energy efficiency and/or renewable energy systems. Other important measures of this type would be projects aiming to build investor confidence and to establish long-term financing mechanisms that will accelerate growth on the markets for sustainable energy;
- Supporting the development and implementation of the EU sustainable energy policy (FACILITATING POLICY IMPLEMENTATION) through activities which monitor, promote and/or build on the existing EU policy and legislative frameworks which 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;
- Improving market conditions for sustainable energy activities (CREATING FAVOURABLE MARKET CONDITIONS) through 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.

While the activity typology can be applied to projects under all of the IEE II components, consolidated data allocating the projects to these types is only available for the promotion and dissemination projects and cannot be linked to kinds of impacts which are not clearly identified at this stage. It is therefore not possible for us to assess the kinds of impacts of the five different types of projects.

Nonetheless, from the web-based survey of project participants we noted that there are varying degrees of perceived impact of the IEE II projects across different dimensions which can be linked to these types of activities. Projects fostering the transfer of good practices (awareness raising) and increasing their target’s capacity in sustainable energy may have more perceptible impacts as a higher proportion of respondents identify IEE II projects as having such impacts. This may of course simply be due to there being a higher proportion of such projects under IEE II although the data provided by the EACI allocating the promotion and dissemination projects to the different activity types does not confirm this.

**Figure 59: IEEC members’ opinion on IEE II project results**



Source: web-based survey IEEC/NCP

**Finding 113:**

There is no evidence of a relationship between action types and kinds of impact for IEE II projects. Nonetheless, project participants noted that there are varying degrees of perceived impact of the IEE II projects across the action types.

It may also be expected that projects under the different programme components have different kinds of impacts given their different objectives, although there is no evidence for this at this stage.

On the whole, the promotion and dissemination project coordinators and participants mention that it is difficult to define or measure quantitative impact targets, that these may not always be relevant as the projects are often not directly responsible for physical investments leading to increased energy sustainability, and that there are therefore issues of accountability and measurement. This demonstrates

that promotion and dissemination projects tend to have indirect impacts. This is also true for concerted actions and for many tenders which serve as input to EU policy making.

Market replication projects on the other hand are more closely linked to direct investment and possibly therefore perceived as having more direct impacts. While this is probable, the extent of the impact is not necessarily as evident as perceived given that some ELENA participants mention that their underlying investment projects might have been undertaken even without ELENA support, although with a smaller scope and longer timing. Taken together the signed and approved ELENA projects imply project development support in the magnitude of 20.5 mEUR and energy investments of €1.6 bn, i.e. a leverage factor of 78 if the full investment is counted. When implemented they are expected to lead to reduction of 0.5 Mtonnes CO<sub>2</sub> per year plus energy savings of nearly 1 TWh per year and additional other environmental improvements such as reduction of air pollution within the cities.

**Finding 114:**

It may be expected that projects under the different programme components have slightly different kinds of impacts given their different objectives, although there is no evidence for this at this stage. Promotion and dissemination projects are felt by their participants to have indirect impacts while market replication projects are felt by project participants to have relatively direct impacts.

Finally, although this is more of a comparison of the types of activities undertaken by IEE II and their impacts versus other potential activities, it is interesting to note that promotion and dissemination project participants believe their projects have more impact across the below objectives than direct investments in sustainable energy technology solutions would have.

**Table 65: Promotion and dissemination projects quantified impacts realization per kind of impact**

|   | Energy savings | CO <sub>2</sub> reductions | Increased renewable energy capacity | Economic growth | Capacity building among organisations | Social awareness of sustainable energy use |
|---|----------------|----------------------------|-------------------------------------|-----------------|---------------------------------------|--|
| Much higher impact  | 21%            | 23%                        | 19%                                 | 16%             | 34%                                   | 43%  |
| Higher impact   | 33%            | 37%                        | 27%                                 | 40%             | 29%                                   | 25%  |
| Same impact   | 8%             | 12%                        | 6%                                  | 11%             | 8%                                    | 9%   |
| Lower impact  | 11%            | 7%                         | 8%                                  | 6%              | 4%                                    | 2%   |
| Much lower impact/no impact                                     | 2%             | 2%                         | 3%                                  | 3%              | 5%                                    | 4%   |
| Don't know  | 6%             | 6%                         | 8%                                  | 9%              | 6%                                    | 6%   |
| The impact in question is not possible for this kind of project | 20%            | 13%                        | 30%                                 | 15%             | 15%                                   | 11%  |
| <b>Total</b>  | <b>100%</b>    | <b>100%</b>                | <b>100%</b>                         | <b>100%</b>     | <b>100%</b>                           | <b>100%</b>                                |

Source: web-based survey PC/PP

#### 4.7.3.3 CONCLUSIONS

There is no evidence of a relationship between action types and kinds of impact for IEE II projects.

Nonetheless, project participants noted that there are varying degrees of perceived impact of the IEE II projects across the action types, and it may be expected that projects under the different programme components have slightly different kinds of impacts given their different objectives. For instance, promotion and dissemination projects are felt by their participants to have indirect impacts while market replication projects are felt by project participants to have relatively direct impacts.

#### 4.7.4 DO IMPACTS DIFFER BETWEEN COUNTRIES? IF YES, HOW AND WHY?

##### 4.7.4.1 INTRODUCTION

For this evaluation question, we defined one judgement criterion: existence of different impacts between countries.

Our assessment is based on information from the desk research and data collected during interviews, case studies and web based surveys.

##### 4.7.4.2 DATA AND FINDINGS FROM SOURCES

#### **Existence of different impacts between countries**

There is no consolidated data available on observed differences in impacts per country. There is furthermore no data available on measured differences in impacts per country.

It is felt by project coordinators and partners that projects do have different impacts in the various countries although this is due to a large number of factors (different starting situations, experience and level of involvement of the local project participants, etc.).

#### **Finding 115:**

It is felt that project impacts differ across countries due to the varying national contexts.

The web-based survey targeting the PC/PP does not show a strong relationship between the number of countries involved in projects and their perceived impact.

**Table 66: Promotion and dissemination projects impacts per kind of impact based on number of countries involved**

| Impact, total (countries) |              |               |            |            |            |            |
|---------------------------|--------------|---------------|------------|------------|------------|------------|
| Min                       | Max          | Environmental | Economic   | Social     | Total      | Number     |
| 0                         | 3            | 4.2           | 4.0        | 4.3        | 4.2        | 14         |
| 3                         | 6            | 3.8           | 3.7        | 4.1        | 3.9        | 24         |
| 6                         | 9            | 3.8           | 3.9        | 4.1        | 4.0        | 47         |
| 9                         | 12           | 3.9           | 3.9        | 4.2        | 4.0        | 26         |
| 12                        | 30           | 3.9           | 3.6        | 4.0        | 3.9        | 13         |
| <b>Total</b>              | <b>Total</b> | <b>3.9</b>    | <b>3.9</b> | <b>4.1</b> | <b>4.0</b> | <b>124</b> |

Source: web-based survey PC/PP

Given the specificities of the different Member States, projects may sometimes need to limit the number of countries involved (e.g. by involving countries with which there are most similarities and synergies) in order to have marked impacts in these countries, indicating that there are differences in the project impacts across countries. However, as the main added value of the programme is perceived to be the exchange of knowledge and the creation of networks, such an approach may not be relevant for many projects, given that although there may be less immediate impacts, over the longer term there will be improved cohesion and similarities.

Several stakeholders mention that the differences between so-called old Member States (EU-15) and new Member States (EU-12) are diminishing, which may be considered as a positive impact of the programme.

For promotion and dissemination projects, it can be expected that there will be differences in the impacts of the programme on the different countries based on the involvement of project participants and coordinators in the projects.

Looking at the number of promotion and dissemination projects involving participants from the different countries may provide an indication of the impacts that can be expected in the different countries assuming there is a somewhat greater focus on promotion and dissemination in the participant countries.

The data indicates a higher participation by the larger old Member States as can be expected given the relative populations and economy sizes, and that the projects are attributed competitively and that participants from these Member States still tend to have a competitive advantage.

The figures on project coordination indicate an even stronger focus on a number of highly involved old Member States (Germany, Italy, Belgium, UK, France, and Austria), and more generally to old Member States rather than new. Belgium is a special case because of the presence of EU associations which play a major role in IEE II projects.

These figures can perhaps be somewhat nuanced by taking into account that actors from new Member States may benefit from the transfer of knowledge and experience from more experienced Member States which might not happen if projects led by the more experienced Member States were not undertaken.

**Finding 116:**

Based on the levels of participation of partners and coordinators of projects from different countries, it can be expected that the highest impacts of the IEE II programme would be felt in a number of most highly involved old Member States (Germany, Italy, Belgium, UK, France, and Austria).

4.7.4.3 CONCLUSIONS

The impacts of IEE II differ across countries due to the varying national contexts and the differing levels of participation of partners and coordinators from different countries.

It can be expected that the highest impacts of the IEE II programme would be felt in a number of most highly involved old Member States (Germany, Italy, Belgium, UK, France, and Austria).

## 5 GENERAL CONCLUSIONS

The programme is relevant and useful as it replies to the evolving needs, problems and barriers related to sustainable energy issues that Europe is facing. IEE II is still in line with the overarching EU objectives in the field of sustainable energy. Its objectives and funding priorities are perceived as relevant to the needs, barriers and issues it was designed to address by its stakeholders.

The constant alignment of the programme's objectives to the evolving issues in the field of energy is partly due to their flexibility and adaptability. These flexibility and adaptability are reinforced by the prioritisation process (annual work programmes) that allows the programme to evolve over time and adapt to policy developments and budget increases.

One other significant feature of IEE programme is the combination of different actions supported. IEE II supports several actions by providing grants (through call for proposals), procurement (through call for tenders), and project development services. The combination of the actions which covers a wide spectrum of priorities, the involvement of different type of actors which can clearly influence the uptake of sustainable energy solutions and in particular the combination of market solution oriented projects and projects targeting policy adaptation as well as the influence of the IEE II actions at different moment of the market cycle contribute to the effectiveness of the programme.

While we can conclude that their wide coverage allows the programme's objectives to tackle a large variety of needs, we can nevertheless challenge the sustainability and effectiveness of the actions with regard to their contribution to wider IEE and EU energy objectives. Indeed even if individually relevant, it is unclear how the actions as a whole contribute to those objectives due to the ambitious scope of the strategies at stake. This feature of the programme can be viewed both as a strength (respond to the large scope of needs) than a weakness (this makes its overall measurement and management more complex).

In order to mitigate the previous conclusion, the assessment of the effectiveness of the programme demonstrates that each level of objectives (programme's specific and operational objectives, fields, key actions and priority objectives, actions' specific and strategic objectives) corresponds to each other and contributes, in a bottom up approach, to the overall EU energy goals. The assessment of the effectiveness of the actions supported, and taken individually, demonstrates that the activities co-funded/funded by the programme are likely to reach their objectives and to achieve expected results and that overall projects are able to identify and reach their targets audience. The expected impacts of the actions supported are likely to have lasting effects (according to their stakeholders).

While the qualitative assessment of the effectiveness of the actions is not questioned, it is unlikely that the expected impacts would be quantified for most of the projects supported (except for the market replication projects) due to the nature of the projects. As a consequence, at programme level, it can be also concluded that the contribution of the programme to the EU sustainable energy objectives will be difficult to quantify.

Concerning the legal framework establishing the IEE II programme, we can conclude that it is clear, understandable and effective. Both the Commission and the EACI made considerable efforts to contribute to the clear legal structure of the programme. Overall, the policy instruments and modalities for implementation are clear and effective for the promotion and dissemination projects. More nuances are brought as regards to the other components of the programme (market replication projects under ELENA facility and call for tenders). The efforts made by the EACI to simplify the management process might increase the effectiveness of the projects.

Therefore we can conclude that overall the actions supported by the programme are of good quality while the administrative burden linked to the IEE II programme is felt to be reasonable by all involved parties, and has been reduced over time. This is ensured by adequate implementation and management process.



Concerning the financial resources of the programme, we conclude that the means put in place are not excessive taking into account the ongoing debate on the allocation of the programme's resources to its different annual work programmes, components and fields, and the relatively small size of its budget in relation to overall spending on sustainable energy. This budget could even be increased to better facilitate achievement of the overarching objectives of the programme, especially given the limited time remaining to achieve these before 2020 and the delays incurred to date vis-à-vis certain sustainable energy development objectives.

As regards the communication activities carried out at both programme, the means deployed at programme level (mostly covering awareness raising and results dissemination for the promotion and dissemination programme component) are considered adequate by a majority of programme management and participants. This indicates that programme level communication is perceived as sufficiently effective and efficient for this component. It is perceived that there is room for improvement in the effectiveness of programme level communication for the market replication, tenders and concerted action components although this will require time for results to be generated by the recently initiated market replication projects on the one hand and on the other is limited by the nature of the tenders and concerted actions. It would also require dedicated means to be done cost-effectively.

The project level dissemination activities for promotion and dissemination projects are believed to contribute to the transmission of results and impacts of actions, but their effectiveness and efficiency is not clear, even if a majority of participants believe they have sufficient means to reach their communication objectives. Project level communication and dissemination on the other components of IEE may not be as effective as for the promotion and dissemination component, but again needs more time for market replication projects to be able to generate results.

Concerning the target groups of the dissemination activities, we can state that the target groups of the IEE II programme are reflected in these activities, as both encompass all actors in the development of sustainable energy. There is however no clear and consolidated single overview or reporting on the defined target groups for each of the programme components or for their dissemination activities. We can also draw the same conclusion on who is using projects' outputs and to what extent as there is limited follow up on this at project level. However, it is considered by the project stakeholders that the target audiences of the dissemination activities should be the ones using the outputs at both project and programme level.

Finally, there is evidence of interactions and synergies between IEE II and other EU initiatives in the field of sustainable energy development (both at management and sharing of knowledge levels). There are also concrete links between projects. IEE II is perceived as complementing other existing programmes in sustainable energy well (research or physical investment programmes), and having many potential synergies with these. However, it is perceived that these potential synergies with other EU programmes could be further exploited.

## 6 RECOMMENDATIONS

Based on our final evaluation of the IEE II programme, and as requested in the terms of reference, we have identified a number of recommendations for the programme and a potential successor to it.

Taking into account that the IEE II programme is not yet finished, and that certain recommendations could be considered for the remainder of its duration, our recommendations are split into those which are most relevant for the IEE II programme, and those which we believe to be more relevant for a potential successor to it.

The recommendations are mostly general cross-cutting recommendations on the programme impacting all stakeholders although some are more specific and aimed at particular programme stakeholders. They are grouped by theme.

### **Recommendations for IEE II:**

As regards **communication**, we recommend that:

- Programme-level communication on the IEE II programme be consolidated for all programme components to ensure sufficient visibility and consistency. This could be operationalised by:
  - Integrating the other components than the promotion and dissemination projects into the IEE II website (at least through references to other dedicated websites) and project database, and slightly restructuring the website to adapt it to the different types of beneficiaries and stakeholders;
  - Ensuring consolidated communication through programme-level media such as info-days, brochures, etc. and relays, such as the NCPs.
- A single consolidated overview of target groups for the different programme components be created, and used as the basis for follow-up of the programme and project communication;
- The training for NCPs be further developed, and they receive more programme support, taking into account elements such as:
  - Training on other IEE II components than just promotion and dissemination projects, to be able to promote these, and notably on the market replication component;
  - The recruitment of new applicants to the programme;
  - Support for applicants in their search for partners.
- Target groups for the dissemination of the experience of Market replication projects be clearly defined, such that once first experiences and results are achieved, these be well disseminated. The target groups could include public authorities, but also financial institutions and Energy Service Companies (ESCOs).

As regards the **implementation modalities**, we recommend that:

- An upfront indicative prioritisation for the two remaining work programmes (2012 and 2013) be considered, albeit tentative for the 2013 work programme, as this could:
  - Increase predictability for potential applicants and stimulate quality proposals;
  - Ensure alignment with the planned overall allocation to the different fields of IEE II;
  - Pilot a longer-term approach for a potential successor to IEE II whereby there could be a slightly stronger focus on upfront planning (cf below).
- An alternative selection method for market replication projects be envisaged once it is considered that a sufficient number of “pilot projects” have been established and it is considered that demand is sufficient for this, so as to assess different possible allocation methods for optimal market replication;
- The national specificities/needs continue to be taken into account when prioritizing projects, both for promotion and dissemination projects (perhaps even included in selection criteria), and market replication projects.

As regards the **management of the programme**, we recommend that:

- There be further follow up of the management costs per programme component and reporting on this to the IEEC.

As regards the **synergies and coherence of the programme**, we recommend that:

- There be continued close monitoring of the potential overlaps between IEE II and the SF/CF INTERREG IVC, as well the LIFE+ programmes;
- The synergies of IEE II with other EU programmes be further continued by:
  - Creating stronger links between IEE promotion and dissemination projects on mobilising investments in sustainable energy and market replication projects as well as other investment-related projects;
  - Continuing to develop links (potentially also in the management) between IEE investment-related components, notably between the Mobilising local energy investments (MLEI) and market replication facilities;
  - Continuing to develop links between IEE II and other investment-related programmes in sustainable energy (SF/CF, EEE-F, etc.).

### **Recommendations for a potential successor to IEE II:**

As regards the **duration and structure of a potential successor to the programme**, we recommend that:

- It last between three and seven years, ideally from 2014-2020;
- There be a stronger upfront prioritisation and programming through:
  - A roadmap (linked to the CIP decision, potentially altered if relevant) for the entire duration of the programme, and which would be the basis of annual work programmes and could be adapted as relevant on an annual basis to take into account the status and evolving context;
  - Annual work programmes which would themselves include an annual roadmap derived from the overall programme roadmap as well as more detailed information on expected numbers of projects for the various priorities, etc.;
  - Annual reporting and ongoing reporting by programme management being based on a status versus the planned roadmap;
- There be a regrouping of programme activities around five types of activities, namely:
  - Ensuring increased awareness and information on sustainable energy objectives and solutions, and addressing skills gaps to change the behaviour of energy users and suppliers (AWARENESS RAISING);
  - Reinforcing the capacity of actors in the field of sustainable energy (BUILDING CAPACITIES AND SKILLS) through public-private partnerships for qualification and training schemes, as well as networks of market actors;
  - Generating and leveraging significant investments in EE and RES (PREPARING THE GROUNDS FOR NEW INVESTMENTS) through flexible financial instruments and linked technical assistance as well as encouraging new suppliers of sustainable energy products and services to emerge;
  - Supporting the development and implementation of the EU sustainable energy policy (FACILITATING POLICY IMPLEMENTATION) through activities which monitor, promote and/or build on the existing EU policy and legislative frameworks;
  - Improving market conditions for sustainable energy activities (CREATING FAVOURABLE MARKET CONDITIONS) through projects which help to convert policy into action on the market and contribute to improving the competitiveness of European EE and RES industries, especially SMEs.
- The above types of IEE activities be taken as the basis for measuring impacts for which indicators should be defined by project type (i.e. specific levels of indicators for each type of activities)

which could measure their contribution to their related objectives and aggregation of their results at programme level);

- There be a possibility to extend successful projects, or apply for further dissemination budget in a light procedure, in order to maximise their lasting impacts. This would imply including indicators for projects from the start to identify those most suited or deserving dissemination;
- There be an increased follow up of the consolidated results and impacts of projects to ensure sustainability, e.g. via a central database maintained by Project Officers. The central database could contain a general view on project performance (outputs, budget, costs, status, etc.) for all IEE projects.

As regards the **implementation modalities of a potential successor to the programme**, we recommend that:

- The current instruments be continued although similar but smaller-scale exchange fora between the IEEC members or designated other representatives of Member States could be investigated based on the concept of the concerted actions (“working groups”).

As regards the **synergies and coherence of a potential successor to the programme**, we recommend that:

- The programme contribute to tackling the barriers to the long term implementation of synergies for the IEE II programme where possible:
  - Using IEE as a promotion tool for other initiatives as relevant;
  - Ensuring coordination between IEE and other initiatives to avoid issues linked to time lags between initiatives (e.g. using IEE best practices at relevant prioritisation stages of SF/CF funding);
  - Extending IEE target groups to include the key stakeholders of other EU initiatives for optimal promotion and dissemination of sustainable energy solutions.

## 7 ANNEX 1: MAIN DOCUMENTATION OVERVIEW

| #  | Title (and year)  | Official document reference |
|----|---|-----------------------------|
| 1  | Council Regulation (EC) No 58/2003 of 19 December 2002 laying down the statute for executive agencies to be entrusted with certain tasks in the management of Community programmes  | (EC) No 58/2003             |
| 2  | Commission Decision of 23 December 2003 setting up an executive agency, the 'Intelligent Energy Executive Agency', to manage Community action in the field of energy in application of Council Regulation (EC) No 58/2003   | (2004/20/EC)                |
| 3  | Commission Regulation (EC) No 1653/2004 of 21 September 2004 on a standard financial regulation for the executive agencies pursuant to Council Regulation (EC) No 58/2003 laying down the statute for executive agencies to be entrusted with certain tasks in the management of Community programmes       | (EC) No 1653/2004           |
| 4  | Commission Regulation (EC) No 1821/2005 of 8 November 2005 amending Regulation (EC) No 1653/2004 as regards the posts of accounting officers of executive agencies  | (EC) No 1821/2005           |
| 5  | Proposal for a Decision of the European Parliament and of the Council establishing a Competitiveness and Innovation Framework Programme (2007-2013)   | COM(2005) 121 final         |
| 6  | Decision No 1639/2006/EC of the European Parliament and of the Council of 24 October 2006 establishing a Competitiveness and Innovation Framework Programme (2007 to 2013)  | Decision 1639/2006/EC       |
| 7  | Communication from the Commission to the Council and to the European Parliament on the general approach to enable ENP partner countries to participate in Community agencies and Community programmes – 4.12.2006   | COM(2006)724 final          |
| 8  | Council Regulation (EC, EURATOM) No 1995/2006 of 13 December 2006 amending Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities   | (EC, EURATOM) No 1995/2006  |
| 9  | Commission Regulation (EC, EURATOM) No 478/2007 of 23 April 2007 amending Regulation (EC, Euratom) No 2342/2002 laying down detailed rules for the implementation of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities | (EC, EURATOM) No 478/2007   |
| 10 | Commission Decision of 31 May 2007, amending Decision 2004/20/EC in order to transform the 'Intelligent Energy Executive Agency' into the Executive Agency for Competitiveness and Innovation   | (2007/372/EC)               |
| 11 | Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions - Energy 2020: A strategy for competitive, sustainable and secure energy   | COM(2010) 639 final         |

| #  | Title (and year)   | Official document reference |
|----|--|-----------------------------|
| 12 | Commission Staff Working Document, <i>State of play in the EU energy policy Accompanying document to the Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions - Energy 2020: A strategy for competitive, sustainable and secure energy</i> | SEC(2010) 1346 final        |
| 13 | Commission Decision of 30.03.2007 establishing the 2007 Work Programme for the implementation of "Intelligent Energy – Europe II" Programme (text with EEA relevance)  | C(2007)1388                 |
| 14 | Commission Decision of 12.03.2008 establishing the 2008 Work Programme for implementation of the “Intelligent Energy – Europe II” Programme (text with EEA relevance)  | C(2008)912                  |
| 15 | Commission Decision of 14.10.2008, Amending Decision C(2008)912 establishing the 2008 Work Programme for implementation of the "Intelligent Energy – Europe II" Programme  | C(2008)5717 final           |
| 16 | Commission Decision of 31.03.2009 establishing the 2009 Work Programme for implementation of the 'Intelligent Energy - Europe II' programme  | C(2009) 2174                |
| 17 | Commission Decision of 07.10.2009 amending Commission Decision C(2009) 2174 of 31 March 2009 establishing the 2009 Work Programme for implementation of the ‘Intelligent Energy – Europe II’ Programme   | C(2009) 7563                |
| 18 | Commission Decision of 23.03.2010 establishing the 2010 Work Programme for implementation of the 'Intelligent Energy - Europe II' programme  | C(2010) 1716 final          |
| 19 | (Draft) Commission Decision of [...] establishing the 2011 Work Programme for implementation of the 'Intelligent Energy - Europe II' programme   |                             |
| 20 | Externalisation arrangement for “Intelligent Energy for Europe” Programme. A cost-effectiveness assessment – Final report – 10/12/2002   |                             |
| 21 | Market Impact Assessment of Altener Projects – Final report – June 2004  |                             |
| 22 | Ex ante evaluation of a renewed multiannual Community programme in the field of energy (2007-2013) - Final Report – September 2004   |                             |
| 23 | Evaluation of the SAVE Programme Final Report – March 2005   |                             |
| 24 | Mid Term Evaluation of the Multiannual Programme for Action in the Field of Energy "Intelligent Energy- Europe, 2003-2006" A Final Report to Directorate - General Energy and Transport – 14.03.2006   |                             |
| 25 | Policy Department Economic and Scientific Policy - Synergies between the EU 7th Research Framework Programme, the Competitiveness and Innovation Framework Programme and the Structural Funds – May 2007   |                             |

| #  | Title (and year)  | Official document reference |
|----|---|-----------------------------|
| 26 | European Court of Auditors – Special Report No 7//2008 – Intelligent Energy 2003-2006   |                             |
| 27 | EC reaction to court’s IEE report-draft-19-09-2008(final)   |                             |
| 28 | Working Document on Special Report No 7/2008 of the European Court of Auditors on the Programme "Intelligent Energy for Europe (IEE) 2003-2006"<br>Committee on Budgetary Control – 11.11.2008      |                             |
| 29 | Interim Evaluation of the Intelligent Energy-Europe II Programme within the Competitiveness and Innovation Framework Programme, Final report, 27 April 2009<br>24 February 2008                     |                             |
| 30 | Interim Evaluation of the Competitiveness and Innovation Framework Programme (2007-2013), Final Report, 9 March 2010  |                             |
| 31 | Interim Evaluation of the Competitiveness and Innovation Framework Programme (2007-2013), Technical Annex to the Final Report, 9 March 2010   |                             |
| 32 | Executive Agency for Competitiveness and Innovation, Energy agencies: evaluation of the relevance of Community funding of local and regional energy agencies, Final Report, May 2010                |                             |
| 33 | Executive Agency for Competitiveness and Innovation, Energy agencies: evaluation of the relevance of Community funding of local and regional energy agencies, Annexes to the Final Report, May 2010 |                             |
| 34 | Minutes of the Informal Meeting of the Programme Committee of the “Intelligent Energy – Europe” Programme (IEE)? 20 November 2006   |                             |
| 35 | Draft minutes of the Meeting of the Programme Committee of the "Intelligent Energy – Europe II" Programme (IE-E II)? 26 January 2007  |                             |
| 36 | Draft minutes of the Informal Meeting of the Programme Committee of the “Intelligent Energy – Europe II” Programme (IE-E II), 10 May 2007 and 11 May 2007   |                             |
| 37 | Draft minutes of the Meeting of the Management Committee of the "Intelligent Energy – Europe II" Programme (IEEC), 10 January 2008  |                             |
| 38 | Draft minutes of the Meeting of the Management Committee of the "Intelligent Energy – Europe II" Programme (IEEC), 25 June 2008   |                             |
| 39 | Draft minutes of the Meeting of the Management Committee of the "Intelligent Energy – Europe II" Programme (IEEC), 13 February 2009   |                             |
| 40 | Draft minutes of the Meeting of the Management Committee of the "Intelligent Energy – Europe II" Programme (IEEC), 10 June 2009   |                             |

| #  | Title (and year)  | Official document reference |
|----|---|-----------------------------|
| 41 | Draft Minutes of the Meeting of the Management Committee of the "Intelligent Energy – Europe II" Programme (IEEC), 14 December 2009                                     |                             |
| 42 | Summary Minutes Sub-group meeting on the future of the Intelligent Energy-Europe (IEE) programme, 13 July 2009  |                             |
| 43 | Draft minutes of the Meeting of the Management Committee of the "Intelligent Energy – Europe II" Programme (IEEC), 15 January 2010                                      |                             |
| 44 | Draft minutes of the Informal Meeting of the Management Committee of the "Intelligent Energy – Europe II" Programme (IEEC), 1 July 2010                                 |                             |
| 45 | Minutes of the Joint Meeting of the Committees of the Competitiveness and Innovation Framework Programme: EIP Committee, ICT Committee and IEE Committee, 18 March 2010 |                             |
| 46 | Competitiveness and Innovation Framework Programme, Implementation Report 2007, October 2008  |                             |
| 47 | Competitiveness and Innovation Framework Programme, Implementation Report 2008, June 2009   |                             |
| 48 | Competitiveness and Innovation Framework Programme, Implementation Report 2009, June 2010   |                             |
| 49 | Intelligent Energy-Europe Programme, Implementation report 2007   |                             |
| 50 | Intelligent Energy-Europe Programme, Implementation report 2008   |                             |
| 51 | Intelligent Energy-Europe Programme, Implementation report 2009   |                             |
| 52 | EACI – Final accounts with reports on budget implementation and budgetary and financial management, 2007  |                             |
| 53 | EACI – Final accounts with reports on budget implementation and budgetary and financial management, 2008  |                             |
| 54 | EACI – Final accounts with reports on budget implementation and budgetary and financial management, 2009  |                             |
| 55 | Participation of third countries in the Intelligent Energy-Europe Programme - TREN/D.3/KD D(2008) – 05.03.2008  |                             |
| 56 | Competitiveness and Innovation programme state of play vis-à-vis participation of third countries (summary) – ENTR A2 – 10.07.2007                                      |                             |



| #  | Title (and year)   | Official document reference |
|----|--|-----------------------------|
| 57 | Draft Memorandum of Understanding between the European Community and the Republic of Croatia on the participation of the Republic of Croatia in the Community Programme "Intelligent Energy-Europe Programme of the Competitiveness and Innovation Programme (2007 to 2013)"   |                             |
| 58 | Draft Memorandum of Understanding between the European Community and the Republic of Croatia on the participation of the Republic of Croatia in the Community Programme "Intelligent Energy-Europe Programme of the Competitiveness and Innovation Programme (2007 to 2013)" – 5.10.2007                                 |                             |
| 59 | Draft Memorandum of Understanding – Competitiveness and Innovation Framework Programme (CIP) - 2007  |                             |
| 60 | Memorandum of Understanding – General Management Issues of the Competitiveness and Innovation Framework Programme (CIP), June 2008   |                             |
| 61 | Inter-service consultation on actions retained for funding under "Intelligent Energy - Europe" programme for the promotion of energy efficiency and renewable energy sources (Budget line 06.0406), following the evaluation of the 2007 call for proposals, deadline 28 September 2007<br>Annexes and Call 2007 results |                             |
| 62 | Inter-service consultation on actions retained for funding under "Intelligent Energy - Europe" programme for the promotion of energy efficiency and renewable energy sources (Budget line 06.0406), following the evaluation of the 2008 call for proposals, deadline 26 June 2008<br>Annexes and Call 2008 results      |                             |
| 63 | Inter-service consultation on actions retained for funding under "Intelligent Energy - Europe" programme for the promotion of energy efficiency and renewable energy sources (Budget line 06.0406), following the evaluation of the 2009 call for proposals, deadline 25 June 2009<br>Annexes and Call 2009 results      |                             |
| 64 | Applying the EPBD to improve the Energy Performance Requirements to Existing Buildings – ENPER-EXIST, Project oriented results report, July 2007   |                             |
| 65 | ELENA – European Local ENergy Assistance, sectoral summary sheet   |                             |
| 66 | Call for Proposals 2011, Guide for Proposers <ul style="list-style-type: none"> <li>• Promotion and dissemination Projects</li> <li>• BUILD UP Skills, the new Building Workforce Training and Qualification Initiative</li> </ul>   |                             |
| 67 | Electronic Proposal Submission Service - preparation and submission guide, 2011  |                             |

| #  | Title (and year)  | Official document reference |
|----|---|-----------------------------|
| 68 | Grant agreement model (including Annex I and Annex II)            |                             |
| 69 | Financial guidelines of IEE II 2007-2013                          |                             |
| 70 | Reporting templates (progress, interim and final project reports) |                             |

## 8 ANNEX 2: SAMPLE OF PROJECT

| # | Name of the project   | Acronym | Year | Component                            | Field | Key Action | Project type 1    | Project type 2    | Component   |                    |                   |         | Field |         |       |            |  |
|---|---|---------|------|--------------------------------------|-------|------------|-------------------|-------------------|-------------|--------------------|-------------------|---------|-------|---------|-------|------------|--|
|   |   |         |      |                                      |       |            |                   |                   | Prom & diss | Market replication | Concerted actions | Tenders | SAVE  | ALTENER | STEER | Integrated |  |
| 1 | Chambers Promoting Intelligent Energy for SMEs  | CHANGE  | 2007 | Promotion and dissemination projects | SAVE  | Industry   | Capacity building |                   | X           |                    |                   |         | X     |         |       |            |  |
| 2 | From Estonia till Croatia: Intelligent Energy Saving Measures for Municipal housing in Central and Eastern European Countries | INTENSE | 2007 | Promotion and dissemination projects | SAVE  | Buildings  | Capacity building |                   | X           |                    |                   |         | X     |         |       |            |  |
| 3 | Excellence in Energy Efficiency for the Tourism Industry - Accommodation sector: SME hotels                                   | EETI    | 2007 | Promotion and dissemination projects | SAVE  | Industry   | Capacity building | Awareness raising | X           |                    |                   |         | X     |         |       |            |  |

| # | Name of the project  | Acronym          | Year | Component                            | Field                  | Key Action                 | Project type 1    | Project type 2    | Component   |                    |                   |         | Field |         |       |            |   |
|---|--|------------------|------|--------------------------------------|------------------------|----------------------------|-------------------|-------------------|-------------|--------------------|-------------------|---------|-------|---------|-------|------------|---|
|   |  |                  |      |                                      |                        |                            |                   |                   | Prom & diss | Market replication | Concerted actions | Tenders | SAVE  | ALTENER | STEER | Integrated |   |
| 4 | Optimising Bike Sharing in European Cities                   | OBIS             | 2007 | Promotion and dissemination projects | STEER                  | Energy-efficient Transport | Better markets    | Enabling policy   | X           |                    |                   |         |       |         |       | X          |   |
| 5 | TRAINING CHEMICAL SMES IN RESPONSIBLE USE OF ENERGY          | CARE +           | 2007 | Promotion and dissemination projects | SAVE                   | Industry                   | Awareness raising | Capacity building | X           |                    |                   |         | X     |         |       |            |   |
| 6 | Biogas Production from Agricultural Wastes in European Farms | FARMAGAS         | 2008 | Promotion and dissemination projects | ALTENER                | Bioenergy                  |                   | Capacity building | X           |                    |                   |         |       | X       |       |            |   |
| 7 | Carbon Detectives Europe                                     | Carbon Detective | 2008 | Promotion and dissemination projects | Integrated Initiatives | Education                  |                   | Awareness raising | X           |                    |                   |         |       |         |       |            | X |
| 8 | Typology Approach for Building Stock Energy                  | TABULA           | 2008 | Promotion and dissemination projects | SAVE                   | Buildings                  |                   | Enabling policy   | X           |                    |                   |         | X     |         |       |            |   |

| #  | Name of the project   | Acronym    | Year | Component                            | Field   | Key Action                 | Project type 1    | Project type 2         | Component   |                    |                   |         | Field |         |       |            |  |
|----|---|------------|------|--------------------------------------|---------|----------------------------|-------------------|------------------------|-------------|--------------------|-------------------|---------|-------|---------|-------|------------|--|
|    |   |            |      |                                      |         |                            |                   |                        | Prom & diss | Market replication | Concerted actions | Tenders | SAVE  | ALTENER | STEER | Integrated |  |
| 9  | Energy efficiency and environmental criteria in the awarding of regional rail transport vehicles and services | ECORAILS   | 2008 | Promotion and dissemination projects | STEER   | Energy-efficient Transport | Capacity building | Mobilising investments | X           |                    |                   |         |       |         |       | X          |  |
| 10 | ECOHEAT4EU  | ECOHEAT4EU | 2008 | Promotion and dissemination projects | ALTENER | RES-H/C                    | Better markets    | Enabling policy        | X           |                    |                   |         |       | X       |       |            |  |
| 11 | EESI - European Energy Service Initiative   | EESI       | 2008 | Promotion and dissemination projects | SAVE    | Energy Services            | Better markets    | Enabling policy        | X           |                    |                   |         | X     |         |       |            |  |
| 12 | EPOMM - Partners Learning Urban Sustainability  | EPOMM PLUS | 2008 | Promotion and dissemination projects | STEER   | Energy-efficient Transport | Awareness raising |                        | X           |                    |                   |         |       |         | X     |            |  |

| #  | Name of the project   | Acronym           | Year | Component                            | Field                  | Key Action              | Project type 1    | Project type 2 | Component   |                    |                   |         | Field |         |       |            |
|----|---|-------------------|------|--------------------------------------|------------------------|-------------------------|-------------------|----------------|-------------|--------------------|-------------------|---------|-------|---------|-------|------------|
|    |   |                   |      |                                      |                        |                         |                   |                | Prom & diss | Market replication | Concerted actions | Tenders | SAVE  | ALTENER | STEER | Integrated |
| 13 | Promotion of the Passive House Concept to the North European Building Market                              | NORTHPASS         | 2008 | Promotion and dissemination projects | SAVE                   | Buildings               | Better markets    | X              |             |                    |                   | X       |       |         |       |            |
| 14 | Solar District Heating in Europe  | SDHTAKE-OFF       | 2008 | Promotion and dissemination projects | ALTENER                | RES-H/C                 | Better markets    | X              |             |                    |                   |         | X     |         |       |            |
| 15 | Smart-e buildings - yes we can Enable the building sector to contribute to reaching the 3 x 20 objectives | SMART-e Buildings | 2009 | Promotion and dissemination projects | SAVE                   | Buildings               | Awareness raising | X              |             |                    |                   | X       |       |         |       |            |
| 16 | European Solar Days II  | ESD II            | 2009 | Promotion and dissemination projects | Integrated Initiatives | Local Energy Leadership | Awareness raising | X              |             |                    |                   |         |       |         | X     |            |

| #  | Name of the project  | Acronym              | Year | Component                            | Field                  | Key Action                     | Project type 1    | Project type 2         | Component   |                    |                   |         | Field |         |       |            |
|----|--|----------------------|------|--------------------------------------|------------------------|--------------------------------|-------------------|------------------------|-------------|--------------------|-------------------|---------|-------|---------|-------|------------|
|    |  |                      |      |                                      |                        |                                |                   |                        | Prom & diss | Market replication | Concerted actions | Tenders | SAVE  | ALTENER | STEER | Integrated |
| 17 | Cross-border markets for the European bioenergy industry                       | CrossBorderBioenergy | 2009 | Promotion and dissemination projects | ALTENER                | Bioenergy                      | Better markets    | Mobilising investments | X           |                    |                   |         |       | X       |       |            |
| 18 | REnewable energies for tourist ACcommodation buildingS                         | RELACS               | 2009 | Promotion and dissemination projects | ALTENER                | RES-E                          | Awareness raising | Better markets         | X           |                    |                   |         |       | X       |       |            |
| 19 | Sharing urban sustainable energy strategies - promoting the Covenant of Mayors | COME2COM             | 2009 | Promotion and dissemination projects | Integrated Initiatives | Sustainable energy communities | Capacity building | Mobilising investments | X           |                    |                   |         |       |         |       | X          |
| 20 | Clean Drive - A campaign for cleaner vehicles in Europe                        | CLEAN DRIVE          | 2009 | Promotion and dissemination projects | STEER                  | Alternative fuels              | Awareness raising | Better markets         | X           |                    |                   |         |       |         | X     |            |

| #  | Name of the project   | Acronym         | Year | Component                            | Field                  | Key Action              | Project type 1         | Project type 2  | Component   |                    |                   |         | Field |         |       |            |   |
|----|---|-----------------|------|--------------------------------------|------------------------|-------------------------|------------------------|-----------------|-------------|--------------------|-------------------|---------|-------|---------|-------|------------|---|
|    |   |                 |      |                                      |                        |                         |                        |                 | Prom & diss | Market replication | Concerted actions | Tenders | SAVE  | ALTENER | STEER | Integrated |   |
| 21 | Implementation plan for BioEnergy Farm  | BIOENERGY FARM  | 2009 | Promotion and dissemination projects | ALTENER                | Bioenergy               | Mobilising investments |                 |             | X                  |                   |         |       |         | X     |            |   |
| 22 | Concerted Action Energy Services Directive  | CA ESD          | 2009 | Concerted actions                    |                        |                         | Enabling policy        |                 |             |                    | X                 |         |       |         |       |            |   |
| 23 | Ecoheat4Cities  | ECOHEAT4 CITIES | 2009 | Promotion and dissemination projects | ALTENER                | RES-H/C                 | Better markets         | Enabling policy | X           |                    |                   |         |       | X       |       |            |   |
| 24 | Blended capacity-building on sustainable energy measures & action plans for European municipalities | BEAM 21         | 2008 | Promotion and dissemination projects | Integrated Initiatives | Local Energy Leadership | Capacity building      | Enabling policy | X           |                    |                   |         |       |         |       |            | X |



## 9 ANNEX 3: LIST OF INTERVIEWEES

| <b>Id</b>           | <b>Title</b> | <b>Full name</b>           | <b>Organisation</b> | <b>IEE Role</b>         | <b>IEE Project</b> |
|---------------------|--------------|----------------------------|---------------------|-------------------------|--------------------|
| <b>EC Officials</b> |              |                            |                     |                         |                    |
| 1                   | Mrs.         | Malgorzata Peksa-Blanchard | DG ENER             | Programme management    |                    |
| 2                   | Mrs.         | Tonje Haabeth              | DG ENER             | Programme management    |                    |
| 3                   | Mrs.         | Florence Dinkespiller      | DG ENER             | Programme management    |                    |
| 4                   | Mr.          | Roman Doubrava             | DG ENER             | Programme management    |                    |
| 5                   | Mr.          | Karl Kellner               | DG ENER             |                         |                    |
| 6                   | Mrs.         | Pirjo-Liisa Koskimaki      | DG ENER             |                         |                    |
| 7                   | Mr.          | Pedro Ballesteros          | DG ENER             | Programme management    |                    |
| 8                   | Mr.          | Hans Van Steen             | DG ENER             |                         |                    |
| 9                   | Mr.          | Paul Hodson                | DG ENER             | Programme management    |                    |
| 10                  | Mr.          | William Gillet             | EACI                | Programme management    |                    |
| 11                  | Mr.          | Vincent Berrutto           | EACI                | Programme management    |                    |
| 12                  | Mrs.         | Waltraud Schmid            | EACI                | Programme management    |                    |
| 13                  | Mrs.         | Anette Jahn                | EACI                | Programme management    |                    |
| 14                  | Mr.          | Peter Loeffler             | EACI                | Programme communication |                    |
| 15                  | Mr.          | Ralf Goldmann              | EIB                 | Programme management    |                    |
| 16                  | Mr.          | Bruno Schmitz              | DG RTD              |                         |                    |

|                         |      |                        |  |                      |                      |
|-------------------------|------|------------------------|--|----------------------|----------------------|
| 17                      | Mrs. | Maud Skaringer         | DG REGIO   |                      |                      |
| 18                      | Mrs. | Bogna Filipiuk         | DG ENTR  |                      |                      |
| 19                      | Mrs. | Diana Pizarro          | DG ENTR  |                      |                      |
| 20                      | Mr.  | Richard Clarke         | DG ECFIN   | Programme management |                      |
| 21                      | Mr.  | Marcel Rommerts        | DG MOVE  |                      |                      |
| 22                      | Mrs  | Villo Lelkes           | DG ENER  |                      |                      |
| <b>Key stakeholders</b> |      |                        |  |                      |                      |
| 23                      | Mrs. | Christine Lins         | European Renewable Energy Council  |                      |                      |
| 24                      | Mr.  | Gérard Magnin          | Energie-Cités, Sustainable Energy at cities and town                                 |                      |                      |
| 26                      | Mr.  | Juan Alfonso de Molina | European Federation of Intelligent Energy Efficiency Services                        |                      |                      |
| <b>Belgium</b>          |      |                        |  |                      |                      |
| 27                      | Mrs. | Marie Schippers        | Service Public de Wallonie - Département de l'Energie et du Bâtiment durable         | IEEC                 |                      |
| 28                      | Mr.  | Guillaume Amand        | ABEA - Brussels Energy Agency  | Energy Agency        |                      |
| 29                      | Ms.  | Sorcha Edwards         | The European Liaison Committee for Social Housing                                    | Project Coordinator  | Power House Europe   |
| 30                      | Mr.  | Jean Marc Jossart      | EUROCHAMBRES - Association des Chambres de Commerce et d' Industrie Européennes asbl | Project Coordinator  | CrossBorderBioenergy |
| 31                      | Mrs. | Nathalie Gilly         | The European Association for the Promotion of  | Project Coordinator  | EnergizAIR           |

|                |      |  |  |                            |  |
|----------------|------|--|--|----------------------------|--|
|                |      |  | Cogeneration,<br>COGEN Europe VZW  |                            |  |
| 32             | Mr.  | Pedro Dias                             |  | Project<br>Coordinator     | ESD II   |
| 33             | Mrs. | Emanuela Giovannetti                   |  | Project<br>Coordinator     | Smart-e buildings                                      |
| <b>France</b>  |      |  |  |                            |  |
| 34             | Mrs. | Nadège Austin                          | ADEME, International<br>Programmes and<br>Projects Department                            | NCP                        |  |
| 35             | Mrs. | Evelyne Bisson                         | Ministère de<br>l'Economie, des<br>Finances et de<br>l'Industrie                         | IEEC                       |  |
| 36             | Mrs. | Marie-Laure<br>FALQUE MASSET           | ARENE Ile de France  | Energy Agency              |  |
| 37             | Mrs. | Aline Brachet                          | Association pour le<br>développement<br>économique et<br>industriel du Massif<br>central | Project<br>Coordinator     | RURENER  |
| 38             | Mrs. | Carine Puyol                           | Union Sociale pour<br>l'Habitat  | Project Partner            | Power House  |
| 39             | Mrs. | Isabel Manuela<br>FERNANDEZ<br>FUENTES | Fédération Européenne<br>des Géologues   | Project<br>Coordinator     | GEOTRAINET   |
| 40             | Mrs. | Yannick REGNIER                        | Comité de Liaison<br>Energies<br>Renouvelables   | Project<br>Coordinator     | RES Champion league                                    |
| 41             | Mr   | François Gréaume                       | ADEME, Brussels  | National<br>representative |  |
| 42             | Mr   | Shailendra Mudgal                      | Bio Intelligence<br>Service S.A.S.   | Project manager            | Lot 22 of the Public<br>tender on ecodesign<br>studies |
| <b>Hungary</b> |      |  |  |                            |  |
| 43             | Mrs  | Veronika Eros                          |  | IEEC                       |  |

|               |     |                              |   |                                  |                  |
|---------------|-----|------------------------------|---|----------------------------------|------------------|
| 44            | Mrs | Olah Zsanett                 |   | Ministry of National Development |                  |
| 45            | Mrs | Dorottya Hujber              |   | Energy Centre                    |                  |
| 46            | Mrs | Maria Stark                  |   | Project Partner                  | Change           |
| 47            | Mrs | Flora Palmay                 |   | Project Partner                  | Change           |
| 48            | Mr  | Miklos Palfy                 |   | Project Partner                  | PV-NMS-NET       |
| 49            | Mr  | Péter Szuppinger             |   | Project Partner                  | INTENSE          |
| 50            | Mr  | Gabor Kelen                  |   | Project Partner                  | Carbon Detective |
| 51            | Mr  | Fodor Zoltan                 |   | Project Partner                  | Farmagas         |
| 52            | Mrs | Béla Mártonffy               |   | Project Partner                  | Farmagas         |
| <b>Spain</b>  |     |                              |   |                                  |                  |
| 53            | Mrs | Virginia Vivanco Cohn        | IDEA  | NCP                              |                  |
| 54            | Mrs | Isabel Del Olmo              | EnerAgen  | Energy Agency                    |                  |
| 55            | Mrs | Marisa Olano                 | IDEA  | Energy Agency                    |                  |
| 56            | Mr  | Pau Noy Serrano              |   | Project Partner                  | MoMo Car Sharing |
| 57            | Mrs | Maria Perel Medel            | Union Fenosa  |                                  |                  |
| 58            | Mr  | Alberto Cena                 | Asociacin Empresarial Eolica                              |                                  |                  |
| 59            | Mrs | Claudia Lisboa               |   | Project partner                  | EETI             |
| 60            | Mr  | Francis de Sararga           |   | Project coordinator              | REDIBA           |
| <b>Poland</b> |     |                              |   |                                  |                  |
| 61            | Mr  | Wojciech LUBIEWA-WIELEŻYŃSKI | Polish Chamber of Chemical Industry (Warsaw)              | Project partner                  | CARE+            |
| 62            | Mrs | Katarzyna Grzejszczyk        | Krajowa Izpa Gospodarcza / The Polish Chamber of Commerce | Project partner                  | CHANGE           |

|                 |     |                         |  |                               |   |
|-----------------|-----|-------------------------|--|-------------------------------|---|
| 63              | Mr  | Andrzej Rajkiewicz      | NAPE - Narodowa Agncja Poszanowania Energii  | Project partner/Energy agency | TABULA  |
| 64              | Mrs | Aneta Ciszewska         | Ministry of Economy, IEE programme committee member (D)  | IEEC member                   |   |
| 65              | Mrs | Antonina Kaniszewska    | Krajowa Agencja Poszanowania Energii   | NCP                           |   |
| 66              | Mr  | Stanislaw M. Pietruszko | Politechnika Warszawska / Warsaw University of Technology  | Project coordinator           | PV-NMS-NET  |
| 67              | Mrs | Magdalena Rogulska      | IPIEO (Institute for Renewable Energy) / PIMOT   | Stakeholder                   | Stakeholder   |
| 68              | Mr  | Tomasz Zwolinski        | Urząd Miasta Krakowa (Krakow)  | Project partner               | AENAS   |
| 69              | Mr  | J. Kesek                | Urząd Miasta Krakowa (Krakow)  | Project partner               | AENAS   |
| 70              | Mr  | Adam Gula               | Stowarzyszenie The Kraków Institute for Sustainable Energy   | Project partner               | ALTER-MOTIVE  |
| 71              | Mr  | Andrzej Kassenberg      | InE - Instytut na rzecz Ekorozwoju (Fundacja Instytut na rzecz Ekorozwoju Foundation Institute for Sustainable Development ) | Stakeholder                   |   |
| <b>Bulgaria</b> |     |                         |  |                               |   |
| 72              | Mr  | George Georgiev         | Bulgarian Housing Association  | Project partner               | POWER HOUSE EUROPE  |
| 73              | Mr  | Kolio Kolev             | Energy efficiency agency   | Project partner/Energy agency | CA ESD, CA EPBD, ODYSSEE-MURE, SUPPORT_RES, PROMOSCENE, REQUEST |

|    |     |                    |   |                               |   |
|----|-----|--------------------|---|-------------------------------|---|
| 74 | Mrs | Borjana Uzunova    | Energy efficiency agency  | Project partner/Energy agency | CA ESD, CA EPBD, ODYSSEE-MURE, SUPPORT_RES, PROMOSCENE, REQUEST |
| 75 | Mr  | Ognian Markovski   | Energy efficiency agency  | Project partner/Energy agency | CA ESD, CA EPBD, ODYSSEE-MURE, SUPPORT_RES, PROMOSCENE, REQUEST |
| 76 | Mr  | Ludmil Kostadinov  | Energy efficiency agency  | Project partner/Energy agency | CA ESD, CA EPBD, ODYSSEE-MURE, SUPPORT_RES, PROMOSCENE, REQUEST |
| 77 | Mrs | Doriana Malinovska | Central Laboratory of Solar Energy and New Energy Sources, Bulgarian Academy of Sciences (CL SENES BAS) | Project partner               | PV-NMS-NET  |
| 78 | Mrs | Milena Tsoleva     | Ministry of Economy and Energy, Energy Strategy Directorate   | NCP/IEEC member               |   |
| 79 | Mrs | Antonia Moynova    | Ministry of Economy and Energy, Energy Strategy Directorate   | NCP                           |   |
| 80 | Mr  | Zdravko Georgiev   | Sofia Energy Agency - SOFENA  | Project partner/Energy agency | INTENSE   |
| 81 | Mr  | Zdravko Genchev    | EnEffect – Centre for energy efficiency, Sofia  | Project partner               |   |
| 82 | Mrs | Liliana Dombalova  | Bulgarian Chamber of the Chemical Industry  | Project partner               | CARE+   |
| 83 | Mr  | Dimitar Baev       | Energy Efficient Systems Ltd.   | Project partner               | CARE+   |
| 84 | Mr  | Angel Nikolaev     | Черноморски енергиен център (Black Sea Energy Centre)   | Project partner/Energy agency | SF-Energy Invest  |

| Germany |     |                       |  |                     |  |
|---------|-----|-----------------------|--|---------------------|--|
| 85      | Mr  | Lutz Mez              | Freie Universität Berlin - Forschungsstelle für Umweltpolitik        | Project coordinator | SAUCE  |
| 86      | Mrs | Annette Piening       | Freie Universität Berlin - Forschungsstelle für Umweltpolitik        | Project coordinator | SAUCE  |
| 87      | Mrs | Katrin Jullien        | B.&S.U. Beratungs- und Servicegesellschaft Umwelt mbH                | Project coordinator | come2CoM (and partner RELACS, Clean drive)                           |
| 88      | Mrs | Thekla Heinel         | B.&S.U. Beratungs- und Servicegesellschaft Umwelt mbH                | Project coordinator | come2CoM (and partner RELACS, Clean drive)                           |
| 89      | Mr  | Martin Schipper       | TSB Technologiestiftung Innovationsagentur Berlin GmbH               | Project coordinator | ECORAILS   |
| 90      | Mrs | Janett Büttner        | Choice GmbH  | Project coordinator | OBIS   |
| 91      | Mr  | Achim Neuhäuser       | Berliner Energieagentur GmbH   | Project coordinator | CHP goes Green (also coordinator of PrimeEnergyIT, partner in SAUCE) |
| 92      | Mrs | Wiebke Abeling        | Kommunale Umwelt-Aktion U.A.N.                                       | Project partner     | RURENER  |
| 93      | Mr  | Michael Frömming      | Freie Hansestadt Bremen, Senator for Umwelt, Bau, Verkehr und Europa | Project coordinator | Momo Car-Sharing   |
| 94      | Mr  | Michael Glotz-Richter | Freie Hansestadt Bremen, Senator for Umwelt, Bau, Verkehr und Europa | Project coordinator | Momo Car-Sharing   |
| 95      | Mrs | Claudia Häfner        | Project Management Jülich  | NCP/IEEC member     |  |

| Sweden |     |                   |  |                     |   |
|--------|-----|-------------------|--|---------------------|---|
| 96     | Mr  | Lennart Jagemar   | CIT Energy Management AB                               | Project partner     | SDHtake-off                                 |
| 97     | Mr  | Mats Johansson    | KanEnergi AB   | Project coordinator |   |
| 98     | Mrs | Jenny Gode        | IVL Swedish Environmental Research Institute Ltd       | Project partner     | EESI, Ecoheat4cities, PASS-NET, NORTH-PASS  |
| 99     | Mr  | Ingemar Johansson | Göteborg stad  | Project coordinator | Project coordinator CARMA and partner ESOLi |
| 100    | Mrs | Therese Rydstedt  | SABO AKTIEBOLAG  | Project partner     | POWER HOUSE EUROPE                          |
| 101    | Mrs | Lisa Lundmark     | Swedish Energy Agency                                  | NCP/IEEC member     |   |
| 102    | Mrs | Anna Land         | Swedish District Heating Association Svensk fjärrvärme | Project partner     | EcoHeat4EU, EcoHeat4Cities                  |
| 103    | Mr  | Jesper Johansson  | WSP  | Project partner     | EPOMM-PLUS, TRAVEL PLAN Plus                |



10 ANNEX 4: LIST OF CASE STUDIES

| Name of the project   | IEE Project type            |                    |        | Field |         |       |                        | Key action |                 |           |                         | Leading and participating countries |          |        |         |         |        |       | Project data |            |                  |                   |                         |             |               |
|---|-----------------------------|--------------------|--------|-------|---------|-------|------------------------|------------|-----------------|-----------|-------------------------|-------------------------------------|----------|--------|---------|---------|--------|-------|--------------|------------|------------------|-------------------|-------------------------|-------------|---------------|
|   | Promotion and dissemination | Market replication | Tender | SAVE  | ALTENER | STEER | Integrated Initiatives | Buildings  | RES Small scale | Transport | Local Energy Leadership | Belgium                             | Bulgaria | France | Germany | Hungary | Poland | Spain | Sweden       | Budget     | Duration (years) | # of Participants | # of countries involved | IR Approved | Starting year |
| Network of Small Rural communities for Energetic neutrality                             | X                           |                    |        |       |         |       | X                      |            |                 |           | X                       |                                     |          | X      | X       | X       |        | X     |              | €1.077.254 | 3                | 13                | 8                       | X           | 2007          |
| Energy-Intelligent Housing Network  | X                           |                    |        | X     |         |       |                        | X          |                 |           | X                       | X                                   | X        |        |         |         |        | X     | X            | €1.526.082 | 3                | 14                | 8                       | X           | 2007          |
| More Options for Energy Efficient Mobility through Car-Sharing                          | X                           |                    |        |       |         | X     |                        |            | X               |           | x                       |                                     |          | X      |         |         |        | X     |              | €2.268.942 | 3                | 13                | 8                       | X           | 2007          |
| Supporting Development of Photovoltaics in the European Union New Member States Network | X                           |                    |        |       | X       |       |                        |            | X               |           |                         | X                                   |          |        | X       | X       |        |       |              | €1.113.672 | 3                | 12                | 12                      | X           | 2007          |
| Ecodesign   |                             |                    | X      |       |         |       |                        |            |                 |           |                         |                                     |          |        |         |         |        |       |              |            |                  |                   |                         |             |               |
| REDIBA  |                             | X                  |        |       |         |       |                        |            |                 |           |                         |                                     |          |        |         |         |        | X     |              |            |                  |                   |                         |             |               |

| Field, Key action, priority, activity | Objectives  |
|---------------------------------------|---|
| POWER HOUSE EUROPE                    |   |
| SAVE                                  | <ul style="list-style-type: none"> <li>• Improvement of energy efficiency and the rational use of energy, in particular in the building and industry sectors, with the exception of actions covered by Article 41 (transport STEER)</li> <li>• Supporting the preparation of legislative measures and their application</li> </ul>  |
| Energy-efficient buildings            | <ul style="list-style-type: none"> <li>• To improve the energy performance of new and existing buildings and promote integration of renewable energy sources</li> <li>• To foster adoption of intelligent energy use patterns in buildings.</li> <li>• To improve the capacity of building professionals to offer intelligent energy solutions and increase demand for such solutions.</li> <li>• To facilitate implementation and monitoring of Directive 2002/91/EC on the energy performance of buildings (EPBD)</li> <li>• To ensure that the recommendations issued with the energy performance certificates are followed by practical action and thus lead to actual energy savings.</li> <li>• To foster action beyond the EPBD requirements.</li> <li>• To contribute to furtherance of the EPBD in line with the suggestions listed in the Energy Efficiency Action Plan.</li> </ul>   |
| Capacity building                     | <ul style="list-style-type: none"> <li>• Large-scale education and training schemes/activities in all Member States to qualify the market for implementation of the EPBD: agreements with universities, associations of installers, chambers of commerce, etc. to institutionalise the necessary education/training.</li> </ul>   |
| Specific objectives of the action     | <ul style="list-style-type: none"> <li>• Function as a catalyst to trigger action to achieve energy saving in the residential sector by mainstreaming existing know-how required to refurbish and build housing with optimal energy consumption levels.</li> <li>• Maximise the impact of outputs of projects supported by IEE aimed at accelerating retrofitting of social housing with active hands-on targeted dissemination and knowledge exchange campaigns at national level to promote the deployment of outputs.</li> <li>• Create a knowledge centre which will provide centralized access to best practices, tools and proposals</li> <li>• Promote the exchange of knowledge and best practices through conferences, publications and study visits</li> <li>• Inform social housing organisations on the range of information available to them and encourage their uptake through targeted customised dissemination and information campaigns at national level.</li> </ul> |
| Strategic                             | <ul style="list-style-type: none"> <li>• Improve access to information to build the capacity of social housing organisations and residents to maximise energy efficiency and the use of renewable in their housing stock to a maximum potential 39,000 local organisation.</li> </ul>   |

| Field, action, activity  | Key priority, Objectives   |
|--------------------------|--|
| POWER HOUSE EUROPE       |  |
| objectives               | <ul style="list-style-type: none"> <li>• Extend platforms to countries which were not partners in the project</li> <li>• Boost interaction between social housing organisations</li> </ul>   |
| Results/expected results | <ul style="list-style-type: none"> <li>• The organisation of permanent National Power House Platforms to implement local communication campaigns to maximize take-up of IEE project results and actively promote a broader up-take of best practice. National platforms will also serve as a forum for dialogue and exchange between actors from private and public spheres to bring about the energy transition in the residential sector.</li> <li>• Workshops conferences and study visits to facilitate multi-level knowledge sharing and transfer to help bring a maximum number of Social Housing organisations to an optimal level of advancement in the field of energy efficiency and the use of renewables.</li> <li>• An on-line one-stop-shop knowledge base and exchange forum at European and national levels containing all the information practitioners need to deploy the outputs of IEE projects and allowing building professionals from Social Housing organisations from all over Europe to access information on best practices on all aspects of energy management.</li> </ul> <p>At the time of the interim report, it was indicated the report meets with the contractual requirements and is accompanied by the due deliverables. Generally speaking, it is too early to report on the progress on performance indicators. Nevertheless, a number of early positive developments have been reported, such as the creation of one new platform external to the consortium (SWL Wallonia) and the ongoing considerations of the Netherlands to create a platform taking into consideration the Power House model.</p> |
| Expected Impact          | <p>Make a significant contribution towards bridging the gap between demonstration projects and broad market uptake not only amongst social housing organisations as the largest housing stock owners and managers, but due to the demonstration role which they will play, in the entire residential sector.</p> <ul style="list-style-type: none"> <li>• Improve access to information to build the capacity of social housing organisations and residents to maximise energy efficiency and the use of renewable in their housing stock to a maximum potential 39.000 local organisation;</li> <li>• Improve energy efficiency of building and increase use of renewables in social housing stock</li> <li>• Increase in demand for renewable which will lead to increase in supply;</li> <li>• Development of market for renewable technologies</li> <li>• Speed up investment across social housing in Europe in the field of RES and EE</li> </ul>  |

| Field, action, activity | Key priority, Objectives  |
|-------------------------|---|
| POWER HOUSE EUROPE      |   |
| Impact indicators       | <ul style="list-style-type: none"> <li>• Extend platforms to countries which were not partners in the project (two additional platforms at the end of the project)</li> <li>• Improve access to information to build the capacity of social housing organisations (20.000 (50% of the 39.000 Social Housing organisations) involved in national platform activities)</li> <li>• Posting of comments on the peer-to-peer forum on the Power House Europe website (minimum 100 exchanges between social housing professionals)</li> </ul> <p>At the time of the interim report, it was indicated that it is too early to address the impact</p> |

| Field, Key action, priority, activity | Objectives   |
|---------------------------------------|--|
| PV-NMS-NET                            |  |
| ALTENER                               | <ul style="list-style-type: none"> <li>• Promoting new and renewable energy sources for centralised and decentralised production of electricity and heat and supporting the diversification of energy sources, with the exception of actions covered by Article 41 (transport STEER)</li> <li>• Integrating new and renewable energy sources into the local environment and the energy systems</li> <li>• Supporting the preparation of legislative measures and their application</li> </ul>  |
| RES Small scale                       | <ul style="list-style-type: none"> <li>• To support policy development by transferring experience and improving understanding of the actual and potential contributions by domestic and small-scale RE applications to EU energy consumption; to monitor, benchmark and assess the effectiveness of policies, legislation and support schemes, and to make these policies more consistent.</li> <li>• To remove market barriers and simplify approval procedures for construction and use of domestic and small-scale RE systems.</li> <li>• To change the behaviour of decision-makers, householders and individuals by making them aware of successful experience and solutions to develop the local market.</li> <li>• To encourage investment and local markets in small-scale RE applications.</li> <li>• To train more professionals, technicians and craftsmen, and thereby stimulate new/expanded/stronger businesses (especially SMEs) in the small-scale RE sector.</li> </ul> |
| Awareness raising                     | <ul style="list-style-type: none"> <li>• Action to change the attitudes and behaviour of householders and building owners.</li> <li>• User behaviour studies related to sales and use of small-scale RES systems.</li> <li>• Information, promotion and transfer to businesses, households and the public sector of best practices on switching to small-scale RES systems and fuels.</li> </ul>   |
| Specific objectives of the action     | <p>The main aim of the project is, to increase solar energy application in production of electricity in EU (mainly in NMS) to contribute sustainable energy development by tackling non-technical barriers with a view to reducing energy consumption and CO<sub>2</sub> emissions. The specific aims are:</p> <ul style="list-style-type: none"> <li>• to develop of methodology, the means and instruments to follow up, monitor and evaluate the impact of the measures adopted by the NMS in the PV fields;</li> <li>• to contribute transparency, reliability and cohesion of legal framework conditions of PV development and implementation;</li> <li>• to rise awareness about PV among decision makers, regulators and utilities in NMS to integrate PV into their economies;</li> </ul>  |

| Field, action, activity  | Key priority, Objectives  |
|--------------------------|---|
| PV-NMS-NET               |   |
|                          | <ul style="list-style-type: none"> <li>• to give an input for the preparation of national RE Action Plan, in line with the proposed draft RES Framework directive).</li> <li>• to maintain co-operation between national PV activities in NMS and EU15 shaping a common vision for the development of PV.</li> </ul>  |
| Results/expected results | <ul style="list-style-type: none"> <li>• The action will provide inputs for the preparation of national RE Action Plans as regards photovoltaics, in line with the EU legislation (e.g. the new RES Framework directive);</li> <li>• Up-to-date and complete overview of the PV market in the 12 EU NMS: report of status of PV in NMS in 2008, 2009 and 2010; full Report of Status of PV in NMS;</li> <li>• to contribute to the transparency, reliability and cohesion of legal framework conditions of PV development and implementation and therefore long-term security of investments;</li> <li>• to raise awareness about PV among decision makers on the central levels, national regulators and utilities in NMS to integrate PV into their activities and to change their attitude towards PV;</li> <li>• to boost investment across NMS in PV, increase market experience and contribute to reducing the perceived risks that hinder this type of investment.</li> </ul> <p>At the time of the interim report, it was evaluated that the report shows satisfactory development of the action. The activities carried out and the outcomes are basically in line with the technical annex.</p> |
| Expected Impact          | <p>In long-term PV-NMS-NET project might contribute to realisation of strategic aims of European energy and regional policy, connected with a secure, sustainable and competitively priced energy development in Europe (by RES application in production of electricity and diversification of energy sources), environmental protection (by reducing energy consumption and CO<sub>2</sub> emissions) and economic cohesion. So, the project has some strategic aims, like:</p> <ul style="list-style-type: none"> <li>• to raise an application of PV in energy production in NMS to achieve White Paper aims, measured by yearly part of solar energy in whole amount of produced energy in NMS; rate of growth of PV capacity in NMS;</li> <li>• to raise ecological awareness in NMS societies; measured e.g. by amount of utilities and householders which apply PV in their activity;</li> </ul>  |

| Field, action, activity | Key priority, Objectives  |
|-------------------------|---|
| PV-NMS-NET              |   |
|                         | <ul style="list-style-type: none"> <li>to elaborate transparent and cohesion energy policy transparency in the all NMS; measured by assessment and comparison of political acts connected with PV in all NMS.</li> </ul>  |
| Impact indicators       | <ul style="list-style-type: none"> <li>assessment and comparison of legal conditions (report) (one per country and per year)</li> <li>shorter time of implementation of PV projects, connected with less bureaucracy (in yearly Status)</li> <li>lower costs of promotion and preparation of project</li> <li>yearly part of solar energy in whole amount of produced energy in NMS (0.01%)</li> <li>rate of growth of PV capacity in NMS (80%)</li> <li>rate of growth of amount of utilities and householders which apply PV</li> <li>assessment and comparison of political acts connected with PV in all NMS</li> </ul> <p>At the time of the interim report, it was indicated that it is too early to address the impact</p> |

| Field, Key action, priority, activity | Objectives  |
|---------------------------------------|---|
| <b>MOMO CAR-SHARING</b>               |   |
| STEER                                 | <ul style="list-style-type: none"> <li>• Supporting initiatives relating to all energy aspects of transport, and the diversification of fuels</li> <li>• Promoting renewable fuels and energy efficiency in transport</li> <li>• Supporting the preparation of legislative measures and their application</li> </ul>  |
| Energy-efficient Transport            | <ul style="list-style-type: none"> <li>• To encourage a shift of passengers and/or freight to less energy-intensive modes, especially in urban areas and over long distances.</li> <li>• To reduce unnecessary demand for transport.</li> <li>• To increase the energy efficiency of transport and promote co-modality.</li> <li>• To transfer, apply and promote widely well-proven best practice, strategies and technologies.</li> <li>• To raise the awareness of different target groups of the impact of their mobility behavior on energy efficiency and to motivate and achieve changes in behaviour.</li> </ul>  |
| Better markets                        | <ul style="list-style-type: none"> <li>• Encourage the use of vehicle (private car) navigation to increase the energy-efficiency of driving.</li> <li>• Offering alternative mobility options (integrated public transport, park and ride options, etc.) in navigation systems (web- and GNSS-based) to increase energy efficiency.</li> </ul>  |
| Specific objectives of the action     | <p>The service of Car-Sharing supports less car-dependent mobility patterns. It has highlighted the options for more energy-efficient mobility – and also for reducing the amount of cars in our cities. The European potential is immense but far from being fully exploited. The existing obstacles to exploiting the potential of Car-Sharing for European cities can be overcome. The project momo Car-Sharing wants</p> <ul style="list-style-type: none"> <li>• to increase the awareness of Car-Sharing in Europe</li> <li>• to extend the number of Car-Sharers considerably</li> <li>• to establish new services in locations without Car-Sharing</li> </ul> |



| Field, Key action, priority, activity | Objectives  |
|---------------------------------------|---|
|                                       | <ul style="list-style-type: none"> <li>• to increase the energy-efficiency within the existing Car-Sharing operations</li> <li>• to make recommendations on how to develop and establish eco-efficient Car-Sharing.</li> </ul> <p>Thus momo Car-Sharing has the key objective of contributing significantly to sustainable mobility patterns (as described in the Green Paper on Urban Transport) by establishing a mobility culture which is based on using various transport options instead of car-ownership. As a market-based service, transport can be organised more rationally and be more resource-efficient.</p>  |
| Results/expected results              | <p>The direct outcome of the project is the increase in the number of users of Car-Sharing by improved services, by target oriented awareness campaigns and by setting up Car-Sharing services in locations without such a service at present.</p> <p>Further direct outcomes are related to eco-driving (number of participants) and use of alternative fuels (energy impacts related specifically to fuel type and consumption).</p> <p>A further direct outcome is related to the bundle of awareness measures – especially addressing stakeholders (e.g. via UITP) – which will have further long-term impacts of momo Car-Sharing. Here there is strong synergy with the actual Green Paper on Urban Transport.</p> <p>Car-Sharing offers a unique opportunity to reclaim valuable street space for social and ecological purposes - as every Car-Sharing vehicle replaces 4-8 private cars. Car-Sharing helps to make urban environments more liveable – thus strengthening (more energy-efficient) urban living in comparison to a suburban lifestyle.</p> <ul style="list-style-type: none"> <li>• Gain 20,000 new car sharing customers.</li> <li>• Reduce energy consumption by 58,000 GJ per annum.</li> <li>• Reduce CO2-emissions by 6,000 t per annum.</li> <li>• Reallocation 3,500 parking spaces for other purposes.</li> </ul> <p>At the time of the interim report, it was highlighted that although some adaptations have been made to the outputs of the project, the project was in line with the contractual requirements.</p> |
| Expected Impact                       | <ul style="list-style-type: none"> <li>• Further increase of Car-Sharing usage in Europe after momo</li> <li>• Car-Sharing as third column of sustainable mobility modes</li> </ul>   |

| Field, Key action, priority, activity | Objectives  |
|---------------------------------------|---|
|                                       | <ul style="list-style-type: none"> <li>• Increasing Awareness on alternatives to the private car</li> <li>• Reduce energy consumption by 58,000 GJ per annum.</li> <li>• Reduce CO2-emissions by 6,000 t per annum</li> </ul> <p>At the time of the interim report, it was highlighted that the impact indicators (covering also some of the impact of results) as there were specified in the contract, would not allow to isolate momo's impacts. It was suggested that the partners would try to give a "net" estimation (qualitative and quantitative) of the impacts of momo (e.g. comparing the users' growth in years without momo to the current growth).</p> |
| Impact indicators                     | <ul style="list-style-type: none"> <li>• Number of new Car-Sharing users (Min. 10,000 p.a. in EU 25)</li> <li>• Energy savings (58,000 GJ p.a. (at the end of the project))</li> <li>• CO2 reduction (6,000 t p.a. (at the end of the project))</li> <li>• number of cars replaced by Car-Sharing (3,500 cars replaced (at the end of the project))</li> <li>• street space to be regained (35,000 m<sup>2</sup>)</li> </ul> <p>At the time of the interim report, it was indicated that it is too early to address the impact</p>  |

| Field, Key action, priority, activity | Objectives   |
|---------------------------------------|--|
| RURENER                               |  |
| Integrated Initiatives                | <ul style="list-style-type: none"> <li>• Integrating energy efficiency and renewable energy sources in several sectors of the economy</li> <li>• Combining various instruments, tools and actors within the same action or project</li> </ul>  |
| Local Energy Leadership               | <ul style="list-style-type: none"> <li>• To enhance and implement the direct exchange of experience and expertise in sustainable energy management at local level between local authorities in various stages of development, in order to provide for capacity building stemming from practical experience. The "learning" communities must be supported by more experienced communities which are willing to help them by capacity building to develop and implement their Sustainable Energy Action Plans (SEAPs). Each proposal must demonstrate how "learning" communities will institutionalise sustainable energy policies in their operations by effective capacity building (e.g. shadowing or staff exchanges)</li> <li>• To enhance collaboration between local / regional authorities and their networks 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)</li> </ul> |
| Awareness raising                     | <ul style="list-style-type: none"> <li>• Priority will be given to projects which do more than raise the awareness of individual citizens, householders and public- and private-sector decision-makers. They should lead to changes in their 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.</li> </ul>  |
| Specific objectives of the action     | <p>Integrated energy policy at the rural community level is the global issue RURENER wants to tackle through this project. The communities involved need relays to <b>reach the right competences</b> and technical and financial resources, they need to <b>share their experiences</b> and learn from best practices. They will then feel stronger to dare ambitious policies and reach or go past the European objectives. Networks are often founded by most advanced stakeholders. RURENER's objective is to bring the smallest actors into the European Network</p> <p>Specific objectives can be presented into 3 categories, centred on small rural communities capacity building:</p> <ul style="list-style-type: none"> <li>• Give support to small rural communities to set up integrated energy policy</li> </ul>  |

| Field, action, priority, activity | Key Objectives   |
|-----------------------------------|--|
| RURENER                           |  |
|                                   | <ul style="list-style-type: none"> <li>○ bring methodological and technical support to villages and small towns</li> <li>○ facilitate experience sharing and mutualisation of resources and tools</li> <li>● Stimulate energy efficiency actions in rural areas and at the very small scale of villages and small towns <ul style="list-style-type: none"> <li>○ stimulate public and private investment for renewable energy sources (RES) and rationale use of energy (RUE)</li> <li>○ stimulate the use of local resources (biomass)</li> </ul> </li> <li>● Demonstrate the interest for small rural communities to become members <ul style="list-style-type: none"> <li>○ promote energetic-neutral villages</li> <li>○ promote innovative local development</li> </ul> </li> </ul>   |
| Results/expected results          | <ul style="list-style-type: none"> <li>● Road map towards energy-neutrality : 6 steps to reach the objective, illustrated by advice, tools and best practices adapted to the rural specifications and available in 8 European languages</li> <li>● Basic Energy diagnostic tool to evaluate the progress of RURENER members</li> <li>● Interactive map of small rural communities with their fields of expertise : this will allow a better knowledge of the rural communities, their activities and actions with the relevant outcome</li> <li>● On-line experts to answer questions from RURENER communities : RURENER experts network will be able to answer any question from the ground, also available for other rural communities in Europe</li> <li>● Operational report on how comprehensive energy strategies in rural areas can support local economic/social/environmental development</li> </ul> <p>At the time of the interim report, it was evaluated that the report shows satisfactory development of the action. The activities carried out and the outcomes are basically in line with the technical annex.</p> |
| Expected Impact                   | <ul style="list-style-type: none"> <li>● Increase awareness regarding energy issues and potential in rural areas</li> </ul>  |

| Field, action, priority, activity | Key Objectives  |
|-----------------------------------|---|
| RURENER                           |   |
|                                   | <ul style="list-style-type: none"> <li>• Increase rural community supply in Renewable Energy Sources (RES) , Rational Use of Energy (RUE)</li> <li>• Strengthen sustainability and competitiveness in rural areas (added economic value to local level)</li> <li>• Multiply energetic neutral rural villages and small towns in Europe</li> <li>• Promote energy initiatives at the local level in European rural programmes and policies</li> </ul> <p>At the time of the interim report, it was indicated that it is too early to address the impact</p>  |
| Impact indicators                 | <ul style="list-style-type: none"> <li>• Social welfare for rural communities (10-20% reduction of energy consumption per year in public buildings of each involved community in the 3 years after the end of the project)</li> <li>• Direct and indirect impact on local development (Number of jobs created, of new activities set-up: at least 80 jobs created at the scale of the Network.)</li> <li>• Energy issues integrated in the daily life at school, work, home... (Active dynamics at the local level after the project life-time: at least 10 local energy days organised each year by network partners after the end of the project)</li> <li>• Energetic neutrality (Increase of at least 5 points in 5 years from the 1st year of the project of the percentage of energetic neutrality in each community.)</li> </ul> <p>At the time of the interim report, it was indicated that it is too early to address the impact</p> |

| Field, Key action, priority, activity  | Objectives  |
|--|---|
| REDIBA (ELENA facility)  |   |
| Project Development Services for Energy Efficiency and Renewable Energy Projects in Municipalities and Regions | <p>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:</p> <ul style="list-style-type: none"> <li>• encouraging and helping project promoters to identify and prepare bankable projects;</li> <li>• improving access to equity and credit markets, maximising investment leverage from available budgetary resources; and</li> <li>• reducing transaction costs, notably by bundling small investments into more economic packages/portfolios.</li> </ul>  |
| Access to capital and financial assistance (ELENA facility)  | <p>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.</p> <p>This objective will be addressed in cooperation with the EIB.</p> <p>Projects are expected to contribute to the objectives of the “20-20-20” Initiative in terms of</p> <ul style="list-style-type: none"> <li>• reducing greenhouse gas emissions, increasing the share of renewables in energy consumption and improving energy efficiency;</li> <li>• expected leverage factor (the investment cost must be at least 25 times the amount of the TA);</li> <li>• EU added value, notably in terms of compliance with EU policies, including: <ul style="list-style-type: none"> <li>– the EU sustainable energy policies and priorities, targets and legislation;</li> <li>– the state of the art of the sustainable energy technologies to be implemented in the investment programme;</li> <li>– the EU Cohesion Policy</li> <li>– the needs of local communities and possible impacts on the local/regional development, including a positive impact on</li> </ul> </li> </ul> |

| Field, Key action, priority, activity | Objectives   |
|---------------------------------------|--|
| REDIBA (ELENA facility)               |  |
|                                       | SMEs   |
| Mobilising investments                | <p>In 2009, it is proposed that project development services will focus initially on <b>public buildings, social housing, district heating and cooling and integrated urban transport</b>.</p> <p>Energy Service Companies (ESCOs) will play a substantial role in implementing investments in these areas.</p>  |
| Specific objectives of the action     | <p>For the next three years, the expected investments is 500 million € in buildings, as well as in street and traffic lighting, out of this total, 350 million € corresponds to photovoltaic (PV) plants, and 150 millions € to investments related to energy efficiency (EE).</p> <p>The estimated leverage factor is 250.</p>  |
| Results/expected results              | <p>Diputació de Barcelona has estimated the results of the actions related with the SEAPs and in other municipalities in the target sectors. In principle it is expected that, out of the 500 MEUR of investments to be mobilised, 350 millions € will correspond to photovoltaic (PV) plants, with an electricity capacity of 87.5 MWp (1,5 million of m2 surface) and an expected electricity production of 114 GWh per year.</p> <p>Concerning energy efficiency, the focus will be on street lighting, traffic lighting and buildings, with a total investment of 150 millions €. This is expected to save 280 GWh per year of energy.</p> <p>The investments will imply a reduction of 50.000 tonnes of CO2eq in the case of PV plants and between 120.000 and 150.000 tones of CO2eq for the energy saving measures (depending on the share of outdoor lighting, indoor lighting, municipal energy management, and traffic lights system). Overall a saving of 170.000-200.000 tonnes of CO2eq could be achieved annually.</p> <p>The Diputació expect to generate 4.500 new employment with the investments in PV plants (most of them, 3.000, in the installation process) according with the estimated given in the annual report from the European Photovoltaic Industry Association, jointly with Greenpeace.</p> <p>In addition, the Diputació expects to generate between 1.500 to 3.000 staff-years with the investments of 150 million € in EE, assuming from 10 to 20 new posts generated by every million € invested in energy efficiency.</p> <p>At the time of the interim report, it was evaluated that no actual investment has been realised yet, up to EUR 11m worth of projects have been identified for implementation by May 2011. Changes in the PV regulation and high regulatory uncertainty in the last year</p> |

| Field, action, priority, activity | Key Objectives   |
|-----------------------------------|--|
| REDIBA (ELENA facility)           |  |
|                                   | <p>had a substantial negative impact on the developments of PV projects, which was the main initial target sector of the project (there was practically no activity the Spanish PV market in 2010). This means that the programme runs behind schedule and that it is unlikely that it will reach the objective for the first year, estimated at EUR 50m in the proposal. Activities in the field of energy efficiency are developing slowly at the moment, due to the limited experience in Spain in the use of ESCOs. Investments are expected to expand significantly in 2011.</p>  |
| Expected Impact                   | <p>Diputació de Barcelona has estimated the contribution of the project to these objectives. In principle it is expected that investment in photovoltaic (PV) plants will develop an electricity capacity of 87.5 MWp, with an expected electricity production of 114 GWh per year. Concerning energy efficiency, it is expected to save 280 GWh per year of energy.</p> <p>The previous investments will imply a reduction of 50.000 tonnes of CO<sub>2</sub>eq in the case of PV plants and between 120.000 and 150.000 tonnes of CO<sub>2</sub>eq for the energy saving measures (depending on the share of outdoor lighting, indoor lighting, municipal energy management, and traffic lights system). Overall a saving of 170.000-200.000 tonnes of CO<sub>2</sub>eq could be achieved annually, once the project is fully implemented.</p> <p>To be noted that these are initial estimates and the programme will be adjusted during its implementation.</p> <p>At the time of the interim report, it was indicated that it is too early to address the impact</p> |
| Impact indicators                 | <p>Embedded in the Expected Impacts</p> <ul style="list-style-type: none"> <li>• The number of bankable projects identified.</li> <li>• Investment mobilised (currently an initial leverage of the project development services of 1:25 is assumed, which would increase in the years 2010-2013).</li> <li>• The cumulative CO<sub>2</sub> savings from the financed projects.</li> <li>• The cumulative reductions of greenhouse gas emissions from the financed projects.</li> <li>• The increase in share of renewables in the energy consumption achieved from the financed projects.</li> <li>• The cumulative energy savings achieved from the financed projects</li> </ul> <p>The leverage for the project development services funding can therefore be measured in identified: EUR/CO<sub>2</sub> saving,</p>   |



| Field, action, activity | Key priority | Objectives  |
|-------------------------|--------------|---|
| REDIBA (ELENA facility) |              |   |
|                         |              | <p>EUR/greenhouse gas saving; EUR/energy saving or EUR/RES in energy consumption.</p> <p>At the time of the interim report, it was indicated that it is too early to address the impact</p> |

| Field, Key action, priority, activity  | Objectives   |
|--|--|
| Public tender on ecodesign studies (Reference : TREN/D3/91-2007) - Lot 22 (Domestic and commercial ovens (electric, gas, microwave), including when incorporated in cookers) |  |
| Objectives   | <p>The four main objectives of the Ecodesign Directive are to:</p> <ul style="list-style-type: none"> <li>• ensure the free movement of energy-using products within the EU,</li> <li>• improve the overall environmental performance of these products and thereby protect the environment,</li> <li>• contribute to the security of energy supply and enhance the competitiveness of the EU economy, and</li> <li>• preserve the interests of industry, consumers, and other stakeholders.</li> </ul> <p>The first step in considering whether and which ecodesign requirements should be set for a particular product, is a preparatory study recommending ways to improve the environmental performance of the product. The preparatory study will provide the necessary information to prepare for the next phases in the policy process (carried out by the Commission) and in particular the impact assessment, the consultation forum, and the possible draft implementing measures laying down ecodesign requirements for products.</p> <p>Technical and economic studies are performed to identify the relevant environmental aspects – notably energy consumption – for preparation of implementing measures to be adopted by the Commission (comitology procedure) under the Ecodesign Framework Directive (Directive 2005/32/EC).</p> |
| Specific objectives of the action  | The preparatory study focuses on Domestic and commercial ovens (electric, gas, and microwave) and aims to recommend ways to improve the environmental performance of these products. It will constitute the first step in considering whether and which ecodesign requirements should be set for these devices.  |
| Results/expected results   | <p>The study will include an analysis of the relevant products (to be identified during the scope definition of the study) over their whole life cycle from different perspectives: market analysis, consumer behaviour, best available technologies, and improvement potential in terms of improving energy efficiency and reducing environmental impacts (costs, impacts, etc.).</p> <p>These results are expected to be produced based on the a methodology common to all the EuP preparatory studies: <b>Methodology for Eco-design of Energy-using Products (MEEuP)</b>.</p>  |