

Intelligent Energy Europe II – Improvements for the coming Calls

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12 June 2006


Reflection Group

Starting Point

IEE II has a budget of 727 M€ for seven years

- **103 M€ per year** (last call under IEE had approx. 50 M€)
 - Reduced for the cost for the agency and for specific calls for tenders
 - Estimation: 80 M€ per year
- **Co-financing of 80 M€ per year needed**
 - From member states budget or the private sector
- **Overall Budget for the projects is then 160 M€ per year**


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Starting Point (ctd)

- **Participation in IEE can not be the core business of the applicants**
 - No profits
 - Terms of payment
 - Project development cost ratio
- **„Turnover“ with IEE funded projects limited to 10 – 15% of overall turnover**
- **If 10 % => total turnover of applicants has to be 1.600 M€**
 - Typical turnover of an agency 0,2 – 5 M€


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Questions

- **How can the co-financing be secured?**
 - 130 M€ per year
- **How to secure the participation of small and medium sized actors?**
- **Number of actors?**
- **Limitations in funding vs. turnover!**
- **Ensure stable and productive participation**
- **How to integrate new actors**


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Barriers - Financial

▪ **Non-Eligibility of (indirect) costs**

- Writing, submitting and negotiating proposals

Share of these costs can not be neglected

Typical size:

Writing proposals 100 – 350 h (just for the coordinator)

Additional 60 – 100 h per partner

Securing co-financing: min. the same amount of work

Contract negotiations: Co-ordinator between 60 and 150h

Total coordinator: 260 – 850 h

- Marketing and other project developing costs


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Barriers - Financial

⇒ **Revenues are missing – cannot be covered by other projects**

⇒ **Cash-flow problems can be serious, through**

- Terms of payments
- Delays of payments


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Improving EIE Participation

- **Focus on replication of good practice at local level (vs. innovation) – also for programs & instruments**
- **Increase percentage of EU funding**
 - at least for some activities like thematic networks etc.
 - Coordination costs
- **Better financing schemes in Member States for IEE type actions**
 - esp. information, awareness raising, advice
 - For co-financing European projects

Improving EIE Participation

- **Two stage application procedure**
 - Would reduce risks concerning co-financing
 - Easier access after reaching the 2nd stage !
 - Eligibility of contract negotiation and probably proposal elaboration (for the 2nd phase)
- **Framework projects as additional project type**
 - Enabling larger number of actors to participate with lower costs, risks and European coordination
 - New ways of sub-contracting or partnerships
 - For well defined priority areas
- **Operational grants as additional support type**
 - Information, awareness raising, advice concerning European Directives, project results, replication, behavioural issues

Improving EIE Participation

- **Improve financial conditions**
 - Reduce delays of payment (*otherwise automatically interest paid by Commission*)
 - Improve terms of payment
 - Co-financing mechanism for project development & preparation costs
 - bank guarantees, financial audits only for proposers with a large amount of EU funding
 - Common dissemination costs, European co-ordination costs: 100% EU funding
 - Some are already under way by IEEA