



# EUROPEAN CITY FACILITY Guidelines for Applicants

## Version 0.4 – 23 March 2021

This version of the Guidelines is valid from EUCF Call Nr. 2 onwards. Version 0.3 from September 2020 was applicable for EUCF Call Nr. 1.

**Disclaimer:** The current version can be subject to changes. Applicants are invited to regularly check if the versions have been adjusted.



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# 1 About the European City Facility (EUCF)

## 1.1 EUCF at a glance

### 1.1.1 What is the EUCF?

Municipalities, local authorities and local public entities aggregating municipalities/local authorities play a key role in Europe's transition towards sustainable energy. They have tremendous potential to build comprehensive sustainable energy investment programmes (i.e. investments in energy efficiency and renewable energy). Moreover, they can encourage the pooling of smaller projects into larger investment portfolios and mobilise the significant financial resources required for the energy transition.

Although the potential is immense, there are fundamental obstacles. In many cases, there is a lack of credible, robust and sufficiently mature investment concepts. However, such concepts, which should include the identification of potential project pipelines, legal analysis, governance analysis, basic financing strategy, and roadmaps for implementation, are a prerequisite to accessing different sources of funding.

In this context, a new pan-EUCF, set up under the Horizon 2020 Framework Programme for Research and Innovation of the European Union, provides **tailor-made, rapid and simplified financial support (grants of EUR 60,000) and capacity building services** to municipalities, local authorities, their groupings and local public entities aggregating municipalities/local authorities in Europe that will enable them to **develop sound investment concepts** (hereafter referred to as IC) and **mobilise finance in the field of sustainable energy**.

The EUCF addresses two fundamental barriers for sustainable energy investments:

- Lack of financial and legal capacity of municipalities/local authorities to transform their long-term energy and climate strategies (e.g. SEAPs, SECAPs etc.) into appropriate investment concepts.
- Lack of aggregation of fragmented smaller projects (for example in the building sector) and thus lack of attractiveness for the financial sector.

The resulting investment concepts will represent an initial step towards a fully-fledged business and financial plan and in this way facilitate the subsequent mobilisation of (local) investment in energy efficiency and renewable energy. Sources of funding may come from the private sector, but also from other EU-funded instruments such as the European Fund for Strategic Investments (EFSI), the European Structural and Investment Funds (ESIF), various Project Development Assistance (PDA) facilities, such as the European Local Energy Assistance (ELENA) facility of the European Investment Bank (EIB), or various national investment platforms.

### 1.1.2 What are the objectives of the EUCF?

The **ultimate objective** of the EUCF is to build a substantial pipeline of sustainable energy investment projects across municipalities, local authorities and local public entities aggregating municipalities/local authorities in Europe. This will be achieved by providing targeted financial, technical, legal and capacity building support to overcome critical barriers, develop credible investment packages and mobilise finance. Delivering this will require organisational, technical and financial innovation, in particular to bridge the capacity and capability gap for **small and medium-sized municipalities**.

The **specific objectives** of the EUCF are to:



- Provide hands-on locally rooted technical and financial expertise, inspired by ‘best in class’ European practice, to municipalities, local authorities and local public entities aggregating municipalities/local authorities to deliver more than 200 credible and scalable investment projects, which should trigger more than EUR 320 million of public and private investment;
- Build the capacity of more than 400 municipal staff to develop substantial project pipelines and provide them with tools, networking and knowledge transfer opportunities, which will facilitate and accelerate the IC implementation, including via innovative financing mechanisms and project aggregation;
- Facilitate access especially for small and medium-sized municipalities to private finance, EU funding streams and similar facilities, such as the ESIF, the H2020 PDA and the EIB’s ELENA, and advisory services, such as the EIB Advisory Hub, to realise and amplify the expected investments;
- Use the successful IC and the knowledge of EUCF beneficiaries to reach out to more than 10,000 cities and communities, encourage replication and catalyse further action across European cities.

### 1.1.3 What are the guiding principles of the EUCF?

The principles guiding the design and operation of the EUCF can be characterised as follows:

#### 1) **Demand-driven:** designed by cities for cities

Different networks of European cities compose the Consortium responsible for the implementation and management of the EUCF in order to ensure that the EUCF takes into consideration and directly responds to the needs of municipalities and local authorities. Also contributing to this principle, the EUCF Strategic Board is composed by representatives of EU municipalities, and is responsible for the strategic steering of the EUCF, ensuring that the demands of local authorities are appropriately addressed.

#### 2) **Close to the local level:** mobilising a critical mass of cities

To address national specificities and overcome language barriers, which are often a challenge for small and medium-sized municipalities to apply for financing opportunities, the work of the EUCF is supported by experts in each EU-27 Member State, in each of the EEA-EFTA States of Iceland, Liechtenstein and Norway, and the United Kingdom (UK). Country Experts can provide support in national language to municipalities, local authorities and local public entities aggregating municipalities/local authorities, and have extensive technical and financial expertise in the field of sustainable energy and climate, experience with municipalities and strong connections to national and regional city networks, contributing to position the EUCF very close to the local level and country-specific contexts.

#### 3) **Ambitious:** helping develop strategic and ambitious investment concepts

The EUCF support is targeted towards strategic or transformational projects in the field of sustainable energy identified in the climate and energy plans of the municipalities, local authorities and local public entities aggregating municipalities/local authorities. Besides the financial support, beneficiaries of the EUCF will receive hands-on guidance, as well as have access to a European pool of experts, to ensure the development of ambitious and sound investment concepts in line with the principles of the EUCF.

#### 4) **Supporting scaling:** capturing opportunities for standardisation and project aggregation

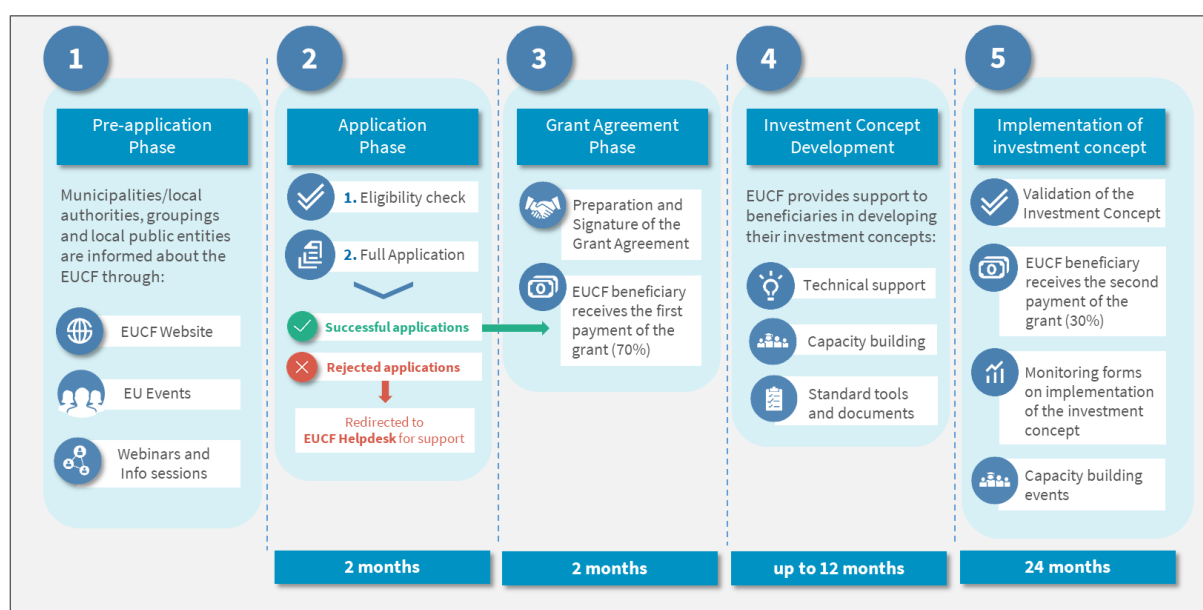
The EUCF will ensure, where feasible, the integration of measures for scaling-up of investment packages in investment concepts through standardisation and project aggregation. Smaller communities are therefore encouraged to reinforce multi-level governance on their territories and implement projects jointly or under the umbrella of a larger public authority. All developed investment concepts will follow a standard structure

and respect minimum quality requirements, which will facilitate matchmaking with future investors and financiers.

## 1.2 EUCF process

### 1.2.1 How does the EUCF journey look like?

The graph below summarises the journey that municipalities and local authorities, their groupings and local public entities aggregating municipalities/local authorities are able to take within the scope of the EUCF, from the pre-application phase where potential applicants are able to inform themselves about the EUCF through different channels towards the implementation of the investment concept by the beneficiaries of the EUCF. The application period for the second EUCF call for applications lasts two months, from 29 March 2021 to 31 May 2021.



### 1.2.2 What are the main steps in the EUCF journey?

#### 1) Pre-application phase

At the beginning of the EUCF journey, potential applicants are able to receive information about the scope and the benefits of the EUCF by visiting the [EUCF website](#), attending promotional events at EU and national level and participating in the [EUCF webinars and info sessions](#).

#### 2) Application phase

The EUCF application process comprises of two steps: i) the eligibility check and ii) the full application. The eligibility check is a simple, automated questionnaire, which can be answered by the applicant directly at the EUCF website. To be eligible, applicants must be able to answer **YES** to all five questions. Eligible applicants are able to move forward in the application process and complete the full application form and supporting documents. The applications are submitted via the EUCF website user zone. Once the call for applications is



closed, the applications are evaluated by a dedicated team. Successful applications are selected and move to the next phase, while unsuccessful applications are redirected to the [EUCF Helpdesk](#) for support.

### 3) Grant Agreement phase

Successful applicants conclude Grant Agreements to benefit from the EUCF support. 70% of the lump sum will be disbursed at the Grant Agreement signature; 30% of the lump sum after positive validation of the investment concept.

### 4) Development of the investment concept

Beneficiaries shall develop the investments concepts in national language (together with an English Summary) over a period of up to twelve months, during which the EUCF provides support through technical and financial expertise from [Country Experts](#) and the EUCF team, [standard tools and documents](#) and [capacity building events](#) in different geographical regions on the topic.

### 5) Implementation of the investment concept

After finalisation of the investment concepts, they are validated by a dedicated evaluation team. If they meet the quality criteria, beneficiaries receive the remaining 30% of the total grant amount and can proceed with the successful implementation of their investment concepts. The EUCF accompanies the process by organising matchmaking events, Communities of Practice and other capacity building events and monitoring the implementation.

## 1.3 EUCF support

### 1.3.1 Who can apply to receive EUCF support?

Municipalities and local authorities, groupings of municipalities/local authorities as well as local public entities aggregating municipalities/local authorities located in the European Union Member States (EU-27), EEA-EFTA States of Iceland, Liechtenstein and Norway, and the UK are able to apply to receive EUCF support.

### 1.3.2 Which type of financial support is provided?

Successful applicants receive financial support of a **EUR 60,000** lump sum in the form of a grant for the development of the investment concept.

### 1.3.3 Which activities are funded by the EUCF grant?

The EUR 60,000 grant is provided to EUCF beneficiaries to support activities necessary for the development of investment concepts. The grant amount can be used for in-house staff if internal capacities are sufficient, for external experts/sub-contractors or for other positions that are necessary for the investment concept development. Among the activities that can be funded are feasibility studies, engineering analyses, legal analyses, social studies, market studies, financial analyses, and further supporting tasks.

### 1.3.4 Which types of investment projects does the EUCF support?

The EUCF provides support for investment projects within the field of **sustainable energy**, including all investments on the energy demand side, which contribute to the improvement of energy performance and the





achievement of energy savings. Among the investment sectors targeted by the EUCF are public, residential buildings and tertiary (non-municipal) buildings, efficiency improvements in equipment/facilities, development and use of building integrated renewables, district heating modernisation or fuel switch to renewables, smart grids, sustainable urban mobility (e.g. public transport, charging stations, etc.), and innovative energy infrastructure (e.g. citizen energy communities<sup>1</sup>, innovative approaches to public lighting, wastewater treatment plants, etc.). Nevertheless, it is also possible to implement projects in further sectors, as long as they are in the field of sustainable energy.

### 1.3.5 Which types of investment projects are excluded from the EUCF?

The EUCF is aligned with the European Commission's [European Green Deal](#), [2030 climate & energy framework](#), [2050 long-term strategy](#) and the EIB's [new energy lending policy](#). Thus, the EUCF has a clear position **not to support investments in energy projects reliant on unabated fossil fuels**, such as the production of oil and natural gas, traditional gas infrastructure, power generation technologies resulting in GHG emissions above 250 gCO<sub>2</sub> per kWh of electricity generated, and large-scale heat production infrastructure based on unabated oil, natural gas, coal or peat.

### 1.3.6 Which technical support activities does the EUCF offer?

The EUCF provides municipalities/local authorities, their groupings and local public entities aggregating municipalities/local authorities with different types of technical support activities along their journey within the EUCF:

- **[Info sessions and capacity building events:](#)** Before the opening of each call for applications, the EUCF organises, in cooperation with the national city networks and Country Experts, info sessions in each country to provide interested municipalities and local authorities, their groupings and local public entities aggregating municipalities/local authorities with more information on the EUCF. Moreover, regional capacity building events, such as peer-to-peer learning opportunities and Communities of Practice, as well as webinars are planned throughout the EUCF journey to support beneficiaries in the development of the investment concept.
- **[Support from Country Experts:](#)** Country Experts assist beneficiaries of the EUCF in the application process and with technical and financial expertise in national language during the development process of the investment concept. Country Experts do not develop investment concepts themselves. For each EU-27 Member State, in each of the EEA-EFTA States of Iceland, Liechtenstein and Norway, and the UK, an expert has been assigned, which can be contacted by the municipalities/local authorities and local public entities aggregating municipalities/local authorities of the respective country directly through the EUCF website user zone or email for questions, clarifications and other requests.
- **[Support from the EUCF Helpdesk:](#)** Along the entire EUCF journey, the EUCF Helpdesk plays a fundamental role in providing technical support to potential applicants and interested parties, as well as registered applicants and beneficiaries of the EUCF. The EUCF Helpdesk can be accessed through the EUCF website and EUCF website user zone, and allows users to easily communicate with the EUCF team and obtain support in case of questions, technical issues, etc.
- **[Knowledge products and materials:](#)** Various knowledge tools and documents are provided on the EUCF website to facilitate the application and development process of the investment concept, such as [Frequently Asked Questions \(FAQs\)](#), [Glossary](#), [Investment Concept template](#), [Case Studies](#), etc.

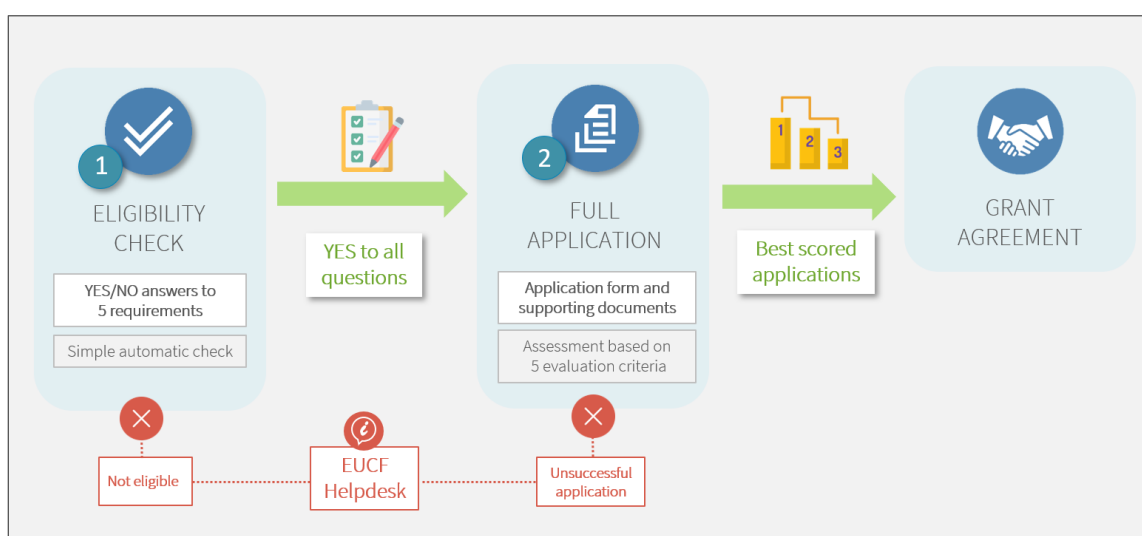
<sup>1</sup> In line with Article 16 of the [Directive \(EU\) 2019/944](#).

## 2 Application

### 2.1 Application process

#### 2.1.1 What is the procedure to receive funding from the EUCF?

The overall application process consists of two main steps: the eligibility check and the full application.



#### 1) Eligibility check

The eligibility check is a simple, automated questionnaire, which can be answered by the applicant directly [online](#). It verifies whether an applicant is eligible to apply for financial support from the EUCF. To be eligible, applicants must be able to answer YES to all five requirements. Applicants receive the result of the eligibility check immediately after answering all questions. At this stage, supporting documents are not required.




#### 2) Full application

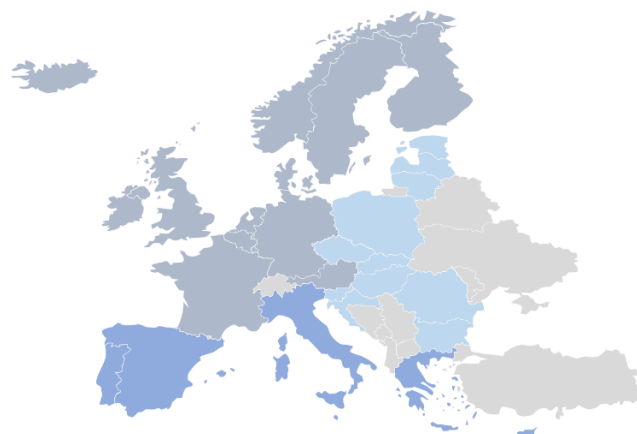
After successfully passing the eligibility check, the applicant can complete the full application form, prepare the supporting documents and submit them via the EUCF website user zone. Once the call for applications is closed, the applications are evaluated by a dedicated team. The best scored applications are selected and will conclude the Grant Agreements to receive EUCF support. Unsuccessful applications can seek support from the EUCF Helpdesk and can participate again in the next call for applications.

#### 2.1.2 How are the EUCF calls for applications organised?

Four calls for applications with cut off dates take place within the scope of the EUCF. Each call is organised in parallel for three geographic regions, as displayed in the map below. From the second call for applications onwards, the EEA-EFTA States of Iceland, Liechtenstein and Norway are also included in the EUCF geographical coverage, in the region of the Nordic countries & Western Europe.

### EUCF Regional Calls for Applications

-  Central and Eastern Europe
-  Nordic countries & Western Europe
-  Southern Europe



Regional call	Countries
Central and Eastern Europe	Bulgaria, Croatia, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovenia and Slovakia.
Nordic countries & Western Europe	Austria, Belgium, Denmark, Finland, France, Germany, Iceland, Ireland, Liechtenstein, Luxembourg, Netherlands, Norway, Sweden, United Kingdom.
Southern Europe	Cyprus, Greece, Italy, Malta, Portugal, Spain.

#### 2.1.3 When are the EUCF calls for applications taking place?

Overall, each call for applications will be open for two months, except for the first call where the application period has been extended due to Covid-19. The following tentative timeline applies for the EUCF calls for applications:

Call for Applications	Application period
1 <sup>st</sup> call	25 May 2020 - 2 October 2020
<b>2<sup>nd</sup> call</b>	<b>29 March 2021 - 31 May 2021</b>
3 <sup>rd</sup> call	October - November 2021
4 <sup>th</sup> call	May - June 2022

The exact dates of the calls and any alterations regarding the opening and closing of application periods will be published on the EUCF website under the section [Open calls](#).



### 2.1.4 Can municipalities/local authorities, groupings and local public entities aggregating municipalities/local authorities apply several times and/or resubmit a rejected application for the EUCF grant?

Municipalities/local authorities, groupings of municipalities/local authorities, and local public entities aggregating municipalities/local authorities are able to benefit only once from the EUCF support. Thus, successful applicants are not able to participate again in the calls for applications. Unsuccessful applications, in turn, can be revised and re-submitted in the next call for applications.

### 2.1.5 How to seek support in case of questions during the application process?

Available on the [EUCF website](#), the [FAQs](#) provide a comprehensive overview of questions that arise during the application process and corresponding answers and information. Moreover, a [Glossary](#) of relevant terms is provided to facilitate the applicant's understanding of the EUCF documents. In case of questions that cannot be found in these documents, municipalities, local authorities and local public entities aggregating municipalities/local authorities can seek further support from the [EUCF Helpdesk](#), which provides efficient and timely responses to the queries raised.

## 2.2 Eligibility check

### 2.2.1 Who is eligible to receive EUCF support?

EUCF applicants must comply with the following five eligibility criteria to be eligible for EUCF support:

<b>1. Type of eligible applicants:</b>	<p>EUCF applicants must comply with one of the following options:</p> <ul style="list-style-type: none"> <li>• Municipality/local authority with a <a href="#">Local Administrative Units (LAU) code</a><sup>2</sup> or their groupings;</li> <li>• Local public entity aggregating municipalities/local authorities – <b>NEW</b>.</li> </ul>
<b>2. Country of eligible applicants:</b>	<p>EUCF applicants' country must be one of the following options:</p> <ul style="list-style-type: none"> <li>• the <a href="#">EU-27 Member States</a>: Austria, Belgium, Bulgaria, Croatia, Cyprus, Czechia, Denmark, Estonia, France, Finland, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden;</li> <li>• the United Kingdom of Great Britain and Northern Ireland;</li> <li>• one of the EEA-EFTA States of Iceland, Liechtenstein and Norway – <b>NEW</b>.</li> </ul>
<b>3. Existence of energy and climate plans:</b>	<p>EUCF applicants must have a politically approved climate and energy plan fulfilling one of the following options:</p> <ul style="list-style-type: none"> <li>• Sustainable Energy Action Plan (SEAP), Sustainable Energy and Climate Action Plan (SECAP) developed within the <a href="#">Covenant of Mayors for</a></li> </ul>

<sup>2</sup> The most recent (validated) LAU code applies, which is – at the moment of writing these Guidelines – included in the LAU-NUTS table 2019 for all eligible countries, except for Norway: <https://ec.europa.eu/eurostat/documents/345175/501971/EU-28-LAU-2019-NUTS-2016.xlsx>; For Norway, the most recent version at the moment of writing these Guidelines, i.e. LAU-NUTS table 2017, applies: <https://ec.europa.eu/eurostat/documents/345175/501971/EU-28-LAU-2017-NUTS-2016.xlsx>

	<a href="#">Climate &amp; Energy initiative</a> , formally approved both by the local council (or equivalent decision-making body) and Joint Research Centre of the European Commission; <ul style="list-style-type: none"> <li>plan of similar ambition: a politically approved climate and energy plan with energy and climate targets at least for the year 2020.</li> </ul>
<b>4. Political commitment:</b>	EUCF applicants must be able to demonstrate political commitment to the project through a letter of support by the Mayor or by another relevant political representative.
<b>5. Commitment to monitoring period:</b>	EUCF applicants must demonstrate commitment to the monitoring period of two years after the final submission of the investment concept.

In order to move to the next stage of the application process, applicants must be able to answer YES to all of the above-mentioned requirements. The eligibility check can be done directly [online](#). After completing the check, applicants are immediately informed about their results and next steps.

### 2.2.2 Where can the eligibility check be found?

The eligibility check is available on the [EUCF website](#).

### 2.2.3 What does a plan of similar ambition have to include to be equivalent with a SEAP or SECAP?

Municipalities/local authorities or local public entities aggregating municipalities/local authorities without a Sustainable Energy Action Plan (SEAP) or Sustainable Energy and Climate Action Plan (SECAP), developed within the Covenant of Mayors framework, are able to submit a politically approved energy/climate plan of similar ambition. A plan of similar ambition is considered equivalent to a SEAP/SECAP if it is politically approved and includes energy and climate targets at least for the year 2020.

As part of the full application, SEAPs, SECAPs or plans of similar ambition need to be submitted together with the [template for Annex A.2](#) – SEAP, SECAP or plan of similar ambition – Summary, to provide an overview of the main energy and climate targets established by the plan. While the plan can be submitted in national language, the summary must be filled in English.

### 2.2.4 How can an applicant show political commitment?

In order to demonstrate political commitment to the development of the investment concept, the EUCF applicant must provide a letter of support, signed by the Mayor or other relevant political representative. The letter of support must be submitted together with the full application in English language. The [template for Annex B](#) is available on the EUCF website and must be used for submission.

### 2.2.5 What does the EUCF monitoring period entail?

The EUCF monitoring period has a duration of two years, in which the implementation of the investment concept is supervised and documented. During this period, beneficiaries are asked to notify the EUCF on the



implementation process by submitting two simple monitoring forms - after one and two years, respectively - on key figures, which are used to assess the impacts of the EUCF.

### **2.2.6 What are the next steps after the eligibility check?**

After successfully passing the eligibility check, applicants automatically receive login details to access the EUCF website user zone. There, applicants can complete and submit the online application form together with the supporting documents.

## **2.3 Application form**

### **2.3.1 Where can the application form be found?**

The online application form is integrated in the EUCF website user zone and accessible for applicants who have successfully completed the eligibility check. After the eligibility check, eligible applicants receive login details to the EUCF website user zone. Potential applicants can take a look at the questions of the application form in advance, available on the [EUCF website](#).

### **2.3.2 Which information has to be provided in the application form?**

The application form consists of a set of questions, grouped into three sections. For each of the sections, the following information has to be provided in English language by the applicant:

#### **1) Identification of the applicant**

This section comprises general information about the applicant, such as contact details, contact persons as well as Local administrative units (LAU) and Nomenclature of Territorial Units for Statistics (NUTS) 3 codes. For groupings, the name of the lead applicant as well as the LAU and NUTS 3 codes of each participating municipality/local authority have to be provided. In case of local public entities aggregating municipalities/local authorities, the NUTS 3 area code in which the entity is located must be provided. Moreover, the total population size (absolute number, not displayed as thousands or millions) of the municipality/local authority, grouping or of the area covered by the local public entity aggregating municipalities/local authorities needs to be stated in this section.

#### **2) Development of the investment concept**

In this section, information has to be provided on how the municipality/local authority, grouping, or local public entity aggregating municipalities/local authorities plans to develop the investment concept in the scope of the EUCF. This concerns the period for which the successful applicant receives the EUCF grant. The required items are presented in more detail in the table below.

Item	Requirement
<b>2.1</b>	<b>Title of the proposed investment concept</b>
<b>2.2</b>	<b>Allocation of grant amount</b> <p>The applicant is asked to indicate how the EUCF grant resources will be allocated for the development of the investment concept, e.g. for in-house staff, external experts/sub-contractors or other positions that are necessary for the investment concept development. More than one answer is possible. The information provided is for monitoring purposes only and not part of the evaluation.</p>
<b>2.3</b>	<b>Activities funded by grant amount</b> <p>The applicant is asked to indicate the missing component(s) for the development of the intended investment concept and explain how the EUCF grant can fill this gap. The activities to be funded by the grant amount should also be described, and can include, for instance, the development of engineering, legal or financial analyses and of social and market studies or further supporting tasks. The information provided is for monitoring purposes only and not part of the evaluation.</p>
<b>2.4</b>	<b>Governance for investment concept development</b> <p>The internal organisation structure in place for the development of the investment concept has to be described, indicating the roles and responsibilities of the people involved and how decisions are taken. The provided information should allow for an overview of the governance structure and the internal capacities of the applicant, indicating also if further support by external experts might be needed and how they could provide a value added. In case of groupings, the description of the governance structure is particularly important to clarify how the grouping is organised internally and how responsibilities are distributed and decisions are made.</p>
<b>2.5</b>	<b>Engagement of stakeholders</b> <p>In a brief manner, the applicant should describe the most relevant external stakeholders for the planned investment project, indicating their needs and expectations towards it. The provided answer should also include an overview of the activities and communication tools planned to engage the described stakeholders in the process of developing the investment concept, with the corresponding timing and objectives of each action.</p>

### 3) Implementation of investment project

Finally, this section presents preliminary information on the **proposed investment project for which an investment concept should be developed** within the EUCF. The requirements for this section are described in more detail in the following table.

Item	Requirement
<b>3.1</b>	<b>Investment sector(s) targeted</b> <p>The applicant must select the sector(s) targeted by the proposed investment project from a list of potential sectors in the field of sustainable energy and indicate the main sector. The applicant can also indicate other sectors than those listed in the form, as long as they concern sustainable energy.</p>

### 3.2 Intended measures

The applicant is asked to describe the intended technology measure(s) to be financed. Non-eligible technology measures under the EUCF are aligned with the [new European Investment Bank \(EIB\) energy lending policy](#), adopted on 14 November 2019.

### 3.3 Expected size of investment

The applicant must indicate, in Euro, the approximate size of total investments in sustainable energy expected for the planned investment project. The investment size corresponds to the investments in sustainable energy for the planned investment project, and does not refer to the EUCF grant amount of EUR 60,000. The [template for Annex E](#) – Estimation of Investment Size must be submitted with the application to allow for an understanding of the provided value and the parameters used for the estimation. An audio video book can be found on the [EUCF website](#) with more information on how to fill the template.

### 3.4 Expected impacts

The applicant must indicate, in GWh/y, the approximate energy savings and/or renewable energy production expected to be generated by the planned investment project. The [template for Annex D](#) – Estimation of Energy Savings and/or Renewable Energy Production must be submitted with the application to allow for an understanding of the provided value and the parameters used for the estimation. An audio video book can be found on the [EUCF website](#) with more information on how to fill the template.

If available at this stage, the applicant can state further impacts expected from the investment project such as avoided CO<sub>2</sub> emissions, job creation, etc. and attach the corresponding calculations/supporting documents. The template for Annex D can also be used to estimate the CO<sub>2</sub> emission reductions of the investment project.

### 3.5 Potential for replication and/or up-scaling

The applicant should briefly explain how the planned investment project could be potentially replicated in other contexts and/or up-scaled in its region.

## 2.3.3 What is the LAU and NUTS code?

The [Nomenclature of Territorial Units for Statistics \(NUTS\)](#) is a territorial classification that subdivides the territory of the European Union, the UK and the EEA-EFTA States into three different hierarchical levels (NUTS 1, NUTS 2 and NUTS 3) for statistical and planning purposes. The NUTS 3 classification corresponds to *small regions for specific diagnoses* at regional level.

Concerning the local level, a system of [Local Administrative Units \(LAUs\)](#) is maintained in compatibility with the NUTS system. LAUs are subdivisions of the NUTS 3 regions, covering the entire economic territory of each EU-27 Member State, the UK and the EEA-EFTA States.

The respective NUTS 3 and LAU codes can be found on a yearly updated list, available on the Eurostat website. The most recent (validated) LAU code at the moment of writing these Guidelines applies, which is included in the [LAU-NUTS table 2019](#) for all eligible countries (except for Norway). For Norway, the most recent version at the moment of writing these Guidelines, i.e. the [LAU-NUTS table 2017](#) applies.

For municipalities/local authorities and groupings, the NUTS 3 codes can be selected from a drop-down list in the application form and the corresponding LAU codes are assigned automatically based on the postal codes





provided. Local public entities aggregating municipalities/local authorities must indicate through the drop-down list the NUTS 3 area code in which they are located. The NUTS 3 code is only asked for statistical reasons.

#### **2.3.4 Which technology measures are not eligible under the EUCF?**

The EUCF is aligned with the new EIB energy lending policy, adopted in November 2019. Consequently, investments in energy projects reliant on unabated fossil fuels are not supported. See also section 1.3.5 for more information.

#### **2.3.5 How is the investment size defined?**

The investment size provided by the applicant in the application form should only cover the investments in sustainable energy of the planned project, not any other potential components of the project not related to sustainable energy. Moreover, the investment size does not refer to the EUCF grant amount of EUR 60,000, but to the total investments in sustainable energy for the planned investment project. There is no minimum or maximum threshold for investment size to apply to the EUCF. In the evaluation process, the level of ambition of the expected size of investment of the planned investment project is set into relation to the other submitted applications in the regional call as well as to the (local) context (e.g. population number of municipality/local authority, grouping or local public entity aggregating municipalities/local authorities). Moreover, bundling/pooling of investments is appreciated and the overall coherence and plausibility of the elements is assessed.

#### **2.3.6 How should energy savings and/or renewable energy production be calculated?**

For the calculation of the expected energy savings and/or renewable energy production of an investment project, applicants must use the [template for Annex D](#) – Estimation of Energy Savings and/or Renewable Energy Production. An audio video book is available on the [EUCF website](#) with step-by-step information on how to fill the template. There is no minimum or maximum threshold for energy savings and renewable energy production to apply to the EUCF. In the evaluation process, the level of ambition of the expected energy savings and/or renewable energy production generated by the planned investment project is set into relation to the other submitted applications in the regional call as well as to the (local) context (e.g. baseline, population number of municipality/local authority, grouping or local public entity aggregating municipalities/local authorities). Moreover, the overall coherence and plausibility of the elements is assessed.

#### **2.3.7 What happens if the exact investment size or energy savings/renewable energy production amount cannot be determined yet?**

In case specific values for the investment size and energy savings/renewable energy production cannot be determined yet, the applicant can use approximate values instead, which still allows the EUCF evaluation team to understand its level of ambition and potential impacts. Any comments on the values and calculations can be added in the comments section in the templates for Annex D (Energy Savings and/or Renewable Energy Production) and Annex E (Investment Size).



## 2.4 Required documents

### 2.4.1 Which documents must be provided for the EUCF application?

#### **Annex A.1: Sustainable Energy Action Plan (SEAP), Sustainable Energy and Climate Action Plan (SECAP) or plan of similar ambition**

A SEAP, SECAP or plan of similar ambition has to be submitted together with the application form to show that the municipality/local authority, grouping of municipalities/local authorities, or local public entity aggregating municipalities/local authorities, already has an overall climate/energy strategy in place.

The SEAP defines concrete actions, responsibilities and timing to achieve long-term energy consumption and CO<sub>2</sub> emissions reduction targets as well as demonstrates how the 20% CO<sub>2</sub> emissions reduction commitment by 2020 for Covenant of Mayors signatories is reached. The SECAP is the key document that describes how CO<sub>2</sub> emissions can be reduced by at least 40% by 2030. More information on the SEAP and SECAP can be found on the Covenant of Mayors for Climate & Energy website: <https://www.covenantofmayors.eu/en/>. SEAPs and SECAPs must be approved both by the local council and EU Commission to be eligible to receive EUCF support.

In case municipalities/local authorities or local public entities aggregating municipalities/local authorities do not have a politically approved SEAP or SECAP, a plan of similar ambition can be submitted. A plan of similar ambition is considered equivalent to SEAP/SECAP if it includes energy and climate targets at least for the year 2020, formally approved by the Mayor or similar.

The SEAP/SECAP or plan of similar ambition can be submitted in national language or in English.

#### **Annex A.2: SEAP, SECAP or plan of similar ambition - Summary**

Together with the SEAP, SECAP or plan of similar ambition, applicants are required to complete the [template for Annex A.2](#) – SEAP, SECAP or plan of similar ambition – Summary to provide an overview of the main energy/climate targets established by the respective plan. Moreover, applicants need to state in the summary, when and by whom the plan was politically approved. While the plan can be submitted in national language, the summary must be filled in English.

#### **Annex B: Letter of support to the project by the Mayor or other relevant political representative**

To demonstrate political support to the development of the investment concept, the EUCF applicant has to submit a letter of support, signed by the Mayor or other relevant political representative of the municipality/local authority, grouping or local public entity aggregating municipalities/local authorities. The applicants must use the corresponding [template for Annex B](#) for submission. The letter of support must be submitted in English.



### **Annex C: Self-declaration form by a legal representative of the municipality/local authority, grouping, or local public entity aggregating municipalities/local authorities**

In the self-declaration form, the EUCF applicant confirms the authenticity of the general information provided in the application form. Two different [templates for Annex C](#) are provided by the EUCF to be filled according to the type of applicant:

- Municipalities/local authorities or groupings must confirm the authenticity of the information provided in the application form, such as the contact details, NUTS 3 and LAU code.
- In addition, local public entities aggregating municipalities/local authorities must declare that
  - they are officially recognised as a tier of local government (different from the regional and provincial levels) by the national law with the obligation for municipalities/local authorities to join the supra-municipal organisation;
  - they are composed only by municipalities/local authorities;
  - they have a specific political and administrative structure.

The self-declaration form must be signed by the applicant and submitted in English.

### **Annex D: Calculation log – Expected energy savings and/or renewable energy production**

In order to allow for an understanding of the energy savings and/or renewable energy generation figure provided and parameters used for the estimation, the EUCF applicants have to submit the corresponding calculation log together with the application in English. The [template for Annex D](#) must be used for the estimation and submission. An [audio video book](#) is available on the EUCF website with step-by-step information on how to fill the template.

If available, the supporting documents and/or calculations for any further expected impacts can also be handed in to support the provided figures. The template for Annex D allows also to estimate the reduction of CO<sub>2</sub> emissions achieved by the investment project.

### **Annex E: Calculation log – Expected size of investment**

In order to allow for an understanding of the investment size figure provided and parameters used for the estimation, the EUCF applicants have to submit the corresponding calculation log together with the application in English. The [template for Annex E](#) must be used for the estimation and submission. An [audio video book](#) is available on the EUCF website with step-by-step information on how to fill the template.

## **2.4.2 What are the requirements for the supporting documents?**

The templates provided by the EUCF must be used for the submission of the supporting documents. All supporting documents (except for the SEAP, SECAP or plan of similar ambition) must be submitted in English language. The table below summarises the requirements for the respective supporting documents:

Supporting document	Requirements
<p><b>Annex A.1:</b> SEAP, SECAP or plan of similar ambition <i>[to be submitted in PDF]</i></p> <p><b>Annex A.2:</b> SEAP, SECAP or plan of similar ambition – Summary <i>[to be submitted in PDF]</i></p>	<ul style="list-style-type: none"> <li>• SEAPs, SECAPs or plans of similar ambition can be submitted in national language or English.</li> <li>• SEAPs and SECAPs must be approved both by the local council (or equivalent decision-making body) and Joint Research Centre of the EU Commission.</li> <li>• A plan of similar ambition is considered equivalent to a SEAP/SECAP if it includes energy and climate targets for at least 2020 and has been politically approved.</li> <li>• In Annex A.2 (to be submitted in English), applicants need to state when and by whom the plan was politically approved and provide an overview of the main energy/climate targets established by the plan.</li> </ul>
<p><b>Annex B:</b> Letter of support to the project by the Mayor or other relevant political representative <i>[to be submitted in PDF]</i></p>	<ul style="list-style-type: none"> <li>• The letter of support to the development of the investment concept must be signed by the Mayor or other relevant political representative of the municipality/local authority, grouping or local public entity aggregating municipalities/local authorities.</li> </ul>
<p><b>Annex C:</b> Self-declaration form by a legal representative of the municipality/local authority, grouping, or local public entity aggregating municipalities/local authorities <i>[to be submitted in PDF]</i></p>	<ul style="list-style-type: none"> <li>• The self-declaration form must be signed by the legal representative of the municipality/local authority, grouping, or local public entity aggregating municipalities/local authorities.</li> <li>• Local public entities aggregating municipalities/local authorities need to declare in the self-declaration form that i) they are officially recognised as a tier of local government (different from the regional and provincial levels) by the national law with the obligation for municipalities/local authorities to join the supra-municipal organisation; (ii) they are composed only by municipalities/local authorities; (iii) they have a specific political and administrative structure.</li> </ul>
<p><b>Annex D:</b> Calculation log – Expected energy savings and/or renewable energy production <i>[to be submitted in Excel or PDF]</i></p>	<ul style="list-style-type: none"> <li>• The Excel spreadsheet must be filled by the applicants to estimate the total energy savings and/or renewable energy production generated by the investment project.</li> </ul>
<p><b>Annex E:</b> Calculation log – Expected size of investment <i>[to be submitted in Excel or PDF]</i></p>	<ul style="list-style-type: none"> <li>• The Excel spreadsheet must be filled by the applicants to estimate the total investment size of the investment project.</li> </ul>

#### 2.4.3 Can the application be submitted with supporting documents missing?

Annex A.1 (SEAP, SECAP or plan of similar ambition and corresponding summary of the plan), Annex A.2 (SEAP, SECAP or plan of similar ambition – Summary), Annex B (Proof of political commitment), Annex C (Self-declaration form), Annex D (Estimation of Energy Savings and/or Renewable Energy Production) and Annex E



(Estimation of Investment Size) must be submitted for the application to be considered in the evaluation process. For the submission of the supporting documents, the templates provided by the EUCF must be used. It is not mandatory to submit any supporting documents or calculations for additional expected impacts.

#### **2.4.4 Is it possible to submit the documents in national language?**

It is possible to submit the SEAP, SECAP or plan of similar ambition in national language. All other supporting documents must be submitted in English language. To facilitate this, the EUCF provides templates for the required documents.

#### **2.4.5 Are there templates available for the required documents?**

Yes, the use of the EUCF templates is mandatory for the submission of the supporting documents to the application. The following templates for the supporting documents can be found on the [EUCF website](#):

- **Annex A.2:** SEAP, SECAP or plan of similar ambition - Summary
- **Annex B:** Letter of support to the project by the Mayor or other relevant political representative
- **Annex C:** Self-declaration form by legal representative of the applicant; two templates are available:
  - (a) For municipalities/local authorities and groupings;
  - (b) For local public entities aggregating municipalities/local authorities.
- **Annex D:** Estimation of Energy Savings and/or Renewable Energy Production
- **Annex E:** Estimation of Investment Size

### **2.5 Application by groupings of municipalities/local authorities**

#### **2.5.1 What has to be considered when applying as a grouping?**

Groupings of municipalities/local authorities are highly encouraged to apply for the EUCF. When applying as grouping, the following points have to be considered:

- Both formal (e.g. formalised by an assembly act) and informal groupings are invited to apply.
- One responsible partner, i.e. one lead applicant has to be defined.
- In the application form, the relations and decision-making processes within the grouping for the development of the investment concept have to be outlined.
- Either the lead applicant or the grouping needs to have a SEAP, SECAP or plan of similar ambition.
- The lead applicant has to provide the proof of political commitment to the development of the investment concept and the self-declaration form.
- As the EUCF aims to support especially small and medium-sized municipalities and, if feasible, encourages them to team up, groupings are appreciated in the evaluation process.
- In case the application is successful, the grant amount of EUR 60,000 is awarded to the grouping as a whole. Thus, the lump sum is awarded per application, not per municipality/local authority.
- The lead applicant is responsible to sign the Grant Agreement and to disburse the amount among the partners.



### **2.5.2 Who qualifies as part of a grouping?**

Formal or informal groupings of municipalities/local authorities are eligible to apply. They have to define one lead applicant.

### **2.5.3 Does each partner have to provide a SEAP, SECAP or plan of similar ambition?**

No, the lead applicant must have a politically approved SEAP, SECAP or plan of similar ambition. Joint action plans prepared collectively by a grouping of municipalities/local authorities are also accepted.

### **2.5.4 Does each partner have to provide a proof of political commitment?**

No, proof of political commitment to the development of the investment concept through a letter of support by the Mayor or other relevant political representative must be submitted only by the lead applicant of the grouping.

## **2.6 Application by local public entities aggregating municipalities/local authorities**

### **2.6.1 What has to be considered when applying as a local public entity?**

Local public entities aggregating municipalities/local authorities are also able to apply for EUCF support. When applying as a local public entity aggregating municipalities/local authorities, the following points have to be considered:

- Local public entities aggregating municipalities/local authorities need to declare in the self-declaration form that i) they are officially recognised as a tier of local government (different from the regional and provincial levels) by the national law with the obligation for municipalities/local authorities to join the supra-municipal organisation; (ii) they are composed only by municipalities/local authorities; (iii) they have a specific political and administrative structure. A [template for Annex C](#) - Self-declaration form for local public entities aggregating municipalities/local authorities is provided by the EUCF.
- Local public entities aggregating municipalities/local authorities must present an own politically approved SEAP, SECAP or plan of similar ambition that covers their geographical area.
- Local public entities aggregating municipalities/local authorities are not able to apply to the EUCF as groupings.

### **2.6.2 Who qualifies as a local public entity aggregating municipalities/local authorities?**

Local public entities aggregating municipalities/local authorities may vary from country to country. Applicants included in this category must submit a self-declaration (Annex C) confirming their eligibility. Eligible entities must fulfil all of the following criteria:

- Eligible public entities must be officially recognised as a tier of local government<sup>3</sup> (different from the regional and provincial levels) by national law with the obligation for municipalities/local authorities to join the supra-municipal organisation;

<sup>3</sup> Public agencies and public companies (such as in the field of energy/waste management, economic development, touristic promotion, etc.) and/or other legal entities and/or non-profit organisations (e.g. collectives, institutions, associations, agencies etc.) which are fully or partially owned by the



- Eligible public entities must be composed only by municipalities/local authorities<sup>4</sup>; and
- Eligible public entities must have a specific political and administrative structure.

Applicants are encouraged to check their potential eligibility before preparing the application by contacting the [EUCF Country Experts](#) and [EUCF Helpdesk](#).

### 2.6.3 Are there examples for potential eligible local public entities aggregating municipalities/local authorities?

Yes, the list below provides **a set of examples (non-exhaustive list, in national languages)** of potential eligible applicants included in this category.

Country	Examples of public entities <sup>5</sup>
Croatia	Urbane aglomeracije: urbana aglomeracija Zagreb, sa sjedištem u Zagrebu; urbana aglomeracija Split, sa sjedištem u Splitu; urbana aglomeracija Rijeka, sa sjedištem u Rijeci; urbana aglomeracija Osijek, sa sjedištem u Osijeku
Finland	Seutukunta
France	Communautés des communes. The list of Communautés des communes can be found <a href="#">here</a>  Communautés d'agglomération. The list of communautés d'agglomération can be found <a href="#">here</a>  Communautés urbaines. The list of communautés urbaines can be found <a href="#">here</a>  Métropoles. The list of Métropoles can be found <a href="#">here</a>
Germany	Landkreise. The list of Landkreise can be found <a href="#">here</a>
Hungary	Budapest Főváros, Kistérség
Italy	Unioni dei Comuni, Comunità Montane, Unioni Montane, Comunità isolate o di arcipelago. The list of Unioni dei Comuni can be found <a href="#">here</a>  Città metropolitane, as defined by art. 1, comma 5, L. n. 56/201 or any further modification in force prior to the closing date of the EUCF Call, and any other città metropolitana officially defined in any of the "Regioni a statuto speciale" prior to the closing date of the EUCF Call

municipality/local authority and/or any eligible applicant, and/or which are fully or partially managed/supervised by the municipality/local authority and/or any eligible applicant, are not considered as local governments and therefore cannot be recognised as eligible public entities.

<sup>4</sup> This category does not include associations involving other public and/or private entities such as universities, chambers of commerce, energy agencies, regions etc.

<sup>5</sup> The entities included in this list are examples only. Entities not listed in this table but fulfilling the criteria set above are considered potential eligible applicants. The EUCF considers as eligible applicants any equivalent entity to those listed in the table officially defined by the laws and lists included in this table or by any further modification in force prior to the closing date of the EUCF Call.



Portugal	Área Metropolitana and Comunidade Intermunicipal, as defined Lei n.º 75/2013, de 12 de setembro, and any further modification in force prior to the closing date of the EUCF Call. The list can be found <a href="#">here</a>
Spain	Mancomunidad, áreas metropolitanas
United Kingdom	Combined Authorities

#### **2.6.4 Do local public entities require an own SEAP, SECAP or plan of similar ambition?**

Yes, local public entities aggregating municipalities/local authorities need to have an own politically approved SEAP, SECAP or plan of similar ambition, covering their geographical area.

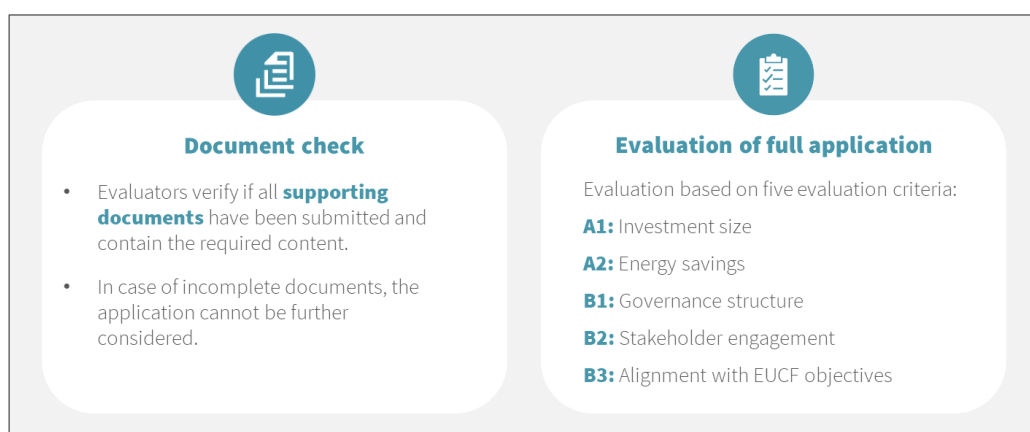


## 3 Evaluation and selection of beneficiaries

### 3.1 Evaluation process

#### 3.1.1 What is the procedure for evaluating the applications?

The evaluation of the EUCF applications is conducted after the close of each call for applications by a dedicated evaluation team, composed of evaluators from adelphi and Enviros (neither Energy Cities and Climate Alliance nor FEDARENE are involved in the evaluation process). Each application is evaluated individually by at least two different evaluators<sup>6</sup>. The evaluators verify if Annex A.1 (SEAP, SECAP or plan of similar ambition), Annex A.2 (SEAP, SECAP or plan of similar ambition – Summary), Annex B (Proof of political commitment), Annex C (Self-declaration form), Annex D (Estimation of energy savings and/or renewable energy production) and Annex E (Estimation of investment size) have been submitted and contain the required content. In case of incomplete documents, the application is rejected and the applicant receives an email notification from the EUCF website user zone. Any questions/complaints on the outcome of the document check can be raised within 10 working days from the date the notification email is sent. Applications are then evaluated based on five evaluation criteria. At the end of the evaluation process, each applicant is informed about the final result with corresponding feedback through a feedback report. The best scored applications are selected to receive EUCF support. Unsuccessful applications can seek support from the EUCF Helpdesk and are able to participate again in the next call for applications. Any questions/complaints on the outcome of the final results can be raised within 10 working days from the date the notification email is sent.



#### 3.1.2 What are the criteria for evaluating the applications?

EUCF applications are evaluated based on the following five evaluation criteria:

<sup>6</sup> In case there is a significant discrepancy between the scores given by the two evaluators, i.e. two points difference, a third evaluator will evaluate the application and the median of the scores from the three evaluators will be used to determine the final score.

Evaluation criteria	Requirement	Weightage
<b>Category A – Weightage 60%</b>		
<b>A1. Investment size</b>	<p><i>The following aspects are taken into account:</i></p> <ul style="list-style-type: none"> <li>• <u>Quantitative assessment:</u> <ul style="list-style-type: none"> <li>○ Level of ambition of the expected size of investment of the planned investment project in relation to the other submitted applications in the regional call;</li> </ul> </li> <li>• <u>Qualitative assessment:</u> <ul style="list-style-type: none"> <li>○ Level of ambition of the expected size of investment of the planned investment project in relation to the local context (e.g. population number of municipality/local authority, grouping or local public entity aggregating municipalities/local authorities);</li> <li>○ Appreciation of bundling/pooling of investments;</li> <li>○ Overall coherence and plausibility of the elements.</li> </ul> </li> </ul>	50%
<b>A2. Energy savings</b>	<p><i>The following aspects are taken into account:</i></p> <ul style="list-style-type: none"> <li>• <u>Quantitative assessment:</u> <ul style="list-style-type: none"> <li>○ Level of ambition of the expected energy savings, including renewable energy generated, by the planned investment project in relation to the other submitted applications in the regional call;</li> </ul> </li> <li>• <u>Qualitative assessment:</u> <ul style="list-style-type: none"> <li>○ Level of ambition of the expected energy savings, including renewable energy generated, by the planned investment project in relation to the local context (e.g. baseline, population number of municipality/local authority, grouping or local public entity aggregating municipalities/local authorities);</li> <li>○ Overall coherence and plausibility of the elements.</li> </ul> </li> </ul>	50%
<b>Category B – Weightage 40%</b>		
<b>B1. Governance structure</b>	<p><i>The following aspects are taken into account:</i></p> <ul style="list-style-type: none"> <li>• Appropriate and robust internal organisational structure for the development of the investment concept; including</li> <li>• Clearly defined roles and responsibilities of all actors involved; appointment of person(s) in charge for the investment concept development;</li> <li>• Clearly defined decision-making processes, indicating people with decision-making power and process how decisions are taken;</li> <li>• Good understanding whether internal capacities are sufficient for the successful development of an investment concept or how</li> </ul>	20%

	external experts can be involved in the process to provide a value added/build capacities. <ul style="list-style-type: none"> <li>Overall coherence and plausibility of the elements.</li> </ul>	
<b>B2. Stakeholder engagement</b>	<i>The following aspects are taken into account:</i> <ul style="list-style-type: none"> <li>Clear identification of important stakeholders and good understanding of their needs and expectations towards the planned investment project;</li> <li>Appropriate strategy to involve identified stakeholders in the investment concept development process; including</li> <li>Adequate activities of engagement (and their intended timing and objectives);</li> <li>Adequate instruments for communication to reach the different stakeholders.</li> <li>Overall coherence and plausibility of the elements.</li> </ul>	40%
<b>B3. Alignment with EUCF objectives</b>	<i>The following aspects are taken into account:</i> <ul style="list-style-type: none"> <li>Alignment of the application with the ultimate objective of the EUCF, i.e. to build a substantial pipeline of sustainable energy investment projects across cities in Europe by providing targeted financial, technical, legal and capacity building support.</li> <li>Demonstration of potential to develop a sound (and new) investment concept, considering the information available at this stage, including</li> <li>(Initial) estimations of additional impacts (e.g. avoided CO<sub>2</sub> emissions) and consideration of the investment project's innovative character and potential for replication and/or up-scaling;</li> <li>Overall coherence and plausibility of the elements.</li> </ul>	40%

### 3.1.3 How are applications scored?

For each of the five evaluation criteria, a score ranging from 0 (application fails to address the criterion) to 5 (application addresses the criterion in an outstanding manner) is awarded (half points may be given). The quality threshold for each criterion is 3 out of 5, i.e. applicants have to reach a minimum score of 3 per criterion to be able to be successful. To generate the final score per criterion, the median of the scores given by the evaluators is used.

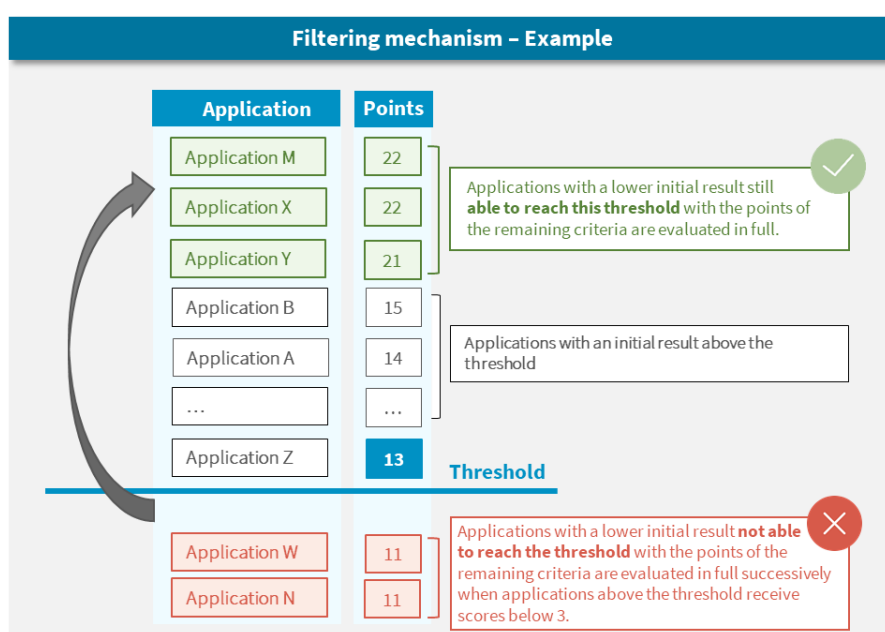
Overall, the scoring follows the following logic:

Points	Overall scoring logic
5	<b>Excellent</b> – The application addresses all relevant aspects of the criterion in an <b>outstanding</b> manner; any shortcomings are minor.

4	<b>Very good</b> – The application addresses the criterion <b>very well</b> , but with a small number of shortcomings.
3	<b>Good</b> – The application addresses the criterion in a <b>satisfactory</b> manner, but with a number of shortcomings.
2	<b>Fair</b> – The application <b>broadly</b> addresses the criterion, but with significant weaknesses.
1	<b>Poor</b> – The application addresses the criterion in an <b>inadequate</b> manner with serious inherent weaknesses.
0	The application <b>fails</b> to address the criterion or cannot be assessed due to missing information.

For the evaluation criteria A1. + A2., initial automatic scores are awarded by setting all applications of a regional call into relation with each other in order to encourage comparability. The evaluators receive the applications with the initial scores for the two criteria and evaluate them qualitatively (i.e. in relation to the (local) context, the overall plausibility and coherence of the elements, etc.) together with the other evaluation criteria. Evaluators are able to raise or lower the initial scores.

In case of a number of submitted applications higher than 70 per call per region, a filtering mechanism will apply to ensure the maintenance of a timely and high quality evaluation process. The submitted applications will be listed according to the total score of the evaluation criteria A1. + A2., i.e. investment size and energy savings, setting a threshold at the last application that fits into the available budget + 20% buffer. All applicants above the threshold as well as all applicants with a lower initial result still able to reach this threshold with the points of the remaining criteria are evaluated in full. The following illustration gives an example of the filtering mechanism in case of a high number of applications:



In this example, after the listing of all applications according to the total score of the evaluation criteria A1. + A2., the threshold is set at the last application that fits into the available budget + 20% buffer (i.e. Application Z). All applicants with an initial result above the threshold (i.e. Application B, A, Z) and all applicants with a lower initial result still able to reach this threshold with the points of the remaining criteria (i.e. Application M, X, Y) are evaluated in full. Those applications with a lower initial result not able to reach the threshold with the points of the remaining criteria (i.e. Application W, N) are evaluated successively when applications above the threshold receive scores below 3.

If an evaluator identifies unrealistic or incomprehensible values or information in the course of the assessment and awards a score below 3, this applicant does not meet the quality threshold and the successive applicant of the list is evaluated.

### 3.1.4 How is the final score derived?

Based on the median of the scores given per criterion, the final score is derived by applying the weightages set for the categories and criteria (as depicted in section 3.1.2). The following formula applies to derive the final score:

$$60\% \times \left( 50\% \times A1 \times 5 + 50\% \times A2 \times 5 \right) + 40\% \times \left( 20\% \times B1 \times 5 + 40\% \times B2 \times 5 + 40\% \times B3 \times 5 \right)$$

## 3.2 Selection of beneficiaries

### 3.2.1 How long does it take to receive the final result?

The evaluation process takes approximately two months from the close of the respective call. After this period, applicants will be informed about the final result.

### 3.2.2 How are applicants informed about the final results?

After the evaluation process is concluded, applicants are informed via email about the final results with corresponding feedback through a feedback report in the EUCF website user zone.

Any questions/complaints on the outcome of the final results can be raised within 10 working days from the date the notification email is sent.

### 3.2.3 What are the next steps in case the application is selected?

As a next step, successful applicants conclude a Grant Agreement to receive EUCF support. The time period foreseen for the preparation and signature of the Grant Agreement is 2 (two) months as of the day when the successful applicant(s) was/were informed about its/their selection for the EUCF support. After the signature of the Grant Agreement each applicant has a period of 12 months to develop the investment concept.

If the successful applicant fails to sign the EUCF Grant Agreement within the given period, the EUCF reserves the right to annul the “awarding decision”, whereby consequently, an agreement with such applicant shall not be concluded, i.e., such applicant shall not be awarded with the respective financial support.



If applications with a higher ranking drop out or fail to sign the EUCF Grant Agreement, the next applicant originally placed on the waiting list of the corresponding call (see 3.2.4), will be contacted by email. The applicant will have 10 (ten) working days to express its interest in proceeding to the signature of the EUCF Grant Agreement.

In parallel to this process, Country Experts organise a conference call with their respective beneficiaries for a capacity needs assessment to better understand the planned activities and to identify the needs for support to develop the investment concept. Beneficiaries are also able to ask any questions regarding the Grant Agreement during the conference call.

### **3.2.4 What happens in case the application is unsuccessful?**

Unsuccessful applications can seek support from the EUCF Helpdesk as well as from their respective Country Experts on how the application could be improved. The support provided to unsuccessful applicants includes also a webinar organised by the EUCF to discuss and share the challenges met in the application process. Municipalities and local authorities, groupings and local public entities aggregating municipalities/local authorities that are not selected in one call for applications are able to participate again in the next calls.

Applications with scores above the quality thresholds, but initially not high enough in the ranking to be selected for funding (due to budgetary limits), are placed on a waiting list. These applicants might be invited to Grant Agreement preparation if applications with a higher ranking drop out or fail to sign the EUCF Grant Agreement. They will be informed accordingly (see 3.2.3).

## **3.3 Grant Agreement**

### **3.3.1 Which information is provided in the Grant Agreement?**

The Grant Agreement sets out the terms of the relation between the beneficiary and Energy Cities, the coordinator of the EUCF, defining roles and responsibilities, milestones, and the timeline for the development of the investment concept. Moreover, the Grant Agreement determines the disbursement of the EUCF grant and requires the beneficiary to commit to the EUCF monitoring period in the implementation phase of the investment concept. A template of the Grant Agreement is provided on the [EUCF website](#).

### **3.3.2 What is the timeline for the signature of the EUCF Grant Agreement?**

The timeline for preparation and signature of the EUCF Grant Agreement is 2 (two) months as of the day when the successful applicant(s) was/were informed about its/their selection for the EUCF support.

### **3.3.3 How is the EUCF grant paid?**

The grant amount will be disbursed as follows:

- Pre-financing of 70% of the total amount at the Grant Agreement signature;
- Final payment of 30% of the total amount after positive validation of the investment concept.

## 4 Investment concept

### 4.1 Development of the investment concept

#### 4.1.1 What is an investment concept?

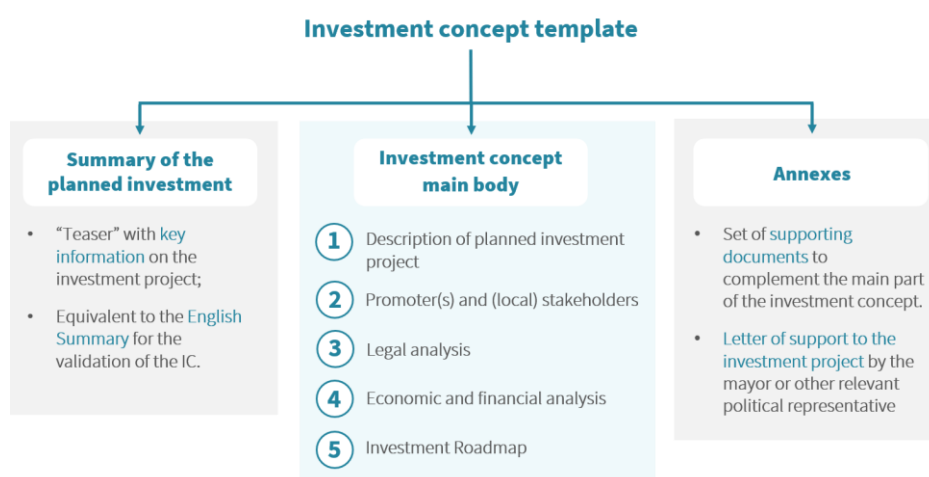
An investment concept is a document which **translates an investment project idea into financial language** in order to mobilise financing for its realisation. It aims to bridge the process path between the project idea and the business/financing plan.

The purpose of an investment concept is to provide investors and financial institutions with the preliminary information necessary to **assess an investment project in a simple and fast manner**. It converts climate and energy plans or part of its measures into sound investment packages and thus, facilitates the access to funding for municipalities/local authorities and local public entities aggregating municipalities/local authorities.

So far, many municipalities/local authorities, groupings of municipalities/local authorities and local public entities aggregating municipalities/local authorities have developed ambitious climate and energy action plans but had difficulties to access appropriate funding. In turn, financial institutions are more and more interested in financing sustainable energy projects but have problems in finding investment projects that fulfil their requirements in terms of maturity. This document shall help in bridging this gap.

#### 4.1.2 What is the structure of an investment concept?

In order to facilitate the development of the investment concept for the EUCF beneficiaries, an [investment concept template](#) has been developed in close consultation with EUCF key stakeholders, i.e. financial institutions, municipalities and local authorities as well as climate and energy experts. The investment concept template follows the following structure:



- A one-page summary (“teaser”/“elevator pitch”) with key information on the investment project (such as estimated costs and revenues, financial indicators and expected impacts). This summary shall be developed in English and potentially be made public in the EUCF communication channels.



- The main body consists of five sections: i) Description of planned investment project, ii) Promoter(s) and (local) stakeholders, iii) Legal analysis, iv) Economic and financial analysis and v) Investment Roadmap. The main body can be developed in national language or in English, according to the preference of the beneficiary.
- Supporting documents can be attached as Annexes to complement and provide details on the main part.

#### **4.1.3 Which information has to be provided in an investment concept?**

A [template](#) for the development of the investment concept is available on the EUCF website. The main part of the investment concept template is based on a 5-point structure:

##### **1) A detailed description of the planned investment project**

In this section, the beneficiary presents an overview of the proposed investment, including the objectives of the investment project, the general framework conditions and relevant policy framework in which the project is going to be developed, the technical measures planned, barriers and obstacles identified for the project and ways how to bridge these gaps, expected impacts, such as energy savings, renewable energy production, avoided CO<sub>2</sub> emissions as well as social and climate impacts, the project's potential for up-scaling and/or replication and a summary of the investment components.

##### **2) Project promoter(s) and (local) stakeholders**

This section is concerned with the project promoter(s), i.e. the organisation leading the investment project and further organisations associated to it, describing their level of commitment to the project and experience with other investment programmes, ownership structure over the concerned assets and risk profile. Moreover, the outcomes of the performed stakeholder analysis should be presented, including the needs and expectations from the project of relevant stakeholders.

##### **3) Legal analysis**

The legal feasibility of the planned investment should be highlighted, which concerns the legal requirements applicable to the investment project as well as potential legal and/or regulatory incentives and obstacles to its realisation.

##### **4) Economic and financial analysis**

This section focuses on the economic and financial aspects of the planned investment project, where the beneficiary should indicate the estimated costs, cost savings and other revenues, financial indicators on economic viability, such as simple payback period, net present value and internal rate of return, critical risks that can affect the project implementation and potential mitigation measures as well as the envisaged financing approach with potential funding sources (such as grants, soft loans, guarantees etc.) for the investment project.

##### **5) Investment roadmap**

This last section provides an outlook on the realisation of the investment project, where the beneficiary has the possibility to state if any additional types of technical support or capacity building activities are required in the preparation and/or implementation of the investment project. Moreover, a work plan should be prepared to present next steps in the process to launch the planned investments.





#### 4.1.4 Who can develop an investment concept?

The investment concepts are developed by the beneficiary municipalities/local authorities, groupings of municipalities/local authorities or local public entities aggregating municipalities/local authorities either completely in-house if enough internal capacities are available or they can engage external experts for support. Country Experts assist beneficiaries in their respective countries in this process, but cannot be sub-contracted to develop investment concepts.

#### 4.1.5 What is the timetable for the development of the investment concept?

EUCF beneficiaries shall develop the investment concept within twelve months from Grant Agreement signature.

#### 4.1.6 What has to be submitted together with the investment concept?

As the investment concept can be developed in national language, beneficiaries are also asked to draft a corresponding [English Summary](#) directly in the EUCF website user zone. The English Summary of the investment concept is kept concise, comprising of key figures of the planned investment, including financial and impact indicators that allow for a good overview and understanding of the proposed investment. Together with the completed English Summary of the investment concept in the EUCF website user zone, the following documents have to be submitted for the validation:

- Final investment concept, including all Annexes;
- Letter of support to the investment project by the Mayor or other relevant political representative (a corresponding [template](#) is provided to facilitate the preparation).

#### 4.1.7 How is the investment concept validated?

Once the final investment concept and corresponding documents are submitted, the respective evaluator verifies if all necessary documents have been uploaded and contain the required content (e.g. if all chapters of the final investment concept have been completed). If the documents are incomplete or have content issues, the beneficiary is informed via the EUCF website user zone and has the possibility to resubmit the adjusted documents within seven days.

The validation of the investment concept is conducted by a dedicated evaluation team, with evaluators from adelphi and Enviro. The investment concept is validated with the help of four quality criteria that have to be met in order to receive the second payment of the EUCF grant, corresponding to 30% of the total value, and to proceed with the investment concept implementation.

An overview of the quality criteria for the investment concept validation is provided in the table below:

Quality criteria	Requirement
<b>A. Consistency</b>	The information provided in the IC is consistent and in line with the information provided in the full application and in the EUCF Grant Agreement. The beneficiary has not undertaken any modifications that alter the overall rationale of the planned investment project, e.g. the IC targets the same investment sector(s); the investment size as well as the impact and financial indicators are equal or higher

	than those provided at the full application and Grant Agreement stage, etc. If values deviate from those previously provided and/or if indicators are more than 10% lower, a justification has to be provided by the beneficiary.
<b>B. Coherence and plausibility</b>	The information provided in the IC allows for a clear understanding of the planned investment (including individual components such as funding sources). The provided components are coherent and realistic without opposing/contradicting or ambiguous information. A plausibility check between components (e.g. simple payback period in relation to energy savings and investment size) confirms this assessment. In case components are not plausible, a justification has to be provided by the beneficiary.
<b>C. Alignment with EUCF objectives</b>	The proposed investment is aligned with the ultimate objective of the EUCF, i.e. to build a substantial pipeline of sustainable energy projects across cities in Europe by providing targeted financial, technical, legal and capacity building support. A sound IC in the field of sustainable energy has been developed by the beneficiary with the potential for successful implementation.
<b>D. Realisation potential</b>	A letter of support to the investment project by the Mayor or other relevant political representative has been submitted together with the IC. The content of the letter demonstrates the political will of the municipality/local authority, grouping or local public entity aggregating municipalities/local authorities for the realisation of the investment project (e.g. by highlighting the relevance of the investment project for the municipality/local authority or local public entity, by describing the next steps planned to launch the investment, etc.).

Each investment concept is validated by two evaluators. If the investment concept complies with all quality criteria, it is positively validated. After the positive validation by both evaluators, the beneficiary receives a corresponding notification and feedback report, and the payment of the final 30% of the total EUCF grant amount is disbursed within 30 days from the validation of the investment concept.

In case of negative validation, the beneficiary is notified via the EUCF website user zone about areas with the need for improvement in the investment concept and/or other submitted documents. The beneficiary has the possibility to make adjustments and/or provide justifications within 30 days. The resubmitted investment concept passes again through the validation process.

In case of discrepancies in the assessment of the evaluators of one or more quality criteria, a third evaluator validates the investment concept. If the third evaluator also identifies quality issues in the investment concept, the beneficiary is notified via the EUCF website user zone about the possibility for adjustments.

If, after resubmission of the investment concept, the evaluators come again to the conclusion that the quality criteria are not met, the investment concept is negatively validated. In this case, the beneficiary is notified and has to complete the Investment Concept Non-development report (see section 4.1.9).

If the investment concept is not resubmitted, the beneficiary receives a corresponding notification and is asked to complete the Investment Concept Non-development report (see section 4.1.9).



#### 4.1.8 Who validates the investment concept?

The validation of the final investment concept is conducted by a dedicated EUCF evaluation team, composed of evaluators from adelphi and Enviros.

#### 4.1.9 What happens if the investment concept cannot be completed in the foreseen time period or is negatively validated?

One month before the submission deadline, beneficiaries will receive an automatic reminder to submit the investment concept. If the beneficiary requires an extension of one month, she/he has to provide a justification and ask for approval by the EUCF coordinator via the EUCF website user zone. The EUCF coordinator will decide case-by-case if the explanation is justified or not. The beneficiary will receive a corresponding e-mail notification.

In case the beneficiary is not able to complete the investment concept in the (extended) time period or the investment concept is negatively validated, she/he will be required to complete an “IC Non-development” report in the EUCF website user zone within 30 days. The purpose of this report is to provide an overview of the challenges that occurred during the development of the investment concept and to reflect on the learnings from this process. In order for beneficiaries to keep the pre-financing of the EUCF grant amount, the EUCF coordinator has to approve the IC Non-development report. The final payment, i.e. 30% of the total grant amount, will not be disbursed. Moreover, the following cases apply:

Submission of the IC non-development report by beneficiary and approval	Beneficiary <b>keeps the pre-financing of EUR 42,000</b>
Submission of the IC non-development report by beneficiary and rejection <sup>7</sup>	Beneficiary <b>has to repay the pre-financing of EUR 42,000</b>
Non-submission of the IC non-development report by beneficiary	Beneficiary <b>has to repay the pre-financing of EUR 42,000</b>

Overall, the EUCF team and the respective Country Experts assist municipalities/local authorities and local public entities aggregating municipalities/local authorities throughout the development process of investment concepts and strive to minimise such situations through the technical support provided.

#### 4.1.10 Do beneficiaries of the EUCF have to implement the investment concept?

EUCF beneficiaries are highly encouraged to seek funding from investors and financial institutions and implement their investment concepts. Beneficiaries are able to share their experiences and hurdles by participating in matchmaking events, Communities of practice, and other capacity building events that are organised by the EUCF, and can benefit from the EUCF Helpdesk to address the EUCF team in case of questions regarding the implementation of the investment concept, the procedures for monitoring and reporting and the potential aggregation/joint procurement of projects.

<sup>7</sup> The EUCF coordinator will decide case by case if the IC non-development report is approved or not. Reasons for rejection may include the submission of a report with incomplete parts, critical content issues (e.g. due to contradictory information), etc.



#### 4.1.11 What are the monitoring procedures?

EUCF beneficiaries must commit to a monitoring period of two years, in which the implementation of the investment concept is supervised and documented. During this period, beneficiaries are required to notify the EUCF on the implementation process by submitting two simple monitoring forms - after one and two years, respectively - on key figures of the results and impacts achieved through the implementation of the investment concept. The collection of data through the monitoring forms allows to identify and assess the impacts of the EUCF.

#### 4.1.12 Can a beneficiary use the EUCF support to develop an investment concept with a different scope from the one awarded during the application phase?

The EUCF beneficiary cannot use the EUCF support to develop an investment concept with a different scope from the one awarded during the application phase.

### 4.2 EUCF support for beneficiaries

#### 4.2.1 What support does the EUCF provide for the development of the investment concept?

The EUCF provides different means of support for beneficiaries both throughout the development of the investment concept and after they have been developed and validated. Support to beneficiaries for the development of the investment concept includes:

- **Financial support** is provided in the form of a EUR 60,000 grant for activities necessary for the development of the investment concept, such as feasibility studies, engineering analyses, legal analyses, social studies, market studies, financial analyses, etc.
- **Technical support** is provided by the EUCF team, which can be contacted for any sort of queries regarding the investment concept through the [EUCF Helpdesk](#). Moreover, the respective [Country Experts](#), who are assigned for each EU-27 Member State, for each EEA-EFTA States of Iceland, Liechtenstein and Norway, and the UK, provide beneficiaries with locally-rooted technical and financial expertise.
- **Capacity building** opportunities are provided through [regional events](#) organised by the EUCF on the topic.
- **Standard tools and documents**, such as the [knowledge hub](#) on the EUCF website and [investment concept template](#), are provided to facilitate the development of the investment concept.

#### 4.2.2 How to seek support in case of questions during the investment concept development?

During the development of the investment concept, municipalities/local authorities, groupings of municipalities/local authorities, and local public entities aggregating municipalities/local authorities can seek support through their respective [Country Expert](#), as well as from the EUCF team, which can be contacted for questions through the [EUCF Helpdesk](#).



#### **4.2.3 How can a beneficiary receive support after the validation of the investment concept?**

Following the support activities during the development of the investment concept, the second set of support accompanies the implementation of the investment concepts and aims at bringing in touch EUCF beneficiaries with the investor community. The EUCF accompanies the implementation process by organising matchmaking events, Communities of Practice and other capacity building events where EUCF beneficiaries are highly encouraged to participate. Moreover, the [EUCF Helpdesk](#) is available for beneficiaries to address the EUCF team in case of questions regarding the implementation of the investment concept, the procedures for monitoring and reporting and the potential aggregation/joint procurement of projects.