



EUROPEAN COMMISSION
Executive Agency for Small and Medium-sized Enterprises (EASME)
Unit B1 – H2020 Energy

Frequently asked questions

ENERGY EFFICIENCY - MARKET UPTAKE PDA

Call ID: H2020-EE-2015-4-PDA

Topic EE 20: Project Development Assistance (PDA)

for innovative bankable and aggregated sustainable energy investment schemes and projects

For enquiries on this Call contact: easme-energy@ec.europa.eu

Check also the Frequently asked questions of H2020:

<http://ec.europa.eu/research/participants/portal/desktop/en/support/faq.html>

FAQ's for other parts of the Energy Efficiency Call are available [here](#):

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1. Who can provide clarifications on the topics of the Energy Efficiency Call 2014/15?

Clarifications on the topics of the Energy Efficiency Call 2014/15 can be obtained from the EASME functional mailbox EASME-Energy@ec.europa.eu and the Horizon 2020 [National Contact Points](#) for Energy.

2. Where is the challenge and scope of the Project Development Assistance described?

The Project Development Assistance (PDA) is described in the Call for Energy Efficiency under the Horizon 2020 Work Programme 2014-2015 in the area of "Secure, Clean and Efficient Energy".

→ <http://ec.europa.eu/research/participants/portal/desktop/en/opportunities/h2020/calls/h2020-ee-2015-4-pda.html>

3. How many participants are required?

The minimum is one (legal) entity established in a Member State or in an Associated Country.

4. What is the duration of a project under the Energy Efficiency Call?

The H2020 Energy Efficiency Call does not provide an indication regarding the duration. Also, the Horizon 2020 general model grant agreement does not set a fix rule for the duration of H2020 projects.

It will be up to the proposer to define a sound project duration, which will be judged during the evaluation by the expert evaluators as part of the evaluation process against the Award Criteria.

You may want to consider that the work programme contains budget indications for each topic. This will be one element of consideration when you design your proposal with an appropriate time frame. Please do note however that other H2020 work programmes may in some cases provide an indicative duration or a compulsory duration or maximum duration.

5. What is the purpose of the PDA?

The major objective of PDA is to demonstrate the financial viability and sustainability of large-scale sustainable energy investment projects, providing the market with tangible showcases that should trigger further replication.

Proposals must have an exemplary/showcase dimension, be replicable as well as deliver organisational innovation in the mobilisation of the investments and/or the financial approach. Innovation should be demonstrated taking into account the situation in the targeted country.

PDA support will be provided to public and private project promoters such as public authorities or their groupings, public/private infrastructure operators, retail chains and SMEs/industry, leading to bankable and aggregated investment schemes and projects of EUR 6 million – EUR 50 million.

6. What is the concrete outcome expected from PDA projects?

PDA projects must lead to launched energy investments by the end of the action. Every million Euro of Horizon 2020 support must result in investments worth at least EUR 15 million. This support will be conditional on mobilised energy investments. Tangible evidence of such implementation will be required – before the end of the action - in the form of signed construction or investment contracts, e.g. Energy Performance Contracts.

The publication of tenders is an important step towards launching the investment, but is not considered as sufficient proof.

7. Is there a thematic focus for PDA?

Proposals seeking PDA support should address either public or private buildings, retail energy market infrastructure, commercial or logistic properties and sites.

Retail energy market infrastructure includes, for example, smart grids, e-mobility charging points, public lighting networks, district heating networks, distributed renewables (such as on-site PV or micro-CHP) and demand response infrastructure. This list is not exhaustive.

As stipulated above your proposal should always convincingly demonstrate its showcase dimension as well as organisational innovation and it should mobilise finance for bankable and aggregated sustainable energy investment schemes and projects.

8. What does PDA pay for in practice?

In practice, PDA will fund activities necessary to prepare, and mobilise finance for investment programmes, such as feasibility studies, stakeholder & community mobilisation, financial engineering, business plans, preparation for tendering procedures, preparing and negotiating their financing including, if appropriate, bundling them together to form bankable packages, setting up a specific financing scheme, or linking finance to European cohesion policy funds (e.g. ERDF).

Please keep in mind that there is no comprehensive list of eligible activities, but **only the activities which are required to launch the investments** will be considered relevant.

Actual hardware investments, basic research or technology development are not covered. Costs for the supervision of works are not covered, unless they are justified by the specificity of a proposal. From previous experiences, the eligible costs for PDA include staff time, sub-contracting of specialist advice – for example – on legal, financial and technical matters, travel and subsistence and other direct costs. "*PDA pays for brains, not for bricks*".

9. What does "investment " mean?

Investment should only refer to **energy investments**, i.e. investments which are directly related to or required for energy savings and/or renewable energy generation.

Other measures which are not related nor required for energy savings and/or renewable energy generation should not be calculated into the proposed energy investment. For example, energy investments could include changing window and painting the façade after external insulation during a building refurbishment. However, painting the hallways or changing the bath tub would not qualify. Investment costs should include VAT only for entities which cannot reclaim it. If the VAT will be reclaimed by the investors, your proposed investments should not include it.

The investments should be described in the application form (proposal template) specific to this Call. It is recognised that, depending on the nature of the project, the PDA funding may aim, in part, at supporting and accelerating this very step of acquiring a full level of detail on future investment(s).

10. What if my project fails to deliver the investment?

The support will be conditional on mobilised investments. That means grants for PDA will only be paid in full if relevant investment contracts are signed before the end of the action and are complying with the obligatory leverage factor of one million Euro of Horizon 2020 support leading to investments of at least EUR 15 million (1:15).

If the project fails to deliver the planned investment, the EU support will have to be reimbursed by the beneficiary, although some costs may be eligible for support if duly justified.

In case one or more of the sub-projects in an investment programme does not go ahead before the end of the action, a replacement sub-project may be agreed with EASME, under certain conditions, using the applicable amendment procedures.

11. What if parts of the investment programme/projects exist already?

In such a case a proposal could still be submitted for the remaining parts. The existing investments should be clearly explained to avoid double funding. The application form will give you the opportunity to describe the local strategic framework, previous projects on which your proposal will build on and relevant investment projects prior to this proposal.

12. What does the term organisational innovation mean?

Organisational innovation means demonstrating an innovative approach in mobilising the investment projects and/or the finance necessary to fund sustainable energy projects.

This innovation could be for example:

- In the **organisation of the PDA**, e.g. projects aiming to bundle small investments in order to make them bankable
- In the **proposed financial engineering**, i.e. proposals using models of investment that is distinctively different from traditional investment models where the owner finances the investments through equity, loans, and subsidies.

Financial innovations can be of many types; in general, they should try to reduce the burden on the project promoter, to use the revenues generated by the investment (energy savings, sale of energy) and to facilitate the intervention of private financing. Examples could be:

- Green loans,
- Energy performance contracts,
- Public ESCO's,
- Investment funds on energy efficiency, such as revolving or guarantee funds,
- Access to competitive finance to facilitate energy efficiency investments
- "Pays As You Save" models,
- Other innovative financing schemes.

13. What is the role of communication, dissemination and replication?

The focus of the proposed action is on the launch of energy investment. However, proposals must include a clear action plan to communicate across Europe towards potential replicators.

A proposal should also include an appropriate capacity building strategy that should facilitate that know-how is kept within the organisation in order launch further energy investments as well as it should facilitate the transfer of knowledge to peers to foster replication.

14. How does PDA relate to the ELENA Facilities?

Project development assistance activities implemented through this topic are complementary to the European Local Energy Assistance (ELENA) facility implemented by the European Investment Bank (EIB). See Part B of the Work Programme for further details.

Whilst PDA implemented through this Topic EE20 aims to support public and private project promoters to launch an investment of EUR 6 million – EUR 50 million, the EIB-ELENA facility also supports larger investment schemes.

More information on the different project development assistance facilities set up by the European Commission can be obtained at: http://ec.europa.eu/energy/intelligent/getting-funds/pda/index_en.htm.

15. Can PDA funding be combined with other funding?

Market Uptake PDA is a so-called Coordination and Support Action (CSA) under the H2020 framework. That means that selected projects may receive a funding rate of 100% and therefore no activity supported by this programme can be funded from any other funding programme.

However, projects can mobilise EU funding for the actual investment of their schemes, e.g. using European Structural and Investment Funds (ESIF)¹ or a loan from the European Investment Bank (EIB).

16. What is the difference between topics EE-20-2014 (PDA) and EE-21-2014 (Development and market roll-out of innovative energy services and financial schemes for sustainable energy)?

PDA is exclusively designed to fund technical and financial assistance leading to concrete investment projects or programmes.

Projects under the topic "Development and roll-out of energy services and financial schemes" aim to replicate innovative energy services and financing solutions which have been used successfully by stakeholders across the EU. Projects require at least 3 legal entities from different Member States and Associated Countries. These projects are not required to sign investment contracts by the end of the action as it is the case for PDA.

17. What are the evaluation criteria (award criteria)?

The award criteria are published General Annex H of the Work Programme: The proposals submitted shall be evaluated on the basis of the following award criteria:

1. Excellence

¹ http://ec.europa.eu/regional_policy/sources/docgener/guides/synergy/synergies_en.pdf

- Clarity and pertinence of the objectives;
- Credibility of the proposed approach.
- Soundness of the concept;
- Quality of the proposed coordination and/or support measures.

2. Impact

- The expected impacts listed in the work programme under the relevant topic
- Effectiveness of the proposed measures to exploit and disseminate the project results (including management of IPR), to communicate the project, and to manage research data where relevant.

3. Implementation

- Coherence and effectiveness of the work plan, including appropriateness of the allocation of tasks and resources;
- Complementarity of the participants within the consortium (when relevant);
- Appropriateness of the management structures and procedures, including risk and innovation management.

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