



ECO-innovation
WHEN BUSINESS MEETS THE ENVIRONMENT



CALL FOR PROPOSALS 2009

CIP ECO-INNOVATION FIRST APPLICATION AND MARKET REPLICATION PROJECTS

CALL IDENTIFIER: CIP-EIP-ECO-INNOVATION-2009
CLOSING DATE: THURSDAY 10 SEPTEMBER 2009
ELECTRONIC SUBMISSION ONLY, UNTIL 17:00 (BRUSSELS
LOCAL TIME)

FOR FURTHER INFORMATION:

<http://ec.europa.eu/ecoinnovation>

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1. BACKGROUND

The initiative CIP¹ Eco-innovation First Application and Market Replication Projects (in short: CIP Eco-innovation) is part of the Entrepreneurship and Innovation Programme (the EIP) which seeks to support innovation and small and medium-sized enterprises (SMEs²) in the EU. EIP aims at achieving better access to finance for SMEs, at support services for business and innovation delivered through a network of regional centres³, at the promotion of entrepreneurship and innovation and at support for policy-making that encourages entrepreneurship and innovation. The work programme for the EIP 2009 covering CIP Eco-innovation was adopted on 14 January 2009⁴.

The EIP is part of the Competitiveness and Innovation Framework Programme (CIP), which aims at encouraging the competitiveness of European enterprises. With SMEs as its main target, CIP also comprises actions encouraging a better take-up and use of information and communications technologies (ICT) and promotes the increased use of renewable energies and energy efficiency.

The promotion of Eco-Innovation through the Competitiveness and Innovation Framework Programme contributes to the implementation of the Environmental Technologies Action Plan (ETAP)⁵. One of the main objectives of this Action Plan is to tap the full potential of environmental technologies for protecting the environment while contributing to competitiveness and economic growth as laid down in the Lisbon Strategy⁶. CIP Eco-innovation will support projects connected with eco-innovative products, techniques, services or processes which aim at prevention or reduction of environmental impacts or which contribute to the optimal use of resources. As such, and in addition to ETAP implementation, the measure should contribute to the implementation of the Community actions in the areas of the Climate Change Package⁷ and in-line with the various policies documented in the Action Plan on Sustainable Consumption and Production and Sustainable Industrial Policy (2008)⁸. Risks due to climate change will have impacts on many industry and services, such as resource-intensive production activities and require adaptation. The measure should also contribute to the Lead Market Initiative which highlights important areas of actions, such as recycling and construction⁹ and to the implementation of the Environmental Compliance Assistance Programme for SMEs (ECAP)¹⁰, which aims to improve SME's environmental performance.

¹ Decision N° 1639/2006/EC of the European Parliament and of the Council of 24 October 2006 establishing a Competitiveness and Innovation Framework Programme (2007 to 2013) (CIP) (OJ L 310, 09/11/2006). Information on the CIP can be found at: http://ec.europa.eu/cip/index_en.htm.

² For the purpose of this Call, SMEs are defined as enterprises which employ fewer than 250 persons and which have an annual turnover not exceeding €50 million, or an annual balance sheet total not exceeding €43 million (Commission Recommendation 2003/361/EC of 6 May 2003).

³ Enterprise Europe Network: http://www.enterprise-europe-network.ec.europa.eu/index_en.htm.

⁴ See http://ec.europa.eu/cip/docs/consolidated_eip_wp_2009.pdf.

⁵ Commission Communication on "Stimulating Technologies for Sustainable Development: an Environmental Technologies Action Plan for the European Union". COM (2004) 38 final, of 28 January 2004, currently under revision.

⁶ Communication to the Spring European Council "Working together for growth and jobs. A new start of the Lisbon Strategy". COM (2005) 24, of 2 February 2005.

⁷ "Promotion of the use of energy from renewable sources", COM (2008) 19 final, of 23 January 2008

⁸ "Sustainable Consumption and Production and Sustainable Industrial Policy Action Plan", COM (2008) 397 final of, 16 July 2008.

⁹ "A Lead Market Initiative for Europe", COM (2007) 860 final, of 21 December 2007.

¹⁰ "Small, Clean and Competitive, A programme to help small and medium-sized enterprises comply with environmental legislation", COM(2007) 379 final of, 2 October 2007.

This Call relates to CIP first application and market replication projects on Eco-Innovation, which are managed by the Executive Agency for Competitiveness and Innovation (EACI) under powers delegated by the European Commission¹¹.

Competitiveness and Innovation Framework Programme Eco-innovation is defined as "any form of innovation aiming at significant and demonstrable progress towards the goal of sustainable development, through reducing impacts on the environment or achieving a more efficient and responsible use of natural resources, including energy."¹²

CIP Eco-innovation aims to support projects concerned with the first application or market replication of eco-innovative techniques, products, services or practices of Community relevance, which have already been technically demonstrated with success but which, owing to residual risk, have not yet penetrated the market. They should contribute to remove obstacles to the development and wide application of eco-innovation, create or enlarge markets for related products and improve the competitiveness of EU enterprises on world markets. The projects should also aim at reducing environmental impacts, increasing resource efficiency or improve environmental performance of enterprises, in particular SMEs.

The three main aspects of CIP Eco-innovation are:

1. Environmental benefits
2. Economic benefits (including wide replication)
3. Contribution of projects to innovation

For example, the wider application of environmentally friendly technologies and innovations is expected to help reduce greenhouse gas emissions, to use resources such as water and raw material more efficiently, to increase the quantity of recycled materials, to produce quality products with less impact on the environment and to implement more environmentally friendly production processes and services. Environmental impacts and optimisation of resources need to be considered in a non-isolated way throughout the life cycle of the related activities: from extraction of raw materials to production, distribution, use and final disposal or recycling on a full **Life-Cycle approach**¹³.

In addition, Eco-Innovation should make sense economically and should bring tangible benefits in terms of investments, turnover, market penetration and job creation especially for SMEs. Besides the application of the new eco-innovative solution during the project, also the replication and exploitation are important aspects: CIP Eco-innovation aims to multiply the impacts of the projects' solutions and mobilise a wide market uptake, reaching a critical mass during the project and in a short and medium term. A clear business and exploitation plan should be part of every project.

There are many technological and business innovations already technically tested that can significantly benefit the environment. The challenge now is to provide new driving forces that will encourage the *diffusion and uptake of Eco-Innovation on a broad scale, maximising its economic and environmental benefits*. CIP Eco-innovation aims to bridge the gap between research and technological demonstration and prototyping on one hand and commercialisation on the other hand. Market demonstration and market uptake of eco-innovative solutions as

¹¹ Commission Decision of 31 May 2007 amending Decision 2004/20/EC in order to transform the "Intelligent Energy Executive Agency" into the "Executive Agency for Competitiveness and Innovation" (OJ L 140/52 of 1 June 2007).

¹² Decision N° 1639/2006/EC of the European Parliament and of the Council of 24 October 2006 establishing a Competitiveness and Innovation Framework Programme (2007 to 2013) (CIP). (See Recital N°25)

¹³ The life-cycle approach considers all the environmental impacts addressed in an integrated way. It considers from "cradle to grave", recognising all the environmental life-cycle from extraction to production, transportation, consumption and final disposal. A Life Cycle Assessment could be carried out according to the most up-date version of the International Reference Life Cycle Data System (ILCD) Handbook http://lca.jrc.ec.europa.eu/EPLCA/Deliverables/ILCD_handbook.htm.

well as their exploitation and replication are at the core of CIP Eco-innovation. Innovation, and in particular eco-innovation, is a progressive concept. It can take different forms, such as process or technological innovation, product innovation and system or organisational innovation, new introduction into a market or incremental innovation.

Through environmental benefits, level of innovation or market replication potential, the projects should be of European interest, bringing a significant contribution to the market uptake of eco-innovation in the EU.

2. SCOPE AND OBJECTIVES OF THE CALL FOR PROPOSALS 2009

CIP Eco-Innovation will support projects:

- Concerned with the first application or market replication of eco-innovative techniques, products, processes or practices, which
- have already been technically demonstrated, but
- due to remaining risks need incentives to penetrate significantly the market.

CIP Eco-Innovation will also support market oriented activities related to the uptake of environmental technologies and eco-innovative activities by enterprises and the implementation of new or integrated approaches to Eco-Innovation.

Projects concerned with land-use management and planning, management of natural areas, urban policies and projects with a public dimension should be presented to the LIFE+ programme¹⁴ and/ or to the 7th RTD framework programme¹⁵. Projects focusing at increasing the penetration of renewable energies and energy efficiency (including energy in transport) should be presented to the Intelligent Energy Europe programme¹⁶. Research and technology development, including demonstration projects at an early stage with a high technology risk or projects that develop prototypes, should be submitted to the 7th RTD programme.¹⁷ In its aim of market replication, CIP Eco-innovation should go beyond dissemination, show-casing and training, and the development of software and design tools or pure commercialisation of products.

Objectives

- Promote the adoption of new and integrated approaches to eco-innovation in fields such as environmental management and more environmentally friendly products, processes and services.
- Encourage the uptake of environmental solutions by increasing the market uptake and by the removing the barriers to market penetration. Solutions are understood to include products, processes, technologies or services.

¹⁴ Regulation (EC) No 614/2007 of the European Parliament and of the Council of 23 May 2007 concerning the Financial Instrument for the Environment (LIFE+ programme): <http://ec.europa.eu/environment/life/index.htm>.

¹⁵ Technology development should be submitted to the Seventh Framework Programme for research and technology development (7 RTD): http://cordis.europa.eu/fp7/home_en.html.

¹⁶ Intelligent Energy – Europe is included in the overall Competitiveness and Innovation Framework Programme (CIP) of Decision No 1639/2006/EC of the European Parliament and of the Council of 24 October 2006: http://ec.europa.eu/energy/intelligent/index_en.html.

¹⁷ According to the CIP decision, the CIP "...should be complementary to the Community's Seventh Framework Programme for research, technological development and demonstration activities (2007-2013), by dealing with innovation, which includes non-technological as well as technological innovation, that has moved beyond the final demonstration phase and is ready for market replication (testing of innovations for application in markets). It should be ensured that there is no financing gap between research development and application (technology- transfer activities including pre-seed phase)..." (see Recital N°9).

- Increase innovation capacities of SMEs.

In general, this Call supports projects which address the objectives mentioned above with a clear priority to SMEs. However, some areas are considered a priority for this call, because of their importance for environmental protection and eco-innovation markets and because of the expected added-value of projects in these areas, taking into consideration other Community actions in connected fields and the response to the previous Call. These areas are introduced hereafter.

3. MAIN PRIORITY AREAS OF THE CALL FOR PROPOSALS 2009

3.1 Materials recycling

Efforts to reduce and avoid the negative impacts of waste on the environment and human health have been central to EU environment policy. Despite all the progress achieved, the challenges for waste policy are still mounting and much still needs to be done.

The EU "Thematic Strategy on the prevention and recycling of waste"¹⁸ sets out the objectives and means by which the EU can further improve the management of waste and make better use of its materials and energy resources. The recent Lead Market initiative in recycling, points out the need to promote business innovations in the recycling area¹⁹. The new Waste Framework Directive, sets the waste hierarchy which needs to be respected and also sets more ambitious targets for the re-use, recycling and recovery of some categories of waste²⁰.

Innovation covers a wide range of recycling and re-use processes, methods, technologies and approaches, such as for example: automation, sorting, treatment, post-shredder and separation technologies, as well as business innovations relating to recycling and re-use.

Scope of actions to be supported under this Call:

- Better sorting processes and methods for waste materials, construction waste, commercial/industrial waste, potential recyclables or recyclable waste from electrical and electronic equipment and end-of-life vehicles.
- Innovative products using recycled material or facilitating material recycling, matching international products' standards, advanced design requirements and high quality consumer needs.
- Business innovations to strengthen the competitiveness of recycling industries, such as new market structures for recycling products, supply chains or harmonised manufacturing and recycling processes.

3.2. Buildings

The building sector is a complex sector embracing a number of aspects such as design, choice of materials, use of natural resources as well as interaction with very different socio-economic, regulatory and administrative contexts.

¹⁸ Commission Communication "Taking sustainable use of resources forward: A Thematic Strategy on the prevention and recycling of waste", COM (2005) 666 final, of 21 December 2005.

¹⁹ "Accelerating the development of the market for recycling in Europe." Preparatory document to the Communication "A Lead Market Initiative for Europe", COM (2007) 860 final, of 21 December 2007:
http://ec.europa.eu/enterprise/leadmarket/doc/annex_1.pdf

²⁰ Directive 2008/98/EC of the European Parliament and of the Council, 19 November 2008 on Waste and Repealing Certain Directives.

Innovation manifests itself in many forms, either at the product level, or at the level of performance of the building or of the services provided by the supply chain²¹ to the customer/occupants. Environmental aspects possibly addressed by innovation include sustainability of materials, in-door air quality, water and energy efficiency, or adaptation to climate change.

This Call for Proposals covers innovative processes or products as well as building services or integrated approaches for the residential and non-residential sectors²², offering significant business opportunities in all phases (construction, maintenance, repair, retrofitting or demolition of buildings).

Scope of the actions to be supported under this Call:

- Innovative building products aimed at a more rational use of natural resources and a reduced environmental impact, including materials and manufacturing processes. This will cover, but not exclusively, products made from non-toxic, reusable or recycled construction materials, construction elements based on renewable resources or on materials from local sources, HFC- (Hydro Fluoro Compounds) and VOC- (Volatile Organic Compounds) free insulation materials, products or materials with low embodied energy²³.
- Reusing and recycling of construction and demolition wastes that significantly reduce the need for landfill sites and further mineral extraction. Innovative, cost-efficient selective sorting techniques related to construction and demolition wastes
- Innovative water systems, including water saving, re-use of natural waters, rain water collection and re-use, or green roofs.

3.3. Food and drink sector

The food and drink sector contributes on average 20% to 30% of the various environmental impacts of private consumption such as energy use, global warming, land use, resource depletion, acidification, water use, or waste, with a contribution of up to 50% for eutrophication²⁴. These impacts include the full food production and distribution chain 'from farm to fork'.

Priority will be given to those sectors of food and drink with high environmental impacts, such as meat and meat products, followed by dairy products and other industries like olive production. Meat and meat products (including poultry, sausages or similar) have the greatest environmental impact amongst those caused by private consumption. The estimated contribution of this product group to global warming is in the range of 4 to 12% of all products. The second product group with an important contribution to the global warming is dairy products.

²¹ "Accelerating the development of the sustainable construction market for Europe." Preparatory document to the Communication "A Lead Market Initiative for Europe", COM (2007) 860 final, of 21 December 2007: http://ec.europa.eu/enterprise/leadmarket/doc/sustainableconstruction_final.pdf

²² Infrastructure sector is excluded.

²³ Embodied energy, i.e. the delivered energy needed for the whole life cycle of construction, products, materials or services: manufacturing, delivering, recycling /re-use and disposal, including all fuels and transport used at all stages.

²⁴ See results of EIPRO study: Environmental Impact of Products (EIPRO). Analysis of the life cycle environmental impacts related to the final consumption of the EU-25. European Commission, Joint Research Centre, IPTS/ESTO project, EUR 22284 EN, May 2006.

Scope of the actions to be supported under this Call:

- Cleaner and innovative products, including packaging methods and materials, processes and services aiming at higher resources efficiency. Full raw material utilisation in the food sector, which increases resource efficiency and productivity, reduces bio-degradable waste, and supports the transition to a bio-based economy.
- Cleaner and innovative products, processes and services aiming at a reduction of waste and greenhouse gas emissions, or/and increasing recycling and recovery.
- Improved efficiency in the water consumption of a process or improved eco-efficiency of water management.
- Innovative cleaner products, processes and services aiming at reducing the environmental impact of consumption of food and drinks, such as labelling or logistical services addressing packaging, distribution and purchasing decisions.

3.4. Greening Business/Smart purchasing

The aim of this priority area is to grant support to small and medium sized enterprises and organisations in greening their businesses, products and services and in improving their management of all environmental aspects and impacts²⁵, and in adapting to the impacts of climate change on their activities²⁶.

Greening a business can take multiple forms: green procurement and incentives when buying equipment and supplies or services, introducing a life-cycle approach in order to take into consideration the raw material extraction, production, consumption and end-of-life phases of a product's life-cycle, the integration of eco-innovative techniques and eco-design principles in supply chains etc. The important actors are, accordingly the producers, which preferably should be tackled in a cluster or sectoral approach, and on the other hand the consumers.

Adaptation is needed to face the long-term challenge of climate change. Small and Medium-sized Enterprises may have more difficulties than larger companies to cope with the risks and consequences of climate change. However, new business opportunities could arise for them.

Scope of the actions to be supported under this Call:

- Innovative approaches to EMAS including increased resource and energy efficiency and biodiversity aspects or simplifications (such as EMAS Easy) in industrial clusters or districts of SMEs, using specific cluster or supply chain approaches²⁷. The cluster approach is mandatory for this priority. Such approaches should reduce consultancy and audit/verification costs for participating SMEs, and facilitate additional knowledge-sharing and experience exchange among participants, encouraging a coherent environmental policy in the cluster.
- Supporting and implementing products and services that will decrease environmental impacts, following the principles of Integrated Product Policy²⁸ and on the basis of the

²⁵As reflected in the Action Plan on Sustainable Consumption and Production and Sustainable Industrial Policy , COM (2008) 397 final of, 16 July 2008

²⁶In line with the new White Paper on Adapting to climate change: Towards a European framework for action, COM(2009) 147/4

²⁷Regulation (EC) No 761/2001 of the European Parliament and of the Council of 19 March 2001 "Allowing voluntary participation by organisations in a Community Eco-management and audit scheme (EMAS)"; OJ L 114, 24 April 2001, p. 1-29, currently under revision.

²⁸Communication from the Commission "Integrated Product Policy", COM (2003) 302 final, of 18 June 2003.

life cycle approach²⁹ and in-line with the various policies documented in the Action Plan on Sustainable Consumption and Production and Sustainable Industrial Policy³⁰.

- Implementing and enhancing the use of environmental criteria (based on the European Eco-label or other accredited label/certification) for purchasing decisions of enterprises (i.e. greening supply chains; implementing innovative approaches to procurement) and wider application of the concept of Green Public Procurement³¹ (GPP) to the private sector.
- Greening of production, supporting environmental, innovative processes with a high replication factor .

4. ELIGIBILITY CRITERIA

4.1 Legal status of applicants

Applications can be submitted by one or several entities³². All applicants must be legal persons, whether private or public, established in the territory of the European Member States. “Legal person” means any entity created under the national law of its place of establishment, Community law or international law, which has legal personality and which, acting under its own name, may exercise rights and be subject to obligations.

Entities which do not have legal personality under the national law may also propose action within the CIP Eco-Innovation initiative, provided their representatives have the capacity to take on legal obligations on their behalf and assume financial liability.

Natural persons are not eligible.

Likewise, the programme is also open to legal persons established in:

- European Free Trade Association (EFTA) countries which are members of the European Economic Area (EEA), in accordance with the conditions laid down in the EEA Agreement.
- Accession countries and candidate countries benefiting from a pre-accession strategy, in accordance with the general principles and general terms and conditions for the participation of those countries in Community programmes established in the respective Framework agreements and Association Council Decisions.
- Countries of the Western Balkans, in accordance with the provisions to be determined with those countries following the establishment of Framework Agreements concerning their participation in Community programmes.
- Other third countries, when Agreements and procedures so allow.

If proposals submitted by legal entities from the above non-EU countries are selected, a grant agreement will only be signed once the necessary steps have been taken for the countries concerned to join the EIP.

²⁹ Life cycle approach will include using renewable raw materials, extending the durability of products through product design and servicing, applying eco-efficiency techniques to reduce the environmental impact of production, minimising the environmental impact of the product during its use and providing for end-of-life recycling/reuse.

³⁰ "Sustainable Consumption and Production and Sustainable Industrial Policy Action Plan", COM (2008) 397 final of, 16 July 2008

³¹ http://ec.europa.eu/environment/gpp/pdf/buying_green_handbook_en.pdf

³² Irrespectively of the amount of participants, all proposals need to demonstrate a European added value (see award criterion 5).

Up-to-date information on which countries are part of the programme is available on the Eco-Innovation web site³³.

The programme is also open to the Joint Research Centre of the European Commission and to international organisations (i.e. legal entities arising from an association of States, other than the European Community, established on the basis of a treaty or similar act, having common institutions and an international legal personality distinct from that of its Member States).

Applicants shall supply evidence that they exist as legal persons.

The eligibility criteria will be checked by the EACI on receipt of the proposals. Failure to comply with these criteria will result in the proposal not being evaluated further.

5 EXCLUSION CRITERIA

5.1 Grounds for exclusion

Applications will not be considered for a grant if the applicants are in any of the following situations:

- (a) They are bankrupt or being wound up, are having their affairs administered by the courts, have entered into an arrangement with creditors, have suspended business activities, are the subject of proceedings concerning those matters, or are in any analogous situation arising from a similar procedure provided for in national legislation or regulations.
- (b) They have been convicted of an offence concerning professional conduct by a judgment which has the force of res judicata.
- (c) They have been guilty of grave professional misconduct proven by any means which the contracting authority can justify.
- (d) They have not fulfilled obligations relating to the payment of social security contributions or the payment of taxes in accordance with the legal provisions of the country in which they are established or with those of the country of the contracting authority or those of the country where the contract is to be performed.
- (e) They have been the subject of a judgment which has the force of res judicata for fraud, corruption, involvement in a criminal organisation or any other illegal activity detrimental to the Communities' financial interests.
- (f) They are currently subject to an administrative penalty referred to in Article 96(1) of the Financial Regulation applicable to the general budget of the Communities³⁴.
- (g) They are faced with a conflict of interest.
- (h) They are guilty of misrepresentation in supplying the information required by the contracting authority as a condition of participation in the procedure or fail to supply this information.

³³ http://ec.europa.eu/environment/etap/ecoinnovation/index_en.htm.

³⁴ Council Regulation (EC, EURATOM) n.1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities (OJ L 357 31 December 2002) as amended by Council Regulation (EC, EURATOM) 1995/2006 of 13 December 2006 (OJ L 390/2006 of 30 December 2006).

Applicants shall supply evidence that they are not in one of the above-listed situations. For that purpose, applicants shall submit a declaration on their honour as part of the application forms³⁵.

5.2 Administrative and financial penalties

Without prejudice to the application of penalties laid down in the contract, candidates and contractors who have made false declarations, have made substantial errors or committed irregularities or fraud, or have been found in serious breach of their contractual obligations may be excluded from all contracts and grants financed by the Community budget for a maximum of five years from the date on which the infringement is established as confirmed following an adversarial procedure with the contractor. That period may be extended to ten years in the event of a repeated offence within five years of the date on which the infringement is established.

Candidates, who have made false declarations, have made substantial errors, or committed irregularities or fraud, may also be subject to financial penalties representing 2% to 10% of the total estimated value of the contract being awarded. Contractors who have been found in serious breach of their contractual obligations may be subject to financial penalties representing 2% to 10% of the total value of the contract in question. The rate may be increased to 4% to 20% in the event of a repeat infringement within five years of the date on which the infringement is established as confirmed following an adversarial procedure with the contractor.

The cases referred to in point 5.1 (e) cover:

- (a) Cases of fraud as referred to in Article 1 of the Convention on the protection of the European Communities' financial interests, drawn up by the Council Act of 26 July 1995³⁶.
- (b) Cases of corruption as referred to in Article 3 of the Convention on the fight against corruption involving officials of the European Communities or officials of Member States of the European Union, drawn up by the Council Act of 26 May 1997³⁷.
- (c) Cases of involvement in a criminal organisation, as defined in Article 2(1) of Joint Action 98/733/JHA of the Council³⁸.
- (d) Cases of money laundering as defined in Article 1 of Council Directive 91/308/EEC³⁹.

6 SELECTION CRITERIA

The applicant must have stable and sufficient sources of funding to maintain his activity throughout the period during which the action is being carried out and to participate in its funding. The applicant must have the professional skills and qualifications (technical and managerial) required for completing the proposed action and the capacity to manage an activity of the scale and size of the action.

³⁵ Applications Forms will be available at the Eco-Innovation website.

³⁶ OJ C 316 of 27 November 1995, p. 48.

³⁷ OJ C 195 of 25 June 1997, p. 1.

³⁸ OJ C 351 of 29 December 1998, p.1. Joint action of 21 December 1998 on making it a criminal offence to participate in a criminal organisation in the Member States of the European Union.

³⁹ OJ L 166 of 28 June 1991, p. 77. Directive of 10 June 1991, as amended by Directive 2001/97/EC of the European Parliament and of the Council of 4 December 2001 (OJ L 344 of 28 December 2001, p. 76).

6.1 Financial capacity of applicants

Applicants must show that they have the financial capacity and operational capability to complete the action to be supported. Unless they are a public body or an international organisation, they must complete the ‘Simplified Financial Statement’ Form and provide their annual financial statements comprised of the balance sheet, the profit and loss account and any annexes to those for the last financial year for which the accounts have been closed.

6.2 Professional skills and qualifications

Applicants must have the professional and technical capacity as well as the operational and managerial capability to complete the action proposed and should provide supporting documents (e.g. description of the expertise among those responsible for carrying out the action with a clear reference to their responsibilities in the project, description of projects and activities related to the action undertaken in the last three years, etc.).

The selection criteria will be assessed as a first step by the evaluation committee. Failure to comply with these criteria will result in the proposal not being evaluated further by the evaluation committee. Applicants may be asked to provide additional proof or to clarify the supporting documents related to the selection criteria.

7. MAIN AWARD CRITERIA

The Executive Agency for Competitiveness and Innovation will base its selection of actions and the rate of Community co-financing on the written proposal. The actions will be evaluated against five award criteria which will carry equal weighting within the overall assessment. However, a mark of at least 7 (out of 10) will be required for the first criterion and a mark of at least 6 (out of 10) for the remaining criteria. In addition, the total of the marks for all the award criteria should be equal to or greater than 34 (out of 50). Proposals that pass all these thresholds will be considered for funding. A ranking will be established by the evaluation committee and approved by the authorising officer. Grants will be awarded within the limits of the budgetary resources available.

The following award criteria apply to project proposals:

1. Relevance of the actions proposed in view of the objectives established in the Call (score 0-10, minimum threshold 7): Innovation and environment.

This award criterion is aimed to select actions that are most relevant and support best the above mentioned policy objectives and priorities. It includes an assessment of the innovative character of the project and of its environmental benefits. It has the following subcriteria:

- Importance of the action in relation to EU policies and priorities, targets and legislation and in relation to this Call for Proposals.
- The extent to which the proposed solutions are innovative.
- Technical advancement of the proposed solution, clearly beyond the prototype stage.
- Clear and substantial environmental benefits including resource efficiency and the appropriateness of targets and performance indicators.
- Considering and clearly addressing the main target group of SMEs.

2. Quality of the proposed actions (score 0-10, minimum threshold 6):

This award criterion is aimed to assess the soundness and coherence of the project from the technical and project management perspective and concerning the chosen methodology. It has the following subcriteria:

- Structure, clarity, consistency and suitability of the proposed approach (definition of work packages, schedule and deliverables) to achieve the expected results.
- Composition, balance of skills and responsibilities of the team and its members.
- Management, including project management structure, work plan, co-ordination and project team communications.

3. Impact on target audience, replication and impact on the market (score 0-10, threshold 6):

This award criterion is aimed to select actions with a high factor of replication, able to create or enlarge markets. Project proposals should provide a clear and realistic assessment of the market for the eco-innovative solutions. It has the following sub criteria:

- Replication factor of the solution (to be applied by other companies or in other countries), realised during the project and its potential for short- and medium-term replication.
- Appropriateness of the market assessment and of the approach to remove the identified market barriers to the eco-innovative solution.
- Quality of the planned exploitation and business approach.

4. Budget and cost-effectiveness (score 0-10, threshold 6):

This award criterion will help to select projects with reasonable and well-justified costs. It has the following sub criteria:

- Appropriate level of effort (hours and budget) both for the work packages and tasks and between partners considering their skills and responsibilities.
- Appropriate weight of costs per cost category, notably equipment (including justification for the parts of the equipment linked to the innovative action).
- Coherence and transparency of the co-financing scheme.

5. European added value (score 0-10, threshold 6):

This award criterion will help to select projects with a good European added value. It has the following sub criteria:

- Justification for and benefits of addressing the subject of the proposal at European level as opposed to purely national/regional/local projects.
- EU dimension of the market barriers and how these barriers will be tackled.
- Level of European cooperation in the project

8. DURATION

The maximum duration of an action is 36 months.

9. PERCENTAGE OF COMMUNITY CO-FINANCING

The financial contribution under CIP Eco-Innovation takes the form of a grant to off-set part of the total eligible costs of the project, under a maximum rate of 50% per project.

Only the costs directly linked with the innovative action, including materials, processes, techniques or methods proposed, are considered eligible. This applies also to costs for equipment and infrastructure.

The Community contribution to reimburse eligible costs must not give rise to a profit during the project duration. Contributions in kind are not eligible costs.

An action which receives financial support for the same purpose from other Community financial instruments will not receive funding from this Call on first application and market replication projects.

10. ESTIMATED TOTAL AMOUNT OF AVAILABLE BUDGET FOR THIS 2009 CALL

The indicative total amount available for this Call is EUR 30 million.

11. PERIOD OF ELIGIBILITY OF COSTS

As a general rule, eligible costs can be incurred only after signature of the grant agreement by all the parties. No grant may be awarded retrospectively for actions already completed.

12. GENERAL CONDITIONS FOR AWARDED GRANTS

The general conditions for awarding grants, particularly the definition of the eligible costs and the methods of payment, are set out in the model grant agreement, available at the Eco-Innovation website⁴⁰. The budget for the action attached to the application must have revenue and expenditure in balance and show clearly the costs which are eligible for financing from the Community level.

On the basis of its risk assessment, the Executive Agency for Competitiveness and Innovation might request a financial guarantee for pre-financing.

If the successful applicant is an international organisation, the model Contribution Agreement with an international organisation or any other contract template agreed between the international organisation concerned and the Contracting Authority will be used instead of a text based on the model grant agreement.

13. FORMS FOR SUBMISSION OF APPLICATIONS FOR A GRANT

Applications must be submitted using the on-line submission system and application forms. The instructions on how to complete the application forms and the link to the on-line submission system with the application forms are available on the website of the CIP Eco-Innovation initiative (see chapter 14 “Additional information”).

Applications which fail to comply with this formal requirement will not be evaluated further.

⁴⁰ <http://ec.europa.eu/econnovation>

The closing date for submission is 10 September 2009 before 17h00:00 (Brussels local time).

Applications submitted after the closing date will not be taken into consideration.

Applicants are advised not to wait to the last hours when submitting their proposals in order to avoid the risk of a failed submission due to unforeseen problems (e.g. low speed of the internet). Any technical problem invoked by the applicants not directly attributable to EPSS/the Agency will not be taken into consideration.

Draft versions of proposals can already be submitted at an early stage of preparation – coordinators can replace them as often as needed by submitting updated versions until the closing date, replacing earlier drafts. Being registered in the system and having uploaded documents into the system without having completed the several required steps of active submission is not sufficient for a submission.

Should changes occur regarding formal requirements for the submission of applications, they will be highlighted on the website of the programme. Applicants are therefore advised to check this web site prior to submitting their application.

14. ADDITIONAL INFORMATION

Applicants should consult the website of the programme at:

<http://ec.europa.eu/ecoinnovation>

The website contains all information and forms in relation to this Call for Proposals, such as the guide for proposers, the model grant agreement and the link to the online submission system. Furthermore, the website informs about information days which will be held during the duration of the Call for Proposals.

Any questions regarding this Call for Proposals should be sent to the Executive Agency for Competitiveness and Innovation using the online enquiry form available on http://ec.europa.eu/environment/etap/ecoinnovation/contact_en.htm

15. INDICATIVE TIMETABLE:

Closing date for submission of applications:	10 September 2009 (before 17h00:00, Brussels local time)
Estimated date of completion of the evaluation:	January 2010
Estimated date for the notification of applicants:	from February 2010 onwards
Estimated period for negotiations	February/March 2010
Estimated date for signature of contracts	from March 2010 onwards