



EUROPEAN COMMISSION

ENTERPRISE AND INDUSTRY DIRECTORATE-GENERAL

Call for Proposals

Global Sectoral Approaches:

Sectoral approaches as part of a post 2012 framework

ENT/CIP/08/C/N02S00/1

Grant Programme 2008

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1. CONTEXT

One of the key elements of EU industrial policy is ensuring the competitiveness of European Industry in a global setting. The current environmental and energy challenges, in particular regarding climate change and security of energy supply show a clear need to evolve towards a low carbon economy. The EU is committed to following this path, as indicated by the European Council on 8 and 9 March 2007, which set ambitious targets for greenhouse gas reduction, energy efficiency and an increased share of renewable energy. The fact that EU with its 2020 climate targets is leading action on climate change, where most of EU's competitors at the international level have yet to decide on such action, raises issues over the future competitiveness of Energy Intensive Industries (EIIs) in Europe. At the same time there is reticence from emerging economies where there is a lot of growth in EIIs activity to take similar steps to curb their own emissions for fear of slowing economic growth.

Sectoral Approaches (SA) offer a promising way forward, both as an effective tool to reduce the environmental impact of industry globally and to create a level playing field for major industry sectors internationally, through more homogenous commitments, thus helping address the current competitive disadvantage and without compromising economic growth in emerging economies.

Different sectors have started paving the way for SA with a view to agreeing on and committing to specific targets (energy efficiency of the process of production or CO₂ content of the product). Such agreements are voluntary business-to-business agreements. A sectoral agreement that is facilitated by the World Business Council for Sustainable Development (WBCSD) and that is already close to conclusion is prepared by the cement industry. Several cement companies initiated the "Cement Sustainability Initiative", together representing more than half the worldwide industry outside China. Similar efforts are under way in the other sectors like lime, aluminium and steel.

There is a need to move beyond such voluntary actions. It is recognised that public authorities would have to play a role in creating an appropriate institutional and legal framework, in particular, by engaging emerging economies in such action and by assisting in the developing of credible monitoring and enforcement system. Transparency and stakeholder involvement are key elements of the process. Public private partnership needs to be built around such actions and it is therefore important for business community to work with governments. More inter-governmental collaboration on this issue could pave the way for sectoral approaches to form part of post 2012 solution. The aim of this call for proposals is to contribute to this goal.

The Commission plan to launch Sustainable Industrial Policy Action Plan early in 2008. SIP aims to drive all sectors of business towards better performance and foster markets for better products through a series of consistent actions. Supporting the development of Sectoral Approaches is one of these actions as it will contribute to a levelling playing field for the industry, in particular for the Energy Intensive sectors, while at same time encouraging industry sectors globally to progress towards high levels of performance.

2. OBJECTIVE OF THE CALL

Objectives

The objectives of the call is to gain experience with and knowledge of developing and employing industry based sectoral approaches in emerging countries in order to facilitate their participation in international climate change measures. For this to be achieved the winning proposal will need to establish a framework in which it will be able to carry out projects in key emerging economy countries as well as trans-national projects aiming at:

- building capacity and expertise in monitoring and reporting greenhouse gas emissions from important industry sectors;
- building partnerships between industries, including those operating globally, and governments to act together;
- Explore and compare the application of different sectoral designs including government-led programs and develop a framework on how best designed sectoral-based approaches could be linked to a post 2012 international agreement on climate change;
- Demonstrating how sectoral approaches would address the competitiveness concerns of industry;
- As part of post-2012 international set-up, provide proof of concept of how sectoral approaches could work. In doing so defining more precisely the options, their effectiveness, efficiency and necessary links to the global carbon market; it must be clear on the degree to which the different sectoral approach options will address the different stakeholders, both industrialised and developing countries, and business, both global and those operating only in developing countries.

Outputs

- Based on the experience gained, the key output will be to better define and evaluate the different design options and propose what kind of international set-up and actions would be necessary for sectoral approaches to become an important instrument in the mitigation of green house gas emissions taking into account the need for the broadest possible backing by stakeholders and how this instrument would fit into a post 2012 international framework on climate change. First results should be presented at Conference of the Parties (COP) 14 in Poland in 2008. With final results being presented at COP15 in 2009.
- This work through its design and execution will need to generate a significant amount of buy in from a wide range of actors and stakeholders, including major industrial players in the EU, developed and developing countries.
- The final product would be a detailed report summarizing;
 - The results from the country projects
 - The results of trans-national sectoral work

- The application of different sectoral designs, highlighting their strengths weaknesses and the extent to which they address industrial competitiveness
- The concept and structure of potential post-2012 international set-up needed for the development of sectoral GHG mitigation programs
- The special need in building capacity in reporting and monitoring green house gases emissions in particular for developing countries

The objective of the call should be delivered through the following means:

- Explore the application of sectoral GHG mitigation in key emerging economies through country projects in at least four sectors: electricity, cement, iron and steel, and aluminium. If deemed appropriate, other sectors may be proposed if adequate justification is made. Not every country project need cover every sector.
- Define in which countries outside the EU the pilot projects for the above mentioned sectors would be conducted.
- Define in which sectors transnational sectoral work will be developed and how.
- Draw together the different actors for such SA, demonstrate how to ensure their collaboration and coordination between different efforts and how to ensure convergence towards the development of sectoral agreements. In doing this certain key questions would need to be answered: how can sectoral approaches best be leveraged to achieve an optimal exploitation of the emission reduction potential existing in the sector concerned; can generic guidelines for sectoral approaches to greenhouse gas emission reductions be developed, taking into account sector specific characteristics; how do sector approaches link to the post-2012 international climate change framework.
- The Commission intent to convene an advisory body on development of sectoral approaches. This advisory body will consist of stakeholders such as high-level government officials, industry representatives including representatives from key actors currently developing sectoral approaches and NGOs. This group would give guidance and steer country projects. It should ensure that the analysis and results of the project inform and are supported by key policymakers involved in, international climate negotiations, domestic energy and emissions regulation, and industrial production and development. Proposal will have to support the functioning of this group and ensure the work programme is steered by the advice of the group.

3. TIMETABLE

Scheduled start-up date for the action: *Quarter 1-2008*

Maximum duration of actions is: *24 Months*

However, if after the signing of the agreement and the start of the project it becomes impossible for the beneficiary, for fully justified reasons beyond his control, to complete the project within the scheduled period, an extension to the eligibility period may be

granted. A maximum extension of **6** additional months will be granted, if requested before the deadline specified in the agreement. The maximum duration will then be **30** months.

The intention is to inform applicants of the outcome of the award procedure no later than the month of **April 2008**.

The period of eligibility of costs will start on the day the contract is signed by the last of the parties. If a beneficiary can demonstrate the need to start the action before the agreement is signed, expenditure may be authorised before the agreement is signed. Under no circumstances can the eligibility period start before the date of submission of the grant application.

4. FINANCING

The **maximum budget** allocated for the operation is: *1 900 000 €*

The **maximum amount by project** is: *1 900 000 €*

Breakdown by individual objectives: *Not applicable*

Indicative number of projects/average size: It is the Commission's intention to select only one project having an average size of *2 111 111 €*

Community co-financing rate of eligible costs: *90 %*

Community co-financing ceiling: *1 900 000€*

- Please note that one action may give rise to the award of only one grant from the Community budget to any one beneficiary.
- The Commission reserves the right to award a grant of less than the amount requested by the applicant. Grants will not be awarded for more than the amount requested.
- The publication (on the Internet site and in the Official Journal) does not guarantee the availability of funds for the above action.
- The Commission grant may not have the purpose or effect of producing a profit for the beneficiary. Profit is defined as a surplus of receipts over costs. The amount of the grant will be reduced by the amount of any surplus.

4.1. Co-financing and joint and several responsibility

The beneficiary shall supply evidence of the co-financing provided, either by way of own resources, or in the form of financial transfers from third parties, or in kind. The Commission may accept co-financing in kind, if considered necessary or appropriate. In such cases the value of such contributions cannot cover all the necessary co-financing.

The applicants shall provide an explicit undertaking from each co-financing organisation to provide the amount of funding stated in the grant application for the operation (signed form C).

They shall agree upon appropriate arrangements between themselves for the proper performance of the action. In particular shall they agree on joint and several responsibility for any amount due to the Commission by anyone of them; an optional article of special conditions (article I.11 of the grant agreement for an action with multiple beneficiaries) may limit their level of responsibility but its use is subject to an assessment of the financial risks to be carried out by the Commission.

The grant agreement shall be signed by each participating co-beneficiary unless a power of attorney is conferred to the appointed co-ordinator (Form A/4 of the submission set)

4.2. Subcontracting

.Subcontracting does not limit the responsibilities of beneficiaries

Please refer to the guide for submission (page 10) and to the submission set (form E) articles I.10 – I.11, for further details on subcontracting.

4.3. Payment arrangements

The draft grant agreements attached to the “Submission set” (**form E**) specify the payment arrangements. When the cumulative amounts of request for payment is at least 325000€ an auditor has to certify that the costs are real, accurately recorded and eligible in accordance with the grant agreement. The beneficiary shall inform the Commission of the amount of any interest or equivalent benefits yielded by the pre-financing it has received for carrying out the action. Such interest or benefits shall be recovered by the Commission.

5. ELIGIBILITY

Applicants may act individually or in consortium with partner organisations. In the submission set, you will find two different types of grant agreement for reference.

Partners of applicants must satisfy the same eligibility criteria as those for applicants; the applicant will be the lead organisation and, in case of selection, the contracting party (the “Beneficiary”)

The transnational nature of the project must be demonstrated by submitting form A/4 to the submission set duly filled in and signed from the partner organisations in order to confirm their participation (original signatures required).

5.1. Geographical eligibility

Applications from legal entities established in one of the following countries are eligible:

- EU Member States
- EFTA and EEA countries: Switzerland, Iceland, Liechtenstein, Norway
- Other third countries when agreements so allow

5.2. Legal status eligibility

Applications must be submitted by a legal person

- Corporate bodies must be properly constituted and registered under the law

5.3. Exclusion criteria

By using the “Exclusion Criteria Form” (form D attached to the “Submission Set) Applicants shall declare on their honour that they are not in one of the situations referred to in Articles 93 and 94 of the Financial Regulation. In completing this form the applicant:

- states whether or not he/she/the company is in one or more of the situations described in the form; and
- undertakes to submit to the Commission any additional document relating to the exclusion criteria that the Commission may see fit to request.

Where the proposal is submitted by more than one applicant, each applicant must provide the form.

Please note that, according to articles 96 and 114 of the Financial Regulation applicable to the general budget of the European Communities and according to article 134b of the Commission Regulation (EC, Euratom) n° 2342/2002 of 23 December 2002¹ laying down detailed rules for the implementation of Council Regulation (EC, Euratom) n° 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities², administrative and financial penalties may be imposed by the Commission on applicants who are excluded in relation to points a) to h) of the form in question.

5.4. Eligible proposals

Applications must comply with the following conditions in order to be eligible for a grant:

- Application must be signed, dated and complete, using the standard submission set;
- Application must be submitted before the closing date mentioned below;
- Only projects that are strictly non-profit-making and/or whose immediate objective is non-commercial shall be eligible.

In this context, will be rejected any project directly or indirectly contrary to EU policy or against public health, human rights, citizen’s security or freedom of expression.

¹ As amended by Commission Regulation 1261/2005 of 20 July 2005, Commission Regulation 1248/2006 of 7 August 2006 and Commission Regulation 478/2007 of 23 April 2007

² As amended by Council Regulation 1995/2006 of 13 December 2006

6. SELECTION

6.1. Applicants' financial capacity to complete the proposed action

Applicants must show they have stable and sufficient sources of funding to ensure the continuity of their organisation throughout the project and, if necessary, to play a part in financing it.

To this end applicants must fill in and sign form A/3 for the lead organisation, and form A/4 for partner organisations, if applicable. The legal entity form and financial identification form are also to be duly filled in and signed and annexed to the aforementioned forms.

For ease of reference, the applicants are further requested to fill in the financial statement form A/5 of the submission set. This form only applies to private organisations. Public organisations are only requested to indicate their annual revenue/resources in forms A/3 and A/4.

Applicants must include in their grant application form their annual accounts (i.e. profit and loss account; balance sheet) for the last financial year.

Alternatively, a guarantee equivalent to all or part of the grant being sought may be provided in order to show the financial capacity.

The verification of financial capacity shall not apply to natural persons in receipt of scholarships nor to public bodies, nor to the international organisations referred to in Article 43 of the Commission Regulation (EC, Euratom) n° 2342/2002.

6.2. External audit reports

For actions where the cost to be financed exceeds EUR 500 000 shall be accompanied by an external audit report produced by an approved auditor. This report shall certify the accounts for the last year available and give an assessment of the financial viability of the applicant.

This obligation does not apply to public bodies, secondary or higher education establishments, international organisations under public law, or beneficiaries with joint and several liability in the case of agreements involving several liability beneficiaries.

6.3. Applicants' technical capacity to complete the proposed action

Applicants must show they have the operational (technical and management) capacity to complete the operation to be supported and must demonstrate their capacity to manage scale activity corresponding to the size of the project for which the grant is requested. In particular, the team responsible for the project/operation must have adequate professional qualifications and experience. In addition the applicant must demonstrate that they have significant experience in development of sectoral approaches, have suitable international network that can aid delivery of this project.

The applicants must include with their grant application form a curriculum vitae of the staff that will actually be performing the work involved and professional references and details of past similar projects. For ease of reference, the curriculum

vitae should preferably be submitted in the Europass format which can be found on the following page:

http://europass.cedefop.europa.eu/europass/preview.action?locale_id=1

Applicants must be directly responsible for the preparation and management of the project, not acting as an intermediary.

Applicants must provide evidence of their ability to work easily in an international context and that they have excellent command of English. They are expected to participate in international events and shall submit high quality English versions of deliverables, including technical implementation reports and financial statements. They shall also provide information about collaborative work carried out or recent networking activities.

7. AWARD

An evaluation of the quality of proposals, including the proposed budget, will be carried out in accordance with the following award criteria:

1. Relevance	/20
2. Visibility	/15
3. Impact	/15
4. Quality	/30
5. Budget and Cost-effectiveness	/20
Maximum total score	/100

If a total score lower than **65** points or a score lower than 50% for any of the above five criteria is obtained, the proposal will not be evaluated further.

The complete selection and evaluation procedure is described in point II.3 of the guide for submission appended to the standard Submission set.

Please note that, in case of award, the beneficiary authorises the Commission, to publish the following information in any form and medium, including via the Internet:

- the beneficiary's name and the address,
- the subject and purpose of the grant,
- the amount granted and the proportion of the action's total cost covered by the funding.

8. SUBMISSION OF PROPOSALS

8.1. Preparing the proposal

The proposal must be drafted in one of the official languages of the European Union, using the specific submission set available for this call. Please refer also to the **guide for submission** for explanatory details.

The submission set can be:

- Downloaded from Europa web site: <http://ec.europa.eu/enterprise/funding/index.htm>
- Or obtained at the following address:

European Commission
Enterprise and Industry Directorate-General
Grant Programme 2008 –
‘Call for proposals No ENT/CIP/08/C/N02S00/1’ - Title: Global sectoral approaches: Sectoral approaches as part of a post 2012 framework
Office address: **BREY 7/33**
B-1049 Brussels – BELGIUM
Fax: (+32-2)-299.19.25 – e-mail: entr-sustainable-industrial-policy@ec.europa.eu

8.2. Sending the proposal

Please note that electronic submissions are not allowed for this call.

Proposals must be submitted, on paper

- a) Either **by registered mail**, postmarked no later than **7/03/2008**, to the address indicated above.
- b) or **by courier services**, no later than **7/03/2008**, to the address indicated above,
- c) or **delivered by hand**, i.e. by delivery in person or by an authorised representative no later than 4 p.m. on **7/03/2008**, to the following address:

European Commission
Enterprise and Industry Directorate-General
Grant Programme 2008 – Call for proposals n° **ENT/ CIP/08/C/N02S00/1’** –
Title: Global sectoral approaches – Subtitle: Sectoral approaches as part of a
post 2012 framework
Directorate B, Industrial Policy
Unit **B.1 – Sustainable Industrial Policy**
BREY 7/33

Service central de réception du courrier
Avenue de Bourget, 1
B-1140 Bruxelles, Belgique

How to reach rue de Bourget 1:
http://ec.europa.eu/enterprise/calls/hand_delivery.html

The proposal must be submitted, **in triplicate and placed** inside **two** sealed envelopes. Both envelopes should be addressed to the department indicated above. It should bear the following description: **‘Call for proposals No ENT/CIP/08/C/N02S00/1’** and the

following note: **‘Not to be opened by the internal mail department’**. If self-adhesive envelopes are used, they must be sealed with adhesive tape and the sender must sign across this tape.

Please note, that for security reasons, hand deliveries (including private courier services) are not accepted in other Commission’s buildings. An acknowledgement of receipt shall be delivered by the “Service central de réception du courrier”.

Evidence of timely submission by post or courier service will be constituted by the date of dispatch, the postmark or the date of the deposit slip. In the case of hand-delivery, the signed and dated receipt will serve as evidence.

Applicants shall observe precisely the above indications in order that proposals can reach their precise destination in due time.

9. EQUAL OPPORTUNITY

The European Community has the task to promote equality between women and men and shall aim in all its activities to eliminate gender inequalities (articles 2 and 3 of the EC Treaty). In this context, women are particularly encouraged to be involved in proposal submission.

10. PERSONAL DATA

Your grant application will be processed by computer. All personal data (such as names, addresses, CVs, etc.) will be processed in accordance with Regulation (EC) No 45/2001 of the European Parliament and of the Council of 18 December 2000 on the protection of individuals with regard to the processing of personal data by the Community institutions and bodies and on the free movement of such data.³

Your replies to the questions in the submission set are necessary in order to assess your grant application and they will be processed solely for that purpose by the department responsible for the Community grant programme concerned. On request, you may be sent personal data and correct or complete them. For any question relating to these data, please contact the Commission department to which the application must be returned. Beneficiaries may lodge a complaint against the processing of their personal data with the European Data Protection Supervisor at any time.

11. ANNEX 1 SUBMISSION SET

12. ANNEX 2 GUIDE FOR SUBMISSION

³ Official Journal L 8, 12.1.2001.