



CEF 2 Energy – Projects of Common Interest 2021

Evaluation process and Award criteria

Beatrice Coda, Head of Unit

Kristiina Urpalainen-Menon, Evaluation Manager

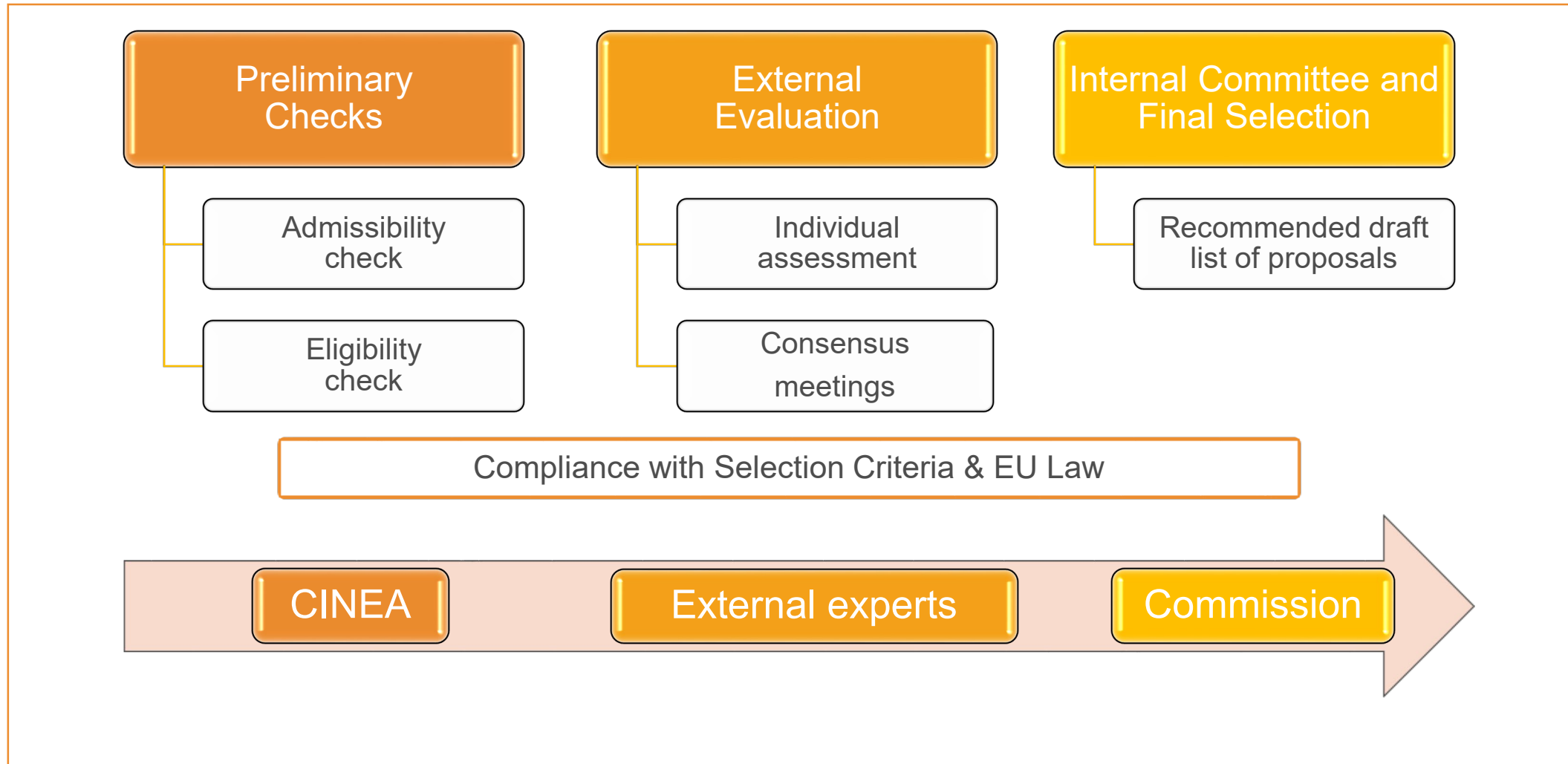
*CINEA.B4 - CEF Energy and Renewable Energy
Financing Mechanism*

Tentative timeline

Call publication	7 September 2021
Deadline	19 October 2021 17:00.00 (Brussels time)
Evaluation of proposals	November 2021
Consultation of CEF Coordination Committee Information of European Parliament	January 2021
Launch of Grant Preparation (Inform applicants)	March 2022
Time To Grant	June 2022

Evaluation process

Principles for the evaluation and selection process



Experts' tasks and role

Understand call text and procedure

- Read briefing material
- Follow briefings

Evaluate individually

- (minimum) 3 experts per proposal
- Draft individual assessment
- No contact between experts

Reach a consensus

- Discuss comments and scores with other experts
- Prepare a consensus report for each proposal

Final Selection Process

Preparation of Selection Decision

EC Inter-Service Consultation

Consultation of CEF Coordination Committee
Information of the European Parliament

Adoption of Commission Selection Decision

Information to Applicants
Launch of Grant Agreement Preparation

Admissibility and Eligibility

Admissibility

- Proposals must be submitted before the call deadline 17.00 CET 19.10.2021
- Proposals must be submitted electronically via the Funding & Tenders Portal Electronic Submission System (<https://ec.europa.eu/info/funding-tenders/opportunities/portal/screen/opportunities/topic-details/cef-e-2021-pci>). Paper submissions are NOT possible.
- Proposals must be complete and contain all the requested information and all required annexes and supporting documents. There will be no follow-up for missing elements.
- Your application must be readable, accessible and printable.
- Proposals are limited to maximum 120 pages (Part B). Evaluators will not consider any additional pages.

Completeness of documents + Annexes

- Checklist studies and works:

Application Form Part A — structured data introduced directly on Funding & Tender portal
Application Form Part B — Word document to be filled in and uploaded as pdf (contains the technical description of the project)
Detailed budget table per WP (Excel to be filled in and annexed)
Timetable/Gantt chart
Agreement by the concerned Member States (Letter of support)
Environmental compliance file (not applicable for studies without physical intervention)
TEN-E compliance form (Compliance with EU Law on Energy Infrastructure)
Latest PCI annual report in accordance with Article 5(4) of the TEN-E Regulation (Report to ACER)
Annual activity reports
List of previous projects (key projects for the last 4 years)

Not needed for public bodies, Member State organisations, certified TSOs and international organisations

Completeness of documents + Annexes

- Additional checklist for works:

Electricity and Gas PCIs (Corridors 1-4 and 5-8), except hydro-pumped electricity storage	Smart grids and cross border carbon dioxide networks PCIs (Corridors 10 and 12)
<p>Full CBA (Project specific cost-benefit analysis, consistent with ENTSOG/ENTSO-E methodology and pursuant to Article 12(3)(a) of the TEN-E Regulation, which provides evidence concerning the existence of significant positive externalities, such as security of supply, solidarity or innovation)</p>	<p>Business plan and other assessments carried out, demonstrating the existence of significant positive externalities</p>
<p>Project specific legally valid cross-border cost allocation (CBCA) decision pursuant to Article 12 of the TEN-E Regulation (not applicable for projects under categories in Annex II.1(c))</p>	
<p>Business plan and other assessments showing that the project is commercially non-viable</p>	

Eligibility - actions

- Proposed action contributes to PCIs as identified in the Commission Delegated Regulation 2020/389
 - **Studies** in the meaning of CEF-Energy include activities needed to prepare PCI implementation, such as preparatory, mapping, feasibility, evaluation, testing and validation studies, including in the form of software, and any other technical support measure, including prior action to define and develop a PCI and decide on its financing, such as reconnaissance of the sites concerned and preparation of the financial package.
 - **Works** in the meaning of CEF-Energy include the purchase, supply and deployment of components, systems and services including software, the development, construction and installation activities relating to a PCI, the acceptance of installations and

Eligibility - participants

- Eligible applicants (beneficiaries and affiliated entities) must:
 - be legal entities (public or private bodies)
 - be established in one of the eligible countries, i.e.:
 - EU Member States (including overseas countries and territories (OCTs))
 - non-EU countries:
 - listed EEA countries and countries associated to the CEF Programme or countries which are in ongoing negotiations for an association agreement and where the agreement enters into force before grant signature (list of participating countries)
- Beneficiaries and affiliated entities must register in the Participant Register — before submitting the proposal.
- Participants in selected or reserve-list proposals will be validated by the Central Validation Service. For the validation, they will be requested to upload documents showing legal status and origin.
- Other entities may participate in other consortium roles, such as associated partners, subcontractors, third parties giving in-kind contributions, etc

Operational Capacity

- Applicants must have the know-how, qualifications and resources to successfully implement the projects and contribute their share (including sufficient experience in projects of comparable size and nature).
- Applicants will have to show their capacity through:
 - description of the participants
 - applicants' activity reports of last year
 - list of previous projects (key projects for the last 4 years)
- Public bodies, Member State organisations, transmission system operators and international organisations are exempted from the operational capacity check.

Financial Viability Check

- Applicants must have stable and sufficient resources to successfully implement the projects and contribute their share. Organisations participating in several projects must have sufficient capacity to implement all these projects.
- A financial capacity check will be carried out for beneficiaries in selected or reserve-list proposals on the basis of the documents you will be requested to upload in the Participant Register during grant preparation
- The check will normally be done for all beneficiaries, except:
 - public bodies (entities established as public body under national law, including local, regional or national authorities) or international organisations or TSOs
 - if the individual requested grant amount is not more than EUR 60 000.

Award Criteria

Award criteria

Award criteria	Minimum pass score	Maximum score
Priority and urgency	3	5
Maturity	3	5
Quality	3	5
Impact	3	5
Catalytic effect	3	5
Overall (pass) scores	15	25

Resolving ties

For proposals with the same score a priority order will be determined according to the following approach:

1. Score obtained under the 'Priority and urgency' criterion
2. Score obtained under the 'Maturity' criterion
3. Score obtained under the 'Catalytic effect' criterion
4. Score obtained under the 'Impact' criterion
5. Score obtained under the 'Quality' criterion.

Priority and urgency of the Action

Evaluating correspondence of the proposal with the sectoral policy targets, objectives and priorities, notably its contribution to and alignment with achieving the EU 2030 climate and energy targets in view of reaching the climate neutrality objective by 2050 as set out in the European Green Deal, market integration, measuring its EU added-value and where applicable assessing the possible synergies with other sectors

- Demonstrate how the proposed Action will contribute to **sectoral policy objectives** and, in particular, explain how it is aligned with the **EU 2030 climate and energy targets** in view of reaching climate neutrality by 2050.
- Indicate how the proposed Action contributes to **market integration** including through **ending energy isolation** and eliminating **electricity interconnection bottlenecks** (specify the bottleneck) as well as to the achievement of the interconnection targets and to **synchronisation** of electricity systems with the EU networks.
- Explain to what extent **EU level action** will help to reach policy objectives more effectively and faster compared to exclusively national level action.
- Synergetic elements need to **significantly improve** the socioeconomic, climate or environmental benefits of the proposed Action

Maturity

Assessing the maturity of the project in the PCI development. The criterion will measure, among others, the readiness/ability of the project to start by the proposed start date and to be completed by the proposed end date, the status of the contracting procedures and of the necessary permits, and information on the financial availability needed to complement the CEF investment

- **Preparatory steps** already completed or envisaged and confirmation that the project can be carried out without delay
- Confirmation that the proposed **project is mature** enough to be financed under this call
- Justification that the project is the **next step** in PCI implementation
- **PCI Annual report**
- **Procurement** procedures needed, contracts awarded and planned
- **Financial viability** and commitments, including FIRR and FNPV (works), explaining efforts to secure other sources of funding
- Summary of the **public consultation** (only for Works)
- Authorisations, approvals and **permits** (only for Works)

Quality

Evaluating the soundness of the implementation plan proposed, both from the technical and financial point of view, the architecture and design approach, the organisational structures put in place (or foreseen) for the implementation, the risk analysis, the control procedures and quality management and, if applicable, the communication strategy of the applicant

- **Resources** needed (financial and human) to implement the project, evidence that the project is correctly sized
 - *Project management costs should not exceed 10% of total project costs*
- **Organisational structure** and cooperation between applicants
- **Project management**, quality assurance and control procedures
- **Risk management** methods and procedures
- **Risk assessment**

Impact (1/3)

Assessing, when applicable, the economic, social and environmental impact, including the climate impact, and other relevant externalities such as security of supply, innovation, and solidarity among Member States involving works. In addition, assessing the need to overcome financial obstacles such as those generated by insufficient commercial viability, high upfront costs or the lack of market finance. This criterion may be substantiated by a Cost Benefit Analysis (CBA). Moreover, when applicable, the criterion will assess, among others, the innovation and digitalisation, safety and interoperability aspects of the proposal, as well as its cross-border dimension

- Positive **externalities** building on the CBA, namely in terms of security of supply, innovation, and solidarity among Member States (only for Works)
 - For **SoS**, quantify the positive impact of the Action at the regional level, also beyond involved Member States (e.g. constructing countries)
 - For **solidarity**, quantify the impact (for both constructing and non-constructing countries) of the proposed Action, e.g. changes to tariffs and commodity price
 - For **innovation**, information on the benefits of the technology compared to a conventional solution, e.g. cost savings, replicability of results

Impact (2/3)

Assessing, when applicable, the economic, social and environmental impact, including the climate impact, and other relevant externalities such as security of supply, innovation, and solidarity among Member States involving works. In addition, assessing the need to overcome financial obstacles such as those generated by insufficient commercial viability, high upfront costs or the lack of market finance. This criterion may be substantiated by a Cost Benefit Analysis (CBA). Moreover, when applicable, the criterion will assess, among others, the innovation and digitalisation, safety and interoperability aspects of the proposal, as well as its cross-border dimension

- **Cross-border dimension**, including area of impact, Member States concerned, cooperation between Member States and promoters, financial contribution by MS and promoters as per CBCA (only for Works)
- If relevant, cooperation may also refer to **other countries** beyond those where the Action takes place
- **Revenues** and revenue potential (only for Works)

Impact (3/3)

Assessing, when applicable, the economic, social and environmental impact, including the climate impact, and other relevant externalities such as security of supply, innovation, and solidarity among Member States involving works. In addition, assessing the need to overcome financial obstacles such as those generated by insufficient commercial viability, high upfront costs or the lack of market finance. This criterion may be substantiated by a Cost Benefit Analysis (CBA). Moreover, when applicable, the criterion will assess, among others, the innovation and digitalisation, safety and interoperability aspects of the proposal, as well as its cross-border dimension

- **Environmental and climate impact:** expected positive/negative impacts of the project and underlying PCI on climate change targets, emission of air pollutants, reduction of GHG emissions, measures foreseen to prevent and mitigate environmental impact (only for Works)
- **Climate resilience / climate proofing** (only for Works)
- **Financial obstacles** for the project implementation and how EU funding would help to overcome them

Catalytic effect

Evaluating the financial gap, the capacity to mobilise differentiated investments sources, the capacity to trigger important overall investments with limited EU support and when appropriate the extent to which externalities justify the CEF financial assistance. It shall assess the catalytic effect of the EU financial assistance and determine whenever possible the actual co-funding rate to be granted

- Demonstrate why the CEF grant makes a **positive difference** to the Action in terms of accelerating its implementation
- Explain the difficulties in obtaining market finance and how the grant can help to overcome this shortage
- Will the CEF grant help to mobilise additional public and private sources of financing?
- If all costs are included in the tariffs and there are no substantial risks with the project promoters, there might not be a stimulating effect of the grant!
- For works proposals, specify the extent of significant externalities in view of the requested co-funding rate; in case of requested co-funding rate higher than 50%, detailed justification of the **exceptional circumstances**

To note!



- Information provided under the different criteria must be **coherent and consistent** across the application
- Important to check that all application form sections are **complete** and all applicable **supporting documents** are submitted
- The application should convincingly **demonstrate** the **need for EU funds**
- The term '**project**' used in application forms and other documents is synonymous to the term '**action**' used in the CEF Regulation 2021/1153 – not to be confused with **PCI**!

Evaluation results

Results of the evaluation

- All proposals will be informed about the evaluation result (**evaluation result letter**). Successful proposals will be invited for grant preparation; the other ones may be put on a reserve list or rejected.
- Invitation to grant preparation does NOT constitute a formal commitment for funding. We will still need to make various legal checks before grant award: legal entity validation, financial capacity, exclusion check, etc.
- If you believe that the evaluation procedure was flawed, you can submit a complaint (following the deadlines and procedures set out in the evaluation result letter).

Grant preparation

- Successful applicants will be invited by CINEA to prepare the Grant Agreement via eGrants tool together with the EU Project Officer
- Grant preparation involves a dialogue in fine-tuning of technical and financial aspects, such as milestones, deliverables, etc., and implementation of recommendations from evaluation if applicable
- Grant Agreement provisions are defined in the Model Grant Agreement (MGA) and not-negotiable
- The Model Grant Agreement that will be used (and all other relevant templates and guidance documents) can be found on Portal Reference Documents

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