II

(Acts whose publication is not obligatory)

COUNCIL

COUNCIL DECISION

of 9 April 2001

laying down the new guidelines applicable to actions and measures to be taken under the multiannual programme to promote international cooperation in the energy sector (1998 to 2002) under the multiannual framework programme for actions in the energy sector and connected measures

(2001/353/EC)

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community,

Having regard to Council Decision 1999/21/EC, Euratom of 14 December 1998 adopting a multiannual framework programme for actions in the energy sector (1998 to 2002) and connected measures [1], and in particular Article 4 thereof,

Having regard to Council Decision 1999/23/EC of 14 December 1998 adopting a multiannual programme to promote international cooperation in the energy sector (1998 to 2002) [2], (hereinafter referred to as the 'Synergy programme'),

Having regard to the proposal from the Commission,

Whereas:

(1) In order to enhance efficiency, the implementation of the Synergy programme needs to be adjusted, especially with regard to tasks relating to programme and project management.

(2) The Synergy programme has resulted in a substantial number of small contracts spread over a large geographical area, as stated in the last evaluation report.

(3) The Synergy programme is one of the programmes which have limited financial resources for a very broad field of activities. There is therefore a need to focus it more on certain priorities, to reduce the number of contracts dealt with under the programme and to increase their average amount so as to enable the targets for Commission reform to be met as regards programme management.

(4) The Commission presented new guidelines for actions and measures to be undertaken in the framework of the Synergy programme, but they were not accepted by the Framework Programme Committee.

(5) This Decision does not prejudge decisions on other programmes under the current framework programme on energy (1998 to 2002) nor on the forthcoming proposal for a multiannual framework programme.

(6) The guidelines should not affect the action programme referred to in Article 5 of Decision 1999/23/EC or the indicative programme set out in the Annex thereto,

HAS DECIDED AS FOLLOWS:

Sole Article

The Council hereby approves the new guidelines for the Synergy programme annexed to this Decision, which shall prevail without prejudice to the action programme referred to in Article 5 of Decision 1999/23/EC and the indicative programme set out in the Annex thereto.

Done at Luxembourg, 9 April 2001.

For the Council

The President

A. LINDH

[1] OJ L 7, 13.1.1999, p. 16.
[2] OJ L 7, 13.1.1999, p. 23.

ANNEX

NEW GUIDELINES FOR THE SYNERGY PROGRAMME

An adjustment of the implementation of the Synergy programme is envisaged [1], which more especially concerns the implementing tasks relating to programme and project management to bring activities and resources into line with priorities.

This programme has very limited funding for a very broad range of activities. The possibility of focusing activities more on some of the priorities has been raised several times in the past, in particular at meetings of the Energy Framework Programme Committee. For a better visibility of the Synergy programme as compared with the international energy cooperation activities in other external relations programmes managed by the Commission it is important to underline its specific features and thus to emphasise the functioning of the Synergy programme as the external part of the energy framework programme.

The Council therefore lays down measures to

— focus the Synergy programme on certain actions;

— modify its management.

While staying within the framework of Decision 1999/23/EC including the action programme referred to in Article 5 thereof and the indicative action programme set out in the Annex thereto, the implementation of this programme will refocus on activities in the following two areas:

— security of supply;

— contributing to the implementation of the Kyoto Protocol.

Furthermore, the task will be to focus the activities to allow for sound management based on the human and financial resources available.

I. **Focusing activities**

Security of supply is one of the priority objectives of the energy sector in the EU. Sustainable development and the EU's commitments in the framework of the Kyoto Protocol address environmental concerns of importance for security of supply. The aspects relating to international cooperation, as set out in the communication from the Commission to the European Parliament and the Council on EU policies and measures to reduce greenhouse gas emissions: towards a European climate change programme (ECCP) (COM(2000) 88) must be included in the strategy followed by the Synergy programme.

The Synergy programme will focus on strengthening the EU's security of supply and on applying the Kyoto flexibility mechanisms. These will be the core activities of the Synergy programme and will enable it to be clearly distinguished from other Community programmes which may involve international cooperation in energy.

A. The aim of security of supply

The importance of the security of supply issue is underlined in the Commission Green Paper: Towards a European strategy for the security of energy supply.

The Synergy programme is not going in a new direction, but is being focused more on one of the objectives set out in Decision 1999/23/EC. More specifically, the programme will in this framework provide funding for activities which contribute to one or more of the following objectives:

— the analysis of energy supply conditions for the EU and of prospects, in particular by studying the prospects for production and exports to Europe from producer countries,

— the promotion of dialogue between the EU, the producer countries in general, the main exporters to Europe and the international organisations; the setting up of working parties and the funding of meetings or training activities,

— support for the development of energy policies in production and transit countries to optimise their production or to integrate them into the international distribution networks and the adoption of a policy of free access to the production and transport of energy, in particular by adopting legal frameworks which promote liberalisation,

— the analysis of investment in production and transit in regions which are important for EU supply: technical feasibility, economic, environmental and financial studies, seminars and conferences on such types of investment, etc.

[1] To that effect, the Commission has proposed a threshold of EUR 400 000.

In view of the ongoing process of enlargement, the Synergy programme will also be used for projects to strengthen the security of supply in the candidate countries, in addition to the SAVE and Altener activities in those countries. Examples include:

— analysis of the contribution of the various energy sources to a candidate country's energy balance, including energy imports,

— activities to promote regional exchanges between non-member countries and candidate countries.

B. Contribution to the implementation of the Kyoto Protocol

This is a new field of activities which fits in with Communication COM(2000) 88 and with the ongoing work of the Sixth Conference of the Parties.

In this framework the programme will provide funding for activities which contribute to the development of the flexibility mechanisms, where non-member countries may take action in the following areas:

— capacity building and development of common understanding of the implementation of the Kyoto mechanisms in the energy sector,

— energy efficiency, for example the promotion of combined heat and power production and the auditing of existing facilities,

— the development of mechanisms for funding investments in clean technologies,

— the promotion of renewable sources of energy, in particular those which have a substantial potential to contribute to the achievement of the objectives established under the Kyoto Protocol,

— optimisation of the use of energy by households in rural and urban areas (technology transfer, capacity creation),

— the promotion of clean coal technologies.

II. **Improving the programme management**

Defining the evaluation criteria and eligibility

1. (a) From the viewpoint of more efficient use of resources, the activities under the Synergy programme will focus on a limited number of projects, which may cover several countries or regions at the same time, or lay down a biennial framework.

   (b) Emphasis shall be given to monitoring progress and results achieved, as well as quality of management of resources and the effectiveness of the projects funded.

2. Proposals should involve a minimum of two participants in at least two Community Member States ('EC participants') and one participant in a non-member country, in order to ensure maximum benefit. In this context, international organisations (such as the IEA and Energy Charter Secretariat) are to be considered as EC participants if the Member States or the Commission participate in them.

3. The main criterion is that projects contribute to the security of supply or the flexibility mechanisms under the Kyoto Protocol.

4. Other general criteria are: the cost/benefit ratio, the standard of the work programme put forward, the ability of the participants to carry it out, and the quality of co-funding provided.

5. In general, the amount of financing provided by the Synergy programme per project should not be less than EUR 250 000.

6. Funding under the Synergy programme may, however, also be provided for projects of a lesser amount meeting the requirements in points 3 and 4, which present the characteristics of high quality as well as obvious benefit to the programme, such as projects which contribute to the development of appropriate energy policies and measures in order to achieve the objectives of the programme.

7. Possible combining of projects (clustering) should take place under the aegis of a coordinator. Such clustering should normally be an initiative of a project applicant. In such case, when assessing the amount of financing, it is the total amount of the combined projects which is to be considered.

8. Co-financing by the Community under the Synergy programme may, in general, not exceed 50 %.

The evaluation will be carried out by the Commission, in accordance with Article 3 of Decision 1999/23/EC, on the basis of the criteria set out in the call for proposals and defined with the assistance of the Committee referred to in Article 4 of Decision 1999/21/EC, Euratom.