



ECO-innovation
WHEN BUSINESS MEETS THE ENVIRONMENT



CALL FOR PROPOSALS 2008

CIP ECO-INNOVATION PILOT AND MARKET REPLICATION PROJECTS

CALL IDENTIFIER: CIP-EIP-ECO-INNOVATION-2008
CLOSING DATE: THURSDAY 11 SEPTEMBER 2008
ELECTRONIC SUBMISSION ONLY, UNTIL 17:00 (BRUSSELS
LOCAL TIME)

FOR FURTHER INFORMATION:

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

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1. BACKGROUND

CIP¹ 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 EIP, is part of the Competitiveness and Innovation 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.

CIP pilot and market replication projects on Eco-Innovation are managed by the Executive Agency for Competitiveness and Innovation (EACI) under powers delegated by the European Commission⁴.

The promotion of Eco-Innovation through the Competitiveness and Innovation Programme aims to contribute to the implementation of the Environmental Technologies Action Plan⁵. 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.

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."⁷ Eco-Innovation is a progressive concept.

For example, the wider application of environmentally friendly technologies and innovations is expected to help reduce CO2 emissions, to use 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.

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

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). 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 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).

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.

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 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).

SMEs. There are many technological and business innovations already in place 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.*

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

The Eco-Innovation Call for Proposals will support projects connected with eco-innovative products, services, production processes or business management methods which aim at the prevention or reduction of environmental impacts or which contribute to the optimisation of resources use. Environmental impacts and optimisation of natural resources need to be considered throughout the life cycle of related activities: from extraction of raw materials to production, distribution, use and final disposal or recycling on a full **Life-Cycle oriented approach**⁸.

2. SCOPE AND OBJECTIVES OF THE CALL FOR PROPOSALS 2008

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 successfully 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, such as environmental management, design of environmentally friendly products, processes and services.

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+ programme⁹ and/ or to the 7th RTD framework programme¹⁰. Projects focusing at increasing the penetration of renewable energies and energy efficiency should be presented to the Intelligent Energy Europe programme¹¹. Research and technology development, including

⁸ 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.

⁹ 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>.

¹⁰ 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.

¹¹ 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.

demonstration projects at an early stage with a high technology risk, should be submitted to the 7th RTD programme.

Objectives

- Promoting new and integrated approaches to Eco-Innovation in fields such as environmental management and the environmentally friendly design of products, processes and services.
- Removing obstacles to the wide application of Eco-Innovation.
- Creating an enlarged market for eco-innovative products and services.
- Increasing innovation capacities of SMEs.

Types of actions to be supported

- Cleaner production processes with preference for those sectors having an important environmental impact, such as construction, food and drink industry and waste recycling.
- Innovative environmentally friendly products and services, including innovative approaches to the eco-design of products or eco-labelling.
- Support to enterprises (especially SMEs) in greening their business, products and management methods - especially innovative approaches to environmental management systems or increased eco-efficiency.

In general, this Call supports projects which address the types of action 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 because of the expected added-value of projects in these areas, taking into consideration other Community actions in connected fields. These areas are introduced hereafter.

3. MAIN PRIORITY AREAS OF THE CALL FOR PROPOSALS 2008

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"¹² 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 area¹³.

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.

¹² 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.

¹³ "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

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 waste from electrical and electronic equipment and end-of-life vehicles.
- Innovative products using recycled material or facilitating 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.

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 chain¹⁴ 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 sectors¹⁵, 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 processes or products aimed at a more rational use of natural resources and a reduced environmental impact, incorporating sustainable design concepts or more environmental friendly materials. This will cover, but not exclusively, products made from non-toxic, reusable or recycled construction materials, including cost-efficient selective sorting techniques on construction sites, construction elements based on renewable resources, HFC- (Hydro Fluoro Compounds) and VOC- (Volatile Organic Compounds) free insulation materials, products or materials with low embodied energy¹⁶ or equipment for water and air treatment.
- Green building services supporting the usage of materials from local sources or renewable plants, non-toxic, reusable, or recycled materials, system optimization including waste reduction, zero net waste at construction site level or generation of on-site renewable energy.
- Innovative water systems for buildings, including water saving, grey water use, rain water collection and re-use, or green roofs.

¹⁴ "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

¹⁵ Infrastructure sector is excluded.

¹⁶ 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.

- A limited number of highly replicable and visible projects on social housing¹⁷ may be covered by the budget of this call concerning the sustainable retrofitting of existing buildings. An integrated approach is essential in addressing environmental issues and may include innovations that deliver multiple impacts in relation to the efficient use of raw materials, water, energy including renewable energies and energy efficiency. The projects should prove the economic and social benefits and consider the non-technical barriers for the effective uptake of the innovation.

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 eutrophication¹⁸. 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. 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.

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, 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 impacts.

The Call will support innovative approaches to environmental management systems such as EMAS¹⁹, increased eco-efficiency or use of eco-labels which reduce the negative impacts of production and consumption patterns on the environment and natural resources. Eco-

¹⁷ Social housing is understood as social, affordable or low-income housing sector, including publicly or privately owned buildings.

¹⁸ 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.

¹⁹ EMAS means Eco-Management and Audit Scheme. More information can be found at: http://ec.europa.eu/environment/emas/index_en.htm

labelling²⁰ is an instrument which certifies that a product or service is of good environmental quality and guaranteed technical performance. It also allows SMEs to have an official tool to communicate on a “green” image.

Priority will be given to cluster or supply chain and sectoral approaches, for example to encourage the use of EMAS in industrial clusters or districts of SMEs.

Projects could cover innovative management or labelling methods going further than existing schemes, integrating new dimensions such as carbon footprint, impacts on biodiversity, or applying existing methods to new, promising fields.

Scope of the actions to be supported under this Call:

- Innovative approaches to environmental management systems in new promising fields including increased resource efficiency, energy efficiency and biodiversity aspects. The proposed approach should build upon the experience gained in the ongoing EMAS Easy capacity building project that is running in all Member States. It should go beyond the requirements laid down in the current EMAS Regulation²¹.
- Promote EMAS in industrial clusters or districts of SMEs, using specific cluster or supply chain approaches. Such approaches 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 modifications in the specifications of products and services that will decrease environmental impacts, following the principles of Integrated Product Policy²² and on the basis of the life cycle approach²³. Environmental criteria need to consider and go beyond those enshrined in the European Eco-label²⁴.
- Implementing and promoting the use of environmental criteria (based on the European Eco-label) for purchasing decisions of enterprises (i.e. greening supply chains; implementing innovative approaches to procurement), guidance on Eco-label and Green Public Procurement²⁵ (GPP) oriented to the private sector.

4. ELIGIBILITY CRITERIA

4.1 Legal status of applicants

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

²⁰ http://ec.europa.eu/environment/ecolabel/whats_eco/gpp_en.htm.

²¹ Regulation (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.

²² Communication from the Commission "Integrated Product Policy", COM (2003) 302 final, of 18 June 2003.

²³ 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.

²⁴ The EU Eco-label criteria take into account the main environmental impacts of a product and the technically possible improvements.

²⁵ http://ec.europa.eu/environment/gpp/pdf/buying_green_handbook_en.pdf

and which, acting under its own name, may exercise rights and be subject to obligations.

Applications can also be submitted by a team of more than one independent undertakings established on the territories of more than one different participating country.²⁶

Entities which do not have legal personality under the national law may also propose action within the CIP Eco-Innovation programme, 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 Programme. Up-to-date information on which countries are part of the programme is available on the Eco-Innovation web site²⁷.

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

²⁶ Definition of independent: In case of two undertakings A and B; A may control not more than 50% of B, and vice versa; A and B may be controlled not more than 50% by a third undertaking C.

²⁷ http://ec.europa.eu/environment/etap/ecoinnovation/index_en.htm.

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 Communities²⁸.
- (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.

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 forms²⁹.

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.

²⁸ 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).

²⁹ Applications Forms will be available at the Eco-Innovation website.

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 1995³⁰.
- (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 1997³¹.
- (c) Cases of involvement in a criminal organisation, as defined in Article 2(1) of Joint Action 98/733/JHA of the Council³².
- (d) Cases of money laundering as defined in Article 1 of Council Directive 91/308/EEC³³.

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.

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, technical capacity, operational and managerial capability to complete the action proposed and should provide supporting documents (e.g. CVs of 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.

³⁰ OJ C 316 of 27 November 1995, p. 48.

³¹ OJ C 195 of 25 June 1997, p. 1.

³² 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.

³³ 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).

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 8 (out of 10) will be required for the first two criteria and a mark of at least 6 (out of 10) for the remaining criteria. Proposals that pass these thresholds will be considered for funding. 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 8): 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 and the risks involved in their realisation and replication.
- Technical advancement of the proposed solution beyond the prototype stage.
- Clear and substantial environmental benefits and impacts of the proposed solutions 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 8):

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 potential and impact on the market (score 0-10, threshold 6):

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

- Replication potential of the solution (to be applied by other companies or in other countries) during and after the project.

- Appropriateness of the market assessment, identified market barriers in relation to the proposed solution.
- Quality of the planned exploitation approach.
- Potential of the proposed solution in terms of job creation, during and after the project.

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

This award criterion will help to select projects with reasonable and well-justified costs. It will assess the economic impacts and the impacts of the action in terms of an increased competitiveness in the European market. 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.
- Increased competitiveness through substantial economic impacts.
- 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 as opposed to purely national/regional/local projects. It has the following sub criteria:

- Justification for and benefits of addressing the subject of the proposal at European level.
- EU dimension of the market barriers to be tackled.
- Contributions of project to improve the competitiveness of EU economy.

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 eligible costs of the project, under the following maximum rates:

- 40 % if the benefiting participant is a large enterprise;
- 50 % if the benefiting participant is a medium enterprise;
- 60% if the benefiting participant is a small enterprise;
- 50% for all other participants.

For the purpose of this Call, the size of an enterprise is defined according to the Commission Recommendation 2003/361/EC of 6 May 2003³⁴.

³⁴ Commission Recommendation 2003/361/EC of 6 May 2003 concerning the definition of micro, small and medium-sized enterprises (Text with EEA relevance), Official Journal L 124, p. 36-41, of 20 May 2003, see also http://ec.europa.eu/enterprise/enterprise_policy/sme_definition/index_en.htm.

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 pilot and market replication projects.

10. ESTIMATED TOTAL AMOUNT OF AVAILABLE BUDGET FOR THIS 2008 CALL

The indicative total amount available for this call is EUR 28 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 AWARDING 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 of grant agreement, available at the Eco-Innovation website³⁵. 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 programme (see chapter 14 “Additional information”).

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

The closing date for submission is **11 September 2008 before 17h00** (Brussels local time).

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

Applicants are advised not to wait to the last minute with uploading their application forms in order to avoid the risk of a failed submission due to an overloaded system in the hours before the submission deadline.

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

³⁵ http://ec.europa.eu/environment/etap/ecoinnovation/index_en.htm

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/environment/etap/ecoinnovation/index_en.htm

The website contains all information and forms in relation to this Call for Proposals, such as the guide for applicants, 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:	11 September 2008 (before 17h, Brussels time)
Estimated date of completion of the evaluation:	January 2009
Estimated date for the notification of applicants:	from February 2009 onwards
Estimated period for negotiations	February/March 2009
Estimated date for signature of contracts	from March 2009 onwards