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COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 8.9.2009
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2009/0119 (CNS)

Proposal for a

COUNCIL DECISION

on the signing of the 'Terms of Reference for the International Partnership for Energy Efficiency Cooperation' (IPEEC) and the 'Memorandum concerning the hosting by the International Energy Agency of the Secretariat to the International Partnership for Energy Efficiency Cooperation' by the European Community

EXPLANATORY MEMORANDUM

As an important element of the integrated energy and climate change policy, the Commission has taken the initiative to promote energy efficiency also in the international context. It was agreed to establish the International Partnership for Energy Efficiency Cooperation ("IPEEC") in the Declaration adopted in Aomori, Japan in June 2008 by the Commission, the G8 members, China, India and South Korea. It is meant to be a high level forum 'for enhancing and coordinating our joint efforts to accelerate the adoption of sound energy efficiency improvement practices'. IPEEC will provide a platform for discussion, consultation and exchange of information.

The Terms of Reference for the IPEEC (the "Terms of Reference") were signed by the G8 members, China, South Korea, Brazil and Mexico on 24 May in Rome. Due to its government being in transition, India did not sign.

The Terms of Reference describe the cooperative activities of the IPEEC, establish its organisation, define the criteria for potential new members and contain general provisions regarding i.a. the funding of the Partnership and intellectual property rights.

Article 4.2 of the Terms of Reference provides for the possibility for other countries and inter-governmental organisations to become members. Membership in the IPEEC is contingent upon signature of the Terms of Reference. It is expedient for the Community to be represented in the Partnership as the Community will have significant contributions to make to the discussions, consultations and exchange of information for which the Partnership provides a platform. It is important that this is done in a coordinated way and some obligations provided for by the Terms of Reference affect or are likely to affect the arrangements laid down by Community acts adopted in the areas of environment and energy, and thus to affect Community competences. A code of conduct will apply so as to ensure the proper coordination of Community positions where necessary.

The Terms of Reference constitute an international agreement to which the provisions of Article 300 of the EC Treaty apply.

The process of joining does not entail any negotiations as the Terms of Reference were already signed by 12 States. The Community can therefore join the Terms of Reference on the basis of a Council decision designating the person empowered to sign the Terms of Reference on behalf of the European Community.

A Memorandum concerning the hosting by the International Energy Agency of the Secretariat to the IPEEC (the "Memorandum") was signed by seven of the G8 members, China, South Korea, Brazil and Mexico on 24 May 2009 on the one hand and by the International Energy Agency ("the IEA") on 18 June 2009 on the other. The eighth G8 member, France, signed on 22 June 2009.

The Memorandum constitutes an international agreement between IPEEC members and the IEA and contains arrangements regarding the organisation of the Secretariat which is to be hosted by the IEA. It contains provisions regarding the staffing of the Secretariat and recruitment, as well as regarding the issues of funding and budgetary procedures. To this international agreement the provisions of Article 300 of the EC Treaty apply.

Point 16 of the Memorandum stipulates that to the extent that any intergovernmental organisation wishes to become a member of IPEEC, it will be asked to sign the Memorandum and be defined as a Member for the purpose of this Memorandum. As the Community wishes to become a member of IPEEC - for which the Commission is asking the Council's approval - the Council should authorise the signature of the Memorandum on behalf of the Community.

The process of joining does not entail any negotiations as the Memorandum was already signed by 12 States and the IEA. The Community can therefore join the Memorandum on the basis of a Council decision designating the person empowered to sign the Memorandum on behalf of the Community.

This proposal provides for the signature of the Terms of Reference and the Memorandum.

1.1. The budget

In accordance with section 5 of the Terms of Reference, the budget of the Partnership is to be financed by voluntary contributions of its members. The Community's contribution will be € 400.000 in 2009, and € 60.000 in every subsequent year. A legislative financial statement is included in this proposal.

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THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Article 175 paragraph 1 and Article 300 paragraph 2, first subparagraph, and paragraph 3, first subparagraph,

Having regard to the proposal from the Commission,

Having regard to the opinion of the European Parliament,

Whereas

- (1) At the initiative of the European Commission, in June 2008, members of the G8, China, India and South Korea and the Commission decided to establish an International Partnership for Energy Efficiency Cooperation (IPEEC) which is to facilitate those actions that yield high energy efficiency gains. IPEEC will provide a forum for discussion, consultation and exchange of information. IPEEC is open to other countries and intergovernmental organisations.
- (2) On 24 May 2009, the Terms of Reference for the International Partnership for Energy Efficiency Cooperation ("the Terms of Reference") were signed in Rome by twelve States, including four Member States of the European Community.
- (3) The Terms of Reference describe the cooperative activities of the IPEEC, establish its organisation, define the criteria for potential new members and contain general provisions regarding i.a. the funding of the Partnership and intellectual property rights.
- (4) Article 4.2 of the Terms of Reference foresees that IPEEC is open to intergovernmental organisations and that their membership is contingent upon the signature of the Terms of Reference.
- (5) Both the European Community and its Member States have competence in the areas covered by the Terms of Reference. Consequently, provisions are needed to ensure that coherent positions are taken in conformity with their respective competences and in particular with regard to environment and energy.
- (6) IPEEC's administrative functions would best be managed through the establishment of a secretariat. On 24 May and 22 June 2009 respectively, a Memorandum concerning the hosting by the International Energy Agency of the Secretariat to the IPEEC ("the Memorandum") was signed in Rome by twelve States, including four Member States of the European Community. The IEA signed on 18 June 2009.

- (7) The Memorandum describes the general principles regarding the organisation of the Secretariat, and contains provisions regarding the staffing of the Secretariat and recruitment, as well as regarding the issues of funding and budgetary procedures.
- (8) Point 16 of the Memorandum foresees that any intergovernmental organisation wishing to become a member of IPEEC will be asked to sign the Memorandum.
- (9) It is appropriate for the European Community to sign the Terms of Reference and the Memorandum.
- (10) The European Community should pay a contribution to IPEEC for its administrative expenses.

HAS DECIDED AS FOLLOWS:

Article 1

1. The Terms of Reference for the International Partnership for Energy Efficiency Cooperation (IPEEC), annexed to this Decision as Annex I, are hereby approved on behalf of the European Community.
2. The Memorandum concerning the hosting by the International Energy Agency of the Secretariat to the International Partnership for Energy Efficiency Cooperation, annexed to this Decision as Annex II, is hereby approved on behalf of the European Community.

Article 2

The President of the Council is hereby authorised to designate the person(s) empowered to sign on behalf of the European Community in order to express the consent of the Community to be bound:

- the Terms of Reference for the International Partnership for Energy Efficiency Cooperation (IPEEC), and
- the Memorandum concerning the hosting by the International Energy Agency of the Secretariat to the International Partnership for Energy Efficiency Cooperation.

Article 3

Member States and the Commission shall observe the code of conduct set out in Annex III.

Done at Brussels,

For the Council
The President

ANNEX III

Code of conduct

1. The code will apply to all meetings organised within the framework of the International Partnership for Energy Efficiency Cooperation (IPEEC) and which are related to the implementation of the Terms of Reference.
2. On matters falling within the competence of Member States, the Presidency will convene on its own initiative or at the request of the Commission or of a Member State coordination meetings of EU Member States' delegations before, during and after each meeting referred to in paragraph 1, aiming at elaborating coordinated positions. Draft statements on positions will be circulated among Member States beforehand. Member States will express these coordinated positions.
3. On matters falling within shared competence, in particular in relation to:
 - issues related to energy efficiency policy on which EU legislation exists,
 - relations with other organisations,
 - amendments to the Terms of Reference,
 - the work programme of IPEEC, rules of procedure and financial rules, and the annual report,

the Commission may convene coordination meetings of EU Member States' delegations before, during and after each meeting referred to in paragraph 1, aiming at elaborating Community positions. Draft statements on positions will be circulated among Member States beforehand. The Commission will express, on behalf of the Community, Community positions on these matters.

4. It may be agreed that in cases where the Community is not represented, the Member States will express the Community position on matters referred to in paragraph 3.
5. The Commission and the Member States will cooperate closely, including through coordination meetings on the spot, to establish an agreed position.
6. If no agreement can be reached on matters referred to in paragraph 3, then the matter will be referred without undue delay to the Council's Energy Working Group or to the Permanent Representatives Committee.

LEGISLATIVE FINANCIAL STATEMENT

1. NAME OF THE PROPOSAL:

Voluntary contributions to the International Partnership on Energy Efficiency Cooperation (IPEEC).

2. ABM / ABB FRAMEWORK

Policy Area(s) concerned and associated Activity/Activities:

Energy and Transport

0604 Conventional and renewable energies

3. BUDGET LINES

3.1. Budget lines (operational lines and related technical and administrative assistance lines (ex- B..A lines)) including headings:

060406 Competitiveness and Innovation Framework Programme - Intelligent Energy - Europe Programme

3.2. Duration of the action and of the financial impact:

€ 400.000 in 2009 and subsequently € 60.000 per annum.

3.3. Budgetary characteristics:

Budget line	Type of expenditure		New	EFTA contribution	Contributions from applicant countries	Heading in financial perspective
060406	Non-comp	Diff1	NO	YES	YES	No 1a

¹ Differentiated appropriations

4. SUMMARY OF RESOURCES

4.1. Financial Resources

4.1.1. Summary of commitment appropriations (CA) and payment appropriations (PA)

EUR million (to 3 decimal places)

Expenditure type	Section no.		Year n	n + 1	n + 2	n + 3	n + 4	n + 5 and later	Total
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Operational expenditure²

Commitment Appropriations (CA)	8.1.	a	0.400	0.060	0.060	0.060	0.060	0.060 p.a.	
Payment Appropriations (PA)		b	0.400	0.060	0.060	0.060	0.060	0.060 p.a.	

Administrative expenditure within reference amount³

Technical & administrative assistance (NDA)	8.2.4.	c	X	x	x	x	x	X	x
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TOTAL REFERENCE AMOUNT

Commitment Appropriations		a+c	0.400	0.060	0.060	0.060	0.060	0.060 p.a.	
Payment Appropriations		b+c	0.400	0.060	0.060	0.060	0.060	0.060 p.a.	

Administrative expenditure not included in reference amount⁴

Human resources and associated expenditure (NDA)	8.2.5.	d	0.040	0.040	0.040	0.040	0.040	0.040 p.a.	
Administrative costs, other than human resources and associated costs, not included in reference amount (NDA)	8.2.6.	e	0.003	0.010	0.010	0.010	0.010	0.010 p.a.	

Total indicative financial cost of intervention

TOTAL CA including cost of Human Resources		a+c +d +e	0.443	0.110	0.110	0.110	0.110	0.110 p.a.	
TOTAL PA including cost of Human Resources		b+c +d +e	0.443	0.110	0.110	0.110	0.110	0.110 p.a.	

² Expenditure that does not fall under Chapter xx 01 of the Title xx concerned.

³ Expenditure within article xx 01 04 of Title xx.

⁴ Expenditure within chapter xx 01 other than articles xx 01 04 or xx 01 05.

Co-financing details

At this stage, IPEEC's total cost for 2009 is estimated at € 1.2 million. For 2009, the Commission has reserved a contribution to IPEEC of € 400.000 under the Intelligent Energy - Europe Programme. For the following years a total annual cost of € 2.5 million for IPEEC is a reasonable estimate. Assuming that the following years IPEEC will have approximately 40 members, a yearly contribution of € 60.000 is appropriate.

EUR million (to 3 decimal places)

Co-financing body		Year n	n + 1	n + 2	n + 3	n + 4	N + 5 and later	Total
Member States (currently 4 are member, this may expand over time)	f	0.4	1.14	1.14	1.14	1.14	1.14 p.a.	
Non EU-countries (currently 8 are member; this may expand over time)	f	0.4	1.25	1.25	1.25	1.25	1.25 p.a.	
TOTAL CA including co-financing	a+c +d +e +f	1.243	2.5	2.5	2.5	2.5	2.5 p.a.	

4.1.2. Compatibility with Financial Programming

- ☒ Proposal is compatible with existing financial programming.
- ☐ Proposal will entail reprogramming of the relevant heading in the financial perspective.
- ☐ Proposal may require application of the provisions of the Interinstitutional Agreement⁵ (i.e. flexibility instrument or revision of the financial perspective).

4.1.3. Financial impact on Revenue

- ☒ Proposal has no financial implications on revenue
- ☐ Proposal has financial impact – the effect on revenue is as follows:

⁵

See points 19 and 24 of the Interinstitutional agreement.

EUR million (to one decimal place)

		Prior to action [Year n-1]	Situation following action					
Budget line	Revenue		[Year n]	[n+1]	[n+2]	[n+3]	[n+4]	[n+5]
	a) Revenue in absolute terms							
	b) Change in revenue	Δ						

4.2. Human Resources FTE (including officials, temporary and external staff) – see detail under point 8.2.1.

Annual requirements	Year n	n + 1	n + 2	n + 3	n + 4	n + 5 and later
Total number of human resources	0.4	0.4	0.4	0.4	0.4	0.4 p.a.

5. CHARACTERISTICS AND OBJECTIVES

5.1. Need to be met in the short or long term

IPEEC's main objective is to support agile, productive international cooperation in promoting energy efficiency and energy savings.

5.2. Value-added of Community involvement and coherence of the proposal with other financial instruments and possible synergy

As a member, the Commission will have better and more direct access to information about activities in the field of energy efficiency both within the EU and globally. This is beneficial for policy making in general and will strengthen the monitoring of the progression by Member States towards their energy saving target in 2020.

Furthermore, on many aspects of energy efficiency policy, the Community has shared competences with Member States. It is desirable that the Community acts in a coordinated way within IPEEC. It is proposed that the Community becomes a member of IPEEC; this implicates making a voluntary financial contribution.

5.3. Objectives, expected results and related indicators of the proposal in the context of the ABM framework

IPEEC's main objective is to facilitate those actions that yield high energy efficiency gains. This includes:

- supporting the on-going work of IPEEC members to promote energy efficiency and exchanging information about measures that could significantly improve energy efficiency on sectoral and cross-sectoral bases;

⁶ Additional columns should be added if necessary i.e. if the duration of the action exceeds 6 years

- enabling joint research and development into key energy efficiency technologies, specially for application in developing countries;
- facilitating the dissemination of energy-related products and services that contribute to improving energy efficiency.

Results:

Dissemination of knowledge and best practices, with the Community being active within IPEEC according to coordinated positions on matters of shared competence.

Indicators:

- number of IPEEC members who have adopted new actions/measures on energy efficiency as a direct outcome of IPEEC's work;
- number of new measures implemented as result of IPEEC's work;
- share of agreed Community coordinated positions on relevant issues within IPEEC.

5.4. Method of Implementation (indicative)

☒ **Centralised Management**

- ☒ directly by the Commission
- ☐ indirectly by delegation to:
 - ☐ executive Agencies
 - ☐ bodies set up by the Communities as referred to in art. 185 of the Financial Regulation
 - ☐ national public-sector bodies/bodies with public-service mission

☐ **Shared or decentralised management**

- ☐ with Member states
- ☐ with Third countries

☐ **Joint management with international organisations (please specify)**

Relevant comments:

6. MONITORING AND EVALUATION

6.1. Monitoring system

Not applicable.

6.2. Evaluation

6.2.1. Ex-ante evaluation

Not applicable.

6.2.2. Measures taken following an intermediate/ex-post evaluation (lessons learned from similar experiences in the past)

No measures proposed.

6.2.3. Terms and frequency of future evaluation

After 5 years, in case signals occur of lacking success of and support for IPEEC.

7. **Anti-fraud measures**
Not considered relevant.

8. DETAILS OF RESOURCES

8.1. Objectives of the proposal in terms of their financial cost

Commitment appropriations in EUR million (to 3 decimal places)

(Headings of Objectives, actions and outputs should be provided)	Type of output	Av. Cost	Year n		Year n+1		Year n+2		Year n+3		Year n+4		Year n+5 and later		TOTAL	
			No. outputs	Total cost	No. outputs	Total cost	No. outputs	Total cost	No. outputs	Total cost	No. outputs	Total cost	No. outputs	Total cost	No. outputs	Total cost
OPERATIONAL OBJECTIVE No.1 ⁷				0.400		0.060		0.060		0.060		0.060		0.060		p.a.
Action 1																
- Output 1																
Sub-total Objective 1																
OPERATIONAL OBJECTIVE No.2 ¹																
Action 1																
- Output 1																
Sub-total Objective 2																
OPERATIONAL OBJECTIVE No.n																

⁷

As described under Section 5.3

¹																
Sub-total Objective n																
TOTAL COST				0.400		0.060		0.060		0.060		0.060		0.060 p.a.		

8.2. Administrative Expenditure

8.2.1. Number and type of human resources

Types of post		Staff to be assigned to management of the action using existing and/or additional resources (number of posts/FTEs)					
		Year n	Year n+1	Year n+2	Year n+3	Year n+4	Year n+5
Officials or temporary staff ⁸ (XX 01 01)	A*/AD	0.222	0.222	0.222	0.222	0.222	0.222
	B*, C*/AST						
Staff financed ⁹ by art. XX 01 02		0.178	0.178	0.178	0.178	0.178	0.178
Other staff ¹⁰ financed by art. XX 01 04/05							
TOTAL		0.4	0.4	0.4	0.4	0.4	0.4

8.2.2. Description of tasks deriving from the action

- Follow activities in IPEEC
- Provide input to work program
- Call, prepare and follow up on coordination meetings with MS

8.2.3. Sources of human resources (statutory)

- ☐ Posts currently allocated to the management of the programme to be replaced or extended
- ☐ Posts pre-allocated within the APS/PDB exercise for year n
- ☐ Posts to be requested in the next APS/PDB procedure
- ☒ Posts to be redeployed using existing resources within the managing service (internal redeployment)
- ☐ Posts required for year n although not foreseen in the APS/PDB exercise of the year in question

⁸ Cost of which is NOT covered by the reference amount

⁹ Cost of which is NOT covered by the reference amount

¹⁰ Cost of which is included within the reference amount

8.2.4. *Other Administrative expenditure included in reference amount (XX 01 04/05 – Expenditure on administrative management)*

EUR million (to 3 decimal places)

Budget line (number and heading)	Year n	Year n+1	Year n+2	Year n+3	Year n+4	Year n+5 and later	TOTAL
1 Technical and administrative assistance (including related staff costs)							
Other technical and administrative assistance							
- <i>intra muros</i>							
- <i>extra muros</i>							
Total Technical and administrative assistance							

8.2.5. *Financial cost of human resources and associated costs not included in the reference amount*

EUR million (to 3 decimal places)

Type of human resources	Year n	Year n+1	Year n+2	Year n+3	Year n+4	Year n+5 and later
Officials and temporary staff (XX 01 01)	0.027	0.027	0.027	0.027	0.027	0.027 p.a.
Staff financed by Art XX 01 02 (auxiliary, END, contract staff, etc.) (specify budget line)	0.013	0.013	0.013	0.013	0.013	0.013 p.a.
Total cost of Human Resources and associated costs (NOT in reference amount)	0.040	0.040	0.040	0.040	0.040	0.040 p.a.

Calculation– <i>Officials and Temporary agents</i>
<i>Multi-annual work, so cost are based on average costs of desk officers in Commission</i> $0.4 \text{ fte} \times (122 \times 5/9) + 0.4 \text{ fte} \times (73 \times 3/9) + 0.4 \text{ fte} \times (64 \times 1/9) = 40,000 \text{ Euro}$
Calculation <i>Staff financed under art. XX 01 02</i>
See box above

8.2.6. Other administrative expenditure not included in reference amount

EUR million (to 3 decimal places)

	Year n	Year n+1	Year n+2	Year n+3	Year n+4	Year n+5 and later	TOTAL
XX 01 02 11 01 – Missions	0.003	0.010	0.010	0.010	0.010	0.010 p.a.	
XX 01 02 11 02 – Meetings & Conferences							
XX 01 02 11 03 – Committees ¹¹							
XX 01 02 11 04 – Studies & consultations							
XX 01 02 11 05 - Information systems							
2 Total Other Management Expenditure (XX 01 02 11)							
3 Other expenditure of an administrative nature (specify including reference to budget line)							
Total Administrative expenditure, other than human resources and associated costs (NOT included in reference amount)	0.003	0.010	0.010	0.010	0.010	0.010 p.a.	

Calculation - <i>Other administrative expenditure <u>not</u> included in reference amount</i>
<i>3 missions at 1000 Euro (year n) - 10 missions at 1000 Euro = 10.000 Euro (years n +)</i>
Depending on decision of where the permanent location of secretariat will be, these costs may change.

¹¹ Specify the type of committee and the group to which it belongs.