



Detailed Eligibility Criteria

EU EBRD Romania SME Sustainable Energy Finance Facility

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RoSEFF - Detailed Eligibility Criteria

A. Eligibility

The following eligibility criteria shall apply:

(1) Categories of investments

Loan proceeds shall be on-lent for four categories of investments:

- a) Commercial energy efficiency investments;
- b) Stand-alone small scale renewable energy investments;
- c) Buildings sector energy efficiency and renewable energy investments;
- d) Investment loans for eligible manufacturers, suppliers and installers of energy efficiency and renewable energy technology, equipment and materials.

(2) Eligible Sub-borrowers

Eligible Sub-borrowers shall meet the following requirements:

Eligible Sub-borrowers shall meet the following requirements:

- a) Be private enterprises, firms, businesses, sole proprietors or other private legal entities formed under the laws of and operating in Romania. Sub-borrowers may not be majority-owned or controlled by the state, or by any other political, governmental or administrative body, agency or sub-division thereof.
- b) Sub-borrowers shall comply with the definition of SME as per Commission Recommendation of 6 May 2003 (OJ L 124, 20 May 2003, p. 36), which includes a requirement that the enterprise shall employ no more than two hundred and forty-nine (249) full-time equivalent staff, including full time management and have a maximum annual turnover of EUR 50 million or a maximum annual balance sheet total of EUR 43 million.
- c) Sub-borrowers must be in compliance with the applicable national environmental, social and health and safety legislation in Romania.
- d) Energy Service Companies (ESCOs) are eligible Sub-borrowers if the energy end-user satisfies the SME definition.
- e) Housing Associations are eligible Sub-borrowers if the association satisfies the SME definition as described in 1.1.b above. Housing Associations cannot be considered as SME if 25 % or more of the capital or voting rights are controlled by public bodies.
- f) Sub-borrowers must be financially viable and meet the PFI's credit criteria and be approved in accordance with the PFI's credit appraisal procedures.

(3) Eligible Sub-loans

Sub-loans financed from Facility Loan proceeds shall comply with the following criteria:

- a) The maximum individual Sub-loan amount shall be:
 - EUR 1 million for energy efficiency, renewable energy and Buildings Sector Sub-projects;
 - EUR 250,000 for Small Scale Sub-projects using the List of Eligible Measures and Equipment ("LEME") approach for establishing technical eligibility of the Sub-project;

Sub-loans exceeding these amounts may be considered on a case by case basis and financed only following approval from EBRD. For implementation efficiency purposes a minimum sub-project size of EUR 25,000 is proposed.

- b) Facility Loan proceeds may not be used to finance Sub-borrowers or Sub-projects involving the following investments, which are specifically excluded:

Investments in new buildings that are already subject to energy efficiency standards set at country level;

Investments supporting production of bio-fuels for transport are excluded;

Investments in sectors listed in the EBRD's environmental and social exclusion list

Financing of land purchase

Real estate activities that imply a buy and sell activity with the aim of making profit in the short or medium term.

- c) Sub-loans shall be provided in compliance with the requirements of EBRD Environmental and Social Policy, "Performance Requirement 9: Financial Intermediaries" whereby Facility Loan proceeds shall not be used to finance Sub-projects involving activities on the EBRD Environmental and Social Exclusion and Referral List (see **Annex 1**).
- d) The proceeds of a Sub-loan may be used to finance up to 100% of the total Investment Cost of a Sub-project. The Investment Cost funded by a Sub-loan may or may not include VAT, according to the PFI's normal practices for similar classes of investment loans.
- e) Financing may be provided in the form of loans or finance leases provided through an affiliated leasing company of a PFI.

(4) Eligible Sub-projects

Facility Loan proceeds may be on-lent as Sub-loans to eligible Sub-borrowers only for investments that meet the eligibility criteria for Sub-projects as described herein.

Eligible Sub-projects shall be investments on the energy demand side which contribute to the improvement of the energy performance of SME operations and commercial buildings and/or promote the use of energy from renewable energy sources.

A Sub-project may only benefit from one EC grant payable to the Sub-borrower. That Sub-borrower will be required to issue a written declaration, in form and substance satisfactory to EBRD, stating that it has not received any other EC grant support for the same Sub-project, as a condition precedent to receiving technical assistance from the PC or entering into any negotiations with a PB for the signing of a Sub-loan.

All Sub-projects shall be carried out in accordance with applicable relevant EC environmental legislation. As a consequence, where a Sub-project falls within the scope of Annex 1 and/or Annex 2 of the Environmental Impact Assessment ("EIA") Directive¹ on the assessment of the effects of certain public and private projects on the environment, an environmental impact assessment shall be made, equivalent to that provided for by the EIA Directive.

¹ Council Directive (85/337/EEC) of 27 June 1985, OJ L 175, 5/7/1985, p. 40, as last amended by Directive 2003/35/EC, OJ L 156, 25.6.2003.

If a Sub-project is likely to affect sites of nature conservation importance, as defined in the Habitats Directive, an appropriate assessment according to Art. 6 of the Habitats Directive shall be documented.

Where applicable, Sub-projects shall comply or shall promote a degree of alignment with the *acquis communautaire*, and in particular with the following texts:

- Directive on Energy Performance of Buildings of 16 December 2002²;
- Directive on end-use efficiency and energy services of 5 April 2006³;
- Directive on Integrated Pollution Prevention and Control of 15 January 2008⁴;
- Proposal for a Directive on the promotion of the use of energy from renewable sources and the Directive itself upon adoption.

The Project Consultant shall help the PFIs to assess Sub-project eligibility as part of their Sub-project appraisal and approval process.

4.1 Eligibility criteria for energy efficiency Sub-projects in the SME sector

This category includes those Sub-projects which comprise of investments in equipment, systems and processes that enable reduction in primary energy consumption and/or final consumption of electricity and/or fuels (either of fossil or renewable origin) and/or other forms of energy (which can be ultimately related to the use of electricity and/or fuels) of SMEs.

Examples of such Sub-projects are provided in **Annex 2**.

The determination of Sub-project eligibility will vary in accordance with the scale of the Sub-loan amount and complexity of the Sub-project, as follows:

A) Small Scale Sub-projects

In order to be eligible for financing under the simplified Sub-project screening approach for Small Scale Sub-projects outlined in section 3.2.3 below, energy efficiency investments by SMEs must comply with the following:

- i) the Sub-project must consist of the acquisition and installation of equipment, appliances and/or materials (collectively "technology") listed in the List of Eligible Measures and Equipment (LEME); and
- ii) the Sub-loan amount cannot exceed EUR 250,000.

The PC will compile the LEME to include equipment, appliance and/or materials which can be expected to achieve a minimum energy saving of 20% when compared to market norms and will also compile an open list of related equipment suppliers and installers (the 'LESI') that will be reviewed periodically to include new entrants. An example of such lists is provided in Annex 3.

B) Complex Sub-projects

Larger and/or more complex investments (not qualifying as Small Scale Sub-projects) on the energy demand side contributing to the improvement of the energy performance of a commercial enterprise, which complies with the following criteria:

² OJ L 1, 4.1.2003, p.65.

³ OJ L 114, 27.4.2006, p.64.

⁴ OJ L 24, 29.1.2008, p.8.

- i) Technical energy performance of the investment shall meet at least one of the following eligibility criteria⁵:
 - an ESR equal or greater than 20%, as measured on an annual basis, all things being equal; or
 - a reduction of greenhouse gases emissions measured in tonnes equivalent of CO₂ equal or greater than 20%, as measured on an annual basis, all things being equal.

Should the existing national minimum requirements be beyond the minimum levels set above, the national minimum requirements will apply.

- ii) The minimum Internal Rate of Return (IRR), calculated only from the financial value of the potential energy savings⁶ must exceed 10%.
- iii) Investments must be focused on retrofitting energy efficiency equipment on existing facilities. Investments in new production facilities are not included in the scope of the Facility.
- iv) Where the proposed energy efficiency project also results in increased production volume or operating capacity, the potential energy savings shall be calculated per unit of production or operating capacity, multiplied by the new production volume or operating capacity.
- v) Capacity expansion of existing production facilities is eligible if existing equipment is replaced with that of higher capacity with the following conditions; (i) the capacity expansion should be less than double the current capacity and (ii) the energy consumption per unit of output is reduced as compared to a baseline as a result of such replacement. On exceptional basis and with EBRD approval, the PFIs may finance capacity expansions beyond double the current capacity, but the amount of Sub-loan eligible for financing from the Facility will be limited as follows:

$$\frac{2 \times \text{pre-investment production capacity}}{\text{post-investment production capacity}} \times \text{Investment Cost of the Sub-project}$$

1.3.2. Eligibility criteria for renewable energy Sub-projects

This category includes Sub-projects which involve the purchase and installation of equipment, systems and processes utilising renewable energy resources for generation of electricity and/or heat and/or cooling and/or any other form of energy replacing fossil fuel resources. Eligible renewable energy Sub-projects will comply with the following requirements:

- a) Investments will include the following renewable energy technologies:
 - Small run-of-river hydropower plants with an installed capacity not exceeding 10 MW⁷, subject to prior EBRD environmental compliance approval;
 - Installations of wind turbines with a collective installed capacity not exceeding 10 MW, subject to prior EBRD environmental compliance approval;
 - Biomass combustion systems generating heat and/or electricity

⁵ The technical measurements and calculation of ESR will be undertaken by the Project Consultant as part of the appraisal and approval of each Sub-project.

⁶ The IRR shall be calculated by the Project Consultant as part of the appraisal and approval of Sub-projects. The financial value of benefits that are not energy-related (such as increased sales revenue from increased production volume) shall not be taken into account when assessing energy project eligibility.

⁷ According to the European Union definition of small hydro.

- Solar-thermal water systems for the production of hot water for processes and/or space heating/cooling and/or sanitary water heating and solar-thermal drying systems
 - Solar photovoltaic installations (preferably building-integrated systems) with installed capacity of less than 0.5MWe (not eligible for incentives).
 - Geothermal heat pumps and
 - Biogas engines.
- b) Investments supporting bio-fuels for transport are excluded.
- c) Notwithstanding any provision herein to the contrary, all eligible hydro power and wind power Sub-projects must further meet the eligibility criteria set forth in **Annex 4**
- d) Eligible investments in renewable energy shall have a simple pay-back period below 15 years at the time of the approval and shall achieve a minimum of 3kWh per annum of generated electricity (equivalent) per 1 EUR Investment Cost. The energy generation capacity of investments on the supply side shall not exceed 50 Megawatts. The PC shall be responsible for assessing the eligibility of Sub-projects as part of the Sub-project appraisal and approval process.
- e) The financial viability of all renewable energy projects, as calculated by the PC, shall result in a positive Net Present Value⁸ (calculated using a discount rate of 8%).

1.3.3. Eligibility criteria for Buildings Sector Sub-projects

- a) Eligible Sub-projects under the category for Buildings Sector Sub-projects are investments consisting of energy efficiency and/or renewable energy measures in commercial, administrative and residential buildings, which are subject to the energy certification and minimum energy performance requirements of the Directive on Energy Performance of Buildings⁹. All other energy efficiency or renewable energy investments in the built environment will be assessed as energy efficiency Sub-projects in the commercial sector, as per section 1.3.1 above, or as renewable energy Sub-projects as per section 1.3.2 above, as applicable.
- b) Buildings Sector Sub-projects must achieve an ESR equal or greater than 30% as measured on an annual basis, all things being equal. Should the existing national minimum requirement be beyond the minimum levels set above, the national minimum requirements will apply.
- c) For Buildings Sector Sub-projects, the documentation attesting to the eligibility of the Sub-project shall include an Energy Performance Certificate ("EPC") of the building prepared by the PC or an independent qualified energy expert, accredited by the Romanian national authorities as applicable. The Energy Performance Certificate shall include recommendations for the cost-effective improvement of the energy performance of the building and an assessment of the energy performance rating of the building.

Examples of eligible Sub-projects are provided in **Annex 5**.

⁸ Net Present Value (NPV) is a standard method for the financial appraisal of long-term projects. NPV is a profitability indicator, used to illustrate the added-value of an investment project. The rationale for the application of this criterion is to avoid promoting projects that are not financially viable.

⁹ OJ L 1, 4.1.2003, p.65

1.3.4. Eligibility criteria for investment loans to Energy Efficiency Suppliers

For the purpose of supporting the supply side of energy efficiency and renewable energy technologies, the PFIs may also use the proceeds of the Facility Loan to extend investment loans to Energy Efficiency Suppliers. Such Sub-loans should meet the following requirements:

- a) Sub-loans shall be for the purpose of expansion of the business operations of Energy Efficiency Suppliers which relate to the manufacture, supply or installation of energy efficiency and renewable energy technologies.
- b) The PFI will be required to confirm that the proceeds of the Sub-loan are used primarily for the purpose of sustaining or expanding the eligible aspect of the business operations of the Energy Efficiency Supplier, and will ensure that the Sub-loan files contain documentary evidence to support this use of proceeds.
- c) Total cumulative amount of Sub-loans allocated for investment purposes by Energy Efficiency Suppliers shall not exceed [10%] of the Facility Loan amount, unless otherwise agreed by EBRD.

No incentive payments are applicable for Sub-loans under this category.

Annex 1 - EBRD Environmental and Social Exclusion and Referral List

- 1. The Participating Financial Institutions shall not finance or insure the production of or trade in any product or activity deemed illegal under host country (i.e. national) laws or regulations, or international conventions and agreements.**
- 2. Without limiting the generality of the above, the Participating Bank shall not finance or insure the following activities:**
 - a) Activities involving harmful or exploitative forms of forced labour/harmful child labour, discriminatory practices, or practices which prevent employees from lawfully exercising their rights of association and collective bargaining ¹
 - b) Production or trade in or use of unbonded asbestos fibers or asbestos-containing products ²
 - c) Activities prohibited by host country legislation or international conventions relating to the protection of biodiversity resources or cultural heritage ³
 - d) Production or trade in products containing PCBs ⁴
 - e) Production or trade in pharmaceuticals, pesticides/herbicides and other hazardous substances subject to international phase-outs or bans ⁵
 - f) Production or trade in ozone depleting substances subject to international phase out ⁶
 - g) Trade in wildlife or wildlife products regulated under CITES ⁷
 - h) Drift net fishing in the marine environment using nets in excess of 2.5 km. in length
 - i) Shipment of oil or other hazardous substances in tankers which do not comply with IMO requirements ⁸
 - j) Trade in goods without required export or import licenses or other evidence of authorization of transit from the relevant countries of export, import and, if applicable, transit.
- 3. The Participating Bank shall not finance the following activities without the prior written approval of the EBRD:**
 - a) Activities within, adjacent to, or upstream of land occupied by indigenous peoples and/or vulnerable groups including lands and watercourses used for subsistence activities such as livestock grazing, hunting, or fishing
 - b) Activities within, adjacent to, or upstream of designated protected areas under national law or international conventions, sites of scientific interest, habitats of rare/endangered species, fisheries of economic importance, and primary/old growth forests of ecological significance ⁹
 - c) Activities which may affect adversely sites of cultural or archaeological significance
 - d) Activities involving involuntary resettlement
 - e) Activities involving the release of genetically modified organisms (GMOs) into the natural environment, and trade in GMOs to be released into the environment

- f) Energy generation using nuclear fuels
- g) Production or trade of radioactive materials including storage and treatment of radioactive wastes¹⁰

¹ Reference documents are the ILO Declaration on Fundamental Principles and Rights at Work, and the principles enshrined in the following conventions: ILO conventions 29 and 105 (forced and bonded labour), 87 (freedom of association), 98 (right to collective bargaining), 100 and 111 (discrimination), 138 (minimum age) 182 (worst forms of child labour); Universal Declaration of Human Rights.

² This does not apply to the purchase and use of bonded asbestos cement sheeting where the asbestos content is <20%.

³ Relevant international conventions include, without limitation: Convention on the Conservation of Migratory Species of Wild Animals (Bonn Convention); Convention on Wetlands of International Importance, especially as Waterfowl Habitat (Ramsar Convention); Convention on the Conservation of European Wildlife and Natural Habitats (Bern Convention); World Heritage Convention; Convention on Biological Diversity.

⁴ PCBs: Polychlorinated biphenyls—a group of highly toxic chemicals. PCBs are likely to be found in oil-filled electrical transformers, capacitors and switchgear dating from 1950-1985.

⁵ Reference documents are EU Regulation (EEC) No 2455/92 Concerning the Export and Import of Certain Dangerous Chemicals, as amended; UN Consolidated List of Products whose Consumption and/or Sale have been Banned, Withdrawn, Severely Restricted or not Approved by Governments; Convention on the Prior Informed Consent Procedures for Certain Hazardous Chemicals and Pesticides in International Trade (Rotterdam Convention); Stockholm Convention on Persistent Organic Pollutants; WHO Classification of Pesticides by Hazard.

⁶ Ozone Depleting Substances (ODSs): Chemical compounds which react with and deplete stratospheric ozone, resulting in the widely publicised 'ozone holes'. The Montreal Protocol lists ODSs and their target reduction and phase out dates. A list of the chemical compounds regulated by the Montreal Protocol, which includes aerosols, refrigerants, foam blowing agents, solvents, and fire protection agents, together with details of signatory countries and phase out target dates, is available from the EBRD.

⁷ CITES: Convention on International Trade in Endangered Species of Wild Fauna and Flora. A list of CITES listed species is available from the EBRD.

⁸ This includes: tankers which do not have all required MARPOL and SOLAS certificates (including, without limitation, ISM Code compliance), tankers blacklisted by the European Union or banned by the Paris Memorandum of Understanding on Port State Control (Paris MOU), and tankers due for phase out under regulations 13G and 13H of Annex I of MARPOL. No single hull tanker over 25 years old should be used.

⁹ Principal reference documents are the IUCN Guidelines on Protected Areas

¹⁰ This does not apply to the purchase of medical equipment, quality control (measurement) equipment and any equipment where the radioactive source is trivial and/or adequately shielded.

Annex 2 – Indicative eligible sub-projects – industrial energy efficiency

Industrial sector energy efficiency - indicative list of eligible Sub-projects

Examples of eligible sub-projects include, but are not limited to:

- On site co-generation of heat and electricity. The cogeneration projects should comply with the CHP Directive¹⁰.
- Rehabilitation of boilers (enhanced controls, economizers, improved insulation, regenerative burners, automatic blow-down, etc.)
- Switch from electricity heating to fuel based direct heating
- Process improvements including enhanced controls
- Rehabilitation of steam distribution systems: installation of steam traps, increased condensate recovery, etc.
- Installation of heat recovery from processes (e.g., installation of economizers for pre-heating purposes, heat recovery for space heating, heat recovery for drying, etc.)
- Installation of absorption chillers
- Installation of Variable Speed Drives on selected electric motors
- Rehabilitation of compressed air systems (e.g., decentralisation and/or resizing of air compressors, replacing of old air compressors with new efficient ones)
- Rehabilitation of power distribution systems (e.g., replacement of old or oversized transformers, installation of capacitors to reduce reactive power consumption, etc.)
- Implementation of Energy Management Systems or Building Management Systems
- Implementation of energy saving measures in the built environment (e.g., insulation of walls, roofs and floors; installation of rolling doors; installation of new windows; installation of new heating and ventilation systems; installation of high energy efficiency lighting; etc.)

¹⁰ COM 2004/8/EC: Directive on the promotion of cogeneration based on a useful heat demand in the internal energy market

Annex 3 – Indicative eligible measures and equipment, small-scale sub-projects

Indicative list of eligible measures and Equipment, small-scale sub-projects

The LEME will be designed and updated by the PC and will consist of an indicative open list or eligible materials and equipment with minimum energy performance characteristics set on the basis of:

- Energy performance of new equipment and systems available in the local market
- Energy performance of new equipment and systems representing BAT (Best Available Technologies)
- Average energy performance of equipment and systems in the existing reference stock
- Performance requirements set by national standards and regulations.

Examples of eligible technologies are:

- Condensing boilers
- Advanced recuperative burners
- High energy efficiency performance chillers
- Absorption cooling systems (within tri-generation applications or as a separate absorption cycle)
- High energy efficiency performance electrical transformers and electric motors
- Organic Rankine Cycle systems
- (bio)waste-to-energy systems (incineration, biogas)
- Infra Red (IR) gas heaters
- Integrated Energy Management Systems, Energy Monitoring, Building Management Systems or Process Automation Systems
- Advanced process instrumentation and controls (including frequency control systems for pumps, fans and drives)
- Heat recovery systems integrated in heat exchanger stations with plate heat exchangers, circulation pumps, autonomous automatic weather and/or demand-based control
- Heat pumps
- High performance HVAC systems (i.e., including evaporative cooling, variable air volume ventilation systems, heat recovery)
- Small-scale cogeneration units (e.g., in the range 20 – 1,000 kWe)
- Solar water/air heating systems for both industrial processes and building applications
- High energy efficiency performance windows, glazing or transparent structures
- Active ventilating ceilings for commercial and industrial applications
- Double ventilated façades.

Following the definition of the minimum performance criteria, a list of specific eligible products/systems available in the market and a list of the related suppliers will be compiled and revised periodically to include new entrants.

Criteria to enter into the List of Equipment Suppliers and Installers (LESI)

The list will be maintained and updated by the PC in accordance with the following criteria. Suppliers and installers must demonstrate that they have:

- staff that are qualified for installing equipment in accordance with the local legislation;
- necessary registrations and licences to perform the services;
- adequate insurance;
- the capacity to maintain installed equipment where necessary; and
- adequate resources and the ability to implement Sub-projects of a good quality on schedule and budget.

Annex 4 – Eligibility Criteria for Hydro and Wind Sub-Projects

Procedure for Mini-Hydro and Wind projects

1. If the project is a mini-hydro or a wind project then the Project Consultant sends the project sponsor the “Eligibility Criteria for Small Hydro Projects” Annex 4-1 or “Eligibility Criteria for Wind Projects” Annex 4-2 as appropriate with the request to return a signed Letter of Engagement, a filled-in application form including supporting information (e.g. Environmental Impact Assessment report).
2. After receiving the signed Letter of Engagement the PC (the environmental expert within the team) will review the documentation and if deemed necessary will visit the project. When all necessary information is collected, the PC will declare the project is in line with EBRD’s eligibility criteria and with the national legislation of Romania. The statement including supporting documentation will be sent to the Technical Co-operation (“TC”) Operation Leader in the EBRD.
3. The EBRD TC Operation Leader will send the documentation to the Bank’s Environmental Department, which will confirm acceptance of the PCs opinion or not confirm acceptance within 5 working days and will inform EBRD TC Operation Leader on the decision stating reasons for non-acceptance where applicable. The TC Operation Leader will inform the PC on the decision.
4. The PC will inform the project sponsor and the PB on the decision. All accepted projects will be further developed as per usual procedure.
5. In case of non-acceptance the project sponsor will be informed in writing and will have the right to appeal the decision.

Annex 4-1 – Eligibility Criteria for Small Hydro Power Projects

Eligibility Criteria for Small Hydro Power Projects		
Eligibility Criterion	Descriptor	Evidence
<p>Regulatory Compliance: The facility complies with the requirements of national environment, health and safety law.</p>	<ul style="list-style-type: none"> The facility, or proposed facility, has all the necessary permissions and permits required under national law. 	<ul style="list-style-type: none"> The developer has undertaken an Environmental Impact Assessment where required by national authorities and that EIA has been disclosed to the public in accordance with national requirements. The developer has obtained the required licences and permits to build and operate the facility.
<p>Water Flow: The facility maintains a minimum flow in the river that is adequate for the existing fish population, wildlife and water quality taking into account seasonal fluctuations in flow levels.</p>	<ul style="list-style-type: none"> Maintain a minimum wetted channel perimeter, at all control structures, with a constant flow in the river throughout the year. Facility viability to be based on minimum flow required for river to sustain existing environment. 	<ul style="list-style-type: none"> Justification must be provided in the light of the requirement to provide an adequate flow for fish, wildlife and water quality.
<p>Water Quality: The facility does not contribute to deterioration of water quality either upstream or downstream of the facility.</p>	<ul style="list-style-type: none"> The facility has minimal impact on water quality in the head pond, bypassed reach and the reaches downstream of the tailrace and diversion dams / dykes. 	<ul style="list-style-type: none"> The facility has not contributed to a deterioration of water quality post construction.

Eligibility Criteria for Small Hydro Power Projects		
Eligibility Criterion	Descriptor	Evidence
<p><i>Fish Passage and Protection:</i> The facility had minimal impact on local fish populations, provides effective fish passage for local and migrating fish species and also protects fish from entrainment.</p>	<ul style="list-style-type: none"> • There should be minimal loss of fish or fish habitat. • Facility preserves resident fish communities. • Facility preserves ability of fish to move and migrate. • Flows in the bypassed reach and downstream of the tailrace are adequate to support aquatic and riparian species at pre-facility ranges 	<ul style="list-style-type: none"> • Information has been gathered on both the local and migrating fish populations. • The developer understands the particular structure and needs of the fish within the area of the facility. • The developer has provided adequate mitigation measures to ensure that the eligibility criteria are met.
<p><i>Watershed Protection:</i> The facility does not negatively impact environmental conditions in the watershed.</p>	<ul style="list-style-type: none"> • The facility does not affect the integrity of the existing ecosystem either upstream or downstream of the facility. • Additional components of the facility e.g. access roads, power lines, and generation facilities have minimal impact on the riparian environment. 	<ul style="list-style-type: none"> • An assessment of impacts associated with additional components has been made. • An assessment of upstream and downstream impacts has been made. • Adequate mitigation measures have been provided to ensure the eligibility criteria are met.
<p><i>Threatened & Endangered Species Protection:</i> The facility does not negatively impact any threatened or endangered species nor any areas designated for their protection.</p>	<ul style="list-style-type: none"> • The facility is not constructed on a protected or sensitive river. • The facility does not threaten or harm the habitat or migration patterns of endangered species, threatened species or species of regional concern. • The facility has no significant impact on existing wildlife habitat and populations. 	<ul style="list-style-type: none"> • Sensitive or protected areas on or around the river have been identified. • Endangered or threatened species present in the area of or downstream from, the facility have been identified. • The developer has assessed the potential impact of the facility on any such areas or species. • The developer has provided adequate mitigation measures to ensure that the eligibility criteria are met.

Eligibility Criteria for Small Hydro Power Projects		
Eligibility Criterion	Descriptor	Evidence
<p>Recreation: The facility does not stop or limit recreational uses of the river.</p>	<ul style="list-style-type: none"> • Access to the water remains unchanged by the facility and accommodates recreational activities on the river. 	<ul style="list-style-type: none"> • Identification of any current recreational uses of the river around the site of the facility and confirmation that these will not be affected by the development of the facility.
<p>Cultural Issues: The facility does not inappropriately impact cultural property</p>	<ul style="list-style-type: none"> • Cultural property includes sites having archaeological (prehistoric), paleontological, historical, religious and unique natural values. Cultural property therefore includes remains left by previous human inhabitants and unique natural features such as canyons and waterfalls. 	<ul style="list-style-type: none"> • Cultural property in the vicinity of the facility has been identified. • Adequate mitigation measures have been put in place to ensure eligibility criteria are met.
<p>Community Issues: The facility does not reduce local community use of either the river or the surrounding lands.</p>	<ul style="list-style-type: none"> • The facility does not stop or limit local communities' ability to utilise the river to provide a livelihood, i.e. by fishing, as a leisure amenity or to utilise the land around the river where they may rely on the river for irrigation purposes. 	<ul style="list-style-type: none"> • Local community uses of the river have been identified. • The locally affected community has been notified and consulted prior to the development of the facility. • Adequate mitigation measures have been agreed to ensure that eligibility criteria are met. • Such mitigations measures might include providing access to power particularly in situations where local power supply is inadequate.

Annex 4-2 – Eligibility Criteria and Procedure for Wind Sub-Projects

Eligibility Criteria and Procedure for Wind Sub-Projects		
Issue	Eligibility Criteria	Evidence
<p>General: Wind farm developments need to be approved in the local development plan, and local zoning needs to allow for wind farm development.</p>	<ul style="list-style-type: none"> The local development plan allows for wind farm development and a strategic study has been undertaken of the area to allow wind farm development. Public consultation will be / has been conducted in accordance with national requirements. 	<ul style="list-style-type: none"> The developer has undertaken a planning assessment and the local development plan has been changed (if necessary) to allow for the construction of wind farms. Evidence of public consultations of the change to the local development plan allowing for wind farm development
<p>Many wind farms are developed without due consideration of cumulative impacts resulting from existing developments.</p>	<ul style="list-style-type: none"> Each new wind farm has to take into account the local conditions and baseline data, including already constructed, under construction and permitted wind farms developed by other developers. An assessment has to be made of the cumulative impact of the existing and planned wind farms in the area. 	<p>The developer can demonstrate the overall cumulative impact of wind farms in the region and what is the carrying capacity of wind turbines in terms of environmental, social and infrastructure impacts.</p>
<p>Regulatory Compliance: Turbines construction may be (or may have been) permitted to proceed without the required studies and permits.</p>	<ul style="list-style-type: none"> The facility will comply / complies with the requirements of national environment, health and safety law. 	<ul style="list-style-type: none"> The developer has undertaken an Environmental Impact Assessment, where required by national authorities, and that EIA has been disclosed to the public in accordance with national requirements. The developer has undertaken any other studies as required by national or local authorities. The developer has obtained the required licences and permits to build and operate the facility.

Eligibility Criteria and Procedure for Wind Sub-Projects		
Issue	Eligibility Criteria	Evidence
<p><i>Landscape and Visual Impacts:</i> Landscape and visual impacts are among the most far-reaching effects of wind farms and are generally of greatest concern to the public.</p>	<ul style="list-style-type: none"> • Turbines will / do not create significant changes in the landscape fabric, character and quality as a result of development. • Turbines and any ancillary structures are / will be constructed so as to minimise visual impacts. 	<ul style="list-style-type: none"> • The landscape itself will not be / has not been significantly altered or damaged through clearance, excavation or construction. • Features of the landscape such as trees or hedgerows will not be / have not been removed in such numbers as to significantly change the nature of the landscape. • Public access to surrounding areas is not hindered by the turbines. • The visual impact of turbines has been considered from all relevant viewing angles when considering location. • The number of ancillary structures which (will) have a visual impact will be / has been minimised. • Public consultations have been designed to take into account the people affected by the landscape impacts of the wind farm.
<p><i>Designated Areas:</i> Designated areas (e.g. a national park, a NATURA 2000 site – both official and shadow lists) are typically listed as such because they contain threatened, rare, or sensitive fauna and flora and the construction and operation of turbines in such areas may be detrimental to those species.</p>	<ul style="list-style-type: none"> • Turbines will / do not have a negative impact on designated or potentially designated sensitive areas. 	<ul style="list-style-type: none"> • The developer has undertaken research on the proposed location of the turbine(s) and either avoided siting within a designated location or received the appropriate permissions from the authorities to do so. Turbines will be / have been sited without causing unacceptable disturbance or damage. • If the site is located in a sensitive area such as a Natura 2000 or near a Natura 2000 area, the developer needs to have undertaken an additional ecological survey and assessment.

Eligibility Criteria and Procedure for Wind Sub-Projects		
Issue	Eligibility Criteria	Evidence
<p><i>Impacts on flora and fauna:</i> Operating wind turbines may result in collisions of birds and bats with rotor blades and / or with towers. Turbines may also alter the habitat around the project site so changing the type and number of perching sites or the type and quantity of prey available to certain species. Likewise, the siting of turbines may have an impact on other species particular when considering those species of conservation value, located outside of designated areas.</p>	<ul style="list-style-type: none"> • Turbines will be / are sited, designed and configured to minimise impacts on migrating and / or nesting and feeding birds and bats. • Turbines will be / are sited, designed and configured to minimise impacts on other fauna and flora, notably any species of conservation value. 	<ul style="list-style-type: none"> • A baseline study, of appropriate nature, has been undertaken with sufficient ornithological data to cover both migratory seasons. • Site selection will take / has taken account of known migration pathways or areas where birds and bats are highly concentrated. • Site selection will take / has taken account of any other fauna and flora located on site particularly any species of conservation value. • Turbines will be / have been configured to avoid potential avian mortality. • Site will be / has been designed to avoid creating attractions for feeding or nesting birds e.g. integration of storm water management measures to avoid creation of small ponds which might attract birds.
<p>Community health and safety: Where turbines are sited in close proximity to people there maybe a number of nuisance and safety issues associated with, for example, shadow flicker and blade glint, noise and ice thrown from blades.</p>	<ul style="list-style-type: none"> • Turbines will be / have been designed and sited to avoid impacts on local residences, schools, hospitals, businesses and taking into account the safety of those in proximity to turbines. • Generally wind turbines should be over 700 m from the nearest residential area. 	<ul style="list-style-type: none"> • Any affected local communities have been consulted on the location of turbines. • Turbines are sited at sufficient distance from sensitive receptors to avoid any noise or visual impacts. • If turbines must be located close to sensitive receptors: <ul style="list-style-type: none"> – Turbines meet national requirements and international good practice for acoustic design. – Turbines have been designed and are orientated to avoid shadow flicker. – Turbines have been painted with a non-reflective coating. – Turbines sites include adequate measure to protect public safety e.g. gates, fencing and signage.

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<p>Auxiliary facilities Auxiliary facilities such as roadways to access turbines, and equipment for the transmission of electricity can, both during the construction and operational phases, create impacts on fauna and flora and people.</p>	<p>Access roads, the site(s) and facilities for distribution of electricity are designed, constructed and operated so as to avoid, and where this is not possible mitigate, adverse environmental impacts.</p>	<ul style="list-style-type: none"> • Auxiliary facilities have undergone appropriate impact assessment and any significant environmental or community impacts have been identified. • Any such impacts have been taken into account during siting decisions to preferably avoid, or where this is not possible, mitigate those impacts. • Evidence of public consultations for the associated infrastructure.

Annex 5 – Buildings sector indicative list of eligible sub-projects

Eligible Sub-projects may consist of:

- Replacement of old and low efficient boilers by new efficient ones with or without fuel switching;
- Implementation of on-site micro-cogeneration/tri-generation;
- Rehabilitation of heat substations and implementation of heat meters ;
- Balancing of heating systems, implementation of individual heat control devices;
- Implementation of Building Management Systems;
- Replacement of existing windows with new, double-glazed windows, low-emission glazing;
- Thermal insulation of the building envelope (external walls, roofs, basements);
- Replacement of existing heating system with a new one (thermal insulation of pipes, tanks and machinery equipment);
- Installation of heat recovery from air ventilation system and/or processes (e.g., installation of economizers for pre-heating purposes);
- Replacement of existing low efficient energy using processes (e.g. cooking, washing, drying) with new, high efficient ones;
- Replacement of existing lighting with high efficient one, dimming, daylight sensors, presence sensors, algorithmic lighting, grouping of luminaries ;
- Free cooling;
- Compressor replacement/rehabilitation;
- Additional shading (jalousies, structural elements, etc.);
- Frequency modulation of pumps, fans, drives and motors;
- Variable air-volume air-conditioning systems;
- Installation of rolling doors;
- Implementation of renewable energy systems in buildings (e.g. solar thermal collectors, biomass boilers, geothermal energy utilisation for heating and/or cooling with or without heat pump, surface water energy utilisation for heating and/or cooling with heat pump, solar heating and/or cooling).