



EUROPEAN CITY FACILITY

Deliverable D 2.12

Methodology for assessment and validation of developed IC



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This project has received funding from the European Union's Horizon 2020 Research and Innovation Programme under Grant Agreement No 864212.

Version number	Date	Organisation name	Comments
V0.1	09/10/2019	adelphi	Draft <i>Methodology for investment concept validation</i>
V0.2	22/10/2019	adelphi	Incorporation of comments from Consortium in <i>Methodology for investment concept validation</i>
V0.3	18/05/2020	adelphi	<ul style="list-style-type: none"> - Adjustment of <i>Methodology for investment concept validation</i> according to final English Summary of IC - Draft <i>Letter of support to the investment project, Non-implementation report, Internal validation report, Feedback report</i>
V0.4	29/05/2020	adelphi	Incorporation of comments from the Consortium
V0.5	18/08/2020	adelphi	Incorporation of comments from EASME
V0.6	14/10/2020	adelphi	Incorporation of comments from EASME

Quality check	Status	Date	Comments
Quality Manager ENC	Ok	15/10/20	
Project Coordinator ENC	Ok	15/10/20	

The Purpose: The purpose of the Methodology for assessment and validation of developed investment concepts is to develop and define the framework and procedures of the EUCF validation process, including the following key components:

- The *Methodology for investment concept validation* establishes the process and criteria for the validation of the investment concepts.
- The *Letter of support to the investment project* has the purpose to verify the political support for the implementation of the investment project.
- The *Internal IC validation report* provides the framework for evaluators to assess the IC according to the quality criteria.
- Through the *Feedback for improvement on IC*, the evaluators can provide suggestions to the EUCF beneficiaries for improvements and/or requests for justification on the IC.
- *Revision/justification to feedback on IC validation* shall be provided by the EUCF beneficiaries when resubmitting the IC.
- The *Feedback report on IC validation* informs the EUCF beneficiaries about the final validation results.
- The *IC non-development report* has to be filled in case the EUCF beneficiaries are not able to complete the IC within the (extended) time period, the EUCF beneficiaries do not resubmit the IC with adjustments requested by the evaluation team or the resubmitted IC is negatively validated. It aims at providing the EUCF team with information about potential challenges and lessons learned.

Definitions:

EUCF – European City Facility

IC – Investment Concept

LAU - Local Administrative Units

NUTS - Nomenclature of Territorial Units for Statistics

Disclaimer:

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Methodology for assessment and validation of developed investment concepts

The investment concepts (ICs) are developed by the EUCF beneficiaries (internal staff or subcontractors), with technical support and guidance from the EUCF team and the EUCF country experts. Before submission for validation, the country experts perform a quality quick check of the ICs and English Summaries of the ICs of their respective beneficiaries. Subsequently, the ICs are validated by a dedicated evaluation team of the EUCF, composed of evaluators from adelphi and Enviros.

Submission of the IC

Submission within the foreseen time period of 12 months

As the ICs can be developed in national language, beneficiaries are also asked to draft a corresponding English Summary directly in the EUCF website user zone. The English Summary of the IC is kept concise, comprising of key figures of the planned investment, including financial and impact indicators that allow for a good overview and understanding of the proposed investment. Together with the completed English Summary of the IC in the EUCF website user zone, the following documents have to be submitted for the validation of the IC:

- Final IC, including all Annexes;
- Letter of support to the investment project by the mayor or other relevant political representative (A corresponding template is provided to facilitate the preparation).

Need for extension of submission deadline

One month before the submission deadline, beneficiaries will receive an automatic reminder to submit the IC. The respective country experts will also receive a corresponding notice to get in touch with the beneficiaries to see if any support for the finalisation of the IC is needed and if their IC can be submitted in due time or an extension of one month is required. If the beneficiary requires an extension, she/he has to provide a justification and ask for approval via the EUCF website user zone. Energy Cities will decide case-by-case if the explanation is justified or not. The beneficiary will receive a corresponding e-mail notification.

Non-submission of the IC

In case the beneficiary is not able to complete the IC in the (extended) time period, she/he will receive a corresponding e-mail notification and will be required to complete an “IC non-development” report in the EUCF website user zone within 30 days. The purpose of this report is to provide an overview of the challenges that occurred during the development of the IC and to reflect on the learnings from this process. In order for beneficiaries to keep the pre-financing of the EUCF grant amount, Energy Cities has to approve the IC non-development report. The final payment, i.e. 30% of the total grant amount will not be disbursed. The following cases apply:

Submission of the IC non-development report by beneficiary and approval by Energy Cities	Beneficiary keeps the pre-financing of EUR 42,000
Submission of the IC non-development report by beneficiary and rejection by Energy Cities ¹	Beneficiary has to repay the pre-financing of EUR 42,000
Non-submission of the IC non-development report by beneficiary	Beneficiary has to repay the pre-financing of EUR 42,000

¹ Energy Cities will decide case by case if the IC non-development report is approved or not. Reasons for rejection may include the submission of a report with incomplete parts, critical content issues (e.g. due to contradictory information), etc.

Validation of the IC

Once the final IC and corresponding documents are submitted, the respective evaluator verifies if all necessary documents have been uploaded and contain the required content (e.g. if all chapters of the final IC have been completed). In case of (language) difficulties, the evaluation team can address the respective country expert for clarification and support. If the documents are incomplete or have content issues, the beneficiary is informed via the EUCF website user zone and has the possibility to resubmit the adjusted documents within seven days.

The validation of the IC is conducted by a dedicated evaluation team, with evaluators from adelphi and Enviros. The IC is validated with the help of four quality criteria that have to be met in order to receive the second payment of the EUCF grant, corresponding to 30% of the total value and to successfully proceed with the IC implementation.

An overview of the quality criteria for IC validation is provided in the table below:

Quality criteria	Requirement
A. Consistency	The information provided in the IC is consistent and in line with the information provided in the full application and in the EUCF Grant Agreement. The beneficiary has not undertaken any modifications that alter the overall rationale of the planned investment project, e.g. the IC targets the same investment sector(s); the investment size as well as the impact and financial indicators are equal or higher than those provided at the full application and Grant Agreement stage, etc. If values deviate from those previously provided and/or if indicators are more than 10% lower, a justification has to be provided by the beneficiary.
B. Coherence and plausibility	The information provided in the IC allows for a clear understanding of the planned investment (including individual components such as funding sources). The provided components are coherent and realistic without opposing/contradicting or ambiguous information. A plausibility check between components (e.g. simple payback period in relation to energy savings and investment size) confirms this assessment. In case components are not plausible, a justification has to be provided by the beneficiary.
C. Alignment with EUCF objectives	The proposed investment is aligned with the ultimate objective of the EUCF, i.e. to build a substantial pipeline of sustainable energy projects across cities in Europe by providing targeted financial, technical, legal and capacity building support. A sound IC in the field of sustainable energy has been developed by the beneficiary with the potential for successful implementation.
D. Realisation potential	A letter of support to the investment project by the mayor or other relevant political representative has been submitted together with the IC. The content of the letter demonstrates the political will of the municipality/local authority or grouping for the realisation of the investment project (e.g. by highlighting the relevance of the investment project for the municipality/local authority, by describing the next steps planned to launch the investment, etc.).

Each IC is validated by two evaluators. If the IC complies with all quality criteria, it is positively validated. Energy Cities as coordinator of the EUCF performs an additional quality check on randomly selected 56 ICs over the four IC validation cycles. After the positive validation by both evaluators, the beneficiary receives a corresponding notification, feedback report (see document *Feedback report on IC validation*) and the payment of the final 30% of the total EUCF grant amount is disbursed within 30 days from the validation of the IC.

In case of negative validation by both evaluators, the beneficiary is notified via the EUCF website user zone about areas with the need for improvement in the IC and/or other submitted documents (see document *Feedback for improvement on IC*). The beneficiary has the possibility to make adjustments and/or provide justifications within 30 days (see document *Revision/justification to feedback on IC validation*). The resubmitted IC passes again through the validation process.

In case of discrepancies in the assessment of the evaluators of one or more quality criteria, a third evaluator validates the IC. If the third evaluator also identifies quality issues in the IC, the beneficiary is notified via the EUCF website user zone about the possibility for adjustments (as described above).

If, after resubmission of the IC, the evaluators come again to the conclusion that the quality criteria are not met, the IC is negatively validated. In this case, the beneficiary is notified and receives a corresponding feedback report (see document *Feedback report on IC validation*) and has to complete the IC non-development report (as described above).

If the IC is not resubmitted, the beneficiary receives a corresponding notification and is asked to complete the IC non-development report (as described above).



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Letter of support to the investment project



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[Location, date]

Letter of support to the proposed investment project [Title of investment concept]

To whom it may concern,

I, the undersigned, [Name of mayor or other relevant political representative] on behalf of [Name of the municipality/local authority]¹, would like to state our strong support and interest to the implementation of the investment project proposed in the investment concept [Title of the investment concept], developed within the scope of the European City Facility (EUCF).

Please briefly outline the objective(s) of the proposed investment project and why its implementation is relevant for the municipality/local authority or grouping, e.g. how it would contribute to achieving its energy and climate targets.

Please briefly describe the next steps in the process to implement the planned investment project, including status of approvals and permissions.

On behalf of [Name of the municipality/local authority], I hereby declare our willingness to participate in the EUCF capacity building events (e.g. matchmaking events, peer-to-peer learning, Communities of Practice, etc.) for municipalities and local authorities, and confirm our support to the implementation of the investment project to which the aforementioned investment concept has been developed within the EUCF framework.

Yours sincerely,

Signature and stamp

[Name of political representative]

[Position]

[Department]

[Street, No.]

[Postal Code, City, Country]

¹ In case of a grouping, the lead beneficiary or the representative of the formal grouping has to complete this template.



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Internal IC validation report



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Document check and validation of the IC

Name of evaluator	
Date of validation	

1. Identification of the beneficiary	
Investment project ID	<i>[automatically completed based on information in EUCF website user zone]</i>
Title of proposed investment concept	<i>[automatically completed based on English Summary of the IC]</i>
Name of the municipality/local authority	<i>[automatically completed based on English Summary of the IC]</i>
Organisation	<i>[automatically completed based on information in EUCF website user zone]</i>
Type of beneficiary	<input type="checkbox"/> Municipality/local authority <input type="checkbox"/> Grouping of municipalities/local authorities

2. Document check	
A) Final investment concept, including all Annexes	
Check of submission:	Check of content:
<input type="checkbox"/> Submitted <input type="checkbox"/> Document missing	<input type="checkbox"/> Submitted without any/with minor content issues <input type="checkbox"/> Submitted with following critical content issues: Please state any critical issues identified in the submitted document and provide a justification for need for improvement by the beneficiary.

B) Letter of support to the investment project by the mayor or other relevant political representative	
Check of submission:	Check of content:
<input type="checkbox"/> Submitted <input type="checkbox"/> Document missing	<input type="checkbox"/> Submitted without any/with minor content issues <input type="checkbox"/> Submitted with following content issues: Please state any critical issues identified in the submitted document and provide a justification for need for improvement by the beneficiary.
C) Additional submitted documents	
Please state further submitted supporting documents, if any.	
3. Validation of the IC	
A. Consistency	
Validation result:	Comments:
<input type="checkbox"/> The IC is consistent and in line with the information provided in the full application and the EUCF Grant Agreement. <input type="checkbox"/> The IC has inconsistencies in relation to the information provided in the full application and EUCF Grant Agreement that need to be revised/justified by the beneficiary.	
	Need for revision/justification:

B. Coherence and plausibility	
Validation result:	Comments:
<input type="checkbox"/> The information provided in the IC is coherent and plausible. <input type="checkbox"/> The information provided in the IC is partially not coherent or realistic and needs to be revised/justified by the beneficiary.	
	Need for revision/justification:
C. Alignment with EUCF objectives	
Validation result:	Comments:
<input type="checkbox"/> The proposed investment is aligned with the ultimate objective of the EUCF. <input type="checkbox"/> The information provided in the IC on the proposed investment is partially not aligned with the objectives of the EUCF and needs to be revised/justified by the beneficiary.	
	Need for revision/justification:

D. Realisation potential	
Validation result:	Comments:
<input type="checkbox"/> The content of the letter of support demonstrates the political will for the realisation of the investment project. <input type="checkbox"/> The content of the letter of support has some inconsistencies with regard to the realisation potential of the investment project and needs to be revised by the beneficiary.	
	Need for revision/justification:

Validation result	
<input type="checkbox"/> Positive validation of IC	<input type="checkbox"/> Need for revision of IC based on the comments provided
<p>Overall feedback</p> <p>[Overall justification for validation result and potential issues that must be revised and/or justified by the beneficiary, if any.]</p>	



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Feedback for improvements on IC



Feedback on validation of the IC	
Investment project ID	
Title of proposed investment concept	
Name of the municipality/local authority	
Organisation	

Validation results per criterion	
A. Consistency	
<p>Validation result:</p> <p><input type="checkbox"/> The IC is consistent and in line with the information provided in the full application and EUCF Grant Agreement.</p> <p><input type="checkbox"/> The IC has inconsistencies in relation to the information provided in the full application and EUCF Grant Agreement that need to be revised/justified by the beneficiary.</p>	<p style="background-color: #e1f5fe;">Need for revision/justification requested by the evaluator(s):</p>
B. Coherence and plausibility	
<p>Validation result:</p> <p><input type="checkbox"/> The information provided in the IC is coherent and plausible.</p> <p><input type="checkbox"/> The information provided in the IC is partially not coherent or realistic and needs to be revised/justified by the beneficiary.</p>	<p style="background-color: #e1f5fe;">Need for revision/justification requested by the evaluator(s):</p>

C. Alignment with EUCF objectives	
<p>Validation result:</p> <ul style="list-style-type: none"> <input type="checkbox"/> The proposed investment is aligned with the ultimate objective of the EUCF. <input type="checkbox"/> The information provided in the IC on the proposed investment is partially not aligned with the objectives of the EUCF and needs to be revised/justified by the beneficiary. 	<p>Need for revision/justification requested by the evaluator(s):</p>
D. Realisation potential	
<p>Validation result:</p> <ul style="list-style-type: none"> <input type="checkbox"/> The content of the letter of support demonstrates the political will for the realisation of the investment project. <input type="checkbox"/> The content of the letter of support has some inconsistencies with regard to the realisation potential of the investment project and needs to be revised by the beneficiary. 	<p>Need for revision/justification requested by the evaluator(s):</p>



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Revision/justification to feedback on IC validation



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Feedback on validation of IC	
Investment project ID	
Title of proposed investment concept	
Name of the municipality/local authority	
Organisation	

Validation results per criterion	
A. Consistency	
Validation result:	Revision/justification by the beneficiary:
<input type="checkbox"/> The IC is consistent and in line with the information provided in the full application and EUCF Grant Agreement. <input type="checkbox"/> The IC has inconsistencies in relation to the information provided in the full application and EUCF Grant Agreement that need to be revised/justified by the beneficiary.	<p><i>Please use this space to describe how you have revised the issue indicated by the evaluator or provide a justification.</i></p>
B. Coherence and plausibility	
Validation result:	Revision/justification by the beneficiary:
<input type="checkbox"/> The information provided in the IC is coherent and plausible. <input type="checkbox"/> The information provided in the IC is partially not coherent or realistic and needs to be revised/justified by the beneficiary.	<p><i>Please use this space to describe how you have revised the issue indicated by the evaluator or provide a justification.</i></p>

C. Alignment with EUCF objectives	
<p>Validation result:</p> <ul style="list-style-type: none"> <input type="checkbox"/> The proposed investment is aligned with the ultimate objective of the EUCF. <input type="checkbox"/> The information provided in the on the proposed investment is partially not aligned with the objectives of the EUCF and needs to be revised/justified by the beneficiary. 	<p>Revision/justification by the beneficiary:</p> <p><i>Please use this space to describe how you have revised the issue indicated by the evaluator or provide a justification.</i></p>
D. Realisation potential	
<p>Validation result:</p> <ul style="list-style-type: none"> <input type="checkbox"/> The content of the letter of support demonstrates the political will for the realisation of the investment project. <input type="checkbox"/> The content of the letter of support has some inconsistencies with regard to the realisation potential of the investment project and needs to be revised by the beneficiary. 	<p>Revision/justification by the beneficiary:</p> <p><i>Please use this space to describe how you have revised the issue indicated by the evaluator or provide a justification.</i></p>



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Feedback report on IC validation



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Feedback report on validation of IC	
Investment project ID	
Title of proposed investment concept	
Name of the municipality/local authority	
Organisation	

Validation result	
<input type="checkbox"/> Positive validation of IC	<input type="checkbox"/> Negative validation of IC
<p>Overall feedback [Overall justification for validation result.]</p>	

Validation results per criterion	
A. Consistency	
<p>Validation result:</p> <p><input type="checkbox"/> The IC is consistent and in line with the information provided in the full application and EUCF Grant Agreement.</p> <p><input type="checkbox"/> The IC has inconsistencies in relation to the information provided in the full application and EUCF Grant Agreement that need to be revised/justified by the beneficiary.</p>	<p>Comments from the evaluator(s):</p>
B. Coherence and plausibility	
<p>Validation result:</p> <p><input type="checkbox"/> The information provided in the IC is coherent and plausible.</p> <p><input type="checkbox"/> The information provided in the IC is partially not coherent or realistic and needs to be revised/justified by the beneficiary.</p>	<p>Comments from the evaluator(s):</p>
C. Alignment with EUCF objectives	
<p>Validation result:</p> <p><input type="checkbox"/> The proposed investment is aligned with the ultimate objective of the EUCF.</p> <p><input type="checkbox"/> The information provided in the IC on the proposed investment is partially not aligned with the objectives of the EUCF and needs to be revised/justified by the beneficiary.</p>	<p>Comments from the evaluator(s):</p>

D. Realisation potential	
Validation result:	Comments from the evaluator(s):
<ul style="list-style-type: none"> <input type="checkbox"/> The content of the letter of support demonstrates the political will for the realisation of the investment project. <input type="checkbox"/> The content of the letter of support has some inconsistencies with regard to the realisation potential of the investment project and needs to be revised by the beneficiary. 	





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Investment concept non-development report

Investment concept non-development report

[Title of the investment concept]

The submission of the investment concept non-development report is required in case

- *the EUCF beneficiary is not able to complete the investment concept in the (extended) time period;*
- *the EUCF beneficiary does not resubmit the investment concept with adjustments requested by the EUCF evaluation team; or*
- *the resubmitted investment concept is negatively validated.*

The purpose of this report is to provide an overview of the challenges that occurred during the development of the investment concept and to reflect on the learnings from this process.



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A. Non-completion of the investment concept

What are the **main reasons** not allowing you to complete the investment concept/make the adjustments requested by the EUCF evaluation team?

What were the **main challenges** (expected/unexpected) that came up during the development process of the investment concept?

Despite the challenges, what are your **key takeaways/learnings** from the development process of the investment concept?

Do you have any **suggestions to EUCF for improvement**?

B. Use of EUCF support

Activities funded by the EUCF grant

Despite the fact that you were not able to complete the investment concept, please briefly describe how the EUCF grant has contributed in filling the gap to develop the investment concept and state for which activities the grant has been used (e.g. engineering analysis, legal analysis, social study, market study, financial analysis, etc.),

Allocation of EUCF grant	<p>Please indicate how the grant resources have been allocated for the development of the investment concept (<i>note: more than one answer is possible</i>).</p> <p>In-house staff <input type="checkbox"/> External experts/sub-contractors <input type="checkbox"/></p> <p>Others <input type="checkbox"/> For others, please specify </p>
---------------------------------	--

C. Contact	
Contact person	
Organisation	Legal entity in charge and its VAT number
Department	
Street, No.	
Postal Code, City	
Country	
Telephone	
E-Mail	
Consultancy Support	If applicable, please provide the contact details (name, company, e-mail) of the consultant that supported the development of the IC.

Annex

If possible, please fill those figures and information in the table below that you were able to gather and derive during the development process of the investment concept within the EUCF framework. The information provided is for EUCF monitoring purposes only.

Summary of the planned investment¹			
Total investment planned	EUR		
Funding sources	<i>Requested funding</i>	EUR/...%	
	<i>Own funding</i>	EUR/...%	
	<i>Other sources [please specify]</i>	EUR/...%	
Location of the planned investment			
Municipality/local authority (or its groupings) and other organisations involved	Please provide the name of the organisation(s) involved as well as the LAU and NUTS 3 code ² of the municipality/local authority or of each municipality/local authority in case of a grouping.		
Sector(s) targeted	Public Buildings <input type="checkbox"/>	Building integrated renewables <input type="checkbox"/>	
	Residential buildings <input type="checkbox"/>	District heating <input type="checkbox"/>	
	Smart grids <input type="checkbox"/>	Sustainable urban mobility <input type="checkbox"/>	
	Innovative energy infrastructure <input type="checkbox"/>	Others <input type="checkbox"/>	
	For others, please specify		
Overview and objectives of the planned investment	Please briefly describe the planned investment, indicating the main goals, the main measures planned and who should benefit from them and how. [max. one paragraph]		
Estimated costs and revenues	<i>Total operating cost (year)</i>	EUR	
	<i>Total revenues (year)</i>	EUR	
	<i>Simple payback period</i>	<i>Net Present Value</i>	<i>Internal rate of return</i>

¹ All values incl. VAT, if not reclaimable.

² Local administrative units (LAUs) are used to categorise the municipalities and communes of the European Union (local level). They are sub-divisions of the Nomenclature of Territorial Units for Statistics (NUTS) 3 regions (regional level). Eurostat publishes an [updated list of LAUs together with the corresponding NUTS](#) towards the end of each year.

Economic viability			
Expected impacts	<i>Energy savings</i>		GWh/y
	<i>Renewable energy production</i>		GWh/y
	<i>Avoided CO₂ emissions</i>		tCO ₂ eq/y
	<i>Other impacts</i>		[unit]