



ACTION PLAN

RESOR Project – "Promoting energy efficiency and renewable energy on EU islands and remote regions by optimising the implementation of the ERDF for energy", financed by Interreg Europe

Project Partner: AREAM - Regional Agency for Energy and Environment of the Autonomous Region of Madeira

Other Action Plan partner organisations: IDR, IP-RAM and IDE, IP-RAM

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Policy framework

The Action Plan aims to focus on:

<input checked="" type="checkbox"/>	Growth and Jobs Investment Programme
<input type="checkbox"/>	European Territorial Cooperation Programme
<input type="checkbox"/>	Another regional development policy instrument

Designation of the policy instrument addressed:

- Operational Programme of the Autonomous Region of Madeira 2014-2020 (Madeira 14-20), including additional ERDF for 2021-2022 of the REACT-EU programme
- Operational Programme of the Autonomous Region of Madeira 2021-2027

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Framework of the Action Plan

1. Needs and opportunities in the field of sustainable energy

The Action Plan under the RESOR project, financed by the INTERREG Europe programme, aims to improve the application of ERDF- European Regional Development Fund resources and other regional funding programmes for the promotion of sustainable energy. The Action Plan, which was developed by AREAM in strict collaboration with the regional management authorities of European Community Funds, the Regional Development Institute (IDR, IP-RAM), Madeira Business Development Institute (IDE IP-RAM), and with the regional administration, DRETT - Regional Directorate of Economy and Land Transport responsible for the implementation of the regional energy policy, integrates a set of actions, which reflect:

- the need to fill in the gaps of technical knowledge in the field of sustainable energy and to promote more sustainable behaviours and procedures in families, companies, Public Administration sector and *IPSS* (Private Institutions of Social Solidarity);
- the need to simplify access to Structural Funds, by helping smaller companies overcome the difficulties in meeting application requirements;
- the needs and opportunities in the scope of sustainable energy of enterprises (microenterprises and SMEs), families, Public Administration sector and *IPSS*, identified in the feedback received from local actors during the project;
- the needs and opportunities identified in the follow-up and technical assistance provided to regional entities in the implementation of financial incentives supported by the ERDF under the Operational Programme of the Autonomous Region of Madeira 2014-2020 (Madeira 14-20), in the scope of the RESOR project;
- the potential of sustainable energy measures and solutions to overcome the financial constraints of families, businesses, Public Administration sector and *IPSS*, in particular in the transition period needed to recover from the crisis associated with the COVID-19 pandemic;
- the best practices presented by the partner regions of the RESOR project, in the application of the ERDF and other public funds for sustainable energy;
- AREAM's technical support to the regional management authorities in adapting the strategic document PDES (Economic and Social Development Plan of the Autonomous Region of Madeira) to the pandemic context. This document outlines the structural funds for the 2021-2027 programming period;
- the need to adapt the cohesion policy to address the European Union's energy and climate priorities (mitigation and adaptation) and the emerging socio-economic challenges of the pandemic.

2. Contribution of the Action Plan to energy, climate, recovery and resilience policies

The proposed actions are included in the National Energy [and Climate Plan for 2030](#) (PNEC 2030) and in the Sustainable Energy and Climate Action Plan of the Autonomous Region of Madeira, currently in development, having a high potential to contribute to the commitments of the Autonomous Region of Madeira in the framework of policies, priorities and goals of national and European energy and climate policies:

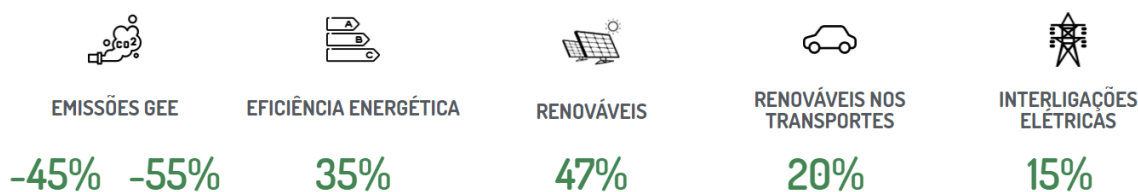
- The European Commission launched the Climate Energy Package 2030, the Clean Mobility Package and the Clean Energy for [All Europeans Package](#) with the aim to promote the energy transition in the 2021-2030 decade to comply with the [Paris Agreement](#) and, at the same time, economic growth and job creation. The Clean Energy for All Europeans package foresees that all Member States draw up and submit to the European Commission an Integrated National Energy and Climate Plan for 2030, setting targets and objectives for greenhouse gas emissions, renewable energy, energy efficiency, energy security, internal market and research, innovation and competitiveness, as well as a clear approach to achieving them.

In this regard, the European Union has adopted ambitious targets, for the 2030 horizon, under the Climate Energy Package 2030 (i) 32% share of energy from renewable sources in gross final

consumption, (ii) 32.5% reduction in energy consumption, (iii) 40% reduction in greenhouse gas emissions compared to 1990 levels, and (iv) 15% of electrical interconnections.

Under the European Green Deal, the [Commission](#) proposed in September 2020 to raise the 2030 greenhouse gas emission reduction target to at least 55% compared to 1990. This will allow the EU to move towards a [climate-neutral economy \(2050 long-term strategy\)](#), a regulatory objective through the [Commission welcomes provisional agreement on the European Climate Law](#), and implement its commitments under the Paris [Agreement](#).

With the aim of achieving carbon neutrality in 2050, the National Energy and Climate Plan for 2030, approved on May 21st, 2020, sets the following goals for Portugal for the 2030 horizon:



The Sustainable Energy and Climate Action Plan of the Autonomous Region of Madeira (PAESC-RAM), currently being developed under the [C-TRACK50](#) project, funded by the EU's Horizon 2020 Framework Programme for Research and Innovation, is part of the National Energy and Climate Plan for 2030 as a contribution of the Autonomous Region of Madeira to national and European targets.

The Sustainable Energy and Climate Action Plan of the Autonomous Region of Madeira establishes an 85% reduction in greenhouse gas emissions by 2050 compared to 2005 levels. The remaining contribution to the transition to a climate-neutral economy will be achieved through carbon sinks.

- The Clean [Energy for EU Islands Initiative](#).

Energy efficiency and the harnessing of endogenous renewable resources is particularly important for island territories, especially for small fragmented and outermost territories such as the Autonomous Region of Madeira, highly dependent on fossil fuels and small and isolated electric grids.

- The New EU Strategy on Adaptation to Climate Change (Forcing [a climate-resilient Europe](#) - the new EU Strategy on Adaptation to Climate Change).

The importance of energy efficiency and renewable energy to reduce dependence from the exterior is fundamental for adapting climate change in islands, in particular in the Outermost Regions. In this context, it is important to stress that the European Union's New Strategy on Adaptation to Climate Change identifies areas covering several countries facing common climate risks and specific adaptation challenges, including "outermost islands or regions" which are acknowledged as being "particularly vulnerable to climate change".

The European Commission has established that the recovery from the crisis caused by the COVID-19 pandemic is an opportunity to correct the European Union's economic models by putting sustainability first in order to create the foundations for a greener, more modern and resilient Europe. The [Next Generation EU](#) is intended to combat the economic and social effects of the COVID-19 pandemic and to make the European economy more resilient to future shocks through a just transition to a climate-neutral society and economy, with the involvement of all citizens. In the scope of the European recovery and resilience policy, the cohesion policy plays a key role in ensuring a balanced recovery, encouraging convergence and ensuring that no one is left behind. In this context, [REACT-EU](#) - Recovery Assistance for Cohesion and the Territories of Europe, one of the pillars of the Next Generation, is a new initiative which aims to contribute to a green, digital and resilient recovery of the economy. The REACT-EU funds will be made available to the ERDF - European Regional Development Fund.

In this regard, the proposed actions aim to contribute, under the ERDF, to an ecological and resilient recovery of the economy by promoting knowledge to support decision-making for the implementation of sustainable

energy measures and awareness for behaviour changes and procedures. The inherent improvement of knowledge in sustainable energy and the reduction of energy consumption and costs contribute to:

- Improve skills in the field of sustainable energy, in line with the EC recommendations in [the Pact for Skills](#), a model of shared commitment to skill development in Europe. In order to support a fair and resilient recovery and meet the ambitions of green and digital transitions and EU industrial and SME strategies, the Commission invites public and private organisations to come together and take concrete steps to increase qualification and requalify people in Europe.

The Pact for Skills is the first of the flagship actions under the European Skills Agenda and is firmly anchored in the European Pillar of [Social Rights](#) which consists of 20 guiding principles for building a strong, just, inclusive and opportunity-filled social [Europe](#) and whose 2030 targets are set out in the European Pillar of Social Rights [Action Plan and in the Porto Declaration, of 7th May 2021](#).

- Combat energy poverty under the [National Long-Term Strategy to Combat Energy Poverty 2021-2050](#), in the public consultation phase until 17th May 2021, in order to safeguard access to essential services, one of the 20 principles of the European Pillar of Social Rights, which calls for "effective access to essential services of sufficient quality, such as water, sanitation, health care, energy, transport, financial services and digital communications, is essential to ensure social and economic inclusion".
- Maintain jobs and increasing the competitiveness of micro and SMEs.
- Rebalance regional and local Public Administration budgets and *IPSS* in a context where many public resources have necessarily been reallocated to health and social support.

3. Action Plan to boost access to funds of ERDF

The Action Plan integrates four actions to be implemented through a voucher system for sustainable energy:

- Action 1 – *Voucher* for "Combating energy poverty through sustainable energy";
- Action 2 - *Voucher* for "Sustainable energy for Microenterprises";
- Action 3 - *Voucher* for "Sustainable energy for Small and Medium-sized Enterprises";
- Action 4 - *Voucher* for "Sustainable energy for Public Administration sector and *IPSS*".

Given the constraints and opportunities identified by AREAM under the RESOR project, the proposed actions aim to expand knowledge in the field of sustainable energy, promote change in behaviours and in energy use, and overcome financial constraints that limit investment in sustainable energy solutions, through interventions with high potential for socio-economic recovery based on sustainability and decarbonization.

The voucher system proposed in this Action Plan allows for greater flexibility and simplification of access to ERDF for sustainable energy, provided by the European Union in the framework of:

- The new "Next Generation EU" instrument, through additional funds for 2021-2022 of the REACT-EU programme which will be available to the [ERDF in the Operational Programme of Madeira 2014-2020](#);
- The Operational Programme of the Autonomous Region of Madeira 2021-2027, to finance the decarbonisation of the economy, with a commitment to allocate 30% of the expenditure budget to climate action;
- The reallocation of unused funds from the Operational Programme of the Autonomous Region of Madeira 2014-2020.

By allowing a more flexible, simpler and wider access to the ERDF for sustainable energy, the voucher system will contribute to the competitiveness of companies, to the maintenance of jobs and to the budget balance of families and of public entities, through the training of local actors to promote changes in behaviours and procedures, and to the implementation of sustainable energy solutions, with a multiplier effect in the regional economy by boosting energy performance diagnosis services and the implementation of sustainable energy solutions.

ACTION 1 - *Voucher* for "Combating energy poverty through sustainable energy"

1. Background – Lessons learnt from the RESOR project

The energy bill, in particular electricity, has a significant weight in the budget of economically vulnerable families, which justifies, depending on the criteria established under Decree-Law No. 138-A/2010 of December 28th, in the wording given by Decree-Law No. 172/2014, of November 14th, and by Law No. 7-A/2016 of March 30th, [access to the Social Tariff](#) for electricity, which translates into a discount of 33.8% on tariffs to consumers (excluding VAT and other taxes, contributions, fees and interest on late payment that are applicable), and the allocation of the subsidy is independent of criteria for sustainable use of energy.

In the context of reduced family income stemming from unemployment and lay-off in activities affected by the COVID-19 pandemic, particularly associated with the disruption of the tourism activity, the economic vulnerability of families has worsened. AREAM identified opportunities based on sustainable energy solutions and behaviours with the potential to contribute to balance the family budget and to the improvement of thermal comfort and quality of life in homes. These opportunities were identified by AREAM through collaboration with the *IDR, IP-RAM* for the revision of the Economic and Social Development Plan of the Autonomous Region of Madeira for 2030 (PDES Madeira 2030), a guiding instrument in the various areas of regional development in the 2030 horizon, to support preparatory work for the new cohesion policy cycle for the 2021-2027 programming period, as well as for the preparation of European instruments for recovery from the pandemic crisis caused by the SARS-COV-2 virus.

In this framework, the implementation of a *voucher* system for non-refundable financial support justifies:

- the provision of specialised technical services for energy performance diagnoses, including analysis of behaviours and energy use patterns, and particular awareness to the change of behaviours and procedures;
- the financing of concrete sustainable energy solutions which are technically and economically viable.

Taking into account the constraints and opportunities identified by AREAM, Action 1 - *Voucher* for "Combating energy poverty through sustainable energy" aims to increase the acquisition of technical knowledge needed to change behaviours and implement sustainable energy solutions in economically vulnerable households, contributing to combat energy poverty in the Autonomous Region of Madeira. Action 1 will allow families to meet the criteria to access the social tariff for electricity, increase thermal comfort and quality of life in homes, and reduce energy consumption and costs, thus helping to balance family budgets and reduce subsidized amounts through the social tariff for electricity.

Action 1 was inspired by the best practices presented by the partner regions of the RESOR project, namely:

- Reunion Island, through the programme "*SLIME – Service Local d'Intervention pour la Maitrise de L'Énergie*" (technical visits to households in energy poverty, energy audits, awareness-raising sessions and supply of economic appliances), funded 100% by the ERDF - Meeting PO 14-20, *Collectivité Territoriale de Reunion, EDF - Électricité de France S.A.*;
- The Martinique region, through the programme "Solar panels accessible to low-income families", 100% financed by the ERDF - Martinique PO 14-20, *Collectivité Territoriale de Martinique and EDF - Électricité de France, S.A.*

2. Description of the Action

Action 1 is a *voucher* system to promote sustainable energy in economically vulnerable households to be implemented through the ERDF for sustainable energy under the Operational Programme.

The Action is intended for families eligible for the social tariff of electricity, according to the Decree-Law No. 138-A/2010, of 28th December, in the wording given by Decree-Law No. 172/2014, of 14 November, and Law No. 7-A/2016, of 30th March.

The *voucher* has a maximum value of 1500 € for the island of Madeira and 1600 € for the island of Porto Santo, divided into two phases:

- Phase 1: 250 € for the island of Madeira and 350 € for the island of Porto Santo - for non-refundable financial support for specialised technical services.

The Phase 1 *voucher* is intended to acquire the services of a qualified technician (recognized by the Operational Programme Management Authority) to:

- Perform an energy diagnosis which analyses in particular the energy bill, energy-consuming appliances, insulation conditions of windows and doors, and behaviours and patterns of energy use in the home.
- Indicate sustainable energy measures which are technically and economically feasible (payback period less than or equal to 8 years), including replacement of appliances, purchase of materials to caulk doors and windows, solar thermal collectors, and procedures and behaviours to be adopted to reduce energy consumption and costs.
- Organize an hour-long awareness raising session, addressed to all elements of the household, to present the sustainable energy solutions studied and to convey the procedures and behaviours to be adopted in order to reduce energy consumption and costs in the home. Recommendations on behaviour change should be conveyed and explained orally and their written record should be given to the family.

In the Phase 1 application process, the household representative presents a statement from the qualified technician contacted on how the qualified technician will perform the energy diagnosis and promote the awareness-raising session.

The deadline for carrying out the services is 1 month from the approval date of the *voucher* of Phase 1.

The service provider (qualified technician) receives the *voucher* amount once he has submitted the diagnosis report, evidence of the awareness-raising action and the invoice-receipt to the *IDR, IP-RAM*.

- Phase 2: up to 1250 € - for non-refundable financial support for investment in measures indicated in the diagnosis which are technically and economically feasible.

Depending on the report of the energy diagnosis and the advice of the qualified technician, the household representative shall opt for the measures to be implemented, in particular the purchase of equipment and/or caulking materials for doors and windows. He shall also request the budget for the purchase and installation of equipment (if necessary) from a supplier who is part of the programme indicated by the Managing Authority of the Operational Programme.

If the budget for the purchase and installation of the feasible measures does not come to the amount of 1250 €, the maximum value of the *voucher* of Phase 2 shall be equal to the budgeted amount for the implementation of the feasible measures.

To access the Phase 2 *voucher*, the household representative presents the supplier/installer's budget.

The deadline to implement the measures is 1 month from the approval date of the Phase 2 *voucher*.

The supplier/installer of the measures receives the *voucher* amount once the supplier/installer has presented evidence of the implemented measures and the invoice-receipt to the *IDR, IP-RAM*.

The total budget of this action should be distributed over a three-year period. Submission of applications is open until the budget of each year has been depleted. As long as the criteria are met, households will receive financial support in chronological order of application. If the total budget of the Action has not been depleted during the three-year period, the remaining budget shall be made available, in the same way, for the following years that the Operational Programme is running.

Each household has access to a single *voucher*.

3. Relevance - Contribution of the Action to sustainable energy

As part of the RESOR project, AREAM has identified that low-income families have difficulties in accessing knowledge in the field of sustainable energy and do not have the financial capacity to invest in solutions that improve thermal comfort and quality of life in homes, and this situation has been aggravated by the COVID-19 pandemic crisis.

In this context, the *voucher* system makes it possible to simplify the ERDF application process by enabling economically vulnerable families to have access to:

- technical assistance to assess the potential for reducing consumption by changing behaviour and energy use patterns and implementing sustainable energy solutions;
- financing of sustainable energy solutions which are technically and economically feasible.

This action will improve thermal comfort and quality of life in homes, and reduce energy consumption and costs, in a context of a fair transition to a climate-neutral society and economy, and recovery from the socio-economic crisis caused by the pandemic. The implementation of sustainable energy measures by households demonstrates coherence with the commitments made in the context of energy, climate, recovery and resilience policies, and is an opportunity to balance the budget of low-income families, which contributes to combat energy poverty and to the reduction of subsidies for electricity, through the social tariff for electricity.

Overcoming barriers to technical knowledge, the adoption of more energy efficient behaviours and procedures, and access to funding through the ERDF to invest in sustainable energy solutions, included in a decision-making process supported by technical knowledge, will contribute to:

- The decarbonisation of the economy;
- Balancing the budget of families in situations of economic vulnerability;
- Boost the regional market for the provision of services and of sustainable energy solutions.

4. Entities involved in the development and implementation of the Action

The Regional Development Institute (IDR, IP-RAM) is responsible for coordinating, planning and monitoring activities of the regional development model, as well as coordinating and managing the intervention of Community funds in the Autonomous Region of Madeira.

AREAM has developed the Action in collaboration with *IDR, IP-RAM*, which will be responsible for its framework in the Operational Programme, taking into account the constraints established by the European Commission.

AREAM will provide technical support to *IDR, IP-RAM* in the implementation of the Action.

5. Deadline for implementation of the Action

2021-2030

6. Budget of the Action

Between 1.5 M € and 1.6 M € to benefit, at least, 1000 households.

7. Sources of funding for the Action

Funding through the European Regional Development Fund is subject to the constraints set out by the European Commission in the Operational Programme.

ACTION 2 - *Voucher* for "Sustainable energy for microenterprises"

1. Background - Lessons learnt from the RESOR project

The needs of the microenterprises in the field of sustainable energy and the constraints on the access to ERDF for sustainable energy support under the Madeira 14-20 Operational Programme were identified in RESOR project working group meetings and through contacts established with local actors from the clarification sessions of the VALORIZAR 2020 incentive system, promoted by AREAM and *IDE, IP-RAM*. It was noted that the microenterprises had technical knowledge gaps in the field of sustainable energy, difficulties in the application process and financial constraints to move forward with investments in technical assistance and sustainable energy measures, a situation that has worsened with the pandemic.

In the context of the socio-economic crisis associated with the COVID-19 pandemic, AREAM has identified opportunities in the field of sustainable energy to promote the competitiveness of microenterprises and to maintain jobs. These opportunities were identified by AREAM through the collaboration with the *IDR, IP-RAM* for the revision of the Economic and Social Development Plan of the Autonomous Region of Madeira for 2030 (PDES Madeira 2030), a guiding instrument in the various areas of regional development in the 2030 horizon, to support preparatory work for the new cohesion policy cycle for the 2021-2027 programming period, as well as for the preparation of European instruments for recovery from the pandemic crisis caused by the SARS-COV-2 virus.

In this framework, the implementation of a *voucher* system for non-refundable financial support justifies:

- the provision of specialised technical services for energy performance diagnoses, including analysis of behaviours and energy use patterns, and particular awareness to the change of behaviours and procedures;
- the financing of concrete sustainable energy solutions which are technically and economically viable.

Taking into account the constraints and opportunities identified by AREAM, Action 2 "Sustainable energy for microenterprises" aims to promote the acquisition of technical knowledge needed to change behaviours and patterns of energy use and have access to investment to co-finance the implementation of sustainable energy solutions, which allows microenterprises to reduce energy consumption and costs, freeing up funds for the maintenance of jobs and improvement of competitiveness.

Action 2 was inspired by the best practices presented by the partner regions of the RESOR project, namely the "*Proenergia* Programme", presented by the Autonomous Region of the Azores and financed by the regional budget.

2. Description of the Action

Action 2 is a *voucher* system to promote sustainable energy in microenterprises, to be implemented through the ERDF for sustainable energy under the Operational Programme.

The *voucher* has a maximum value of 2000 € for the island of Madeira and 2100 € for the island of Porto Santo, divided into two phases:

- Phase 1: up to 500 € for the island of Madeira and up to 600 € for the island of Porto Santo - for non-refundable financial support for the specialized technical service to perform an energy diagnosis and awareness-raising session.

The Phase 1 *voucher* is intended to acquire the services of a qualified technician or service provider (with a Qualified Technician) to:

- Perform an energy diagnosis which analyses behaviours and patterns of energy use;
- Indicate sustainable energy solutions which are technically and economically feasible (payback period less than or equal to 8 years),

- Organize an hour-long awareness raising session, addressed to the management and all employees, to convey the procedures and behaviours to be adopted in order to reduce energy consumption and costs. Recommendations on behaviour change should be conveyed and explained orally and their written record should be given to the management and employees.

The microenterprise is required to request a qualified technician or service provider (with a qualified technician), recognized by the Operational Programme Management Authority, to provide a budget/quote for performing an energy diagnosis and promoting an awareness-raising session among the management and employees, which will then be presented in the application process of the Phase 1 *voucher*.

The deadline for performing the diagnosis, presentation of the report and carrying out the awareness-raising session is 1 month from the approval date of the Phase 1 *voucher*.

The service provider receives the *voucher* amount once he has submitted the diagnosis report, evidence of the awareness-raising session and the invoice-receipt to the *IDR, IP-RAM*.

When applying for Phase 1, the microenterprise undertakes to make a minimum investment of 3000 € in Phase 2, to implement the measures indicated in the diagnosis that are technically and economically feasible. If the feasible measures do not reach the minimum value of 3000 €, the minimum investment value will be equal to the value of the implementation of the feasible measures.

- Phase 2: the remaining amount – for non-refundable financial support up to 50% of the investment in measures indicated in the diagnosis that are technically and economically feasible.

Example Madeira: Energy performance diagnosis: 500 €; Total investment: 3000 €; total *voucher* value: $500 \text{ €} + (3000 \text{ €} \times 50\%) = 2000 \text{ €}$

Example Madeira: Energy performance diagnosis: 300 €; Total investment: 3500 €; total *voucher* value: $300 \text{ €} + (3500 \text{ €} \times 50\%) = 2050 \text{ €}$

Example Madeira: Energy performance diagnosis: 500 €; Total investment: 2000 €; total *voucher* value: $500 \text{ €} + (2000 \text{ €} \times 50\%) = 1500 \text{ €}$

Example Porto Santo: Energy performance diagnosis: 600 €; Total investment: 3000 €; total *voucher* value: $600 \text{ €} + (3000 \text{ €} \times 50\%) = 2100 \text{ €}$

The microenterprise selects the measures to be implemented and requests a budget for its supply and installation. The deadline for measure implementation is 6 months from the approval date of the Phase 1 *voucher*.

To access the Phase 2 *voucher*, the microenterprise has to present the supplier/installer's invoice.

The supplier/installer of the measures receives the *voucher* amount once he has submitted evidence of the implemented measures and the invoice and receipt to *IDE, IP-RAM*.

The microenterprise is obliged to demonstrate that it falls within the state aid minimis exception (the maximum value of the *voucher* added to the support received in the last three years does not exceed 200,000 €).

The total budget of this action should be distributed over a three-year period. Submission of applications is open until the budget of each year has been depleted. As long as the criteria are met, households will receive financial support in chronological order of application. If the total budget of the Action has not been depleted during the three-year period, the remaining budget shall be made available, in the same way, for the following years that the Operational Programme is running.

Each microenterprise has access to a single *voucher* per installation/facility.

3. Relevance - Contribution of the Action to sustainable energy

As part of the RESOR project, AREAM has identified that microenterprises have difficulties in accessing knowledge in the field of sustainable energy; difficulties in filling out application forms and treasury constraints to carry out studies and investments in sustainable energy solutions.

This has been aggravated by the COVID-19 pandemic crisis, and these constraints can be overcome through Action 2, as the *voucher* system allows to simplify the ERDF application process to have access to:

- technical assistance to assess the potential for reducing energy consumption by changing behaviours and patterns of energy use, and the implementation of sustainable energy solutions;
- financing of sustainable energy solutions which are technically and economically feasible.

This action will reduce energy consumption and costs, in an initiative that is particularly important in a context of fair transition to a society and economy with a climate-neutral impact, and the recovery from the socio-economic crisis caused by the pandemic. The implementation of sustainable energy measures by microenterprises demonstrates coherence with the commitments made in the context of energy, climate, recovery and resilience policies, and is an opportunity for enterprises to free up resources for maintaining jobs and improving competitiveness.

Overcoming barriers of technical knowledge, the adoption of more energy efficient behaviours and procedures, and access to co-financing to invest in sustainable energy solutions, included in a decision-making process supported by technical knowledge, will contribute to:

- The decarbonisation of the economy;
- Improving competitiveness and maintaining jobs;
- The dynamic of the regional market for the provision of services and the supply and installation of renewable energy and energy efficiency solutions.

4. Entities involved in the development and implementation of the Action

The Regional Development Institute (IDR, IP-RAM) is responsible for coordinating, planning and monitoring activities of the regional development model, as well as coordinating and managing the intervention of Community funds in the Autonomous Region of Madeira.

The Madeira Business Development Institute (IDE, IP-RAM) is the coordinating body of instruments to support the corporate structure of the secondary and tertiary sectors of the regional economy, in particular micro, small and medium-sized enterprises, with a view to strengthening innovation, entrepreneurship and business investment.

AREAM has developed the Action in collaboration with *IDR, IP-RAM*, which will be responsible for its framework in the Operational Programme, taking into account the constraints established by the European Commission.

AREAM will provide technical support to *IDR, IP-RAM* and *IDE, IP-RAM* in the implementation of the Action.

5. Deadline for implementation of the Action

2021-2030

6. Budget of the Action

Between 2 M € and 2.1 M € to benefit, at least, 1000 microenterprises.

7. Sources of funding for the Action

European Regional Development Fund.

ACTION 3 - *Voucher* for "Sustainable energy for Small and Medium-sized Enterprises"

1. Background - Lessons learnt from the RESOR project

The needs of Small and Medium Enterprises (SMEs) in the field of sustainable energy and the constraints on access to the ERDF for sustainable energy support, under the Madeira 14-20 Operational Programme, were identified in the meetings with the RESOR project working group and through contacts established with local actors, through the clarification sessions of the VALORIZAR 2020 incentive system promoted by AREAM and IDE, IP-RAM. In this context, it was found that SMEs, in particular small enterprises, had technical knowledge gaps in the field of sustainable energy, difficulties in compiling the information requested in the application and financial constraints to move forward with investment in technical advice and sustainable energy measures, a situation that has worsened with the pandemic.

In the context of the socio-economic crisis associated with the COVID-19 pandemic, AREAM has identified opportunities in the field of sustainable energy to promote the competitiveness of Small and Medium-sized enterprises and to maintain jobs. These opportunities have been identified by AREAM in the framework of collaboration with the IDR, IP-RAM for the revision of the Economic and Social Development Plan of the Autonomous Region of Madeira 2030 (PDES Madeira 2030), a guiding instrument in the various areas of regional development in the 2030 horizon, to support the preparatory work for the new cohesion policy cycle for the 2021-2027 programming period, as well as the preparation of European instruments for recovery from the pandemic crisis caused by the SARS-COV-2 virus.

In this framework, implementing a *voucher* system for non-refundable support justifies:

- the provision of specialised technical services for energy performance diagnoses, including analysis of behaviours and energy use patterns, and particular awareness to the change in behaviours and procedures;
- the preparation of the technical specifications of the measures to be implemented for the purposes of: requesting budgets, support the subsequent application process to the ERDF and/or support the celebration of an Energy Performance Contract with an Energy Service Company, in order to ensure the application of the investment in measures that are technically and economically feasible.

The eligibility of partnerships with Energy Service Companies in accessing community funds for sustainable energy is important to overcome investment risks and initial financial constraints. Energy Performance Contracts are a key tool for leveraging the availability of community funds, achieving the best results from the investments made and minimising the risk of the investments. In this context, the following technical documents were developed in the scope of the Action Plan as templates to support the celebration of Energy Performance Contracts:

- Volume I – CADERNO DE ENCARGOS do Modelo de contrato de gestão de eficiência energética para implementação de medidas de eficiência energética através de uma Empresa de Serviços Energéticos.
 - CONTRACT DOCUMENTS of the Energy Efficiency Management Contract Model for the implementation of energy efficiency measures through an Energy Services Company.
- Volume II – PROGRAMA DE PROCEDIMENTO do Modelo de contrato de gestão de eficiência energética para implementação de medidas de eficiência energética através de uma Empresa de Serviços Energéticos.
 - PROCEDURE PROGRAM of the Energy Efficiency Management Contract Model for the implementation of energy efficiency measures through an Energy Services Company.

Taking into account the constraints and opportunities identified by AREAM, Action 3 "Sustainable Energy for Small and Medium-sized Enterprises" aims to promote the acquisition of the technical knowledge needed to change behaviours and energy use patterns and to support, from a technical point of view, the access to financing for the implementation of sustainable energy solutions, which will allow SMEs to reduce energy consumption and costs, freeing up funds for the maintenance of jobs and improved competitiveness.

Action 3 was inspired by the best practices presented by the partner regions of the RESOR project, namely:

- Autonomous Region of the Azores, through the "*Proenergia* Programme", financed by the regional budget;

- Canary Islands, through the launching of a public tender for the selection of Energy Service Companies for the signing of "Energy Performance Contracts with the Canary Islands Government for the implementation of sustainable energy solutions in public buildings and facilities on the Canary Islands, including Tenerife Island", financed by the *IGIC* Tax – Canary Island General Indirect Tax.

2. Description of the Action

Action 3 is a *voucher* system to promote sustainable energy in SMEs, to be implemented through the ERDF for sustainable energy under the Operational Programme.

The *voucher* has a maximum value of 2500 € non-refundable support for the island of Madeira and 2600 € for the island of Porto Santo.

The *voucher* is intended to acquire the services of a Qualified Technician or service provider (with a Qualified Technician) to:

- Perform an energy diagnosis which analyses behaviours and patterns of energy use.
- Indicate sustainable energy measures which are technically and economically feasible (payback period less than or equal to 8 years).
- Organize an hour-long awareness raising session, addressed to the management and all employees, to convey the procedures and behaviours to be adopted in order to reduce energy consumption and costs. Recommendations on behaviour change should be conveyed and explained orally and their written record should be given to the management and employees.
- Present the report of the measures, which are technically and economically feasible, and their technical specifications for the purpose of: requesting budgets, support the application process under the ERDF and/or support the celebration of an Energy Performance Contract with an Energy Service Company.

The SME is required to request a Qualified Technician or service provider (with a Qualified Technician), recognized by the Operational Programme Management Authority, to provide a budget to carry out the above-mentioned services, which is then presented in the *voucher* application process.

The deadline to carry out the services is 3 months from the approval date of the *voucher*.

The service provider receives the *voucher* amount once he has submitted the energy diagnosis report, evidence that the awareness-raising action has been carried out, the report with the technical specifications of the measures to be implemented by the beneficiary to support a subsequent application process to the ERDF and/or support for the celebration of an Energy Performance Contract with an Energy Service Company and the invoice-receipt to the *IDR, IP-RAM*.

When applying for the *voucher*, the SME undertakes to make a minimum investment of 10 000 € to implement sustainable energy measures which are technically and economically feasible (with a payback period of less than or equal to eight years) indicated in the diagnosis. If the feasible measures do not reach the minimum value of 10 000 €, the minimum investment value shall be equal to the value of the feasible measures implementation.

The total budget of this action should be distributed over a three-year period. Submission of applications is open until the budget of each year has been depleted. As long as the criteria are met, SMEs will receive support in chronological order of application. If the total budget of the Action is not depleted during the three-year period, the remaining budget shall be distributed, in the same way, for the following years that the Operational Programme is running.

Each SME has access to a single *voucher* per installation/facility.

3. Relevance - Contribution of the Action to sustainable energy

As part of the RESOR project, AREAM has identified that SMEs have difficulties in accessing knowledge in the field of sustainable energy; difficulties in filling out application forms (particularly Small Enterprises) and treasury constraints to carry out studies and investments on sustainable energy solutions.

This has been aggravated by the COVID-19 pandemic crisis, and these constraints can be overcome through Action 3, as the *voucher* system allows to simplify the ERDF application process to have access to technical assistance in order to:

- Assess the potential for reducing energy consumption by changing behaviours and patterns of energy use, and implementing sustainable energy solutions;
- Prepare the technical basis and technical specifications of measures which are technically and economically feasible to ensure access to sources of financing. This mobilization of technical knowledge is fundamental to request budgets and support a subsequent application to the ERDF and/or to celebrate an energy performance contract with an Energy Service Company.

The lack of financial capacity of SMEs for initial investment, aggravated by the pandemic crisis, can be overcome by the articulation of the ERDF with Energy Performance Contracts with Energy Service Companies, in order to enable initial financing.

This will reduce energy consumption and costs, in an initiative that has particular relevance in a context of fair transition to a society and an economy with climate-neutral impact, and recovery from the socio-economic crisis caused by the pandemic. The implementation of sustainable energy measures by SMEs demonstrates coherence with commitments made in the context of energy and climate policies, and recovery and resilience, and is an opportunity for companies to free up resources for job maintenance and improved competitiveness.

Overcoming barriers of technical knowledge, the adoption of more efficient behaviours and procedures, and access to financing through the ERDF and/or through an Energy Performance Contract to invest in sustainable energy solutions, included in a decision-making process supported by technical knowledge, will contribute to:

- The decarbonisation of the economy;
- The provision of resources to improve competitiveness and maintain jobs;
- Boosting the regional market for the provision of technical consulting services, supply and installation of renewable energy and energy efficiency solutions and Energy Service Companies.

4. Entities involved in the development of the Action

The Regional Development Institute (IDR, IP-RAM) is responsible for coordinating, planning and monitoring activities of the regional development model, as well as coordinating and managing the intervention of Community funds in the Autonomous Region of Madeira.

The Madeira Business Development Institute (IDE IP-RAM) is the coordinating body of instruments to support the corporate structure of the secondary and tertiary sectors of the regional economy, in particular micro, small and medium-sized enterprises, with a view to strength innovation, entrepreneurship and business investment.

AREAM has developed the Action in collaboration with the *IDR, IP-RAM*, which will be responsible for its framework in the Operational Programme, taking into account the constraints established by the European Commission.

AREAM will provide technical support to IDR, IP-RAM and IDE, IP-RAM in the implementation of the Action.

5. Deadline for implementation of the Action

2021-2030

6. Budget of the Action

Between 0.2 M € and 0.25 M € to benefit, at least, 100 SMEs.

7. Sources of funding for the Action

European Regional Development Fund

ACTION 4 - *Voucher* for "Sustainable energy for Public Administration sector and *IPSS*"

1. Background - Lessons learnt from the RESOR project

The implementation of sustainable energy measures by public authorities at local and regional levels and by *IPSS* (Private Institutions of Social Solidarity) demonstrates coherence with the commitments made in the context of energy, climate, recovery and resilience policies, and is an opportunity to readjust the budgets of the Public Administration sector and the *IPSS*, in particular in the pandemic context, where many resources have been reallocated to health and social support. On the other hand, Public Administration sector and *IPSS* initiatives in the field of sustainable energy have, for example, a high replication potential in society, among businesses and citizens.

AREAM has identified that technical knowledge gaps in sustainable energy hinder the initiatives of the regional and local Public Administration sector and *IPSS*, limiting the implementation of procedures and solutions that allow to reduce energy consumption and costs, and improve comfort in public buildings and facilities. In particular, knowledge gaps make it difficult to compile the requested information in the ERDF application for sustainable energy support and/or the celebration of energy performance contracts with an Energy Service Company (ESCO) for the implementation of sustainable energy solutions.

In this context, implementing a *voucher* system is justified allowing to simplify the access of the Public Administration sector and *IPSS* to the ERDF for non-reimbursable support for the provision of specialised technical services for:

- the performance of energy diagnoses, including analysis of behaviours and patterns of energy use, and specific awareness for the change of behaviours and procedures;
- preparation of the technical specifications of the measures to be implemented for the purpose of: requesting budgets, launching of public tenders for supply and installation and also for the selection of an ESCO, and support for the subsequent application process to the ERDF and/or support for the celebration of an Energy Performance Contract with an Energy Service Company, in order to ensure that the investment is carried out.

The eligibility of partnerships with Energy Service Companies in accessing community funds for sustainable energy is important to overcome investment risks and initial financial constraints. Energy Performance Contracts are a key tool for leveraging the availability of Community Funds, achieving the best results of investments made and minimising the risk of investments. In this context, the following technical documents were developed in the scope of the Action Plan as templates to support the celebration of Energy Performance Contracts:

- Volume I – CADERNO DE ENCARGOS do Modelo de contrato de gestão de eficiência energética para implementação de medidas de eficiência energética através de uma Empresa de Serviços Energéticos.
 - CONTRACT DOCUMENTS of the Energy Efficiency Management Contract Model for the implementation of energy efficiency measures through an Energy Services Company.
- Volume II – PROGRAMA DE PROCEDIMENTO do Modelo de contrato de gestão de eficiência energética para implementação de medidas de eficiência energética através de uma Empresa de Serviços Energéticos.
 - PROCEDURE PROGRAM of the Energy Efficiency Management Contract Model for the implementation of energy efficiency measures through an Energy Services Company.

Taking into account the constraints and opportunities identified by AREAM, Action 4 "Sustainable Energy for Public Administration sector and *IPSS*" aims to promote the acquisition of technical knowledge needed to change behaviours and energy use patterns and to support, from a technical point of view, the access to investment for the implementation of sustainable energy solutions, which enable the Public Administration sector and *IPSS* to lead by example in the field of sustainable energy, improve comfort in its facilities and reduce energy consumption and costs, freeing budget for other public interests.

Action 4 was inspired by the best practices presented by the partner regions of the RESOR project, namely the best practice presented by the Canary islands, by launching a public tender for the selection of Energy Service Companies to carry out "Energy Performance Contracts with the Government of the Canary Islands for the implementation of sustainable energy solutions in public buildings and facilities on the Canary Islands, including Tenerife Island", financed by the *IGIC* Tax – Canary Island General Indirect Tax.

2. Description of the Action

Action 4 is a *voucher* system to promote sustainable energy in the Public Administration sector and *IPSS*, to be implemented through the ERDF for sustainable energy under the Operational Programme. The *voucher* has a maximum value of 2500 € non-refundable support for the island of Madeira and 2600 € for the island of Porto Santo.

The *voucher* is intended to acquire the services of a Qualified Technician or service provider (with a Qualified Technician) to:

- Perform an energy diagnosis, including analysis of behaviours and patterns of energy use.
- Recommend sustainable energy measures which are technically and economically feasible (payback period less than or equal to 8 years).
- Organize one or more awareness-raising actions, with a total duration of up to three hours, addressed to managers and all employees to inform about the procedures and behaviours to be adopted to reduce energy consumption and costs. Recommendations on behaviour change shall be conveyed and explained orally and their written record shall be given to managers and employees.
- Present the report of the measures that are technically and economically feasible and their technical specifications for the purpose of budget request, launching of public tenders for supply and installation and also for the selection of an Energy Service Company, and support for the subsequent application process to the ERDF and/or support for the celebration of an Energy Performance Contract.

The public entity or *IPSS* is required to request a Qualified Technician or service provider (with a Qualified Technician), recognized by the Management Authority of the Operational Programme, to provide the budget to carry out the above-mentioned services, which is then presented in the *voucher* application process.

The deadline to carry out the services is 3 months from the approval date of the *voucher*.

The service provider receives the *voucher* amount once he has submitted the energy diagnosis report, evidence that the awareness-raising action has been carried out; the report of the measures that are technically and economically feasible and their technical specifications for the purpose of budget request, launching of public tenders for supply and installation, requested documents for the ERDF application process and/or for the celebration of an Energy Performance Contract with an Energy Service Company and the invoice-receipt to the *IDR, IP-RAM*.

The total budget of this action should be distributed over a three-year period with separate budgets for regional and local Public Administration sector, and *IPSS*. The budget for the local Public Administration initiatives should be divided per municipality in proportion to the resident population. Submission of applications is open until the budget of each year has been depleted. As long as the criteria are met, entities will receive support in chronological order of application.

If the total budget of the Action is not depleted in the three-year period, the remaining budget will be made available to any Public Administration entity or *IPSS*, for the following years that the Operational Programme is running.

Vouchers are individual for each building or facility, so an entity can have access to multiple *vouchers*. For buildings of the same nature (i.e. schools) the number of *vouchers* per entity is limited to two facilities. The technical knowledge acquired for a facility has replication potential in similar facilities.

3. Relevance - Contribution of the Action to sustainable energy

As part of the RESOR project, AREAM has identified that Public Administration sector and *IPSS* have technical difficulties in identifying needs and opportunities in the field of sustainable energy; difficulties in accessing the technical knowledge needed to support sustainable energy measures which are technically and financially feasible to be implemented in its facilities and budgetary resources to carry out studies and investments on sustainable energy solutions.

This situation has been worsened by the COVID-19 pandemic crisis due to the reallocation of public funds for health and social support, and part of these constraints can be overcome through Action 4, since the

voucher system allows to simplify the ERDF application process under the Operational Programme, to have access to technical assistance in order to:

- Assess the potential for reducing energy consumption by changing behaviours and patterns of energy use, and implementing sustainable energy solutions;
- Prepare the technical basis and technical specifications of measures which are technically and economically feasible to ensure access to sources of financing. This mobilization of technical knowledge is fundamental for requesting budgets, launching a call for tenders for the implementation of solutions, and for the selection of an ESCO and supporting a subsequent application process to the ERDF and/or signing an energy performance contract with an Energy Service Company.

The lack of financial capacity of the Public Administration sector and *IPSS* for the initial investment, aggravated by the crisis caused by the pandemic, can be overcome by the articulation of the ERDF with Energy Performance Contracts with Energy Service Companies, in order to enable initial financing.

This will reduce energy consumption and costs, in an initiative that has particular relevance in a context of fair transition to a society and an economy with climate-neutral impact, and recovery from the socio-economic crisis caused by the pandemic. The implementation of sustainable energy measures by the Public Administration sector and *IPSS* demonstrates coherence with the commitments made in the context of energy, climate, recovery and resilience policies, and is an opportunity for the Public Administration sector and *IPSS* to free up resources for other public interests.

Overcoming barriers of technical knowledge, the adoption of more efficient behaviours and procedures, and access to financing for the implementation of sustainable energy solutions through the ERDF and/or through an Energy Performance Contract to invest in sustainable energy solutions will reduce energy consumption and costs and contribute to:

- The decarbonization of services;
- The balance of Public Administration sector and *IPSS* budgets;
- Boosting the regional market for technical consulting services, Energy Service Companies, and the supply and installation of renewable energy and energy efficiency solutions.

On the other hand, by example and initiative, the implementation of sustainable energy measures and the adoption of sustainable energy use behaviours in public services and facilities and *IPSS* has a high replication potential in society.

4. Entities involved in the development and implementation of the Action

The Regional Development Institute (IDR, IP-RAM) is responsible for coordinating, planning and monitoring activities of the regional development model, as well as coordinating and managing the intervention of Community funds in the Autonomous Region of Madeira.

AREAM has developed the Action in collaboration with *IDR, IP-RAM*, which will be responsible for its framework in the Operational Programme, taking into account the constraints established by the European Commission.

AREAM will provide technical support to *IDR, IP-RAM* in the implementation of the Action.

5. Deadline for implementation of the Action

2021-2030

6. Budget of the Action

Between 0.5 M € and 0.52 M € to benefit at least 150 facilities of the Public Administration sector and 50 *IPSS*:

- Between 0.125 M € and 0.13 M € for applications of Regional Public Administration sector (50 facilities);
- Between 0.25 M € and 0.26€ for applications of Local Public Administration sector (100 installations);
- Between 0.125 M € and 0.13 M € for applications of *IPSS* (50 installations).

7. Sources of funding for the Action

European Regional Development Fund

Signatures of the relevant entities

Regional Development Institute (IDR, IP-RAM)

Date: Funchal, 25th May 2021

signature

Electronic Signature in the Portuguese Version of the Action Plan

Name: Emília de Fátima Fernandes Alves

Date and hour: 2021.05.25 at 11:05 local time

AREAM – Regional Energy and Environmental Agency of the Autonomous Region of Madeira

Date: Funchal, 25th May 2021

signature

Electronic Signature in the Portuguese Version of the Action Plan

Name: José Filipe Nunes Oliveira

Date and hour: 2021.05.25 at 14:07 local time
