



## Annex 1 – Action plan template

Produced by each region, the **action plan** is a document providing details on **how** the lessons learnt from the cooperation will be exploited in order to improve the policy instrument tackled within that region. It specifies the nature of the actions to be implemented, their timeframe, the players involved, the costs (if any) and funding sources (if any). If the same policy instrument is addressed by several partners, only one action plan is required.

### Part I – General information

Project: **FINERPOL**

Partner organisation: **AGENEX**

Other partner organisations involved (if relevant): Extremadura Regional Government

Country: SPAIN

NUTS2 region: EXTREMADURA

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### Part II – Policy context

The Action Plan aims to impact:

- Investment for Growth and Jobs programme
- European Territorial Cooperation programme
- Other regional development policy instrument

Name of the policy instrument addressed:

**Extremadura (Spain) Operational Program for ERDF of Extremadura 2014-2020**

Investment priority PI.4.4. Support of energy efficiency, smart management of energy and renewable energy implementation in public infrastructures, including public buildings and household.

As it is described in this document, AGENEX will improve the policy instrument with the modification of the Extremadura Operational Programme to create a Financial Instrument for energy efficiency and renewable energies in buildings to promote low carbon economy.

According to the Programme Manual, point 4.3.1, the proposed improvement of the policy instrument is envisaged by a Type 3 “**change in the strategic focus of the policy instrument (structural change)**” as the Action Plan will focus on the modification of the OP.

## Part III – Details of the actions envisaged

### **Modification of Extremadura Operational Program for ERDF of Extremadura 2014-2020 to create a financial instrument for energy efficiency and renewable energies in buildings**

#### **The background**

FINERPOL project has been the stage where this process has started with the exchange of experiences between partners from different regions among Europe.

In particular, the analysis of best practices of FI in the consortium has been fruitful for us. This experience has given us the possibility of learning from other regions where FIs have been implemented in order to define the best FI for our region. Indeed, BPs have been the starting point for the definition of the right FI for our region. The lessons learnt about BPs, after their analysis and visiting some of the regions where they have been implemented will be shared in the stakeholder meetings to design Extremadura FI for energy efficiency and renewable energies in buildings (Action 4.2.). Among others, the following practices are the financial instruments that have been considered most relevant since they have a great potential of transfer to the FI for Extremadura:

- PadovaFIT, programme to retrofit large scale residential buildings implemented in Padova, Italy, was inspiring as the majority of the guaranteed energy savings is being used to the reimbursement of the investment to the ESCO and that a small portion of the energy savings, about 5%, is being kept by the beneficiaries as immediate savings on their energy bills (shared savings). The possibility of payment the loan to renovate residential buildings with the savings will be included in Extremadura FI and an analysis to calculate the payback period is being carried out to determine the feasibility.
- KredeEX (Apartment building renovation loan programme in Estonia), which is a Portfolio Guarantee Fund to support the development of Estonia through loans with guarantees for companies and dwellings. This Best Practice was explained in the Interregional Event 7 in Tartu (Estonia) and its structure, as it is a Portfolio Guarantee Fund, is very similar to the FI that is being design in our Region (Action 4.2).
- Urban Development Fund in Pomorskie is an ERDF co-funded financial instrument, managed by Bank Gospodarstwa Krajowego. This practice was presented in the IE6 in Pomorskie and the co-financiation was an inspiration for our FI (Action 4.2).

It is important to highlight the lack of good practices within the partners region, due to the innovative nature of the topic of the project, Financial Instruments for Energy Renovation of Buildings. For this reason, BPs analysed during the project lifetime were not only from partner regions and countries, but others from similar European regions were also considered. Besides, the application form included some IEs would be celebrated in regions outside of the partnership to be able to visit some interesting BPs. This has been the case of the Interregional Event in Gdansk, Pomorskie Region, where Urban Development Fund was presented and discussed. Another milestone to point out was the celebration of one IE in conjunction with another IE Project, Social Green, which objectives present some similarities with FINERPOL. The benefit of this celebration was the possibility of a greater cooperation between the two consortiums, sharing experiences between partners and stakeholders from the two projects. Besides, another interesting best practice for FINERPOL was visited during this event, KredeEX, and it was really fruitful to learn from this practice and exchange experiences in relation to this innovative topic during the event.

During the IEs we had the opportunity to have a peer review of the BPs analysed, exchanging the experience and knowledge among partners and drafting conclusions of how a FI could be implemented in every region. Even some of them were difficult to be implemented in our regions due to the legal barriers or differences between regions, it was really important for us and our stakeholders to learn from the wide variety of them that have been analysed in the consortium increasing our capacity building in the field of Financial Instruments.

For instance, the structure of the IE in UK, where we worked in focus groups gave us the opportunity to have a close peer review about the innovative topic. Another thing to highlight from the exchange of experience is the IE in Prague where FIs from Czech Republic were presented as well as their ex-ante assessment which gave us guidance to approach ours. Besides, the benefits of cooperation between MA and energy agencies were shown in Trento. IE in Porto was an opportunity to share the results of our cooperation with the celebration of the learning camp. In this activity, each partner presented its Action Plan to the remaining partners and stakeholders and seven groups were formed, with one representative from each partner at each group. Every group analysed the Action Plan assigned in order to discuss topics as the advantages/innovation, the disadvantages/risks, how to be improved, energy efficiency suitable/other use, possible partners, probability of implementation, target groups and the positive influence/Impact. The results of this learning activity were very interesting as a closure of Phase 1 and to finalise Action Plans with the comments given by the rest of the consortium.

As it has been crucial the involvement of stakeholders to develop the presented Action Plan, the local stakeholders group that have been created during FINERPOL phase 1 have been essential. This has been the first step of convincing policy makers of the necessity of the Modification of the OP and the promotion of FI for energy renovation on buildings (Action 1.1.). Besides, part of members of this group will be the key actors in the group created to design Extremadura FI for energy efficiency and renewable energies in buildings (Action 4.2.)

Another key output of the FINERPOL project has been the production of the regional ex-ante assessment which have analysed Extremadura Region market failure and funding gaps. This document has been the tool to convince MAs (Action 1.2.) of the necessity of FIs and proceed with the modification of the OP.

But the most important part of the exchange of experience is the opportunity of cooperation between Managing Authorities and stakeholders where they have increased their capacity building interacting with other regions. In the case of AGENEX, the involvement of the Regional Government in the project as a partner and the participation of other MAs along the lifetime of the project (IEs, stakeholder meetings, informal meetings, emails, calls,...) have been crucial in the process of achieving the objective of the presented Action Plan. The key for achieving this has been the conviction of the high level stakeholders of the necessity of a FI for Extremadura Region and this have been done thanks to the participation of Extremadura MAs in the exchange of experiences (IE) and presenting the results of the Extremadura Ex-ante Assessment elaborated during the project FINERPOL.

In conclusion, thanks to FINERPOL project, AGENEX, Extremadura Regional Government and our stakeholders, have increased their professional capacity and have developed an action plan to fulfil the objective of the project and modify the policy instrument addressed.

## Objective

Extremadura regional ex-ante analysis has shown that there is a market failure in the housing stock built before 1980, presenting a higher potential for energy renovation, with a demand-side expressing the incapacity to carry out specific investment due to the numerous technical and financial barriers of the market. Supply-side showed scarcity of specific financial product for the demand-side request, or products not allowing the development of a bankable deep retrofitting project.

Given the market failures and funding gaps identified in the residential buildings market in Extremadura, the implementation of a financial instrument for energy efficiency in buildings is needed. However, the Policy Instrument addressed need to be modified in order to transfer ERDF through financial Instrument. For these reason, the main objective of the Action Plan presented below is the modification of the OP to make possible the creation of FIs.

In order to modify the OP, several actions involving different players are needed. These actions could be summarized in the four actions set out below:

1. Awareness-raising for policy makers of the necessity of the Modification of the OP and the promotion of FI for energy renovation on buildings / Defence in the Monitoring Committee of the Operational Program of the proposal of the Modification of the OP
2. Compilation and submission of the documentation to amend the Operational Program for ERDF of Extremadura 2014-2020
3. Revision and approval of the documentation and the proposal by Monitoring Committee
4. Monitoring of the Modification of the OP and setting of the first steps for the creation of a FI

## **ACTION 1 – Awareness-raising for policy makers of the necessity of the Modification of the OP and the promotion of FI for energy renovation on buildings**

### **1. Actions to be implemented**

The first step to Modify the OP is to convince policy makers to enable the use of EFDF funds through Financial Instruments and not only through subsidies as it is included in the current Operational Program.

The involvement of MAs of Extremadura Region during the Phase 1 lifetime of the project has been crucial. For this reason, this action of supporting and advising has been active during all Phase 1 while the cooperation works and meetings about the modification have been concentrated at the end of Phase 1. The relationship with our key actors will be carry on during Phase 2 with stakeholder meetings to support them and monitor the process of the modification of the OP.

One essential tool for this process of convincing our MAs has been the regional ex-ante assessment as it clearly states the market failure and the funding gap in Extremadura, where a more complex finance scheme to finance energy renovation works in residential buildings is needed.

After the assessment to MAs and policy makers, the last step before starting the modification procedure is the presentation and defence of the proposal of the Modification of the OP in the Monitoring Committee where AGENEX will defend the Modification invited by the Regional Government.

The actions that have been and will be undertaken to support our Regional Government are summarized below:

<b>ACTION 1</b>	<b>Awareness-raising for policy makers of the necessity of the Modification of the OP and the promotion of FI for energy renovation on buildings</b>
<b>ACTION 1.1</b>	<b>Trimestral meetings with stakeholders to advice, support and convince</b>  A total of 4 stakeholder meetings/interviews will be held in order to convince policy makers of the necessity of the Modification and discuss next steps.
<b>ACTION 1.2</b>	<b>Presentation of the final Extremadura Regional Ex-ante Assessment to stakeholders</b>  The main outputs and conclusions of the Extremadura Ex-ante will be presented to the key actors of our region during a local stakeholder meeting to set the base to proceed with the modification of the OP.  This document will be circulated among FINERPOL stakeholders and the other key actors in the modification of the OP of Extremadura region.
<b>ACTION 1.3</b>	<b>Defence in the Monitoring Committee of the Operational Program of the proposal of the Modification of the OP</b>  Presentation of the modification of the ERDF Extremadura Operational Program to include an innovative financial instrument of 5 million euros for energy rehabilitation of buildings. This change includes a modification in the strategic focus of the OP.

**2. Players involved** (please indicate the organisations in the region who are involved in the development and implementation of the action and explain their role)

The main players of this action are AGENEX and DG Architecture of Extremadura Regional Government. They, as partners of FINERPOL project, will establish contact with other key actors in order to achieve the objective of this action. Among the other stakeholders with a key role in this action stand out Extremadura Regional Government, AFI and European Funds Management Department of Ext. Regional Government.

**3. Timeframe**

This action will be mainly undertaken during Semester 4 and Semester 5. An schedule of the actions is set out below:

ACTION	SEMESTER 4						SEMESTER 5					
	M10	M11	M12	M1	M2	M3	M4	M5	M6	M7	M8	M9
1												
1.1	x			x			x			x		
1.2								x				
1.3								x				

**4. Costs** (if relevant)

1250€ (0.6 person months approx. from AGENEX for this action)

**5. Funding sources** (if relevant):

N/A

## **ACTION 2 - Compilation and submission of the documentation to amend the Operational Program for ERDF of Extremadura 2014-2020**

### **6. Actions to be implemented**

Once that the Modification of the OP has been presented to the Monitoring Committee, AGENEX will start to elaborate the required documentation to amend the Operational Program for ERDF of Extremadura 2014-2020. AGENEX will follow the instructions made by the European Funds Management Department of Ext. Regional Government who will be reviewing the documentation produced.

#### **ACTION 2**

#### **Compilation and submission of the documentation to amend the Operational Program for ERDF of Extremadura 2014-2020**

##### **ACTION 2.1 Justification of the proposal**

This document will be elaborated in accordance to the other documents of the Program (Partnership Agreement, RIS3, E2020, Strategy of OP, etc.)

##### **ACTION 2.2 Revision of the OP**

Preparation of a word document highlighting the paragraphs that need to be amended and indicating the information to be included.

##### **ACTION 2.3 Completion of the ARES Model form**

This document is used in modification of OPs, in line with the revision document

##### **ACTION 2.4 Proposal of productivity and financial indicators**

##### **ACTION 2.5 Elaboration of the productivity indicator manual**

##### **ACTION 2.6 Adaptation of the Selection Criteria Sheets of the operations affected by the modification**

### **7. Players involved** (please indicate the organisations in the region who are involved in the development and implementation of the action and explain their role)

The main player of this action is AGENEX who will prepare, elaborate and submit the required documentation for the amendment of the OP. AGENEX will be continuously in contact with European Funds Management Department of Ext. Regional Government who will guide AGENEX in this action.

## 8. Timeframe

This action will be mainly undertaken during Semester 5 and Semester 6. An estimated schedule of the actions is set out below, but as this process is complex relying on instructions and guidance by the Regional Government, deadlines could be subject to change.

ACTION	SEMESTER 5						SEMESTER 6					
	M4	M5	M6	M7	M8	M9	M10	M11	M12	M1	M2	M3
2												
2.1		x										
2.2			x									
2.3			x									
2.4									x			
2.5									x			
2.6									x			

## 9. Costs (if relevant)

3000€ (1.2 person/month approx. from AGENEX)

## 10. Funding sources (if relevant):

N/A



## **ACTION 3 - Revision and approval of the documentation and the proposal by Monitoring Committee**

### **11. Actions to be implemented**

This action is linked to Action 2 as the documents submitted by AGENEX in the Action 2, will be individually reviewed and approved by Funds Management Department of Ext. Regional Government. Once this documentation is validated, Monitoring Committee will approve and amend the OP.

#### **ACTION 3**

#### **Revision and approval of the documentation and the proposal by Monitoring Committee**

##### **ACTION 3.1 Revision/approval of the justification of the proposal**

This document will be elaborated in accordance to the other documents of the Program (Partnership Agreement, RIS3, E2020, Strategy of OP, etc.)

##### **ACTION 3.2 Revision/approval of the revision of the OP**

Preparation of a word document highlighting the paragraphs that need to be amended and indicating the information to be included.

##### **ACTION 3.3 Revision/approval of the ARES Model form**

This document is used in modification of OPs, in line with the revision document

##### **ACTION 3.4 Revision/approval of the proposal of productivity and financial indicators**

##### **ACTION 3.5 Revision/approval of the elaboration of the productivity indicator manual**

##### **ACTION 3.6 Revision/approval of the adaptation of the Selection Criteria Sheets of the operations affected by the modification**

### **12. Players involved** (please indicate the organisations in the region who are involved in the development and implementation of the action and explain their role)

The main player of this action will be European Funds Management Department of Ext. Regional Government who will be reviewing the documents submitted by AGENEX.

Another important agent of this action will be the Monitoring Committee who will amend the OP at the end.

### 13. Timeframe

This action will be mainly undertaken during Semester 5 and Semester 6 and link to the submission of document of Action 2. An estimated schedule of the actions is set out below, but as this process is complex, deadlines could be subject to change.

ACTION	SEMESTER 5						SEMESTER 6					
	M4	M5	M6	M7	M8	M9	M10	M11	M12	M1	M2	M3
3												
3.1								x				
3.2								x				
3.3								x				
3.4											x	
3.5											x	
3.6											x	

### 14. Costs (if relevant)

2000€ (0.6 person/month from European Funds Management Department of Ext. Regional Government who will guide AGENEX in this action)

### 15. Funding sources (if relevant):

N/A

**ACTION 4 - Monitoring of the Modification of the OP and setting of the first steps for the creation of a FI**

**16. Actions to be implemented**

The monitoring of the Modification OP will commence with the starting of the process of the modification and will carry on until the final amendment of the OP.

During the Modification of Extremadura Operational Program for ERDF of Extremadura 2014-2020, AGENEX with other key actors will start to design a financial instrument for energy efficiency and renewable energies in buildings. In these meetings, the lessons learnt during the exchange of experiences within FINERPOL project. Relevant best practices analysed will be presented as a starting point to design Extremadura FI structure in order to show stakeholders what characteristics from them could be implemented in our region.

**ACTION 4 Monitoring of the Modification of the OP / First steps for the creation of a FI**

**ACTION 4.1 Monitoring of the Modification of the OP**

**ACTION 4.2 4 Stakeholder meetings to design the FI for energy efficiency and renewable energies in buildings.**

This meetings will be held every 6 months

**17. Players involved** (please indicate the organisations in the region who are involved in the development and implementation of the action and explain their role)

AGENEX will monitor the amendment and will create a stakeholder group with the key actors to design the FI for Extremadura Region. Among others, this group will count with:

DG Architecture, Urvipexa, AFI, JuntaEx, CAF, and sectorial associations such as the regional association of building owners, the regional network of citizens support for housing, and other key actors

**18. Timeframe**

The monitoring will start in the Semester 5 until the final amendment of the OP. Stakeholder meetings will be held every three months.

An estimated schedule for this actions is shown below:

ACT	SEMESTER 5						SEMESTER 6						SEMESTER 7						SEMESTER 8		
	M4	M5	M6	M7	M8	M9	M10	M11	M12	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
4																					
4.1																					
4.2	X						X						X						X		

**19. Costs** (if relevant)

3000€ (1.2 person months from AGENEX)

**20. Funding sources** (if relevant):

N/A