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Terms of Reference

for the

Expression of Interest

for the selection of

lighthouse projects

Action: Better Cohesion through Development of Energy Communities in the Western Balkans

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1. INTRODUCTION AND STRATEGIC FRAMEWORK

This Expression of Interest (EoI) is launched within the framework of the Action Grant "Better Cohesion through Development of Energy Communities in the Western Balkans" financed by the Directorate-General for Regional and Urban Policy (DG REGIO) of the European Commission and implemented by the Emilia-Romagna Region (ERR). The Action supports the creation and development of Renewable Energy Communities (RECs), as a strategic tool to accelerate the green transition and empower local stakeholders in the Western Balkans, and aims to contribute to reducing and stabilising the energy costs of their REC members.

The initiative is in line with the European Green Deal, the Green Agenda for the Western Balkans, the New European Bauhaus initiative and the cohesion objectives of the European Union. Its aim is to facilitate the uptake of sustainable energy models that integrate environmental, economic and social benefits, fostering citizen participation and democratic governance of local energy systems. It will support projects connecting the green transformation, social inclusion, and local democracy and identifying innovative funding and new business models for the transformation of Western Balkans. The ERR, together with its affiliated entity Art-ER, acts as a technical coordinator, offering its experience and tools to partners in the Western Balkans and providing advisory and consulting services that facilitate the creation of RECs. Through the Action Grant financed by DG REGIO and implemented by the ERR, dedicated resources are made available to support the activation of up to ten (10) pilot projects, which will be accompanied step by step in the establishment and initial functioning of RECs. This includes technical assistance, capacity-building, financial planning, and — depending on readiness — access to light infrastructure investments.

2. PURPOSE OF THE EXPRESSION OF INTEREST

The objective of this EoI is to identify and support up to ten (10) pilot projects in five (5) countries of the Western Balkans (Serbia, Bosnia and Herzegovina, North Macedonia, Albania and Montenegro) participating to the EU Strategy for the Adriatic and Ionian Region (EUSAIR).

With their proposals, the applicants must demonstrate a strong commitment to the establishment or up-grading of RECs and, if selected, must commit to the implementation of pilot projects. The selected projects will serve as lighthouses within the Western Balkan Region, with the support of the Member States from the EUSAIR macro-regional strategy area, sharing their experiences and methodologies with other actors and regions. These lighthouse projects will receive technical, strategic and — under certain conditions — financial support.

Each participating Western Balkans country will have up to two (2) lighthouse projects selected.

The objective of the Expression of Interest is to enter dialogue with applicants on concrete RECs and identify how to overcome related constraints in the Western Balkans region. This dialogue is aimed at building a pipeline of transformative RECs in the region, that

could potentially be supported by the Action and later on by the European Commission, other donors and/or the national funds with their available policy, technical and financial instruments. Based on assessment criteria, subsequent contact with partner Financial Institutions may also be facilitated for potential financial cooperation.

It is designed with flexibility and inclusiveness at its core, recognising that applicants may be at different stages of maturity, even an incipient stage, in developing their RECs.

To this purpose, it is structured around a two-round call system (as specified at section 6 of the current Terms of Reference): a first call round is launched in mid-2025, followed by a second call round planned later in the year. This two-round approach should ensure that applicants at different levels of readiness have a meaningful opportunity to participate in the Expression of Interest. Each round includes its own draft and final deadlines, along with a dedicated negotiation phase to support applicants in shaping robust and feasible proposals.

The two-round call system for Expression of Interest have several cut-off days (deadlines):

- I. 16 July 2025, 23:59 CET (deadline for first round “concept note” submissions)
- II. 8 September 2025, 23:59 CET (deadline for first round “full applications form” submissions)
- III. 20 October 2025, 23:59 CET (deadline for second round “concept note” submission / this third cut-off date will be announced only in case of still available funds and only for the countries for which the minimum number of two (2) pilot projects has been reached after the first round of evaluation following the first cut-off date).
- IV. 5 December 2025, 23:59 CET (where applicable, deadline for second round “full applications form” submissions).

Applicants should not feel discouraged if their initiative is still at an early stage or even embryonic. For the first deadline, it is not necessary to submit a fully detailed or mature project proposal. What matters is the strength of the concept, its social and environmental vision, and the applicant’s motivation and commitment. During the subsequent negotiation phase, the most promising draft proposals will be supported by the ERR and its experts to refine and structure the concept, ensuring it is viable, impactful, and aligned with the objectives of the Action.

Importantly, the second-round call deadline has already been planned as part of this Terms of Reference. This second opportunity is not simply a fallback, but an integral part of the Action inclusive strategy. It is specifically intended for applicants who need more time to mature their ideas, consolidate partnerships, or gather local support and/or identify enablers and facilitators, as well as to allow those who submit a draft but are not ready for the first final deadline, completing the proposal for the second-round call.

This means that interested applicants should not feel rushed or excluded if they are not fully prepared at the early stages. Instead, they are encouraged to start engaging with the process, join the first phase of capacity-building, and use the time until the second-round call to strengthen their application with the support of ERR and its partners.

Once the project proposals and concepts note are selected and put in the pipeline, they will benefit from a continuous technical accompaniment and support services, through coaching, training, and advisory support provided by ERR and ART-ER, aimed at

facilitating the set-up of new RECs and the growth of existing ones. The services delivered to selected applicants will involve direct technical support with personalised advice through the different phases of project development (e.g. access to finance, business model definition support, legal advice, energy commercialisation, assistance for the operational phase). Services could also aim at scaling-up and professionalising RECs using approaches such as peer-to-peer support and twinning programmes among communities with different levels of experience. In this perspective, selected applicants are not expected to have extensive technical qualifications: the Action has been designed to empower local communities, guiding them step by step, from stakeholder mobilisation to legal structuring, financial planning, and light infrastructure investments.

Participation in this two-round call will not systematically lead to any form of partnership, joint venture, or other legal relationship between the applicant and the ERR. It won't neither always guarantee financial support for investments, either from the ERR, the European Commission or any partner Financial Institutions.

All project proposals presented to the ERR will be assessed based on the criteria outlined in the Calls and will be treated equally, ensuring a fair and transparent assessment process. All information submitted as part of the project proposals notes will be treated confidentially and used solely for the purposes of evaluating the proposals in accordance with the criteria specified in the Call.

3. STRUCTURE OF IMPLEMENTATION OF LIGHTHOUSE PROJECTS: STEP-BY-STEP APPROACH

The implementation of pilot lighthouse projects will follow a goal-oriented, step-by-step methodology, tailored to support beneficiaries at different stages of readiness in developing RECs. Each project is structured around a sequence of defined actions and access to support and funding will be gradually unlocked upon the successful completion of each step. This approach ensures that support is provided in line with the project progress, reinforcing community, ownership, feasibility, accountability and long-term sustainability.

Each lighthouse project is divided into two main phases: Phase 1, which focuses on the activation of local stakeholders and the formal establishment of the REC and Phase 2, which includes the feasibility assessment, financial planning, and — where viable — the implementation of light infrastructure investments to support the REC operation and growth.

It has to be noted that, even if the completion of all the Phases and relevant steps is desirable, the full completion of Phase 1 during the implementation period of lighthouse projects, without getting to or completing Phase 2 may be acceptable, based on the negotiations reached between the ERR and the beneficiary on the specificities of the lighthouse project.

3.1. Phase 1: Establishment of the REC¹

This phase supports the first steps for the establishment of a REC. Beneficiaries will receive technical assistance to form a legally recognized entity capable of operating as an energy community. Support provided to beneficiaries will be functional to conduct the following steps, aimed at laying the legal, technical, and social foundation for the REC:

Step 1 – Stakeholders engagement and community activation

The first step is to engage potential stakeholders. The goal is to identify and bring together a core group of motivated participants. This step involves the launch of a communication and outreach campaign to gather additional expressions of interest from potential members. The campaign should clarify the roles within the REC (e.g. prosumers who both produce and consume energy and consumers who only use it) and encourage broad community involvement.

Step 2 – Vision and governance model definition

Once an initial group of interested parties is established, it is essential to collectively finalise the social and environmental objectives of the community (e.g. local development, energy poverty alleviation, self-sufficiency of public buildings), beyond the ones already declared in the application form. This step includes:

- Identifying the founding members and energy producers;
- Establishing a shared vision, mission and governance of the REC;
- Selecting the appropriate legal form for the REC (e.g., non-profit association, cooperative, social enterprise, etc).

Step 3 – Legal establishment of the REC

Once the community activation process is completed, the community can proceed with legal registration. Depending on the chosen legal form, this step may require professional assistance or notarisation. At this stage, the REC must adopt internal regulations addressed to regulate the governance of the Community and the relationship among its members, as to be a REC.

3.2. Phase 2 – Feasibility and light investment implementation in the established RECs

Phase 2 is oriented to make the established REC working as a fully functioning REC. Beneficiaries accessing this Phase are required to complete a detailed feasibility assessment, which constitutes the first step (Step 4) of Phase 2.

Step 4 – Preliminary analysis and feasibility study

This stage includes the following activities:

¹ For the definition of “Renewable Energy Community” applicable under this Expression of Interest, please refer to Annex I - Glossary.

- Identify suitable sites for energy infrastructure (e.g. rooftops for solar panels);
- Collect and analyse energy consumption data from interested users;
- Develop a preliminary economic and financial plan, including the simulation of investment scenarios and potential benefits.
- Where needed, identify enablers and facilitators for the success of the proposed project. Beyond the work being done by the EU and the national authorities to define enabling frameworks for energy communities in the Western Balkans, an increasing number of local and regional authorities are creating services to support the emergence and development of energy communities and collective energy projects in their territories.

This step is crucial, as it provides the foundation for the detailed financial plan that will guide the REC development, including its purpose, area of operation, economic model, and expected social, environmental, and economic impacts. This simulation will be carried out using an “Energy Management Tool” provided by the ERR, which allows communities to monitor energy flows, evaluate self-consumption potential and simulate economic returns under different investment strategies. The tool will be specifically developed for and within the implementation of the lighthouse projects and tailored to the local scenario of the local communities.

At this step, the beneficiaries must also ensure their complementarity to existing national enabling frameworks and local support for energy communities. Where possible, they should complement and make use of existing resources and networks as relevant (e.g. the European Energy Communities Facility, the Citizen Energy Advisory Hub).

Step 5 – Light infrastructure investment

Access to funding for light investments (e.g., small-scale photovoltaic installations, energy storage systems, monitoring devices) will be subject to the results and robustness of the financial and technical feasibility plan developed in Step 4. The amount and nature of the investment support will be calibrated according to:

- the maturity of the project,
- the soundness of the investment strategy,
- the potential replicability and scalability of the proposed solution.

Only beneficiaries that demonstrate a solid foundation through the feasibility study will proceed to this investment step. The evaluation will ensure that financial support is directed towards initiatives with clear, measurable impacts and implementation capacity.

All projects should aim to last 12 months. The first selected lighthouse projects are expected to start in October 2025 and all of them should end no later than 30 October 2026. Any further extensions for the completion of the project will be granted, if necessary, based on the progress of the work. The proposals must have a clear indication of the outcomes and impacts expected to be achieved in the semester of implementation, as well as in the second semester of implementation.

4. SUPPORT PROVIDED

Each selected lighthouse project will receive a structured package of support, provided by ERR, ART-ER and their experts, which includes both technical and financial components.

From the technical point of view, the support provided includes:

- In-person and remote technical assistance, delivered by a team of subject-matter experts. This support will cover financial, organizational and energy-related aspects of establishing and operating a REC;
- Access to the “Energy Management Tool” developed by the ERR, accompanied by dedicated training to support the design and simulation of energy strategies;
- Tailored mentoring in developing participatory governance models and sound financial plans, adapted to the local context;
- Support in communications, dissemination and visibility activities, to help raise awareness and engagement at the local and national levels;
- Policy and regulatory support, including facilitation of dialogue with decision makers and key stakeholders (e.g., Distribution System Operators – DSOs), which often represent a major challenge in most Western Balkan countries.

In addition, each lighthouse project will be granted access to a financial contribution, governed by one or more sub-grant agreements, signed between the ERR and the beneficiary, each of them supporting the conduction of specific step/s of the project. In general terms, the first sub-grant agreement will cover the implementation of all Steps of Phase 1, while further financial support for Step 4 and Step 5 will be agreed upon according to achievements obtained by the lighthouse project, possibly also stipulating new sub-grant agreements with the established REC itself. In case of lighthouse projects starting directly with Phase 2, the first sub-grant agreement will cover the implementation of Step 4, while further financial support (Step 5) will be agreed upon according to achievements obtained by the lighthouse project.

The agreement(s) will specify:

- the amount of eligible funding for each Step, determined by the ERR based on the proposal submitted and the funds requested, within the maximum amount of € 200,000.00 for the conduction of the entire lighthouse project;
- the possibility of a pre-financing payment, subject to the provision of an adequate financial guarantee (e.g. bank guarantee). The amount of the pre-financing – which may be disbursed in one or more instalments – will be defined on a case-by-case basis, taking into account the characteristics and capacities of the beneficiaries. Particular attention will be paid to less-structured and grassroots communities, which may lack access to liquidity or external financing;
- that all expenditures, including those covered by pre-financing, must in any case be reported on the basis of actual costs, duly documented through adequate supporting evidence. Any amount unduly received through pre-financing will be recovered by the ERR.

Eligible expenditures, to be refundable under the sub-grant agreement(s), include:

- staff costs of the beneficiary/the REC related to the implementation of the lighthouse project;

- travel and accommodation expenses of the internal staff of the beneficiary/ REC necessary for the lighthouse project activities;
- costs of technical and legal technical assistance, purchased by the beneficiary/the REC, where their services are essential to the establishment and functioning of the REC;
- infrastructure and equipment costs, provided they are directly linked to the lighthouse project and justified within the financial plan.

All expenditures must be actually incurred, directly attributable to the lighthouse project and supported by verifiable evidence in order to be eligible for reimbursement.

5. ELIGIBILITY OF APPLICANTS

To ensure a structured and transparent assessment, the following criteria will be used for evaluating the eligibility of lighthouse project proposals:

- Eligible applicants must be established in one of the EUSAIR Member States (Croatia, Greece, Italy, Slovenia) or, preferably, in one of the eligible Western Balkans countries: Albania, Bosnia and Herzegovina, Montenegro, North Macedonia, and Serbia. In case the project proposal is being carried out by a consortium, the consortium leader and all consortium members must be based in one of the four (4) EUSAIR EU Member States or, preferably, in one of the five (5) eligible Western Balkans economies.
- Applicants may include, but are not limited to:
 - Municipalities and local authorities;
 - Members from village council;
 - Public hospitals, public schools, public universities or other public service staff;
 - Local development agencies;
 - Associations, cooperatives, NGOs, CSOs or citizen groups;
 - Farmers and their representative organizations;
 - Small and medium sized enterprises (SMEs);
 - Informal groups with the capacity to formalize as a legal entity;
 - Established RECs (eligible only under Phase2 – see below).
- Both for-profit and not-for-profit organisations can apply, but all projects must be delivered on a not-for-profit basis, meaning that any surplus generated from the project's activities should be reinvested into the community or used to further its mission, rather than distributed as profit to its members. The selected applicants should serve a public good and not for the financial gain of their members, executive team or managing board.
- If the applicant is either a private enterprise, joint venture or a consortium of companies, it shall possess a valid VAT registration number (note: Private entities without a valid VAT registration number will be excluded from these Expression of Interest).
- For private legal entities (companies possessing their real legal seat / legal incorporation in one of the eligible EU Member States or Western Balkans

economies), ‘real legal seat’ must be understood as the place where their managing board and central administration, or their principal place of business, are located.

- Entities listed in the Early Detection and Exclusion System (EDES)³ data base are excluded from these Calls for Expressions of Interest. If the project is conducted by a consortium, the consortium leader and all consortium members must be based in one of the EUSAIR Member States or in one of the five eligible Western Balkans economies.

Applicants may choose one of the following options:

- Apply for Phase 1 and Phase 2,
 - if they are in an early project stage and require support to conduct the complete pathway from design (establish a legally recognized collective entity) to implementation of the REC;
 - if they already own renewable energy assets, or they know energy asset owners, and want to mobilise them and these assets and empower the local communities, to leverage these assets for public good and local consumption.
- Apply only for Phase 2, provided they can demonstrate to be an already established collective entity or local citizen community, ready to improve their financial model and, if sustainable, proceed with investment activities enhancing the functioning as a REC (following the definition of REC applicable under this EoI - see Annex I) or at least a renewable energy (either virtual or physical) sharing initiative.

Applicants must meet one of the following specific conditions:

- Applicants applying for both Phase 1 and Phase 2 must be at an early or intermediate stage of development and not yet legally constituted as a REC. They must commit to completing all steps outlined in Phase 1, including stakeholder engagement, definition of governance and vision and legal establishment. They can adopt the legal form of a cooperative, but they can also take the form of public utility companies, housing associations, social enterprises, community trusts, foundations, public-private partnerships or other types of non-profit legal entities, allowing individuals to collaborate with local authorities and SMEs to orchestrate joint investments in energy goods and for participation in the energy markets. But in any event, at the end of Phase 1, they will have to assume a legal form consisting in an organisational concept featuring open membership, democratic member control and concern for the community. The feasibility study and investment plan will follow in Phase 2.
- Applicants applying directly for Phase 2 can already be formally recognized as a REC. The community members can be (but are not limited to) natural persons (i.e. private consumers), public or private entities, municipalities and/or SMEs. The applicant must provide legal documentation (e.g. statutes or articles of association) that clearly defines the REC mission to operate as a community for the shared production and use of renewable energy. They must also demonstrate that internal governance structures and decision-making processes are in place and show readiness to proceed immediately to the feasibility study (Step 4) and, if eligible, to the investment stage.

In addition, applicants must demonstrate:

- A strong interest in establishing or expanding a REC with a strong social and environmental focus;
- Commitment to involving local stakeholders in participatory governance mechanisms;
- Administrative and operational capacity to engage in both technical and financial aspects of the project;
- Willingness and capacity to communicate their experience to other communities and stakeholders, and to contribute to the transferability and replication of their approaches across the Adriatic-Ionian region.

A single applicant or consortium can submit multiple proposals, as long as each proposal meets the eligibility criteria.

The geographic area eligible for the two-round Call is for communities and investments taking place in one or more of the following economies: Albania, Bosnia and Herzegovina, North Macedonia, Montenegro and Serbia.

6. SUBMISSION OF PROPOSALS, APPLICATION PROCESS AND DOCUMENTATION

Applicants may submit project proposals (concept note(s) or full application form(s), according to cut-off date) for one or more eligible Western Balkans countries. Interested applicants are invited to do so through the designated expression of interest forms through the link below. In case the interested applicant is submitting concept notes / full application forms for several Western Balkans countries, he/she should cluster them by eligible country and each country-related proposal should include the following documents:

- Complete “concept note” (Annex II) or “full application form” (Annex III), according to cut-off date, detailing the requested key elements of the project:
 - For concept note: vision, scope, activities and communication features;
 - For the full application form: scope, objectives, activities, timeline, investment size, impact and expected outcomes, innovation aspects, maturity of the project, risk assessment and mitigation measures, financial structure of the project proposal, alignment with EU priorities;
- Signed Declaration of Honour (Annex IV);
- Documentation certifying their legal status (e.g, for businesses, official company registration document including a valid VAT registration number);
- For applicant not being a legal entity: Declaration of intent to establish Legal Entity (Annex V)
- For applicants applying directly to Phase 2: a document presenting the governance and detailing the ownership structure of the community, indicating the nationality of shareholders holding more than 10% (and of its consortium members, if any), and certifying the legal status of the organization, including statutes or articles of association that clearly state the mission of the entity as an energy community committed to shared renewable energy generation and use.
- If needed, any essential additional document to ease the assessment of the project proposal.

To support the application, the following documents can be also submitted:

- Any supporting documents that demonstrate stakeholder commitment or prior experience.

Applications must be submitted electronically to the following email address:

recbalkans@regione.emilia-romagna.it

The subject line of the application email must include the following text:

"EoI RECs Balkans – [Round-call n. 1 or 2] – [Concept note /Full Application] - [Country Name] – [Project or Applicant Name]"

Applications, all correspondence, and documents related to the two-round calls exchanged between applicants and ERR must be written in English. Supporting documents and printed literature provided by the applicants in any other language must be accompanied by a legally valid translation into English.

To increase flexibility and inclusiveness, the two-round call is foreseen with different final deadlines (8 September and 5 December) for the submission of final project proposals.

The application process will follow a two-stage process:

- the submission of the “concept note”, by the “draft deadline”;
- the submission of the “full application”, by the “final deadline”.

The project concept note will serve as the basis for the negotiation phase.

In particular, all interested applicants are required to submit a draft version of their project concept note, that serves as an initial expression of interest. This step corresponds to the “draft deadline”.

First draft deadline/cut-off – submission of concept note

A selection of the most promising concept notes will be put on the RECs pipeline and invited to enter a negotiation phase, during which applicants will work with the ERR team to refine and calibrate the content, objectives, and structure of their project, ensuring alignment with the goals of the Action.

Applicants will receive a notification whether their concept note is selected, put on the pipeline of transformative RECs in the region, or rejected within 15 working days after the first draft cut-off date.

The negotiation phase will play a crucial role in the final selection process, offering applicants the opportunity to refine their ideas and concepts, align their objectives with the Action’s goals, and receive tailored guidance from the ERR and its technical partners. This phase shall ensure that even less structured proposals can evolve into feasible, impactful, and fundable projects.

Following the negotiation phase, applicants will submit their full application form, by the “final deadline”. Proposals will then undergo a formal evaluation process. Based on this

assessment, the ERR will determine the maximum amount of financial support to be granted to each selected project, within the overall framework of eligible costs and available resources.

First final deadline/cut-off – submission of full application form

Applicants will receive a notification whether their final project application is selected and supported by the Action with its available policy, technical and financial instruments or rejected within fifteen (15) working days after the first final cut-off date.

Applications in the RECs pipeline may be edited and resubmitted until the second final cut-off date – the last submitted application will be considered in the second evaluation round. Therefore, applicants who will submit a concept note under the 1st draft deadline but are unable to complete their full application for the 1st final deadline, will be allowed to finalize and submit it under the 2nd final deadline.

Second draft deadline/cut-off (only available if necessary)

Second-round applicants will receive a notification whether their application is selected or rejected within fifteen (15) working days after the second draft cut-off date. Applications in the RECs pipeline list of the first cut-off will be evaluated together with the applications received by the second draft cut-off date.

The second round is also intended to ensure geographical balance, specifically enabling the selection of two projects per country. Indeed, two beneficiaries per country should be selected by the second final deadline/cut-off (if the country slot has not been fulfilled at the first final deadline/cut-off). Should the first and second final deadlines not result in sufficient or eligible submissions from one or more countries, the ERR reserves the right to reopen a new deadline and extend the timeline accordingly.

	<i>1st Round-call</i>	<i>2nd Round-call</i>
Draft deadline: deadline for concept note submission	16 July 2025	20 October 2025
Negotiation phase	17 July – 22 August 2025	21 October – 21 st November 2025
Final deadline: deadline for full application submission	8 September 2025	5 December 2025

Applicants may submit requests for clarification regarding these Expressions of Interest in writing to: recbalkans@regione.emilia-romagna.it up to 10 working days prior to the date of closure of each call.

Clarifications will be published on a dedicated website page. The ERR reserves the right to update these Calls for Expression of Interest and their documents on the basis of the received requests of clarification.

7. ASSESSMENT CRITERIA, SELECTION AND EVALUATION

7.1. Assessment criteria and selection

Applications will be assessed by a selection committee composed of representatives from the ERR, ART-ER, and the European Commission – DG Regio. The evaluation will follow a transparent and balanced methodology and will be based on the expected results described in the proposals, which represent structured pathways for the establishment and initial operation of RECs.

Concept notes will be selected against the following criteria

- Motivation and vision: The applicants express a coherent motivation and a preliminary but consistent long-term vision.
- Relevance: The proposed initiative is aligned with the objectives of the Action and the development of energy communities in the WB5 context.
- Clarity and feasibility: The proposal is clearly articulated and shows potential for implementation, even at an early stage.
- Local engagement: The concept demonstrates initial stakeholder interest and a realistic plan to involve the community.
- Communication value: The concept shows potential for be a lighthouse in the EUSAIR Region.
- Added value: The concept shows potential for social, environmental, or governance innovation.

Each full application form will be evaluated against the following criteria:

Strategic criteria:

- Alignment with EU policy objectives, in particular the delivery of European Green Deal and the Green Agenda for the Western Balkans at local level in the Adriatic-Ionian area and more particularly in the five (5) eligible Western Balkan countries through the development of pilot lighthouse projects.
- Compliance with EU environmental, social and governance (ESG) standards and adherence to the Do No Significant Harm Principle.
- Adherence to the New European Bauhaus core values².

Impact criteria:

- Impact of the project proposal on supporting EU strategic interests, including socio-economic development and green transition: There are three ways to bring green

² https://new-european-bauhaus.europa.eu/about/about-initiative_en

economy: i) investment transformation, ii) resource efficiency and iii) social and human wellbeing. By redirecting investment towards RECs, this would enhance clean resource efficiency and ecosystem augmenting activities apart from expected net increase in income and jobs at least in the medium and long term.

- Economic impact and investment logic: the consistency and relevance of the proposed investment in relation to the objectives of the project and the context of the community, empowering customers and boosting social innovation (citizens' participation and control over decision-making in renewable energy) and addressing energy poverty and ensuring sustainable lifestyles across different social groups (lower energy prices and access to private capital from renewables investments through citizen participation). Project proposals that improve utilization of existing public investments will be duly assessed under this impact criteria, based on the specifics of the project proposal. Project proposals should present the concrete results which will be achieved by the planned activities. This demonstration should include a detailed analysis of the baseline, well-substantiated assumptions and establish clear causality links between the expected impacts and the workplan.
- Environmental contribution: the potential for generating renewable energy and reducing greenhouse gas emissions, the promotion of energy self-consumption, and the integration of environmentally sound practices (e.g. use of existing infrastructure, circularity, land preservation).
- Risk assessment and mitigation measures.
- Replicability, scalability and innovation features of the project proposal.
- Innovative features of the proposal: It might aim not only at fighting against energy poverty and achieving just, low carbon energy transition of the Western Balkans. But as well at being a social experiment to activate young people, to empower local communities to self-govern and to foster energy democracy, holding the promise of an economy and society based on co-operation rather than competition.
- Capitalisation: Project proposals can make use of existing initiatives, networks and platforms as relevant and demonstrate that the funding will be used in an effective way by delivering actions that complement existing initiatives.

Capacity criteria:

- Social capacity and inclusiveness: the ability of the applicant to involve a wide range of local stakeholders, ensure inclusive governance, and promote participation of vulnerable or underrepresented groups. Particular attention will be given to the diversity of actors involved (e.g. public institutions, citizens, SMEs), and the mechanisms proposed to ensure community engagement and ownership.
- General quality of the proposal: the internal coherence of the proposal and compliance with regional framework, consistency between activities proposed and resources requested.
- Previous relevant experience: the applicant's historical track record in the fields of renewable energy, community engagement, local development, or project management relevant to the scope of this initiative, and particularly in the Western Balkans, will be considered as an advantage.

Financial capacity:

- Financial viability, including financial needs and investment plans reflecting the scale and scope of the project.
- Maturity of the proposal.

- Maintenance capacity: Applicants must demonstrate that they can finance at least the maintenance cost of the project and ensure the sustainability of the proposed REC and its main outputs. The impacts of the proposals should be demonstrated during the project and within 5 years after the project lifetime. It should be noted that the figures reported will be assessed considering the context in which they are generated and the relative difficulty of launching energy community projects there.

Communication and visibility capacity:

- Communication and transferability: the applicant capacity and commitment to communicate results, share experiences with other stakeholders and contribute to the visibility and replicability of the model at local, regional and transnational level.
- Experience of the applicant and its team in storytelling, local community connection of the content and creativity and originality of the communication and visibility approach (including the use of social media for such purposes).

7.2. Evaluation

The overall impact of the 10 lighthouse projects will be assessed over the long term based on a set of indicators. Each individual project is therefore expected to contribute credibly to these long-term outcomes by providing quantified estimates both at the end of the implementation phase and five years after its completion. The figures reported will be evaluated in relation to the local context and must be plausibly linked to the proposed activities.

The long terms impact indicators should normally include:

- Number of REC services fully implemented, operational and tested before the end of the action. Their testing must trigger the first REC project investments.
- Number of RECs benefitting from the support (including new and existing entities).
- Amount of in-person support made available to REC project developers (full-time equivalent person months).
- Number of RECs established thanks to the services (detailing if they are RECs or CECs).
- Number of members (citizens or organisations) who have joined the RECs because of the support provided.
- Number and type of stakeholders with increased skills.
- Number of local and regional authorities committed to replicate best practice experiences.
- (Where relevant) Number of groupings of RECs mutualizing services.

Proposals could also quantify their impacts related to the following common indicators for the project:

- Primary energy savings triggered by the project in GWh/year.
- Final energy savings triggered by the project in GWh/year.
- Renewable energy generation triggered by the project (in GWh/year), specifying the type of renewable energy triggered.

- Reduction of greenhouse gas emissions (in tCO₂-eq/year).
- Investments in sustainable energy (energy efficiency and renewable energy) triggered by the project (cumulative, in thousand Euro).

8. SIGNATURE OF THE CONTRACTS AND OBLIGATIONS OF BENEFICIARIES

Following the final selection and approval of the projects, sub-grant agreements will be signed between the ERR and selected beneficiaries (please refer to section 4 of this Expression of Interest for further details). The agreements will define the financial contribution awarded, the eligible expenditure categories, reporting obligations, and the conditions for reimbursement.

The sub-grant will be awarded on a reimbursement basis, meaning that all costs must be documented with supporting evidence to be eligible for reimbursement. Pre-financing instalments may be foreseen, subject to the outcome of the negotiation phase and the specific needs of each lighthouse project.

Beneficiaries will be required to:

- Ensure that the project is implemented in accordance with the objectives, timeline and budget presented in the final approved application;
- Maintain accurate records and documentation of all project-related activities and expenses;
- Submit progress and final reports, including technical and financial sections, as defined in the sub-grant agreement;
- Participate in knowledge-sharing and peer learning activities promoted by the Action;
- Comply with all relevant national rules and where possible EU regulations, including those related to public procurement, state aid (if applicable), and environmental and social sustainability.

The sub-grant agreement will also define that the progression of project implementation must follow a step-by-step approach. The achievement of the specific objectives foreseen for each step is a pre-condition for moving on to the subsequent one. This requirement is particularly relevant for Step 5, which involves investment actions: access to this phase will only be allowed upon successful completion and verification of the previous Steps.

Failure to comply with these obligations may result in the suspension, reduction or recovery of the grant.

The ERR will not require any ownership or shareholding rights in the intellectual property or assets developed under the selected projects. The project promoters retain full IP rights, unless negotiated otherwise with the ERR.

9. DATA MANAGEMENT AND CONFIDENTIALITY

All data collected will be treated according to art. 46 of GDPR Regulation (EU) 2016/679, ensuring the transfer whenever necessary in order to conclude a contract or to implements

a legally binding obligation deriving from the Commission implementing decision. Confidentiality of proposals will be ensured.

10. CONTACT AND INFORMATION

For further information, applicants can contact the coordination team at:

recbalkans@regione.emilia-romagna.it

11. DISCLAIMER

All documents in the possession of the ERR may be subject to a request for access to documents. However, it is established practice to always consult the author of the document regarding the possibility of an eventual disclosure. ERR may refuse to provide access to the submitted information, the disclosure of which would undermine the protection of commercial interests of the applicant, including intellectual property.

The applicants are clearly encouraged to mark and explain which information they consider confidential. Please note that general statements claiming confidentiality for the entire proposal or substantial parts of it will not be considered. The ERR reserves the right to make its own assessment of the confidential nature of any information contained in the proposal, always after consultation with its author(s).

Personal data will be processed in accordance with the applicable data protection rules, as set out above.

12. ETHICS CLAUSES AND CODE OF CONDUCT

Applicants must not be affected by any conflict of interest and must have no equivalent relation in that respect with other applicants, beneficiaries or parties involved in the Action. Applicants and their personnel must comply with human rights as well as environmental legislation and core labour standards. Applicants shall comply with all applicable laws and regulations and codes relating to anti-bribery and anti-corruption.

13. ANNEXES

Annex I: Glossary

Annex II: Concept note form

Annex III: Full Application form

Annex VI: Declaration of Honour

Annex V: Declaration of intent to establish Legal Entity