



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 21.12.2007
SEC(2007) 1729

COMMISSION STAFF WORKING DOCUMENT

ANNEX I to the

**COMMUNICATION FROM THE COMMISSION TO THE COUNCIL, THE
EUROPEAN PARLIAMENT, THE EUROPEAN ECONOMIC AND SOCIAL
COMMITTEE AND THE COMMITTEE OF THE REGIONS**

A Lead Market Initiative for Europe

**{COM(2007) 860 final
SEC(2007) 1730}**

LIST OF ACTIONS

ACTION PLAN OF THE LEAD MARKET INITIATIVE IN THE AREA OF eHEALTH

This Action Plan describes the implementation of the Lead Market Initiative in the field of *eHealth: ICT solutions for patients, medical services and payment institutions*.

eHealth tools or solutions include products, systems and services that go beyond simple Internet-based applications, for instance tools for health authorities and professionals as well as personalised health systems for patients and citizens. Examples include health information networks, electronic health records, telemedicine services, personal wearable and portable communicable systems, health portals and many other tools assisting health monitoring, diagnosis and treatment¹. **eHealth can help to deliver better care for less money** within citizen-centred health delivery systems. It can thus alleviate the cost pressure on the public budgets for health. Without significant reforms, including the better use of eHealth, health expenditure is expected to increase from 9% of GDP at present to around 16% by 2020 in response to an 'ageing' Europe notably with more costly chronic disease patients and higher expectations of healthcare delivery².

Substantial research investments in eHealth have been made over the past decade. Nevertheless, the ICT investments in this area have stayed behind that of other service sectors. The take-up of technical and organisational solutions is often hindered by a strong fragmentation of the market, in particular due to different social security systems and a lack of interoperability. This prevents economies of scale. The situation is aggravated by a lack of legal certainty as regards reimbursement, liability and a lack of awareness on the correct application of the legal provisions on the protection of personal data. This not only hampers the product take-up, but also business investments.

Standardisation, for instance of various information exchange formats, certifications of interoperable systems and large-scale demonstration projects (including the legal and organisational feasibility) could help to overcome this. The latter would also allow an evaluation of the financial benefits inherent in eHealth systems. This in return could support the information and networking activities of public procurers who seek to switch from buying the cheapest solution to purchasing those goods and services with the best life-cycle cost perspective and who need a more solid basis for the necessary cost-benefit assessments. An eHealth scorecard could provide Member States with a tool to learn from well-performing solutions and share the information on benefits and lessons learnt.

¹ See Commission eHealth action plan COM (2004) 356 final:
http://ec.europa.eu/information_society/activities/health/index_en.htm

² PWC: HealthCast 2020 study, 2006.

Policy Instruments	Objectives	Actions	Timetable	Actors
Legislation	Improve legal certainty and consumer confidence	Screen existing EU legislation related to eHealth and provide clarification and guidance for applying the legal framework for eHealth products and services Assess possibilities for adoption of a legal initiative for eHealth and telemedicine	2008-2010	EC
	Ensure protection of personal data in eHealth systems	Adopt an initiative to promote application and enforcement of Personal Data Protection legislation related to eHealth		EC
	Enhance enforcement of consumer protection legislation by Member States for eHealth products	Promote knowledge and information dissemination on safe and secure eHealth products and use of existing infrastructure to protect consumers – networks, best practice repositories, hotlines		EC
	Improve cross-border reimbursement	Introduce the Electronic Health Insurance Card Improve legal clarity regarding medical reimbursement based on recommendations from the Health Services Initiative		EC Member States
	Support Patient Mobility	Provide citizens with relevant and up-to-date information on cross-border health services		EC Member States
Public	Improve adaptation to needs, interoperability and cost-effectiveness of	Promote networking and cooperation among public procurers in the development process of	2008-2010	EC

Policy Instruments	Objectives	Actions	Timetable	Actors
Procurement	innovative solutions for public services	new solutions Associate procurers in consultation process for CIP and FP7 calls for proposals		Member States
Standardisation, Labelling, Certification	Enhance eHealth interoperability	Adopt Recommendation on eHealth interoperability Favour the application of Recommendation on eHealth interoperability by enhancing cooperation between MS to build coherence in their health systems Define required standards, establish review committee to identify focus areas	2008 2008-2010 2009	EC Member States EC, CEN, CENELEC, ETSI International standardisation bodies
	Provide adequate certification	Issue guidelines for certification of eHealth applications Form expert group to encourage MS to establish a coordinated work program	2008	EC Member States Private stakeholders

Policy Instruments	Objectives	Actions	Timetable	Actors
Complementary Activities	Mobilise public and private financing	<p>Promote the exchange of experience in financing from such funding mechanisms as the EU structural funds and European Investment Bank initiatives specific to eHealth domain – workshops, networks etc</p> <p>Strengthen R&D on ICT for Health in FP7 and in Member States programmes</p> <p>Strengthen cooperation between national and community R&D testing and pilots, involve users in RTD actions</p>	2008-2010	<p>EC</p> <p>Member States</p> <p>Private stakeholders</p>
	Facilitate the uptake of EU-wide eHealth solutions	Launch pilot actions under the CIP	2008-2010	<p>EC</p> <p>Member States</p> <p>Private stakeholders</p>
	Support healthcare authorities in promoting the adoption of good practice in eHealth.	<p>Introduce eHealth Innovation Scorecards/Benchmarking to monitor eHealth performance in Member States (MS) and facilitate learning</p> <p>Coordination actions including exchange of best practices at i2010 sub-group meetings and annual eHealth conferences</p>	<p>2008</p> <p>2008-2010</p>	<p>EC</p> <p>Member States</p>

ACTION PLAN OF THE LEAD MARKET INITIATIVE IN THE AREA OF SUSTAINABLE CONSTRUCTION

This Action Plan describes the implementation of the Lead Market Initiative in the field of *Sustainable construction: towards an integrated life-cycle oriented approach*.

The economic relevance of the construction market is undeniable with 10% of GDP and 7% of the workforce. **Buildings account for the largest share of the total EU final energy consumption** (42%) and produce about 35% of all greenhouse emissions. The very encompassing market area of sustainable construction involves environmental concerns (e.g. efficient electrical appliances and heating installations), users' health aspects (e.g. in-door air quality) and issues of convenience (e.g. related to elderly persons' independence). It encompasses developing sustainable solutions for residential and non-residential buildings as well as in infrastructure assets.

There is a plethora of insufficiently coordinated regulations, not only at EU but more specifically at national levels in the area of construction. This leads to considerable administrative burden and – coupled with the predominantly local business structure – to a high fragmentation of the sustainable construction market.

Many technical solutions are already available, but the demand is highly fragmented. 40% of the demand for construction works comes from the public sector. However, there is a lack of knowledge on possibilities within the existing legal framework for public procurement that could orient public demand towards innovation-oriented solutions. The introduction of life-cycle and cost-benefit assessments could facilitate the procurement of sustainable construction works by public authorities.

Policy Instruments	Objectives	Actions	Timetable	Actors
Legislation	Encourage the adoption of a performance based approach in national building regulations.	Screening of national building regulations to identify domains in which to integrate a performance based approach, based on individual reports from each Member State.	2008-2009	EC Member States
	Expand the scope of the Energy Building Performance Directive in accordance with the Energy Efficiency Action Plan.	Take advantage of the 2008 review of the Energy Building Performance Directive to extend its applicability and inclusion of Union-wide performance targets and evolving standards for new construction.	2008-2009	EC Member States Industry
	Analyse and assess the innovation potential and cumulative effects of EU and national legislations on innovative approaches in construction.	Industrial leader panel to carry out case studies on construction companies and related industries/services.	2008-2010	EC Industry
Public procurement	Develop guidance for the choice between EMAT and the Lowest Price and for the use of Life Cycle Costs in construction works - Promote Life Cycle Assessment for construction products (“Environmental Product Declaration”) and for buildings (standardisation work in progress).	Promote networking between public procurers and construction practitioners to develop such guidance and relevant pilot schemes. Test and validate these pilot schemes notably in cluster initiatives.	2008–2009	EC Member States Industry
Standardisation, Labelling, Certification	Develop voluntary performance targets to enable the implementation of incentives and other policy measures to promote	Define a framework, assessment method and benchmarks for assessing the sustainability performance of buildings and of the construction	2008-2011	EC, Member

Policy Instruments	Objectives	Actions	Timetable	Actors
	sustainable buildings and construction practices	value chain		States Industry, Research
	Develop European standards that allow taking into account sustainability aspects in construction design.	Expand the scope of Eurocodes in order to integrate other sustainability aspects in construction design, such as energy and environmental aspects.	2008-2011	EC Member States Industry
	Define the framework for technical assessment adapted to a rapid certification of innovative products to sustainability criteria.	Adopt the Construction Products Regulation, providing for better procedures to obtain European Technical Approvals and for better recognition in Member States for sustainability issues.	2008	EC, EP, Council
Complementary Actions	Show the business case for an effective supply chain and identify relevant contractual, management, financial and insurance arrangements.	Publish a guide on how to establish collaborative working schemes in construction projects, general provision of contractual, management and insurance rules as well as good practice for SMEs - Disseminate this guide to public and private investors, contractors and other market operators.	2008	EC Industry
		Analysis of the national liability and insurance regimes and assessment of the feasibility for the insurance sector to promote alternative	2008-2009	EC Industry

Policy Instruments	Objectives	Actions	Timetable	Actors
		warranty/label schemes.		Insurance sector
	Anticipate the future qualifications and skills needs to uptake innovation in construction.	Propose scenarios for future qualification needs and develop an EU-wide strategy to facilitate the up-grading of skills and competencies in the construction sector.	2008	EC Industry Education systems

ACTION PLAN OF THE LEAD MARKET INITIATIVE IN THE AREA OF PROTECTIVE TEXTILES

This Action Plan describes the implementation of the Lead Market Initiative in the field of *Technical textiles for intelligent personal protective clothing and equipment (PPE)*³.

Protective textiles comprise clothing and other textile-based systems whose main function is to protect the users from hazards and dangers in the conditions in which they operate such as civil and military emergency interventions or in hospitals and manufacturing environments that require insulation from bacterial and viral contamination. The current size of the PPE market in the EU is estimated at 9.5-10 billion euros, with around 200,000 jobs directly or indirectly related to PPE products and services. The fast growth forecasted in certain parts of the world suggests that EU exports of PPE could grow by about 50% over the next years. Advances in this area embrace, for example, novel speciality fibres, the use of nanoparticles and the integration of micro-electronic components into fabrics and garments. Spill-over effects from faster growing innovations in PPE to other market segments such as interior textiles or functional clothing would considerably increase the economic impact of the lead market, thus **increasing the knowledge content and the added-value**, contributing substantially to a sustainable competitiveness of the entire textile sector.

A swifter development and use of European standards in the global market, combined with appropriate measures for the protection of intellectual property, e.g. through business support services for SMEs, would create additional demand for protective textiles. Public purchases have an important role to play with regard to protective textiles, attaining 100% in certain product groups. Since there is not always bundling of demand, there is fragmentation of demand at the level of local authorities. At the same time there is a lack of knowledge on how public procurement can be used for purchasing innovative solutions while respecting the legal framework. Promoting a systematic interaction of innovation actors is a further crucial element of an anticipatory strategy for knowledge-intensive innovation in this market which responds to the need to increase the transparency of a market. This interaction is limited by the complexity of the products and by their quick evolution, not immediately identified by the market.

³ The references to PPE are not restricted to the legal definition in Art. 1 of Directive 89/686/EEC, but refer to a broader concept

Policy Instruments	Objectives	Actions	Timetable	Actors
Legislation	To enhance coherence in the implementation and enforcement of Community technical legislation laying down essential safety user requirements, in particular in the area of personal protective equipment (PPE) ⁴	Adoption of the regulation ⁵ and decision ⁶ within the framework of the revision of the New Approach to technical harmonisation proposed by the Commission	2008/2009	EC, Council and EP
Public procurement	<p>To promote the exchange of good practice in public procurement of innovative protective textile products.</p> <p>To raise the know-how of public purchasers for protective textiles on public procurement for innovative solutions.</p> <p>To facilitate the access of public purchasers of protective textiles products</p>	<p>Establish a network between public purchasers of PPE to apply the Commission guide on public procurement for innovation in this area.</p> <p>The network would inter alia:</p> <ul style="list-style-type: none"> – Identify good practices in the field of PPE – Promote their application across the EU – Collate a best practice catalogue and put it on the Web. <p>Set-up of an information and training platform for buyers and users of protective textiles.</p> <p>Provide an overview of technical features of the</p>	2009-2011	<p>EC</p> <p>Member States</p> <p>Industry</p>

⁴ Council Directive 89/686/EEC of 21 December 1989 on the approximation of the laws of the Member States relating to personal protective equipment.

⁵ COM(2007) 37 final – Proposal for a Regulation of the European Parliament and of the Council setting out the requirements for accreditation and market surveillance relating to the marketing of products.

⁶ COM(2007) 53 final – Proposal for a Decision of the European Parliament and of the Council on a common framework for the marketing of products.

Policy Instruments	Objectives	Actions	Timetable	Actors
	to information on state of the art and on the latest technological developments.	products and IPR protection aspects. Actions to be implemented in the context of the CIP.		
Standardisation, Labelling, Certification	To foster the involvement of SMEs, in particular from the textile industry, in the development of standards in the area of protective textiles	Support the SME involvement in the development of protective textile standards in the new generation NormaPME project.	2008-2009	EC
	To accelerate the standardisation process and to facilitate informed choices by purchasers and users	Promote, where appropriate, the development and use of informal standards ⁷ for innovative products and services in this market area.	2008-2009	Industry
Complementary Actions	To develop a dynamic dialogue involving all stakeholders and aiming at bringing about further technological progress	Devise a strategy for an anticipatory approach to products and markets, including the organisation of a conference on protective textile innovation and the development of a Web-based information and collaboration tool.	2008/2009	Industry
	To stimulate research and technological development in the sectors of personal protective equipment and clothing	Inclusion of a research topic targeting the personal protective equipment and clothing sectors under the 2nd call of the NMP theme in FP7	2008	EC

⁷ Such informal standards could be either precursor deliverables in the formal process of standardisation or alternatives developed by fora and consortia other than recognised standardisation organisations; both have a shorter development period.

Policy Instruments	Objectives	Actions	Timetable	Actors
	To link investors and other protective textiles stakeholders more effectively with a view to establish partnerships	Create a model for a collaborative PPE innovation platform (pilot project involving financial institutions such as EIB could be envisaged afterwards).	2009	Industry
	To raise awareness and to overcome resource limitation and perception of IPR as burdensome	Conduct sectoral IPR awareness and support action under CIP	2008 onwards	EC
	To foster the development of economies of scale, innovation stakeholders collaboration and trans-sectoral cooperation	Encourage the development of clusters and other forms of local collaboration (incubators, open innovation platforms) involving purchasers and users	2008 onwards	Member States
	To fully exploit the growth potential of EU protective textiles exports	Improve access to markets of third countries, by means of the ongoing WTO/DDA negotiations and bilateral free trade agreements with India, South Korea, ASEAN countries, Ukraine, Andean Community and Central America	2008 onwards ⁸	EC

⁸ Conclusion of negotiations for free trade agreements envisaged for 2009/2010.

ACTION PLAN OF THE LEAD MARKET INITIATIVE IN THE AREA OF BIO-BASED PRODUCTS

This Action Plan describes the implementation of the Lead Market Initiative in the field of *Bio-based products: innovative use of renewable raw materials*.

Bio-based products are made from renewable, biological raw materials such as plants and trees. The market segment chosen for the specific LMI includes non-food new bio-based products and materials such as bio-plastics, bio-lubricants, surfactants, enzymes and pharmaceuticals. It excludes traditional paper and wood products, but also bio-mass as an energy source.⁹ However, there are important interlinks between some bio-based products and bio-energy which influence the degree and timing of introduction of bio-products. Important interdependencies and complex value chains across a wide range of products characterise this market segment making it difficult to estimate its financial volume, although significant. The long term growth potential for bio-based products will depend on their capacity to substitute fossil-based products and to satisfy various end-used requirements at an competitive cost, to create product cycles that are neutral in terms of greenhouse gas (GHG) and to leave a smaller ecological footprint, i.e. generating less waste, using less energy and less water.¹⁰

Europe is currently well placed in the markets for innovative bio-based products, building on established knowledge and a leading technological and industrial position. Perceived uncertainty about product properties and weak market transparency however hinder the fast take-up of products.

Communication, standardisation, labelling and certification could be used to overcome this. **Environmental regulations have a clear role to play** by providing incentives for the emergence of the bio-based product market. A number of different existing Directives need to be assessed and possibly modified in order to increase efficiency while also taking into account international trade policy and ensuring realistic enforcement. Encouraging the Member States and private investors to set up **demonstration plants** could be a possible way to increase the knowledge available on the market for bio-based products. The Common Agriculture Policy also plays a key role in supporting production potential of EU agriculture allowing it to match the emerging demand for bio-products. Future revisions of the CAP could provide opportunities to examine the various elements of non-food policy in order to give positive incentives to the cultivation of crops for industrial uses, in line with the ongoing CAP reform path.

⁹ Other policy initiatives cover the energy aspects.

¹⁰ Assessed by [ex-ante sustainability assessments based on life cycle approaches](#).

Policy Instruments	Objectives	Actions	Timetable	Actors
Legislation	Ensure the coherent, comprehensive and coordinated development of policies and regulations that impact the development of bio-based product markets	Establish a high-level advisory group, including Member States and industry, to assist the thematic inter-service task force on bio-based products in the follow-up of the present action plan and including in the analysis of the impact of legislative proposals in relevant policy domains on the development of markets for bio-based products..	2008	EC Stakeholders
Public procurement	Encourage Green Public Procurement for bio-based products.	<p>Establish a network between public purchasers of biobased products to apply the Commission guide on public procurement for innovation, to identify good practices in the field of biobased products and promote their application across the EU.</p> <p>The network would inter alia:</p> <ul style="list-style-type: none"> – Provide an overview of standards or technical features of bio-based products – Collate a best practice catalogue and put it on the Web, – Initiate training programmes <p>Member States to consider developing milestones and roadmaps for increasing the use of bio-based products within National Action</p>	<p>2008-2010</p> <p>2008-2009</p>	<p>EC Member States Industry</p> <p>Member States</p>

Policy Instruments	Objectives	Actions	Timetable	Actors
		Plans on Green Public Procurement.		
Standardisation, Labelling, Certification	Aggregate demand for bio-based products through a coordinated approach for standard setting and labelling.	<p>Establish standards/labels for specific bio-based products involving all relevant actors by:</p> <ul style="list-style-type: none"> – analysing potential for bio-based products standards/labels, – launching a mandate to CEN, in co-operation with Commission services – developing standards/labels, including cost-effective assessment criteria and procedures, building upon the current work of the European Platform on Life-Cycle-Assessment – proposing a first set of standard. 	<p>2008</p> <p>2008</p> <p>2008-2011</p> <p>by 2010</p>	<p>EC</p> <p>CEN</p> <p>Industry</p> <p>Other stakeholders</p>
Complementary Actions	Communication of policies regarding bio-based products as well as the benefits of bio-based products.	Conduct an information campaign via different media with focus on SMEs.	2008-2012	EC
	Support access to finance for R&D&I.	Promote the establishment of strategically important bio-refinery pilot plants and demonstrators involving all actors and investments at EU, national and regional level.	2008-2010	EC Member States Stakeholders

ACTION PLAN OF THE LEAD MARKET INITIATIVE IN THE AREA OF RECYCLING

This Action Plan describes the implementation of the Lead Market Initiative in the field of *Recycling*.

As world economies grow, natural resources are increasingly depleted, and energy as well as waste management are becoming key issues. Recycling reduces waste going to disposal, consumption of natural resources and improves energy efficiency. It therefore plays an essential role in the move towards sustainable consumption and production – not only in terms of energy but in terms of *all* resources we produce.

The recycling sector has a turnover of € 24 billion and employs about half a million persons. It is made up of over 60,000 companies. The profile of these is: 3% large; 28% medium; 69% small. Demand for raw materials is increasingly affected by global forces, and international trade in recycled material continues to grow. The EU has around 30% of world share of eco-industries and 50% of the waste and recycling industries.

There is significant market potential in recycling but barriers to market development need to be addressed. There is also potential to significantly improve efficiency and capacity, by encouraging innovation, and introducing more effective processes and improved technologies. This would save costs, energy, and natural resources – and help Europe be less dependent on rising raw materials prices.

The EU has a range of regulatory measures dealing with waste: a strategic approach to waste and resources; legislation regulating waste treatment; and management of specific waste streams such as end-of-life vehicles, and electrical and electronic equipment. European legislation plays a strong role in driving development and markets – for example, 2015 targets for vehicles will be 85% recycling and 95% recovery.

There is an opportunity to complement these measures with a range of market-based approaches. The action plan for this Lead Market proposes a *package of policies* (legislation, standards and labelling, public procurement, financing, knowledge sharing, and international action) that acting in synergy can foster recycling markets, increase more and better recycling, yield environmental and economic gains, and in the long run can improve Europe's competitive position.

Instruments	Objectives	Actions	Timetable	Actors
Legislation	Enhance market, technology and innovation aspects as part of the 2010 review of the Thematic Strategy on the prevention and recycling of waste. Enhance market aspects as part 2008 review of WEEE Directive, as appropriate.	Reinforce as part of the Thematic Strategy: <ul style="list-style-type: none"> – ways of promoting recycling markets, – material-based approaches in view of promoting recycling, – international trade aspects. Support work to improve definitions of end of waste criteria and inherent implications as part of the ongoing revision of the Waste Framework Directive.	2008-2010	EC Stakeholders
Public Procurement	Further Procurement of recycled products as part of the on-going work on Green Public Procurement.	Follow-through the forthcoming communication on Green Procurement, in particular the options which will be chosen following the impact assessment, such as the setting of mandatory or voluntary targets or the inclusion of specific environmental criteria.	2008-2009	EC Stakeholders
Standardisation, Labelling, Certification	Develop relevant forms of international standards, by cooperating with international standards agencies.	Set up agreements with or mandate for agencies dealing with international standards, such as CEN to deal with standardisation topics relevant to recycling. This could lead to the establishment of new working groups or topics within CEN for recycled materials or processes. Link with activities proposed under the lead market on bio-based materials.	2008-2010	EC CEN International standardization bodies

Instruments	Objectives	Actions	Timetable	Actors
	Develop dynamic performance requirements for recycling processes, or efficient use of natural resources.	Development of definitions and framework for performance targets relevant to recycled products, processes and technologies. This would be done as part of the Sustainable Consumption and Production Action Plan.	2008	EC Stakeholders
	Develop EU wide Verification Systems for environmental technologies, with an inclusion of recycling technologies and processes.	Put forward a legislative proposal for an EU-wide verification system.	2008-2010	EC Stakeholders
Complementary Actions	Improve levels of financing for investments in recycling industries, innovations and technologies, both from public and private sources.	<p>Harness research and development projects under the themes of recycling or green manufacture. Follow-up of the current research projects on improved technologies for the sorting processes of waste material flows for polymers.</p> <p>Work to ensure that financing for demonstration projects under CIP will also be earmarked for business innovations in the recycling area.</p>	2008-2009	EC Member States Banks, Investors.
	Improve financing for eco-innovation and recycling.	Include opportunities for Member States to give State Aid on financing eco-innovation, in particular for SMEs, in the framework of the elaboration of the new Environmental State Aid Guidelines.	2008	EC, Member States

Instruments	Objectives	Actions	Timetable	Actors
	<p>Enhance mutual learning and knowledge exchange opportunities on good practice in waste recycling and management as well as on market evolution, including notably world-wide developments.</p>	<p>Provide better knowledge resources on recycled products building on existing initiatives in Member States.</p> <p>Establish an Observatory on eco-innovation covering recycling industries as part of CIP.</p> <p>Include resource efficiency or recycling as a theme for Championing eco-innovation policy under the CIP.</p> <p>Establish an Union-wide service to optimise the matching of waste to resources (FP7 zero-waste entrepreneurship, CIP).</p> <p>Monitor activities such as Japan's 3R strategy and China's circular economy policy.</p>	2008-2009	<p>EC</p> <p>Member States</p> <p>International organisations</p>
	<p>Improve international trade in environmental goods and services</p>	<p>Enhance the knowledge base on barriers to trade in environmental goods.</p> <p>Improve the access to world-wide markets in environmental goods through bilateral trade agreements such as with India, South Korea and ASEAN countries.</p> <p>Promote the inclusion of recycled materials, recycling and their trade barriers as topic for the UNEP Panel on Sustainable Resources.</p>	2008-2010	<p>EC</p> <p>International organisations</p>

ACTION PLAN OF THE LEAD MARKET INITIATIVE IN THE AREA OF RENEWABLE ENERGIES

This Action Plan describes the implementation of the Lead Market Initiative in the field of *Renewable energy: CO₂-neutral energy sources*.

Renewable energy refers to energy that can be derived from regenerative energy sources like wind, solar, biomass, biodegradable waste or feedstock, geothermal, wave, tidal and hydropower. These sources can be used for generation of electricity, heating/cooling or as transport fuels (biofuels). Currently, the European renewable energy sector has an annual € 20 billion turnover and provides jobs to around 300.000 people while meeting approximately 8.5% of Europe's energy needs¹¹. The European Council in March 2007 set a binding target of a 20% share of EU energy consumption for renewable energy by 2020. This 20% target offers to producers a huge opportunity to develop and cut down their production cost by further exploiting economies of scale.

The development of renewable resources is held back by three factors. First, given that the external costs of energy use (e.g. greenhouse gas (GHG) emissions, air pollution, security of supply) are not fully reflected in energy prices, demand for renewables, which on the whole have low external costs, is sub-optimal. Second, and linked to the previous point, important learning curve effects which would lead to lower prices, in several technologies are exploited more slowly on account of present low levels of demand. Finally, the fragmentation of renewables support systems in the EU and the existence of administrative and market barriers mean that the potential of the EU internal renewable market is not fully exploited.

While some of the above factors apply to all renewables equally, there are also significant differences across different market segments, notably in terms of barriers in the internal market, which need to be addressed. The Commission's renewables policy is developed on the basis of a widespread consultation with interested parties. The Commission will set out the proposed measures to reach the 20% renewables target as part of the energy/GHG reduction strategy it intends to adopt early 2008. The main elements of the renewable energy part of the package will be the allocation of the overall 20% target between Member States along with a European framework to allow flexibility in how these targets are met. The requirement for national action plans that set out pathways to increase renewable energy, the removal of planning and certification barriers to the uptake of renewables and the creation the EU biofuels sustainability regime. The lead market initiative complements also other EU activities on renewable energy sources, notably those described in the European Strategic Energy Technology (SET) Plan. The SET-Plan aims to accelerate innovation in low carbon technologies, including renewables. In particular, the SET-Plan proposes three European Industrial Initiatives (EII) on biofuels, solar and wind. These are partnerships with industry and the research community to implement result oriented actions to deliver and bring to market cheaper and performing technologies. A fourth EII on electricity grids will address the challenge of integrating renewable electricity. In the context of the LMI the Commission will also consult with stakeholders on the need to further improve the innovation environment.

¹¹ European Renewable Energy Council

Policy Instruments	Objectives	Actions	Timetable	Actors
Legislation	Promote the Internal Market in renewable energies by removing barriers to the integration of renewable energy sources in the EU energy system.	Replace current legislation (e.g. Renewable Electricity Directive) with measures that: <ul style="list-style-type: none"> – allocate the 20% renewable energy target amongst the Member States; – require national action plans that set out pathways and to standardise EU guarantee of origin regimes to enable EU-wide flexibility in meeting national targets – create the framework for opening the market for guarantees of origin – set out environmental sustainability criteria – anticipate future qualifications and skills needed to favour the uptake of renewable energy sources 	until 2010	EC Member States
	Remove barriers for renewable energy development and simplify authorisation procedures.	Remove planning and certification barriers to the uptake of renewables; Incorporate renewable energy in building codes; Provide guidelines for authorisation procedures; Eliminate red tape for SMEs.		Member States

Policy Instruments	Objectives	Actions	Timetable	Actors
Public Procurement	Increase the share of renewable energy purchased by the public authorities	Establish a network between public purchasers of renewable energy to apply the Commission guide on public procurement for innovation. Identify via that network good practices in the field of procurement of renewable energy and promote their application across the EU.	2008-2010	EC Member States
Standardisation, Labelling, Certification	Reap the benefits of the EU internal market through a coordinated approach for standard setting and labelling on technologies for energy generation and transmission.	Continue the process of adopting minimum energy performance standards (eco-design requirements) in the form of implementing Directives for 20 priority product groups including boilers, water heaters, consumer electronics, copying machines, televisions, standby modes, chargers, lighting, electric motors and other products. Ensure that appropriate measuring methods will be developed on time through CEN/CENELEC or other appropriate means. Products that do not meet the agreed minimum requirements may not be placed on the market (c.f. EEAP Priority).	until 2011	EC CEN Industry Other stakeholders
	Develop European sustainability standards in the value-chain for production of renewable energy in Europe.	Begin with the creation of a biofuels sustainability regime in the new renewable energy Directive. In line with the Biomass Action Plan, consider the extension of the regime to other areas.	2008-2011	

Policy Instruments	Objectives	Actions	Timetable	Actors
Complementary Activities	Mobilise public and private financing	<p>Promote the exchange of experience in financing from such funding mechanisms as the EU Structural Funds, European Investment Bank initiatives specific to renewable energy – workshops, networks etc.</p> <p>Strengthen the EU support through e.g. CIP-IEE, LIFE+, FP7, or Structural Funds to bridge the gap between successful demonstration of innovative technologies and effective market entrance.</p>	2008-2010	<p>EC</p> <p>Member States</p>
	Develop the state of the art business cases for an effective supply chain in different renewable energies.	Publish a guide on how to establish collaborative working schemes in the supply-chain of renewable energies, general provision of contractual, management and insurance rules as well as good practice for SMEs - Disseminate this guide to public and private investors, contractors and other market operators.	2008-2009	<p>EC</p> <p>Industry</p>
	Anticipate the future qualifications and skill needs to uptake innovation in renewable energy and to enable its fast implementation	Propose scenarios for future qualification needs and develop an EU-wide strategy to facilitate the up-grading of skills and competencies in renewable energies.	2008	<p>EC</p> <p>Industry</p> <p>Education systems</p>

Policy Instruments	Objectives	Actions	Timetable	Actors
	Support the internationalisation of renewable energy technologies	Improve the knowledge on barriers to disseminate the renewable energy technologies and their implementation all over the world and propose remedial actions	2008-2010	EC
	Further investigation and identification of the barriers hindering the commercialisation of renewable energies	Increase the knowledge on the effective barriers of development of a demand for renewable energy and propose remedial actions.	2008-2010	EC