

Preliminary version

Step 7

Programme Composition

Introduction

After we have already selected the priority activities and projects that will be included in the municipal energy programme in Step 6 what is left to be done is the elaboration of the final draft that will be introduced to the Municipal Council for adoption.

The programme is a political document, with its internal logic and sequence of statements that correspond to its main purpose. That's why the structure and contents of the energy programme do not coincide with the sequence of the process of municipal energy planning although separate sections of the programme are composed on the bases of the results of the activities in these steps. If these activities (Step 1 to 6) are done with due seriousness and responsibility the drafting of the final programme is not expected to create difficulties.



Structure and contents of the programme

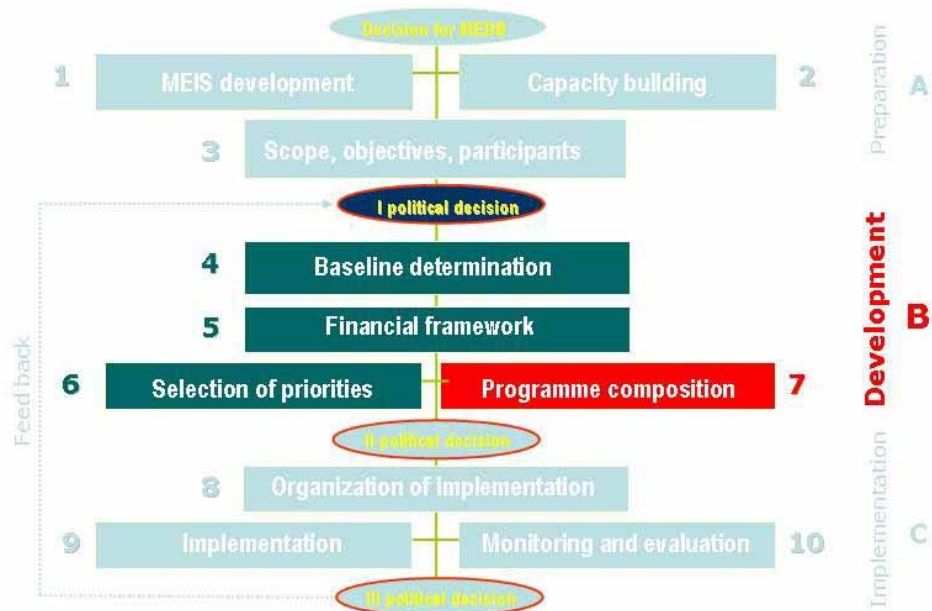
With certain conventionality the energy programme can be segmented to four major components:

1. Baseline
2. Priorities and expected results
3. Financing
4. Implementation

An example of detailed programme content is presented in Annex 1. The instructions for this step of the municipal energy planning process are developed on the base of the content given here as an example. The four major components of the programme and their parts are sequentially reviewed. The instructions given below

have tentative character. They have to be followed creatively and when necessary to be adapted for the specific conditions in a given municipality.

The Municipal Energy Planning process



Introduction

MEP – a basic policy document

The Introduction presents the character of the document as part of the general strategy of the municipality for sustainable development and defines the time limits of the programme. Very often these programmes are developed for the term of the mandate of the corresponding municipal administration. That's why the most appropriate period for the development and adoption of the programme is the beginning of the mandate.

Compliance of the programme with other strategic programmes

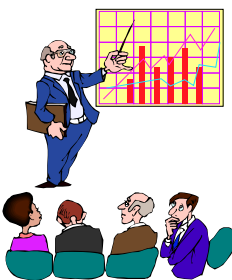
Municipalities are generally elaborating different strategic documents for their development – programmes for sustainable development; programmes for environment protection; programmes for introduction of RES, etc. These policy documents should be well bound both in scope and objectives and in implementation and financing. The Municipal energy programme is part of this set of strategic documents and should be in close interaction with them. This interaction is usually carried out in Step 3 of the process

of energy planning where the scope, objectives and participants in the energy programme are outlined.

It is obligatory that these should follow from the more general objectives of the sustainable development programme of the municipality. If a separate environmental programme has been developed the energy programme should coordinate with its objectives concerning harmful emissions and climate change. If RES are subject of a special programme the energy programme should take into consideration its objectives and expected results.

Part one

Baseline



As defined in Step 4 the baseline is a set of data that describes the status before the municipal energy programme implementation. The baseline serves as a starting point for evaluation of the outcomes and the impact of the programme implementation, which are equal to the difference between the initial status (the baseline) and the status after the programme completion. The baseline includes general description of the municipality based on the strategic documents for its development and concrete data about the condition of the energy sector. Baseline data is derived and systematized in the frames of Step 4 of the process of energy planning using the Municipal Energy Information System – MEIS (Step 1).

Short description of the municipality

Information is given here for the location of the municipality and its contacts and communication with neighbouring municipalities and the regional centers, the condition of the environment and the valuable natural resources. Local industry and agriculture are briefly presented as well. The leading branches and activities and first of all those that are connected with the biggest energy consumption should be mentioned as well. Transportation activities and those that are of local (municipal) importance in particular should be presented. Special attention should be paid to the structure and condition of the building stock, which is responsible for about 40% of the total consumed energy in general.



The data that characterizes the municipality is derived from different available documents, publications and surveys. Usually, the municipality has at its disposal a lot of information and occasionally this first component often is needlessly long and unbalances of the document.

Condition of the energy sector

Greatest attention should be paid to the description of the energy sector in the municipality. This is necessary for the creation of the baseline and for the comparison of the results from the programme implementation (see Step 4).

The condition of the energy sector is characterized by the data supplied by the Municipal Energy Information System. For this purpose the tables from the annexes of Step 1 and the instructions in Step 4 can be used.

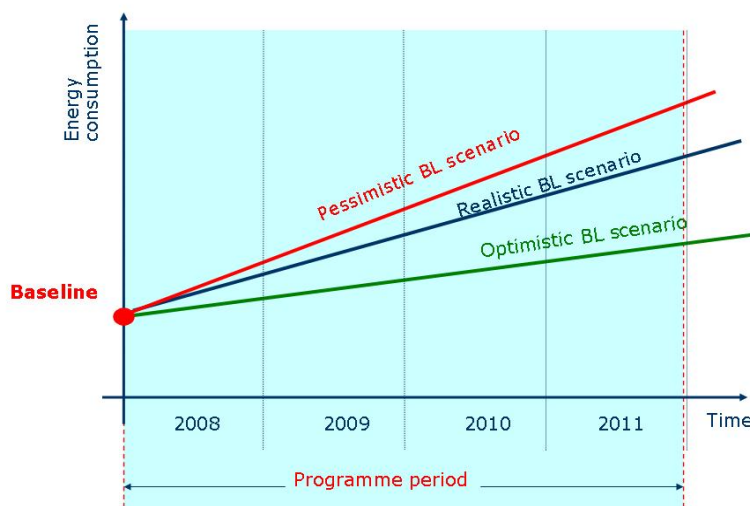
Functions of the municipality

Here information about the execution of the four functions of the municipality in the local energy sector before the start of the programme should be presented.

Energy consumption and energy production/distribution

Supply and demand side in the municipality (the first two functions) are presented both by data for the current energy generation and consumption and by three scenarios for their expected development (the baseline scenarios) – pessimistic, optimistic and realistic.

High (pessimistic), medium (realistic) and low (optimistic) scenarios



Local regulations and incentives to save energy

It is also necessary to describe to what extent the municipality realizes its other two inherent functions – as a regulator and source of motivation. This is necessary for the creation of a base for estimation of the impact of the activities in the directions that are subject of the programme.

Potential for energy efficiency

An important element of the baseline is the potential for energy efficiency. It shows the quantity of energy resource that can be generated by energy efficiency measures implementation (Annex 2). Further the share of resources that is foreseen to be utilized in the frames of the current energy programme (expected results) should be defined.

Potential for the use of RES

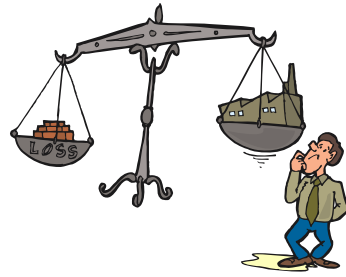
Another important element of the baseline is the general assessment of the potential for RES on the territory of the municipality. This data should be available in the information system (Step 2, Annex 6).

Financial framework

The financial framework of the municipal energy program is one of the most important elements of the baseline. This framework is defined in step 5 and here general data of the financial frames in which the energy programme has been developed should be presented (Annex 3).

General assessment of the baseline

After the description of the realization of the four functions of the municipality in the field of energy and after the data for the potential for improvement of energy efficiency and use of RES is presented and the financial framework of the programme is outlined, the general estimation of the baseline can be defined (Annex 4). This baseline will serve for periodical comparison of the results of the programme implementation and in the end – for the final evaluation of these results.



Part two

Priorities and expected results

In this part of the programme are described the priority objectives, activities and projects. These priorities are the bases for the programme structuring.

Priority objectives

The priority objectives of the energy programme are developed in Step 3 and are adopted with the First political decision. During the development of the programme they can be defined more precisely or can be changed if there are enough convincing arguments for this. In the end they are subject to the second adoption together with the overall programme draft.

Priority activities and projects

Priority activities and projects are defined in Step 6 and are bound with the adopted priority objectives of the programme. In the text of the programme they can be classified in different ways:



- By functions of the municipality (producer and supplier, consumer, regulator and motivator);
- By sectors (education, healthcare, culture, etc.);
- In accordance with the expected results in relation to the priority objectives of the programme (as for instance according to the financial results, the energy savings, the reduced GHG emissions, social effects, etc.);
- Or any other classification depending on the specific condition in the municipality.

The activities and projects can be presented in tables an example of which is given in Annex 5. In these tables a column for expected results from the different activities and projects can be inserted.

**Expected
results from
the programme
implementation**

The results from the programme implementation can be summarized here. The summary can be made on the bases of the accepted classification of activities and projects as well as for the programme as a whole. Expected results should be related to the priority objectives of the programme with reference to the effects that are foreseen for each objective, for instance ecological, financial, social, etc. (Annex 6).

Part three

Financing



In this part of the programme the investments needed for the programme implementation, the secured or expected sources of financing and financial instruments that will be used are presented. Data is derived in Step 5 of the MEP process.

**Investments
needed**

Investments needed for the realization of the activities and projects included in the programme can be presented for each activity and project separately and as total sums depending on the specific approach accepted in this part – by functions of the municipality, by sectors, by results, etc. The data about the investments is presented in tables, example of which is shown in Annex 7.

**Financial
sources**

While the programme is developed only part of the financial sources might be allocated. They should be described with explanation of the level of security. The activities and projects that will be financed by the municipal budget should be explicitly stated. At the same time activities and projects that are still without secured financing have to be mentioned (Annex 8).

**Financial
instruments**

The programme should clearly state the forms of financing of the separate activities and projects. For those that unconventional financial instruments are planned to be used additional explanation should be provided. Such could be purchase under leasing contracts, third party financing, financing by municipal bonds, financing by public private partnerships, ESCO financing, etc.

Part four

Implementation

In this part of the programme are presented the participants in the programme implementation, the organization of the realization of the separate activities and projects, the methods of monitoring, analyses and evaluation of the programme implementation as well as the potential risks and the ways they can be limited or overcome.

Participants in the programme implementation



The participants in the implementation are defined in Step 3. The separate groups of participants should be clearly differentiated and their responsibilities described.

Special attention should be paid to the internal participants that are determined by the staff of the municipal administration. Participants from different local institutions and individual specialist who live and work on the territory of the municipality should also be added here.

External participants in the programme can also be involved from the country or even from abroad if certain activities or projects require this. Substantial resource is the public-private partnerships, which deserve special attention if there have been foreseen to be used as a specific instrument.

Organization of the programme implementation

The organization of the programme implementation is subject of development in Step 8. The overall organization as well as organization by types of activities and projects is described there. Activities for the improvement of the management capacity of the municipal administration and the contacts with external partners and consultants are also described. The procedures for public procurement and the manner of selection of subcontractors for the separate projects implementation are outlined here.

Monitoring of the programme implementation

Monitoring is a subject of development in Step 10, where the manners of monitoring, analyses and evaluation of the implementation of the programme as a whole and of its separate activities and projects are executed. These manners should be described in the programme and they create the prerequisites for drawing conclusions and recommendations concerning the programme implementation. The conclusions should be presented to the municipal management for corrections concerning the rest of the annual planned cycles every year. In the end of the programme these conclusions and recommendations become the bases for the third political decision, which creates the starting point for the next planned cycle.

Management of the risks for the programme implementation

Formulation of risks is subject of Step 6. All basic risks connected with the programme implementation should be clearly pointed – internal (in the frames of the municipality itself) and external (on the national or international levels). At the same time the ways for limitation or overcoming of each of these risks should be pointed in the programme. Risk management is subject of monitoring and evaluation, which is part of the total monitoring of the programme implementation.

Communication

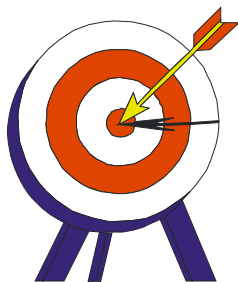
Communication with the public is subject of development in Step 8. In this part of the program the conclusions formulated in this step are described. Communication is of considerable importance for the mobilization of the human resources for its successful implementation. Communication with the public should be considered as an instrument of the local policy and should be based on active dialogue with the local community.



The program should demonstrate the main models of this communication as well as the elements of the communication cycles. The energy programme should be accompanied by a plan for communication activities. This plan is developed for definite target groups and contains clearly formulated objectives, messages and means of communication (Annex 9).

Conclusions

In the conclusion of the municipal energy programme its main messages can be stressed on. They may be derived from the priority objectives of the programme, to be based on the major activities and projects or to be connected with the most important expected results from the programme implementation.



Annexes

The attached sample tables aim at facilitating the elaboration and presentation of the municipal energy programme. They could be adapted to the specific conditions in each municipality.

Annex 7.1

Example for content of a municipal energy programme

Annex 7.2

Potential for energy efficiency

Annex 7.3

Financial framework

Annex 7.4

General assessment of the baseline

Annex 7.5

Priority activities and projects

Annex 7.6

Expected results from the programme implementation

Annex 7.7

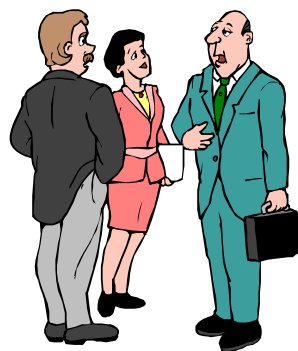
Investments needed

Annex 7.8

Financial sources

Annex 7.9

Communication Plan



Annexes consist of sample tables that give idea of how the municipal energy programme could be presented and illustrated. Most of them could be used directly or after minor adaptation. Others can be entirely restructured if local circumstances require it. After practical tests in the pilot cities local specialists may develop their own sets of tables for elaboration, presentation and illustration of the energy programme.