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TWINNING FICHE

Project title: Support to the Israeli Policy on Energy Efficiency and its approximation to EU regulations on electrical appliances

Beneficiary administration: Israel Ministry of Energy (Sustainable Energy Division)

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EU funded project

TWINNING TOOL

List of abbreviations

AA - Association Agreement

AP - Action Plan

ENP - European Neighbourhood Policy

EU – European Union

GHG - Greenhouse Gas

MS - Member State

MoE – Ministry of Energy

NEEAP - National Energy Efficiency Action Plan

PL - Project Leader

PV - Photovoltaic

RIA - Regulatory Impact Assessment

RTA - Resident Twinning Advisor

PCI – Project of Common Interest

EPREL – European Product Registry for Energy Labelling

DoC – Declaration of Conformity

1. Basic Information

For UK applicants: *Please be aware that following the entry into force of the EU-UK Withdrawal Agreement[1] on 1 February 2020 and in particular Articles 127(6), 137 and 138, the references to natural or legal persons residing or established in a Member State of the European Union and to goods originating from an eligible country, as defined under Regulation (EU) No 236/2014[2] and Annex IV of the ACP-EU Partnership Agreement[3], are to be understood as including natural or legal persons residing or established in, and to goods originating from, the United Kingdom[4]. Those persons and goods are therefore eligible under this call.*

1.1 Programme

ENI/2019/041-911– "Support to ENP Action Plan 2019 Israel" – Direct Management

ENI/2020/042-757 – "Support to ENP Action Plan 2020 Israel" – Direct Management

The ENP applies to Israel although the country received limited funding from the European neighbourhood instrument (ENI) in 2014-2020 and will receive limited funding from the Global Europe instrument (2021-2027), as it is a member of the OECD. There is no Single Support Framework for Israel. While a formal decision on the identification and adoption of new EU-Israel Partnership Priorities (PPs) in line with the revised European Neighbourhood Policy is pending, the EU-Israel ENP Action Plan, adopted in 2005, has been extended until January 2025 and constitutes the basis of the EU-Israel cooperation. For the first time in 10 years, the EU-Israel Association Council met in October 2022.

The Israeli economy has showed strong resilience during the global economic downturn of the last decade and has maintained high Gross Domestic Product (GDP) growth rates. Like many other countries, the Covid-19 crisis has also affected Israel, but since it reached the crisis in a relatively strong and stable economic situation, after a 2.2% GDP decrease in 2020, its GDP has increased in 2021 by 8.1%, higher than the OECD level of 2.1% growth.

The EU is, and for the near future will remain, Israel's largest trading partner, currently representing 30% of Israel's total trade. Institutional Twinning and Technical Assistance and Information Exchange Instrument (TAIEX) are the modalities used in ENI co-operation with Israel. Israel made use of TAIEX and Twinning instruments to increase legislative approximation in areas such as market regulation, statistics, agriculture policy, welfare services and, most recently, environment. All cooperation is subject to the requirements set out in the "Guidelines on the eligibility of Israeli entities and their activities in the territories occupied by Israel since June 1967 for grants, prizes and financial instruments funded by the EU from 2014 onwards".

Actions financed by the EU have to reflect Israel's interest and capacity to implement the jointly agreed priorities and have to follow the rules set for institutional Twinning instrument on the "*acquis communautaire*".

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[1] Agreement on the withdrawal of the United Kingdom of Great Britain and Northern Ireland from the European Union and the European Atomic Energy Community.

[2] Regulation (EU) No 236/2014 of the European Parliament and of the Council of 11 March 2014 laying down common rules and procedures for the implementation of the Union's instruments for financing external action.

[3] Annex IV to the ACP-EU Partnership Agreement, as revised by Decision 1/2014 of the ACP-EU Council of Ministers (OJ L196/40, 3.7.2014)

[4] Including the Overseas Countries and Territories having special relations with the United Kingdom, as laid down in Part Four and Annex II of the TFEU.

1.2 Twinning Sector

Energy (EY)

1.3 EU funded budget

EUR 1, 5 million

1.4 Sustainable Development Goals (SDGs)

SDG 7 "Affordable and Clean Energy"

SDG 12 "Responsible Consumption and Production"

SDG 13 "Climate Action"

2. Objectives

2.1 Overall Objective(s):

The overall objective of this project is to reduce the negative impacts of energy consumption on the economy, health and environment in Israel.

The intermediate impact will be the increased consumer preference for the energy-saving equipment.

The main assumptions supporting the contribution to the intermediate and overall impact are as follows:

- Continued political prioritisation ensuring incentives and engagement of both producers/importers and consumers;
- Continued attention to improve the consumer awareness on the economic and social benefits of the energy saving equipment;
- Sufficient and timely funding and institutional improvements to support the efficient implementation of the adopted regulatory improvements.

2.2 Specific objective:

The specific objective of the project is to support the advancement and implementation of Israeli Policy on energy efficient products.

The increased energy efficiency of energy-consuming equipment will reduce the negative impacts caused by the energy market. In particular, the losses and emission of greenhouse gases, thus contributing to improved health and environment in the country, as is intended in the overarching strategies documents of Israel: The Israeli National Energy Efficiency Action Plan “NEEAP” for 2020-2030, Israel 2050 - Transition to Low Carbon Economy, (those strategies will be described later in detail).

Pursue of this specific objective will be structured around three components:

Component 1: Support the implementation of the EU regulations for energy efficient products already adopted in Israel.

Component 2: Support the adoption of additional EU regulations for energy efficient products.

Component 3: Strengthen the market control and enforcement frameworks in line with EU methods and standards.

2.3 The elements targeted in strategic documents i.e. National Development Plan/Cooperation agreement/Association Agreement/Sector reform strategy and related Action Plans

The Association Agreement (AA) between the European Union and Israel entered into force in 2000. The EU-Israel ENP Action Plan (AP), adopted in April 2005, lays out a comprehensive set of priorities in areas, including energy and environment, within the scope of the AA. As such, the AP states that particular attention, inter alia, should be given to promoting cooperation in the energy sector. The AP also advocates for strengthening the environmental dimension of public policy and EU-Israel cooperation by promoting sustainable development policies and actions, including on climate change and water pollution. The energy section, "Chapter 2.5: transport, energy, information society, environment and science and technology," states that cooperation on energy policy should support the preparation of an Israeli Energy Master Plan. According to the environment section of the AP, the EU should increase cooperation to achieve the parties' commitments with regard to provisions under the Kyoto Protocol and the UN Framework Convention on Climate Change. The Action Plan was renewed several times and recently prolonged for additional three years, until 2025.

In February 2021, the European Commission and the High Representative adopted a joint communication "Renewed partnership with the Southern Neighbourhood" proposing an ambitious and innovative new Agenda for the Mediterranean, to relaunch and strengthen the strategic partnership between the European Union and its Southern Neighbourhood partners. The new Agenda for the Mediterranean will guide the EU's policy towards the region and the multi-annual programming under the EU's new Neighbourhood, Development and International Cooperation Instrument (NDICI) at the regional and bilateral levels. The new Agenda for the Mediterranean proposes a range of actions along the following key policy areas: 1) Human development, good governance and the rule of law; 2) Strengthen resilience, build prosperity and seize the digital transition; 3) Peace and security; 4) Migration and mobility; 5) Green transition: climate resilience, energy, and environment.

In line with the European Green Deal, setting climate action and preservation of natural resources and environment is at the heart of EU policies both at home and in close cooperation with international partners, the new Agenda for the Mediterranean outlines that future cooperation on green transition will have to be focused on selected priority objectives, including energy efficiency efforts and measures, with a focus on buildings and appliances. Fostering investments in energy efficiency is part of the strategy to establish long-term scenarios where new forms of low-carbon energy gradually replace fossil fuels.

Finally, this Twinning programme is relevant for the Agenda 2030 for the Sustainable Development Goals to which both the EU and Israel are committed. It contributes primarily to the progressive achievement of Sustainable Development Goals (SDG), and in particular, Goal 7 "Affordable and Clean Energy", Goal 12 "Responsible Consumption and Production", and Goal 13 "Climate Action".

3. Description

3.1 Background and justification

Background

The Ministry of Energy (MoE) derives its authority over energy efficiency activities from The Energy Sources Law (1989), and from other government decisions taken over the years (detailed later in this section). The latest amendment of the Energy Sources Law (1989), published in November 2020, aimed to reduce the current regulatory burden related to the import and marketing of electrical appliances.

In general, the Energy Sources Law's main purpose is to enable energy sources regularisation, by allocating them correspondingly to each segment in the market and its different needs.

The law's main clauses specify:

- The formulation of a National Energy Efficiency Action Plan (at least once every five years);

- The provisions regarding energy efficiency in the import and marketing of electrical appliances;

- Obligations regarding energy labelling on energy-consuming appliances;

- That MoE authority is to set regulations regarding efficient energy sources utilisation, sign international agreements relating to renewable energy resources, encourage energy-related research and development (R&D) and set energy efficiency measures throughout market sectors.

The Minister of Energy has the authority to amend regulations by virtue of the Energy Sources Law. Such amendment is conducted via a process, which includes an internal consultation within the relevant department, along with an in-depth international study on well-established methodologies and standards. As part of the process, the MoE is obligated to consolidate its work with the Ministry of Environmental Protection and any other ministry who might operate in the specific field of interest (e.g., regulations in the field of transportation will have to be consolidated with both the Ministry of Environmental Protection and the Ministry of Transportation).

Apart from the government, entities and stakeholders from the private sector who have an affinity with or expertise in energy and environmental matters (such as The Federation of Israeli Chambers of Commerce, environmental organisations, manufacturer's organisations etc.) are also notified and involved in the process.

Apart from the Energy Sources Law, the government has adopted other decisions along the years that have impacted the Israeli energy market. These main government decisions are as follows:

- ❖ Government Decision 4095 (2008): Energy efficiency measures – Reduction in electricity consumption - The decision was made in order to promote energy efficiency throughout the market, and in particular in government institutions, and with the aim to achieve the government's target of reducing approximately by 20% the total energy consumption by 2020.

- ❖ Government Decision 542 (2015): Reduction of greenhouse gas emissions and increase of the national energy consumption efficiency - As part of Israel's preparation to sign a new and binding global agreement on climate change, the government has set

a series of targets and measures to reduce greenhouse gas emissions, recognising as well their economic benefit (targets will be detailed later in this Fiche).

- ❖ Government Decision 1403 (2016): National Plan for implementation of greenhouse gas emissions reduction goals and energy efficiency¬ - This decision sets out a number of measures essential for greenhouse gas emissions reduction and energy efficiency. One of the measures stipulates the MoE's obligation to submit a multi-annual National Plan for Energy Efficiency, in accordance with MoE authority and by virtue of the Energy Sources Law.

- ❖ Government Decision 3269 (2017): Approval of a National Plan for Energy Efficiency - This decision sets the measures needed to be taken in order to achieve the 2017 NEEAP's targets for energy efficiency.

- ❖ Government Decision 465 (2020): formalising the decision undertaken by the Minister of Energy to phase-out coal-fired power generation no later than 2026 and determined targets for a renewable power generation share of 20% in 2025 and 30% in 2030.Government Decision 171 (2021): updating the national target for reducing greenhouse gas emissions by 2030 set by government decision 542 so that the annual amount of greenhouse gas emissions by 2030 will be reduced by at least 27% from the annual amount measured in 2015 (79 million tonnes).It sets a national target for reducing greenhouse gas emissions by 2050 which is that the annual amount of greenhouse gas emissions in 2050 will be reduced by at least 85% of the annual amount measured in 2015.

- ❖ Government Decision 541 (2021): Approval of the updated National Plan for Energy Efficiency – setting a new indicator and national target, reflecting the improvement in the intensity of energy consumption throughout the economy. In other words, energy consumption relative to unit of GDP.

As mentioned above, the Energy Sources Law (clause 2a) states that the government needs to update the National Energy Efficiency Action Plan (NEEAP), at least once every five years. The NEEAP establishes the policies, actions, and objectives in terms of efficient and cost-effective energy use within various sectors.

As part of the five-year update, in July 2010, the Ministry of Energy published the National Energy Efficiency Plan for 2010-2020 by virtue of Government Decision 4095. This plan focused on measures for reduction of Israel's electricity consumption.

In September 2015, before the United Nations Climate Change Conference was held in Paris, the government approved decision number 542, which approved the Intended Nationally Determined Contribution to the UNFCCC and set the national GHG emissions targets in terms of emissions per capita: by 2030, GHG emissions will not exceed 7.7 tCO2e p.p. In addition, an interim target was set, stating that in 2025 GHG emissions will not exceed 8.8 tCO2e p.p. Alongside the national GHG target, a national energy efficiency target was set, aiming for a 17% reduction in electricity consumption by 2030. (As part of the 2020 NEEAP, a new target for reduction of total final energy consumption, rather than electricity consumption, is set).

With the aim of achieving the national targets, in 2017 the government approved Decision 3269 regarding the NEEAP for 2016-2030, and mandated the submission of an updated plan by 2020. In accordance with Decision 3269, the Ministry of Energy published the updated NEEAP in November 2020 (the 2020 NEEAP will be detailed later in this fiche).

Following the publication of the new National Energy Efficiency Action Plan for 2020-2030, the national GHG targets were altered in order to correspond with the initiatives and objectives set during recent United Nations conferences.

The updated goal significantly improves Israel's first NDC of a per capita economy-wide unconditional Greenhouse Gas (GHG) reduction. The updated target presented in this NDC is 58 MtCO2e, which corresponds to a reduction of 21 MtCO2e or 27% in comparison to Israel's total emissions in 2015. In addition, a new emission reduction target for 2050 was introduced, reaching to 12 MtCO2e by 2050, which corresponds to a reduction of 67 MtCO2e or 85%, in comparison to 2015 levels. The national actions needed in order to achieve the new targets mentioned above can be derived directly from the National Action Plan. The Israeli government endeavours to form an updated Action plan that will enable the country to fulfil its national targets.

One of the main topics in the 2020-2030 National Plan refers to activities in the framework of energy regulation. Particularly, the plan updates regulation regarding commonly used electrical appliances, mostly within the domestic and public-commercial sectors.

Over the last decade, as part of the MoE's policy and according to the measures set in the 2020 NEEAP, the Israeli government launched a significant process of revising its electrical appliances regulation, during which, the EU regulations were adopted as part of the import reform.

In late 2021 the Knesset approved the 2021-2022 Economic Plan (The arrangement law) which consists of several legislative amendments whose aim is to implement the government's financial policy. The plan includes the import reform (embodied in the 3rd amendment to the energy sources law) which, at its core, calls for a full implementation of the EU regulations regarding the import process of electrical appliances (Eco Design and Energy Labelling). For further information regarding the import reform please see clause 3.2 "Ongoing reforms".

It is important to note that although the amendment which adopted the EU regulations have been approved and entered into force in September 2022, some of these regulations encountered barriers in their implementation. As a result, it was decided to allow importers to obtain energy permit by showing compliance either with the Israeli regulations ("old world" in the Israeli terminology), or with the European regulations ("new world" in the Israeli terminology). This transition period, where both "worlds" co-exist, gives the market additional time to adapt, however, it is meant to be temporary and will be repealed for most of the regulations in the upcoming months. For further information regarding the reasons for extending the "old world" period, please see following paragraph (3.2 "Ongoing reforms").

Justification

The energy sector in Israel shows a sharp increase in electricity consumption over the last decade. This increase can be attributed to population growth in Israel, an increase in living standards, and a reduction in import prices of electrical appliances. Moreover, climate change effects cause electricity consumption to rise, mainly in the form of increased use of air conditioning and cooling systems, which account for a significant portion of Israel's total electricity consumption. Extreme climate conditions, a result of climate change, have become more common in recent years – in frequency as well as duration. These cause for consumption peaks in the summer months with extreme heat waves, or in winter months when temperature drops substantially.

The Twinning project can contribute to the reduction of electricity consumption per capita or per household or per industrial GDP by helping to increase the use of more efficient electrical appliances.

The completion of the twinning project is expected to induce financial advantages to the Israeli consumer and the Israeli market. Additionally, the reduction of energy related expenses could assist in decreasing social gaps as detailed in paragraph 9 - “Crosscutting issues”.

In conclusion, there are seven key justifications for the implementation of this project and the assistance of EU professionals in achieving these objectives.

1. The Israeli MOE is implementing the adopted EU regulations but faces barriers. These barriers are described thoroughly in clause 3.2 “Ongoing reforms”. The EU experience in addressing these types of barriers, could contribute to solutions and to lift barriers bringing a greater impact on the market.

2. The EU regulatory framework regarding energy-consuming products (such as industrial products) is suitable for different climate conditions and unifies the rating system for the energy consumption of the relevant devices mentioned above. In particular, the EU has great experience with collecting and processing data and using that information to determine the measurement criteria/specific standards for each regulation. Israel can implement additional regulations for energy efficient products by understanding and assimilating the logic and the knowledge gained by EU experts. The Ministry of Energy can draw upon this base of knowledge and expertise when presenting the amendment to the relevant legislative committees and stakeholders.

3. The Israeli MOE is implementing the adopted EU regulations but faces some resistance by interest groups (such as manufactures and importers). These parties are questioning if EU regulations are suitable for the specific Israeli characteristics (e.g., climate conditions, consumers' behaviour). Considering that the MoE is aware of each of these stakeholders' positions, a comprehensive and straightforward plan, such as the one expected with the support of the present project, could lift the barriers and the opposition of some of the groups involved. Moreover, such a plan is expected to have greater impacts on the market.

4. Frequently, the Israeli consumer does not account for or prioritise the economic benefits of energy efficiency and the environmental consequences of the energy production process. This lack of knowledge and awareness diverts public attention to the regulatory burden instead of focusing on the economic and environmental benefits.

The knowledge gap between the Ministry of Energy/other ministerial bodies, as well as consumers makes it difficult for the public and decision-makers to collaborate in this process. EU experts could transfer their knowledge and experience, helping the MOE in engaging the public and stakeholders to the process. Additionally, the Ministry has the interest to learn from EU experts about supportive financial measures that can be effective in increasing the interest and motivation of the general population to use more energy efficient devices.

5. The Israeli MOE is looking to adopt additional EU regulation for energy efficient products (mostly industrial products), in order to increase the energy savings and benefits described in paragraph 9. "Crosscutting issues". Learning from the current experience of implementing the EU regulations for household products, the ministry believes that barriers and opposition may arise by some stakeholders. A thorough

examination of these regulations and assessing the barriers that may arise would ease their implantation by lifting barriers and the opposition of some of the groups involved.

6. The EU has started the process of energy label regulations update. The majority of the implemented EU regulation are expected to go through rescaling in the upcoming two years. This project can assist the Ministry to better understand and communicate the amendments to the market, ensuring smooth compliance with the new regulations.

7. Innovation and technological development – In recent years, Israel and other developed countries have amplified their actions aimed at reducing the negative impacts on health and the environment caused by the energy sector. These actions were reinforced by recent climate conferences that have taken place, and in particular, the United Nations climate change conference in Glasgow (COP26). In order to contribute to the nation's endeavours, the Israeli MoE is working to integrate efficient new technologies in the industrial sector, accelerate the transition to electrical vehicles, and increase the production of cleaner energy, based, as much as possible, on renewable energy. Therefore, the MoE would like to learn from the experience acquired by the EU MS on the possible regulations and standardisation methods in the fields of renewable energy, energy storage systems, electric vehicles, and electrification processes.

3.2 Ongoing reforms

The Israeli National Energy Efficiency Action Plan for 2020-2030 (NEEAP), as detailed above, was published by the Ministry of Energy in November 2020. The NEEAP structure is based on the EU Guideline for Energy Efficiency Action Plans, established under Directive 2012/27/EU of the European Parliament and the Council. The action plan is formulated as instructed in the Energy Sources Law (1989).

The first step in formulating this Plan was updating the existing target to be set in terms of reducing total final energy consumption instead of electricity consumption, which was previously considered. This update was driven by significant changes in the global energy sector over the past few years. Countries are promoting the transition to electricity-based technologies instead of fuel-based technologies (e.g., the transition to electric vehicles or electrification of industrial processes) in various sectors, due to the harmful influence of fuel-based technologies on the environment. Thus, renewable energy accounts for a growing portion of electricity generation in Israel. This transition is expected to decrease total energy consumption, but increase electricity consumption. For that reason, a target in terms of electricity consumption is no longer as relevant.

In order to establish the energy efficiency indicator best suited to Israel, a comprehensive review of national planning performed by various countries and international energy efficiency related regulation was conducted. In the 2020 NEEAP, the national energy efficiency indicator and targets will be set in terms of total final energy consumption.

For the purpose of identifying the fields in which government intervention is necessary, the Ministry of Energy performed an in-depth analysis of the Israeli energy market's main consuming sectors: public-commercial, domestic, industrial, and transport. The analysis revealed trends at the sectoral level, identified barriers and market failures which inhibit energy efficiency, and found policy measures implemented worldwide used to address them.

The analysis focused on historical data gathered for the period of 2013-2017 provided by the Israeli Central bureau of Statistics (CBS) and MoE additional sources of information. The key aspects analysed are as follows:

1. Main energy sources consumed by each sector (e.g., electricity, fossil fuels);

2. Significant energy consumers and energy uses in each sector;

3. Energy intensity both on the national level and the sectorial level. The energy intensity of each sector was analysed in terms of the most suitable key-driver/s of each sector. These key drivers are as follows:

- The energy intensity in the domestic sector was calculated in terms of sectorial energy consumption (MWh) per capita/ per household.
- The energy intensity in the public-commercial sector was calculated in terms of sectorial energy consumption (MWh) per GDP components linked to public-commercial activities.
- The energy intensity in the industrial sector was calculated in terms of sectorial energy consumption (MWh) per industrial GDP.
- The energy intensity in the transport sector was calculated in terms of sectorial energy consumption (MWh) per travelled kilometre.

On the basis of this analysis, the Ministry concentrated on identifying energy efficiency policy measures most suitable for Israel; an international review of commonly used policy measures worldwide was conducted on a sector-by-sector basis. The policy measures in the 2020 NEEAP can be divided into two categories: incentives, such as grants programs and loans, and regulations and binding standards. Both types of measures are accompanied by professional guidance, training programs, and educational and public awareness measures.

Given the full implementation of all policy measures (i.e., implemented policy scenario), the total energy consumption is expected to be approximately 194.6 TWh in 2030. The approximate energy saving expected by 2030 is 16.5 TWh in comparison to reference scenario (i.e., no additional policy measures implemented in comparison to base year 2015). The energy intensity in implemented policy scenario is expected to improve by 18% by 2030, in comparison to base year 2015.

The table below summarises the main findings of the NEEAP analysis:

Sector	***Key-driver***	***Main findings: 2013-2017***
National	GDP	• 10% increase in energy consumption • 3.7% improvement in energy consumption per GDP
Public-commercial	GDP components linked to public-commercial activities	• 5.5% increase in energy consumption • 10.1% improvement in energy consumption per GDP components linked to public-commercial activities
Domestic	Total Capita/ Household	• 16% increase in energy consumption • 7.3% increase in energy consumption per capita • 6.9% increase in energy consumption per household
Industrial	Industrial GDP	• 6% absolute reduction in energy consumption • 6.6% improvement in energy consumption per industrial GDP

Transport	Km traveled	• 13.5% increase in energy consumption • 2.6% improvement in total energy consumption per total Km traveled (i.e Km traveled by all road vehicles) • 4.5% improvement in private vehicles' energy consumption per private vehicles' Km traveled

In the context of regulations and binding standards, following the NEEAP, the MoE adopted several EU regulations (including minimum energy consumption thresholds, for commonly used electrical appliances including dishwashers, washing machines, tumble driers, ovens, refrigerating appliances, and air conditioners) and aims to continue the adoption process in years to come (see "The Import Reform" section below). In addition, the NEEAP allocates resources to improve control and enforcement measures. As such, existing regulations will be updated: The Energy Sources Regulation (maximum energy consumption of domestic electrical appliances) - 2004; Energy Sources Regulation (energy efficiency and information regarding energy consumption of refrigerating appliances) - 2004; and Energy Sources Regulation (energy efficiency, energy labelling and energy rating in air conditioners) - 2004.

Israel 2050 - Transition to Low Carbon Economy — In accordance with the Paris Agreement, Israel agreed to submit a long-term plan (until 2050) for its transition to a low carbon economy, by the end of 2020. The "Israel 2050 - Transition to Low Carbon Economy" is a vision document compiled jointly by various ministries in collaboration with the Israel Democracy Institute and the OECD.

According to the document, Israel will transition to a low-pollution, competitive, and thriving economy by 2050. The plan includes changes in infrastructure and building planning, integration between different planning bodies, efficient use in energy resources, a shift to zero emissions energy sources, and the cessation of landfilling of municipal and construction waste.

The Israeli plan focuses on four main activity fields: energy; cities and buildings; transport; and industry and waste. Professional working groups, including representatives from relevant ministries, local authorities, the public sector, civil society, and academic bodies, have been established for each field. Simultaneously, two more work teams have been established — the macroeconomic team to examine the macroeconomic influences of the plan, and a team to examine the social aspects of the program. For each of the four fields, a road map is being formulated. For the energy efficiency field, the map is the Energy Efficiency National Plan for 2020-2030 (NEEAP).

The Import Reform — Over the last decade, as a part of the government's policy to reduce the cost of living and mitigate the increase in prices, a comprehensive review has been conducted in order to identify opportunities to reduce regulatory and bureaucratic burdens. The energy sector review uncovered such a burden in the process of importing electrical appliances; it was found that the main cause is the obligatory examinations (paid for by the importer) of the energy efficiency of each imported prototype by the Standards Institute of Israel before its custom clearance. These reviews contributed in outlining the guidelines and actions needed to reduce the bureaucratic burden in the electrical appliances import process. As a consequence, the process of importing and marketing of electrical appliances in the Israeli market has gone through several significant changes in the past few years.

In late 2021, the Knesset approved the 2021-2022 Economic Plan which includes several legislative amendments aimed at implementing the government's economic policy. The Import Reform, embodied in the 3rd amendment to the Energy Sources Law as part of the 2021-2022 Economic Plan, established new principles regarding the electrical appliances import process. The main goal of the amendment is to replace the current Israeli regulation with the EU regulations. The importer will be required to declare that the appliance in question complies with EU regulations (Eco Design and Energy labelling). The list of regulations adopted as part of the reform will be described at length later in this document.

The implementation of the approved amendment described above is expected to reduce the limiting bureaucratic barriers and increase the number of approved prototypes, which in turn will increase competition in the Israeli market and mitigate the increase in prices. Furthermore, the amendment enables the enhancement of the MoE's authority in matters such as electrical appliances import orders, inspection, and enforcement.

As mentioned in paragraph 3.1 "Background and justification" It is important to note that although the amendment which adopted the EU regulations have been approved and the EU regulations entered into force in September 2022, some of these regulations encountered barriers in their implementation.

For example:

- The EU regulations for air conditioners and air cooling and heating products are in line with the EU F-GAS regulation, which drives the market to switch to new coolants, with higher flammability levels. In Israel, the profession of installing and service provider for air conditioners is not regulated. Progress towards regulating this profession by law has been made, however not completed yet. Until the completion of this process – the Israeli safety standard for air conditioners prohibits the import and place on the market these coolants.

- The energy efficiency rating for air conditioners are measured in accordance with the European average climate. However, the Israeli climate is more similar to that of warmer European countries. This affects the energy efficiency of air conditioners used in Israel.

- The Israeli climate matches what is defined by the EU regulation for Fridges and freezers as tropical climate. This condition affects the energy efficiency rating of these products.

- A significant share of the chillers imported in Israel is produced in the US or in accordance with the American standards "AHRI". In addition there are specific aid programmes of the US to Israel for activities such as some of the governmental offices, in which American products are imported. Setting compliance requirements to the EU regulations could limit marketing systems that are not placed on the market in Europe.

As a result, as mentioned in paragraph "3.1 Background", it was decided to currently allow importers to obtain energy permit by showing compliance either with the "new world or the "old world".

3.3 Linked activities

Over the years, the Ministry of Energy has partnered with the Technical Assistance and Information Exchange (TAIEX) instrument for a variety of projects. The TAIEX instrument aims to support public bodies in the legislation, implementation, and enforcement of EU laws and to promote collaboration in sharing the most successful practices. The Ministry of Energy has previously implemented several TAIEX activities

regarding several infrastructure planning issues[5], and in addition, TAIEX activities requested by other Israeli institutions have also touched upon issues relevant to the Ministry of Energy, such as the TAIEX Expert Mission on energy labelling, on eco-design requirements for energy related products. This activity took place in September 2019, and addressed a number of issues very relevant to the present Twinning Fiche.

The collaboration between the Israeli Ministry of Energy and the European Union through the TAIEX instrument has helped the Ministry to better understand the EU's thought process and decision-making methodology, especially concerning the establishment of regulations and laws. This partnership has proven to be a successful and effective manner of promoting and adopting European regulations.

In addition, Israel participated in EU ClimaMed programme, which supports climate change mitigation and adaptation in eight South Mediterranean countries, including Israel. The project sponsored a six-month workshop for Israeli local authorities on climate change mitigation and adaptation. It provided 40 participants from local authorities in Israel with an understanding of Israel's reduction targets, guidance for building local Baseline Emission Inventories and a Sustainable Energy Access and Climate Action Plans (SEACAP), knowledge on urban sustainability, capacity building, citizens awareness raising, and more.

3.4 List of applicable *Union acquis*/standards/norms

The applicable EU framework is organised below in three parts according to its status in/in relation to the Israeli framework:

- "Table 1" lists the EU regulation from which the MoE derived its products' energy efficiency requirements as part of the 3rd and 4th amendments to the arrangements law (see clause 3.2 – Ongoing reforms - the import reform). The Israeli regulations are listed alongside their EU equivalents. As mentioned earlier, the current regulations will be replaced upon completion of the EU regulations adoption process.
- "Table 2" lists the Israeli standby and off modes energy consumption requirements and their corresponding EU framework.
- "Table 3" includes EU regulations from which the MoE aspires to learn, and plans to adopt. It's important to note that while some of the EU regulations were already adopted, the EU has initiated a process of rescaling and updating these regulations. The ministry will be required to address these changes and better communicate them to the market.

It is important to note that the Israeli regulations are based on standards accepted in the world and by the EU in particular. For a better understanding of the process of amending the regulations in Israel and the regulatory framework, please see section "3.1 – background".

[5] Such as Infrastructure planning in the maritime space TAIEX, Natural resources management TAIEX, TAIEX Workshop on High Voltage Direct Current Transmission Systems and more.

Table 1: EU regulation from which the MoE derived its product's energy efficiency requirements

Product group	***EU regulations***	***Israeli regulations (to be withdrawn upon the completion of the adoption process)***
Air cooling products	Air heating and cooling products	Energy Sources Law - Minimal energy efficiency per new water, cooling unit (2013)
Air conditioners	• Air conditioners (Up to 12KW) – "Air conditioners and comfort fans" • Air conditioners (Above 12KW) – "Air heating and cooling products"	Energy Sources Law - Energy efficiency, air conditioner energy rating and score (2004)
Refrigerators and freezers	• Refrigerators and freezers for home use – "Fridges and freezers" • Refrigerators and freezers for professional use – "Professional refrigerators" • Refrigerators and freezers– "Refrigerators with a direct sales function"	Energy Sources Law - Energy efficiency energy consumption information of cooling appliances (2004)
Washing machines	"Washing machines and washer-dryers"	Energy Sources Law - Maximal energy consumption of appliances for home use (2009)
Driers	"Tumble driers"	Energy Sources Law - Maximal energy consumption of appliances for home use (2009)
Dishwashers	"Dishwashers"	Energy Sources Law - Maximal energy consumption of appliances for home use (2009)
Cooking ovens	"Cooking appliances"	Energy Sources Law - Maximal energy consumption of appliances for home use (2009)
Light bulbs	"Lighting"	Energy Sources Law - energetic efficiency of light bulbs used for indoors lightening (2011)
Florescent light bulbs' choke	"Lighting"	Energy Sources Law - Minimal efficiency for of florescent bulbs' choke index (2009)
Complex set-top boxes	Set-top boxes	Energy Sources Law - Maximal energy consumption of complex set-up box in standby mode (2015)
Television	Electronic displays including televisions	Energy Sources Law - Maximal electrical efficiency of television converter (2011)
Unsynchronised three phase squirrel cage induction motors	Electric motors and variable speed drives	Energy Sources Law - Energetic efficiency of electric induction motors (2004)

Table 2: Israeli standby and off modes energy consumption requirements and their corresponding EU framework

Product	***EU regulations***	***Israeli Regulations (to be withdrawn upon the completion of the adoption process)***
Air conditioners	• Air conditioners (up to 12KW) – "Air conditioners and comfort fans" • Air conditioners (Above 12KW) – "Air heating and cooling products"	Energy Sources Law - Energy efficiency, air conditioner energy rating (2004)
Refrigerators and freezers	• Refrigerators and freezers for home use – "Fridges and freezers" • Refrigerators and freezers for professional use – "Professional refrigerators" • Refrigerators and freezers– "Refrigerators with a direct sales function"	Energy Sources Law - Energy efficiency energy consumption information of cooling appliances (2004)
Washing machines	Washing machines and washer-dryers	Energy Sources Law - Maximal energy consumption of appliances for home use (2009)
Driers	Tumble driers	Energy Sources Law - Maximal energy consumption of appliances for home use (2009)
Dishwashers	Dishwashers	Energy Sources Law - Maximal energy consumption of appliances for home use (2009)
Cooking ovens	Cooking appliances	Energy Sources Law - Maximal energy consumption of appliances for home use (2009)
Microwaves	Off mode, standby and networked standby	Energy Sources Law - Maximal electrical efficiency of home and office appliances in standby mode (2011)
Computers	Computers and small servers	Energy Sources Law - Maximal electrical efficiency of home and office appliances in standby mode (2011)
Computer screens	Electronic displays including televisions	Energy Sources Law - Maximal electrical efficiency of home and office appliances in standby mode (2011)
Printers	Off mode, standby and networked standby	Energy Sources Law - Maximal electrical efficiency of home and office appliances in standby mode (2011)
Radios	Off mode, standby and networked standby	Energy Sources Law - Maximal electrical efficiency of home and office appliances in standby mode (2011)
Amplifiers	Off mode, standby and networked standby	Energy Sources Law - Maximal electrical efficiency of home and office appliances in standby mode (2011)

Product	***EU regulations***	***Israeli Regulations (to be withdrawn upon the completion of the adoption process)***
Wireless phones	NA	Energy Sources Law - Maximal electrical efficiency of home and office appliances in standby mode (2011)
Digital converter	Set-top boxes	Energy Sources Law - Maximal electrical efficiency of home and office appliances in standby mode (2011)
Television	Electronic displays including televisions	Energy Sources Law - Maximal electrical efficiency of television converter (2011)

Table 3: Examples for additional product regulations to be examined by the MoE as part of the twinning project

Product	***Relevant EU regulations***
Servers and data storage products	Servers and data storage products
Imaging equipment (copiers, faxes and printers)	Imaging equipment
Game consoles	Game consoles
Welding equipment	Welding equipment
Water pumps	Water pumps
Circulators	Circulators
Power transformers	Power transformers
External power suppliers	External power supplies
Local space heaters	Local space heaters
Space and water heaters	Space and water heaters
Solid fuel boilers	Solid fuel boilers
Vacuum cleaners	Vacuum cleaners
Industrial fans	Industrial fans
Ventilation units	Ventilation units

3.5 Components and results per component

Outcome (specific objective level): Enhanced and strengthened Israeli Policy on energy efficient products.

This specific outcome will be fulfilled by achievement of three intermediary outcomes corresponding to each of the three components.

Component 1: Support of the implementation process of EU regulations for energy efficient products adopted in Israel.

Intermediary Outcome 1.1: Increased capacity of the MoE to fully implement adopted EU regulations.

Mandatory Result 1.1.1 – Production of practical guidelines for importers and manufacturers on the implementation of newly adopted regulations

Mandatory Result 1.1.2 – Production of an exit strategy report with recommendations on phasing out the temporary transitory period. Part of the report should be dedicated to products encountering barriers, while taking into consideration the specificities of the Israeli market.

Intermediary Outcome 1.2: Increased capacity of the MoE to fully communicate regulatory changes in accordance with the EU Ecodesign and energy labelling working plan.

Mandatory Result 1.2.1 – Analyse the changes of the updated EU regulations and communicate these to relevant Israeli officials.

Mandatory Result 1.2.2 – Production of practical guidelines for importers and manufacturers on the regulatory changes for EU regulations that undergo updates and rescaling process.

Component 2: Support the adoption of additional EU regulations for energy efficient products.

Intermediary Outcome 2.1: Increased capacity of the MoE to further legislative reform on energy efficient products.

Mandatory Result 2.1.1 – Production of a roadmap to advance Israeli approximation on energy efficient products.

- ***Sub result 2.1.1.1:*** *Risk analysis and mitigation plan for further approximation to EU framework in relation to the specific characteristics of the Israel market*

Mandatory Result 2.1.2 – Full adaptation of two EU regulations on specific energy efficient product. This should address all relevant stages of legislative process including preparation of regulatory Impact Assessment (RIA) documents as necessary.

- ***Sub result 2.1.2.1:*** *Development of a work plan for legislative reform for the MoE, including identification of two EU regulations for immediate action. The plan should include different stages of legislative process and an estimation of the necessary resources.*

- ***Sub result 2.1.2.2:*** *Preparation of Regulatory Impact Assessment (RIA) documents*

Component 3: Strengthen the control and enforcement frameworks in line with EU methods and standards.

Intermediary Outcome 3.1: Improved capacity to control and enforce in line with EU methods and standards.

Mandatory Result 3.1.1 – Action plan to strengthen Israeli market surveillance.

3.6 Means/input from the EU Member State Partner Administration(s)*

3.6.1 Profile and tasks of the Project Leader

Qualifications and skills:

- University degree in law, economics, engineering, or another relevant discipline, or equivalent professional experience of at least eight years

- At least three years of working experience in a relevant MS Institution

- Experience in working with the relevant EU legislative system — priority given to those who have taken part in EU legislative committees

- Previous experience as Project Leader may be considered as an asset

- Fluent in written and spoken English

Tasks:

- Overall management and coordination of the implementation of the twinning project in cooperation with the Beneficiary Country (BC) Project Leader

- Ensure timely and effective implementation of the project and achievements of results

- Monitoring and evaluating the needs and priorities in the respective sector, project risks, progress against the project budget, benchmarks, and outputs, and taking any necessary remedial actions if needed

- He/she will, together with the beneficiary PL, be responsible for the modification of the project work plan as deemed necessary during the time span of the project

- Providing efficient leadership to the project

- Together with beneficiary PL, will be responsible for interim, final reports and project reporting

- Ensuring backstopping and financial management of the project

- Participation in Steering Committee meetings and communicate with stakeholders

3.6.2 Profile and tasks of the Resident Twinning Advisor

The relevant institution of MS will appoint a long-term Resident Twinning Advisor (RTA).

Qualifications and skills:

- University degree in law, economics, management, engineering, or other areas relevant to this assignment or eight years of equivalent professional experience

- At least three years of working experience in a relevant MS Institution

- Experience of training and mentoring in fields relevant to the project

- Experience in project implementation and in monitoring systems

- Fully conversant with EU legislation and best practices in the area of energy regulations

- Fluent in written and spoken English

Tasks:

- Coordinate and supervise the activities of all experts and ensure overall coordination within the project through steering the assignment of experts, training measures, conferences, internships, et cetera

- Ensure timely and effective implementation of the project in accordance with the time schedule

- Establish and maintain links with the beneficiary and all players involved in the implementation of the project and other related projects, in close coordination with Project Leaders

- Ensure day-to-day implementation of all project activities in the country

- Ensure smooth correlation between activities, deadlines, and the envisioned results listed in the work plan

- Prepare materials and documentation for regular monitoring and reporting

- Nominate, mobilise and supervise the short-term experts in collaboration with Project Leaders

3.6.3 Profile and tasks of Component Leaders

The Component Leaders will be responsible for achieving of project results, executing activities required for the collaboration between nations, exchanging information between the RTA and the beneficiary side, and ensuring the availability of all required support of EU management and staff.

3.6.3.1 Component Leader 1

Outcome 1 will be under the responsibility and the management of CL (1).

Qualifications and skills:

- University degree in law, economics, engineering, or another relevant discipline, or equivalent professional experience of at least three years

- Priority is given to professionals who took an active role in formulating and implementing EU regulations regarding energy-consuming appliances on a national level

- Experience in working with the EU legislative system — priority given to those who have taken part in EU legislative committees

- Fluent in written and spoken English

Tasks:

- Conceive, supervise, and coordinate the Twinning Project activities to accomplish the mandatory results of components 1.1-1.4.

- Coordinate and monitor the implementation of the relevant project components.

3.6.3.2 Component Leader 2

Outcome 2 will be under the responsibility and the management of CL (2).

Qualifications and skills:

- University degree in law, economics, or another relevant discipline, or equivalent professional experience of at least three years

- Experience in formulation of regulatory procedures

- Experience in analysing market data and preparation of RIA documents, especially in the context of energy market

- Experience in working with the EU legislative system — priority given to those who have taken part in EU legislative committees

- Priority is given to professionals who took an active role in formulating and implementing EU regulations regarding energy-consuming appliances on a national level

- Fluent in written and spoken English

Tasks:

- Supervise and coordinate the activities mentioned above

- Conceive, supervise and coordinate the Twinning Project activities to accomplish the mandatory results as per component 2

3.6.3.3 Component Leader 3

Outcome 3 will be under the responsibility and the management of CL (3)

Qualifications and skills:

- University degree in law, economics, or another relevant discipline, or equivalent professional experience of at least three years

- Experience in designing control and enforcement systems — in particular outlining, formulating, and designing the methodology for electrical appliances regulations enforcement

- Experience in the implementation process of energy-consuming appliances regulations and in applying the supporting mechanism de facto

- Experience in working with the EU legislative system — priority given to those who have taken part in EU legislative committees

- Fluent in written and spoken English

Tasks:

- Responsible for improving the management systems and control and enforcement systems, while monitoring compliance to the regulations

- Assisting in implementing the above systems and supervising that all required actions are taken

- Engage with both Israeli and EU officials related to control and enforcement mechanism and the possible process of joining Israel to the EPREL system

- Conceive, supervise and coordinate the Twinning Project activities to accomplish the mandatory results as per component 3

3.6.4 Profile and tasks of other short-term experts

Qualifications and skills:

- University degree in law, economics, engineering, or another relevant discipline, or equivalent professional experience of at least three years

- Substantial experience in formulating specific regulations including industrial products, renewable energies regulations, energy-storage systems and electrical vehicles. Particularly, experience in conducting in-depth analysis and RIA reports

- Participation in regulations and policy planning committees and in one or more of the following subjects: renewable energy and energy storage-systems, electric vehicles and electrification of processes in different sectors. In addition to vast experience in setting the technical and mechanical specifications of the regulation

- Fluent in written and spoken English

Tasks:

- Prepare and implement specific tasks based mainly on practical cases, in accordance with Project activities

- Provide practical expertise/advice and share knowledge to relevant staff for the execution of all activities and objectives required within the project

- Provision of practical support, advice, recommendations and reports as foreseen under the Project in close cooperation and coordination with the relevant institution

4. Budget

Maximum Budget available for the Grant: EUR 1,5 million

5. Implementation Arrangements

5.1 Implementing Agency responsible for tendering, contracting and accounting (AO/CFCU/PAO/European Union Delegation/Office)

EU Delegation to the State of Israel
5-7 Shoham Street – Building Paz 16th Floor
Ramat Gan 5251001
Israel
Tel: + 972-3 613 7799
E-mail: DELEGATION-ISRAEL-TWINNING@eeas.europa.eu

5.2 Institutional framework

The main beneficiary of this project will be the Israeli Ministry of Energy. Within the Ministry, the Sustainable Energy Division will be responsible for project implementation, with a focus on the implementation of the regulation in accordance with the Energy Sources Law (1989).

The implementation of the activities and supervision of production of the mandatory results will be under the responsibility of the representatives from the EUD, the Member State PLs, the Junior Member State (in case of consortium) and the beneficiary PL, as well as the RTA and the RTA counterpart. Member State Component Leaders and Beneficiary Component Leader Counterpart should participate in the debates on topics related to their competences.

5.3 Counterparts in the Beneficiary administration

5.3.1 Contact person

Mr. Uriel Babczyk
Head of the Sustainable Energy Department,
The Israeli Ministry of Energy,
7 Bank of Israel St.
Jerusalem, Israel, 9136002
E-mail: urielb@energy.gov.il

Mrs. Orit Ganor
Head of Foreign Affairs Department,
Planning, Policy and Strategy Division,
The Israeli Ministry of Energy,
7 Bank of Israel St.
Jerusalem, Israel, 9132006
Tel.: +972- 074-7681539
E-mail: oritg@energy.gov.il

5.3.2 Project Leader counterpart

Mr. Uriel Babczyk
Head of the Sustainable Energy Department,
The Israeli Ministry of Energy,
7 Bank of Israel St.
Jerusalem, Israel, 9136002
E-mail: urielb@energy.gov.il

5.3.3 Resident Twinning Advisor counterpart

Mr. Itzik Yonisi
Domain Administrator of Engineering, Licensing and Standardisation,
The Sustainable Energy Division
The Israeli Ministry of Energy,
7 Bank of Israel St.
Jerusalem, Israel, 9136002
E-mail: itziky@energy.gov.il

6. Duration of the project

The overall execution period of the project is 24 months.

7. Management and reporting

7.1 Language

The official language of the project is the one used as contract language under the instrument (English / French). All formal communications regarding the project, including interim and final reports, shall be produced in the language of the contract.

7.2 Project Steering Committee

A project steering committee (PSC) shall oversee the implementation of the project. The main duties of the PSC include verification of the progress and achievements via-à-vis the mandatory results/outputs chain (from mandatory results/outputs per component to impact), ensuring good coordination among the actors, finalising the interim reports and

discuss the updated work plan. Other details concerning the establishment and functioning of the PSC are described in the Twinning Manual.

7.3 Reporting

All reports shall have a narrative section and a financial section. They shall include as a minimum the information detailed in section 5.5.2 (interim reports) and 5.5.3 (final report) of the Twinning Manual. Reports need to go beyond activities and inputs. Two types of reports are foreseen in the framework of Twining: interim quarterly reports and final report. An interim quarterly report shall be presented for discussion at each meeting of the PSC. The narrative part shall primarily take stock of the progress and achievements via-à-vis the mandatory results and provide precise recommendations and corrective measures to be decided by in order to ensure the further progress.

8. Sustainability

This project reflects the regulation section of the 2020 NEEAP, a five-year national program. As part of the NEEAP, the Ministry of Energy allocates resources in order to improve the implementation of electrical appliance regulations. The Ministry promotes digital systems for efficient and advanced managing data which will be reported to the Ministry. As such, the Ministry wishes to improve monitoring compliance so it meets the requirements specified in the regulations. In addition, the 2020 NEEAP defined the control and enforcement model for the energy legislation that will be reformed. Thus, the enforcement unit will benefit from these measures of supervision and control. These systems complement the Ministry's activities in the field of electrical appliance regulations by constituting a sustainable framework that will ensure compliance with the regulations over an extended period of time.

In addition, the 2020 NEEAP highlights educational and public awareness activities regarding sustainable and efficient energy use. Such activities are key in increasing public awareness of the economic and environmental benefits of energy efficiency processes, which will increase the longevity of the project's impact.

Among the Twinning project's components, component 3 focuses specifically on enforcement and compliance with regulations. This component also contributes to ensuring the continuity of project achievements after the project's completion.

9. Crosscutting issues *(equal opportunity, environment, climate etc…)*

Climate Change and Environment:

This project focuses on energy efficiency and energy saving. Reaching the set objective will generate environmental benefits. The implementation of obligatory regulations regarding the energy efficiency of electrical appliances is expected to increase the usage of more efficient appliances in the various sectors. As a result, energy production could be decreased, resulting in a reduction in greenhouse gases and air pollutant emissions that are generated as a result of the energy production process.

In the long-term, reducing electricity consumption will decrease the need to construct both conventional and unconventional energy supply power plants. Unconventional stations are in the form of Photovoltaic (PV) stations, which require significant space. Natural ecosystems harmed by the overuse of open spaces will therefore be conserved, a parameter especially pertinent to Israel, a country without abundant free space.

In addition, this project could encourage manufacturers to produce more efficient appliances. For example, if new washing machines and dishwashers meet lower water

consumption thresholds, energy will be saved. Much of the water used in these machines is desalinated in Israel; the desalination process consumes significant amounts of energy. Thus, lower water consumption leads to lower total energy consumption.

Promote equal opportunities and reduce social disparities:

This project aims to create unified criteria for both manufactured and imported electrical appliances in Israel. Under the current legislation, due to the devices' higher purchase price only members of the medium-high population strata have the resources to purchase the most efficient appliances. Individuals with lower incomes have less disposable income, so they are more likely to purchase inexpensive appliances, regardless of these appliances' high electricity consumption. Economic benefits of energy-conscious appliances are therefore distributed unequally in society. In the long term, the usage of efficient appliances saves money, eventually recouping the initial investment. This project applies the equal opportunities approach so that individuals from all socioeconomic backgrounds have the opportunity to lower their bills by using efficient appliances in their houses.

Reduce regulatory burdens and optimise import process:

The processes in which the MoE requires assistance from the EU MSs, as well as the adoption of the EU regulation regarding electrical appliances (see clause 3.2) are a part of a significant regulatory burden reduction and a part of import process optimisation trends in the Israeli energy sector.

The adopted EU regulations (as part of the recent amendments), along with the examination and adoption of additional regulations (such as the regulation for industrial products) as part of this project, will create a significant reduction of the regulatory burden in the import process as importers will be able to import goods based on a mere declaration as opposed to the unique requirements of the current regulation. Moreover, the full implementation of the EU regulations regarding the import of electrical appliances will increase financial certainty and optimise the import process.

10. Conditionality and sequencing

As part of the 2020 NEEAP, and the import reform, the MoE is continuously acting according to its vision to advance the Israeli energy sector towards clean energy production, transition to electric vehicles and processes electrification. Furthermore, in order to complete the implementation of the adopted regulations and its implications as part of the import reform while advancing the inspection and adoption of additional regulations as discussed in this fiche, there is a strong commitment of the Israeli government to assure the required activities necessary will be completed. According to the Plan, the Twinning project can be undertaken without any inhibiting factors, and can assist in accelerating the Plan's implementation and achieving its objectives.

The organisation of all Twinning activities will be prioritised in close coordination between the concerned bodies and in accordance with the Logical Framework, which forms part of the Twinning project contract.

11. Indicators for performance measurement

The main indicators for achievement of results will be:

Indicator for Intermediary Outcome 1.1: Status of repealed Israeli regulation. Baseline (2022): None[6]. Target (2024): 11 regulations under the Energy Sources Law submitted to the Knesset for repeal.

Indicator for Mandatory Result 1.1.1: Status of Implementation of guiding documents for importers and manufactures regarding each energy efficient product. **Baseline (2022):** None. **Target (2024):** at least 13 accompanying guidelines published.

Indicator for Mandatory Result 1.1.2: Approved finalized exist strategy. **Baseline (2022):** None. **Target (2024):** approved by the MoE.

Indicator for Intermediary Outcome 1.2: Number of products which their updated regulation was communicated to the Israeli officials. **Baseline (2022):** None. **Target (2024):** subject to the number of regulations to go through updated, in accordance with the EU work plan.

Indicator for Mandatory Result 1.2.1: Status of comparative analysis report between approximately 6 EU regulations that are expected to go through rescale or update in the upcoming two years.

Indicator for Mandatory Result 1.2.2: Communication prospect for each regulation that will go through rescale and update process in the upcoming two years. **Baseline (2022)**: None. **Target (2024):** around 6 communication prospects.

*Indicator for Intermediary Outcome 2.1: A*greed workplan for the adoption of additional EU regulations for energy efficient products and initiation of the implementation process. **Baseline (2022):** none. **Target (2024):** Approved work plan.

Indicator for Mandatory Result 2.1.1: Status of the preparation of an implementation action plan. **Baseline (2022):** Not implemented. **Target (2024):** approved action plan.

Indicator for Mandatory Result 2.1.2: Status of implementation of the adopted regulations. **Baseline (2022):** None. **Target (2024):** at least two recommended regulations are submitted to the Knesset with prior RIA accomplished.

Indicator for intermediary Outcome 3.1: Agreed workplan for strengthen the control and enforcement framework. **Baseline (2022):** none. **Target (2024):** Approved work plan.

Indicator for Mandatory Result 3.1.1: Status of the realisation of the implementation action plan and possible integration of Israel to the EPREL system. Baseline (2022): Not implemented. Target (2024): plan approved by the MoE.

12. Facilities available

The beneficiary institution (The Ministry of Energy) commits to provide the Member State representatives — the RTA and RTA assistant(s) — with the following facilities for the entire duration of their secondment:

- Meeting rooms, office space, and office facilities (including computers, telephones, internet access, printers, and scanners).
- Member State representatives will also be provided with suitable conference venues and equipment for training sessions and seminars.
- Catering if appropriate, and presentation and interpretation equipment.

[6] *As of the present date of the Fiche. It is plausible that certain regulations, which have not encountered any barriers, may be repealed prior to the commencement of the project.*

ANNEXE TO PROJECT FICHE

Annex 1 –Simplified Logical framework matrix (as per template of Annex C1 of Manual)

Annex 1 – Simplified Logical Framework (Annex C1a of Twinning Manual)

	Description	Indicators (with relevant baseline and target data)	Sources of verification	Risks	Assumptions (external to project)
Overall Objective	Reduce the negative impact of the energy consumption on the economy, health and environment in Israel	1. Total energy intensity indicator as per the 2020-2030 NEEP. **Baseline (2022):** 148.6 MWh per million NIS[7] in 2015[8] (as per NEEP 2020-2030). **Target (2024):** 122.4 MWh per million NIS by 2030 (per NEEP 2020-2030). 2. Overall energy saving resulted by amending electrical appliances regulation as per the 2020-2030 NEEP estimations. **Baseline (2022):** 0 by 2020. **Target (2024):** Reduction of 1.2[9] TWh by 2030 (according to the 2020-2030 monitoring mechanism[10]). 3. Overall GHG emissions reduction resulted by amending electrical appliances regulation as per the 2020-2030 NEEP estimations. **Baseline (2022):** 0 by 2020. **Target (2024):** Reduction of 420,000 tCO2e by 2030 (according to the 2020-2030 monitoring mechanism).	1. -3. Official statistics by MoE and Central Bureau of Statistics 2. 2020-2030 monitoring and reporting mechanism 3. 2020-2030 monitoring and reporting mechanism		

[7] New Israeli Shekel currency
[8] 2015 was defined as base year in the 2020-2030 NEEP
[9] Out of 16.5 TWh total energy reduction by 2030 as estimated in the NEEP in implemented policy scenario in comparison to reference scenario.
[10] The monitoring and reporting mechanism will be established as formulated in the 2020-2030 NEEP.

	Description	Indicators (with relevant baseline and target data)	Sources of verification	Risks	Assumptions (external to project)
Specific (Project) Objective(s)	Enhanced and strengthened Israeli Policy on energy efficient products.	Ratio of energy saving equipment sold. **Baseline (2022):** TBI by mid-2023. **Target (2024):** TBI by Q4 2023.	MOE Data system on the household appliances market	The economy has moved through many changes in the past year due to coronavirus (COVID-19). Therefore, it is more challenging to predict the reaction to certain measures involving consumer behaviour reform. In the case of the non-realisation of the assumptions (low likelihood).	- The positive trends in consumer preferences are supported with incentives' policy of the government both for producers / importers and consumers - Continued state policy on improving the consumer awareness on the economic and social benefits of the energy saving equipment

Mandatory results/outputs by components	***Component 1:*** *Support of the implementation process of EU regulations for energy efficient products adopted in Israel.* **Intermediary Outcome 1.1:** Increased capacity of the MoE to fully implement adopted EU regulations. **Mandatory Result 1.1.1:** Production of practical guidelines for importers and manufacturers on the implementation of newly adopted regulations. **Mandatory Result 1.1.2** – Production of an exit strategy report with recommendations on phasing out the temporary transitory period. Specifically for products that encountered barriers, taking into consideration the specificities of the Israeli market. **Intermediary Outcome 1.2:** Increased capacity of the MoE to fully communicate regulatory changes in accordance with the EU Ecodesign and energy labelling working plan. **Mandatory Result 1.2.1 –** Analyse the changes of the updated EU regulations and communicate these to relevant Israeli officials. **Mandatory Result 1.2.2** – Production of practical guidelines for importers and manufacturers on the regulatory changes for EU regulations that undergo updates and rescaling process.	*Indicator for Intermediary Outcome 1.1:* Status of repealed Israeli regulation. **Baseline (2022):** None*. **Target (2024):** 11 regulations under the Energy Sources Law submitted to the Knesset for repeal. **As of the present date of the Fiche. It is plausible that certain regulations, which have not encountered any barriers, may be repealed prior to the commencement of the project.* *Indicator for Mandatory Result 1.1.1:* Status of Implementation of guiding documents for importers and manufactures regarding each energy efficient product. **Baseline (2022):** None. **Target (2024):** at least 13 accompanying guidelines published. *Indicator for Mandatory Result 1.1.2:* Approved finalized exist strategy. **Baseline (2022):** None. **Target (2024):** approved by the MoE. *Indicator for Intermediary Outcome 1.2:* number of products which their updated regulation was communicated to the Israeli officials. **Baseline (2022):** None. **Target (2024):** subject to the number of regulations to go through updated, in accordance with the EU work plan. *Indicator for Mandatory Result 1.2.1:* status of comparative analysis report between approximately 6 EU regulations that are expected to go through rescale or update in the upcoming two years. *Indicator for Mandatory Result 1.2.2:* Communication prospect for each regulation that will go through rescale and update process in the upcoming two years. **Baseline (2022)**: None. **Target (2024):** around 6 communication prospects.	1.1.1 MoE approval 1.1.2 MoE approval 1.2.1 MoE approval 1.2.2 publication in the MoE website	No risks identified except in the case of the non-realisation of the assumptions (low likelihood).	- Sufficient and timely funding and institutional improvements to effectively realise the implementation action plan. - Sufficient investments and funding foreseen in the annual budgets to effectively implement the legal-institutional packages of the implementation action plan, as well as the legal translations, and the settlement of the legal translation facility

	<u>Component 2</u>: Support the adoption of additional EU regulations for energy efficient products. **Intermediary Outcome 2.1**: Increased capacity of the MoE to further legislative reform on energy efficient products. **Mandatory Result 2.1.1** – Production of a roadmap to advance Israeli approximation on energy efficient products. **Sub result 2.1.1.1:** Risk analysis and mitigation plan for further approximation to EU framework in relation to the specific characteristics of the Israel market **Mandatory Result 2.1.2** – Full adaptation of two EU regulations on specific energy efficient product. **Sub result 2.1.2.1:** Development of a work plan for legislative reform for the MoE, including identification of two EU regulations for immediate action. The plan should include different stages of legislative process and an estimation of the necessary resources. **Sub result 2.1.2.2:** Preparation of Regulatory Impact Assessment (RIA) documents: Upon finalisation of the legislative and institutional packages those will be put into RIA process by the MoE, where the EU MS partner(s) will bring necessary inputs;	*<u>Indicator for Intermediary Outcome 2.1</u>:* Agreed workplan for the adoption of additional EU regulations for energy efficient products and initiation of the implementation process. **<u>Baseline (2022):</u>** none. **<u>Target (2024):</u>** Approved work plan. *<u>Indicator for Mandatory Result 2.1.1:</u>* Status of the preparation of an implementation action plan. **<u>Baseline (2022):</u>** Not implemented. **<u>Target (2024):</u>** approved action plan. *<u>Indicator for Mandatory Result 2.1.2:</u>* Status of implementation of the adopted regulations. **<u>Baseline (2022):</u>** None. **<u>Target (2024):</u>** at least two recommended regulations are submitted to the Knesset with prior RIA accomplished.	2.1.1 MoE approval 2.1.2 Government records of RIA circulated or published officially.	No risks identified except in the case of the non-realization of the assumptions (low likelihood).	- Sufficient and timely funding and institutional improvements to effectively realise the implementation action plan. - Sufficient investments and funding foreseen in the annual budgets to effectively implement the legal-institutional packages of the implementation action plan, as well as the legal translations, and the settlement of the legal translation facility

	Description	Indicators (with relevant baseline and target data)	Sources of verification	Risks	Assumptions (external to project)
	Component 3: Strengthen the control and enforcement frameworks in line with EU methods and standards. **Intermediary Outcome 3.1:** Improved capacity to control and enforce in line with EU methods and standards. **Mandatory Result 3.1.1** – Action plan to strengthen Israeli market surveillance.	*Indicator for intermediary Outcome 3.1: A*greed workplan for strengthen the control and enforcement framework. **Baseline (2022):** none. **Target (2024):** Approved work plan. *Indicator for Mandatory Result 3.1.1:* Status of the realisation of the implementation action plan and possible integration of Israel to the EPREL system. Baseline (2022): Not implemented. Target (2024): plan approved by the MoE.	3.1.1 MoE approval	Subject to the EU decision on granting access to EPREL or some of its features to operators and authorities from third countries.	- Sufficient and timely funding and institutional improvements to effectively realise the implementation action plan.

Electronically signed on 28/04/2023 13:00 (UTC+02) in accordance with Article 11 of Commission Decision (EU) 2021/2121