

NEWS

ACP-EU ENERGY FACILITY

Preparing for the launch

Slowly but surely, the ACP-EU Energy Facility is becoming a reality.

At the end of April 2006, the European Commission intends to propose the €220 million project to the EDF Committee for its opinion regarding funding.

Once given the green light to proceed, it is anticipated that a Call for Proposals will be launched in June 2006.

This newsletter is aimed at heightening public awareness of the Facility in advance of the launch.

– FACILITY – What's that?

The word "facility" is normally associated with buildings and similar fixed structures. However, in this context it is referring to the usual meaning of the verb "to facilitate" – to make easy or easier.

The core activity of the ACP-EU Energy Facility is to facilitate the funding of energy-related projects that benefit the poor living in ACP countries.

How does it work?

The Facility is first and foremost a FUND.

Funds available may be granted to selected project proposals to supplement other sources of funding already identified and secured by the

applicants.

Co-funding is central to the philosophy of the Facility, unlike regular European Development Aid which is, generally speaking, granted on a sole-donor basis.

The amounts actually available to applicants will be restricted in size and as a percentage of the costs of the project under consideration. Minimum project sizes will also be stipulated.

Projects appropriate to benefit from facility co-funding will be selected from the submissions received following a Call for Proposals. Only the best proposals will benefit from Facility funding.

What can be funded?

Three types of action are foreseen for funding from the



First Issue

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Energy Facility (EF).

These are known as "components" of the funding facility.

Component 1 will be devoted to improving access to energy services (in general, infrastructure),

Component 2 will target the creation or improvement of an enabling environment for the development of energy services for the poor, and

Component 3 will address the needs for improving cross-border energy issues.

How much money is there?

The total Fund amounts to €220 millions and this will be split between the three Components in roughly the proportions 60/20/20.

Does size matter?

Yes, there will be restrictions on the minimum size (value) of project proposals, the maximum percentage of the eligible costs that could be considered for funding and on the absolute maximum amount of grant that may be awarded.

Each Component is different in this respect and full details will be published later on the EF website and in this newsletter.

However, as a guideline, funding will not exceed 50% of eligible costs and the minimum size of projects could be about €2.5M for infrastructure investments under Component

1, with a ceiling of €10M grant.

In other cases, the minimum size of project could be around €200 thousand with a ceiling of €1.5M grant. In some cases, grants may exceed 50%.

Full and final details will be available only with the published Call for Proposals.

Who may apply?

The Call for Proposals will be open to a very wide range of potential applicants including State Actors, International Organisations, NGOs and the Private Sector. Partnerships may also be set up for individual projects but only between organisations having a clear legal status. All Partners are subject to the same eligibility criteria as Applicants.

The proposals must benefit one or more ACP country eligible for grant aid from the 9th EDF. Applicants and/or Partners must have an established presence in the ACP country(ies) in question.

Additionally, Applicants/Partners will need to demonstrate their financial and organisational capacity to implement and operate the proposed project in an efficient and sustainable manner.

Detailed requirements regarding eligibility and how to prove it will be stipulated in the future Guidelines of the Call for Proposals when published.

Does the EF have any preferences?...

No. The EF offers equal

opportunities to all Applicants whichever ACP country(ies) will be the beneficiaries and regardless of the technology used in the project. The main requirement is that the proposal must be highly relevant to the principal objective of the Facility, ie to target and benefit the poor living in rural and peri-urban areas of the ACP countries.

...or exclusions?

The EF does not intend to fund project proposals that could be described as being for research, trial, demonstration or similar purposes.

The technologies proposed will have to be appropriate, tried and tested and ready for deployment in a productive environment in the target countries.

When will the EF launch?

We anticipate publishing the Call for proposals in June 2006. The exact date will be announced later.

Where can I obtain the latest information about EF?

- This newsletter;
- The EF website;
- The EC Delegations;
- Email.
- Help Desk during Call.

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EF Website: http://europa.eu.int/comm/europeaid/projects/energy/index_en.htm

Functional mailbox ACP-EU EF: europeaid-energy-facility@cec.eu.int

WF Website: <http://europa.eu.int/waterfacility>

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