

# The ACP-EC Energy Facility



## GUIDE

### Presentation of the Energy Facility and recommendations on how to prepare a proposal

Call for Proposals  
2006



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# The ACP-EC Energy Facility

*At present, 1.6 billion people in the world –concentrated mainly in rural and peri-urban areas of developing countries – do not have access to modern energy services.*

In April 2004, the General Affairs Council proposed the allocation of **€ 220 million for an ACP-EC Energy Facility**, to be funded from the conditional € 1 billion of the 9th EDF. The establishment of this Facility was endorsed by the ACP-EC Council of Ministers at its meetings in Gaborone in May 2004 and Luxemburg in June 2005.

The € 220 million is the most important single allocation ever granted by the EU for energy projects. This shows the EU's commitment to the poorest communities, providing a substantial contribution to services that are essential to a decent livelihood, such as cooking, lighting, cooling, heating, pumping, motive power, telecommunication etc.

## *World Summit on Sustainable Development*

The World Summit on Sustainable Development (WSSD) in Johannesburg in 2002 took an important step in recognising the important role of energy for reaching the Millennium Development Goals (MDGs).

Access to affordable, reliable and sustainable energy is essential to sustainable development. An adequate solving of energy problems will contribute to achieving progress across all pillars of sustainable development: economic, social and environmental and in meeting the UN Millennium Goals.

Although there is no specific MDG on energy access, the WSSD recognised that inadequate access to energy is both a cause and an effect of poverty, and recommended the following:

*“Take joint actions and improve efforts to work together at all levels to improve access to reliable and affordable energy services for sustainable development sufficient to facilitate the achievement of the Millennium Development Goals, including the goal of halving the proportion of people in poverty by 2015, and as a means to generate other important services that mitigate poverty, bearing in mind that access to energy facilitates the eradication of poverty”.*

Confirming its commitment to the achievements of the MDGs, at the WSSD, the European Union launched the EU Energy Initiative for Poverty Eradication and Sustainable Energy (EUEI). The key elements of the initiative are to contribute to the increased access of adequate, affordable, sustainable energy services to the poor in economically and socially disadvantaged areas. The ACP-EC Energy Facility is a response to this latter objective in the ACP region.

# Leveraging your projects

*The innovative aspect of the Energy Facility resides in its flexibility as a source of grants available to different types of actors, which is often the “missing link” in the funding of energy programmes.*

**The ACP-EC Energy Facility** is a response for ACP States to the need to catalyse additional funding. It is an instrument that can **provide the missing link in the financing of sustainable activities and programmes in the energy sector.**

The Facility plays a real catalytic role promoting initiatives, providing information, and supporting institutions and management capacity in partner countries.

## **The directions of the ACP-EC Energy Facility are focused on:**

- encouraging proposals from national and local governments, municipalities, development agencies, civil society, and decentralised cooperation organisations;
- supporting communities in greatest need, based on a demand-driven approach;
- providing grants by innovating: blending donations and loans within the framework of public-private partnerships or with new sources of co-financing;
- fostering long-term improved and integrated management of energy resources.

## The three components

The ACP-EC Energy Facility has shared its co-financing actions into **three components** to achieve the MDGs, in particular the goal on poverty, through increased access to energy services by the poor rural population.

1	2	3
Improved access to modern energy services for poor, un-served communities.	Improved governance and management in the energy sector	Facilitation of future large-scale investment programmes in cross border interconnections
<p>This Component will contribute to increased and well-targeted investments that will provide access to energy services which are focused on the improvement of the economic and social conditions of poor communities in rural areas.</p> <p>Component 1 is divided into two areas: (1) infrastructure projects and (2) small scale projects.</p>	<p>This component targets countries where grants from the EF could support progress towards better governance conditions for delivery oriented interventions in the field. Activities will depend on the level of policy development and institutional framework, which vary among ACP States. Through this component, the Facility intends to assist ACP countries, in which improvements are needed, to develop or implement sound national energy policies and strategies, based on good governance principles, and where provision of appropriate priority to spending on energy, in the sector and across sectors, within the Poverty Reduction Strategies, needs to be addressed.</p>	<p>A proportion of the Facility will be devoted to leverage funds to facilitate cross-border interconnections. Activities can include investments as well as preparatory activities required to facilitate future essential investment plans for regional energy infrastructure including, for instance, cross-border interconnections, grid extensions etc. This should prepare them for financing by IFIs, in particular the EIB and EDFIs as well as working together with the World Bank, the African Development Bank, EU Member States and the private sector businesses and finance institutions.</p>

The ACP-EC Energy Facility strongly encourages civil society to seek co-financing and partners, to participate in Calls for Proposals and, thereby, to take their development into the own hands.

The Energy Facility is in line with the co-ordination process established under the EU Energy Initiative (EUEI).

*For a full description of the above components, please refer to the Guidelines of the Call for Proposals which can be found at <http://ec.europa.eu/comm/europeaid/cgi/frame12.pl>.*

## Key principles

- **Governance:** the Facility will offer a helping hand to those ACP States that display real commitment to the development and improvement of sound national energy policies, as well as to modern and efficient management of energy resources. Funds will be invested in measures to build or strengthen institutional and regulatory frameworks essential for recipient countries' ability to attract more funds.
- **Ownership:** the Facility will be demand-driven. It will be an instrument to support and deepen the involvement of actors in ACP countries in the design and implementation of energy policies.
- **Innovation and flexibility:** A maximum leverage effect will be achieved given that the Facility offers creative mixtures of grants and other financial sources (such as loans, loan guarantees, etc.) to fund basic infrastructure. The Facility encourages new partnerships and works to increase financing.
- **Transparency and equal opportunity:** the Facility will ensure equal access for all actors, including ACP non-state actors, to pursue the objectives of the EF in their own way and under the same principles and rules of sound financial management.

# Call for Proposals

## APPLICATIONS MADE EASY

The ACP-EC Energy Facility is aiming to facilitate the application procedures for the Call for Proposals as far as possible. Specific actions include:

- Production of **simple** guidelines (clear, good definitions, etc)
- Making **support available** in the application process during the submission period by creating a Help Desk
- Promotion of **partnerships** between NGOs and local authorities.
- Increasing the **participation** of local ACP actors as candidates to the call for proposals
- Promoting **innovation** (especially financial).
- Promoting **better co-ordination with decentralised cooperation actors in the energy sector to increase the leveraging and scaling up effect.**

## Key points...

- ✓ **One phase** Call for Proposals.
- ✓ Applicants may apply in **English, French, Portuguese** or **Spanish**.
- ✓ The applicant or the partner(s) must have a real **presence** in the concerned country/ies.
- ✓ Overall grant amount of **198 million Euros**.
- ✓ Proposals will initially be selected based on your project's "**concept note**" (presentation, relevance, methodology and sustainability, organisational capacity and expertise).
- ✓ Eligibility of applicants/partners:
  - Applicant is **responsible** for implementation
  - **Supporting documents** for eligibility will be requested at the **end of the evaluation**.
- ✓ Partners providing co-financing must also sign the co-donor certificate.
- ✓ The EC contribution ceiling for component 1: 50% for Infrastructure projects and 75% for small scale initiatives
- ✓ The EC contribution ceiling for component 2: 75%
- ✓ The EC contribution ceiling for components 3: 50%
- ✓ Indicative percentage of distribution of grants by component (1: 60% - 2: 20% - 3: 20%)

- ✓ Inclusion of a paragraph on **innovative financing** in the guidelines
- ✓ The submission period shall **be 3 months**
- ✓ **Ecofin** analysis for the 3 components 1, 2 & 3
- ✓ **4-step evaluation** process:
  - Opening, administrative verification
  - Concept note (min. 60% for each of the criteria + best marks at a rate of 3 times the available amount)
  - Detailed evaluation
  - Eligibility of candidates and partners

# PROJECT CO-FINANCING AMOUNTS AND CEILINGS

## 1. Increased Access to Energy Services in Rural Areas

### *(i) Infrastructure Projects*

**Value of the proposal:** the minimum eligible project cost is 2,500,000 Euros.

**Size of grant from the ACP-EC Energy Facility:** up to 50% of the total eligible cost.  
Maximum grant amount: €10,000,000.

**Duration:** the implementation period for the grant contract shall not exceed **five years**.

### *(ii) Small Scale Initiatives*

**Value of the proposal:** the minimum eligible project cost is 200,000 Euros.

**Size of grant from the ACP-EC Energy Facility:** up to 75% of the total eligible cost.  
Maximum grant amount: €2,500,000.

**Duration:** the implementation period for the grant contract shall not exceed **five years**.

## 2. Improving energy management and governance

**Value of the proposal:** the minimum eligible project is 200,000 Euros.

**Size of grant from the ACP-EC Energy Facility:** up to 75% of the total eligible cost.  
Maximum grant amount: €1,500,000.

**Duration:** the implementation period of the grant contract shall be no longer than **three years**.

## 3. Improve Cross-border Cooperation in the Energy Sector

**Value of the proposal:** the minimum eligible project cost is 200,000 Euros.

**Size of grant from the ACP-EC Energy Facility:** up to 50% of the eligible project cost.  
Maximum grant amount: €1,500,000.

**Duration:** the implementation period of the grant contract shall be no longer than **five years**.

*Indicative examples of activities are given in the  
Guidelines of the Call for Proposals, which can be found at  
<http://ec.europa.eu/comm/europeaid/cgi/frame12.pl>.*

## Financing summary table

Project Type	Total Cost	EC Grant	
		Max %	Max €
	Min		
<b>1. Increased access to energy services in rural areas</b>			
Small Scale Initiatives	200.000	75%	2.500.000
Infrastructure projects	2.500.000	50%	10.000.000
<b>2. Improving energy management and governance</b>	200.000	75%	1.500.000
<b>3.Improve Cross Border cooperation in the Energy Sector</b>	200.000	50%	1.500.000

## Steps to be followed...

**Step 1.** Decide which component you wish to submit proposals for.

Select one or more programme types from the list of three components. (See Chapter 1.2 “Objectives of the Programme and Priority Issues” in the Guidelines of the Call for Proposals). Be sure to match your proposals to the *relevance criteria*.

**Step 2.** When you have decided which programmes/projects you are interested in, select partners and/or associates with whom you wish to work.

The eligibility matrix below will guide you in your choice.

If you are not obligated to propose partners, you may go directly to Step 3. However, the ACP-EC Energy Facility strongly encourages to associate with at least one partner for your project.

**Step 3.** Then identify your co-financing source for the appropriate/required amount (see Chapter 1.3 “Financial Allocation Provided by the European Commission” in the guidelines).

The grant from the Energy Facility is designed to supplement funds raised from your own resources or those of your partners, co-donors, associates or other sources (the European Development Fund and the EU community budget excluded).

You should identify and confirm the intended sources of co-finance.

**Step 4.** You can submit as many proposals as you wish for different projects and actions, but they should be properly thought out.

Individual proposals should be confined to a single programme or project and must relate to only one of the three components of the Energy Facility. Only one grant by the European Commission is allowed per action (or project).

**Step 5.** How to prepare and submit your grant application.

The official **Call for Proposals for the ACP-EC Energy Facility**, together with all **relevant forms**, will be found on the European Commission website:

<http://ec.europa.eu/comm/europeaid/cgi/frame12.pl>

**Step 6. Carefully prepare the concept note (maximum 4 pages)**

The Committee will pre-select the proposals to be evaluated based on the concept note. It must be carefully prepared to ensure that it is as clear as possible. Applicants must be precise and provide sufficient details on the project. In particular, on the way in which the action will be carried out, the resulting benefits, its sustainability and the way in which it will meet programme goals.

**Your concept note must conform to the following model:**

- 1. Summary of the action**
- 2. Relevance**
- 3. Methodology and sustainability**
- 4. Operational capacity and expertise**

**Pay attention to reply to the evaluation criteria mentioned in chapter 2.3.2 "Evaluation of the concept note" of the Guidelines for grant applicants responding to the Call for Proposals.**

**Step 7.** Make sure you and/or your partners/co-donors have correctly completed and signed the required forms and do not forget any of the required documents. The list of all documents can be found in the annex to the guidelines for the Call for Proposals and checklist at the end of the application form.

**Step 8.** Depending on the type of project, be sure to include in the dossier all annexed documents (technical assessment, economic and financial, and environmental reports, etc.), as specified in the guidelines. Failure to include any of these reports should be explained.

**Step 9.** Finally, be sure to demonstrate you have the necessary *financial and operational capacity*.

Do you have the necessary experience of programme/project management, technical expertise, management capacity, financial resources, knowledge of the communities concerned, etc.? See the criteria outlined in the guidelines of the Call for Proposals.

# Submitting your application

**You are eligible, you have found eligible partners and sources of financing, your dossier has been properly completed and signed ...**

**It is now time to submit your application.**

Applications must be made on the relevant forms: Annexes A1, A2, B1, B2, C, D, ... (See annexes in the Guidelines of the Call for Proposals). Applicants should keep strictly to the format of forms and fill in the pages in that order.

These forms are available for completion in **English, French, Portuguese and Spanish**. Applicants are free to submit their supporting documentation in any language but, in this case, they should add a faithful translation of the relevant passages in one of the languages of publication of the Call for Proposals (EN, FR, SP or PT).

Be sure you have carefully prepared the concept note, the detailed proposal and all required documents. Be precise and provide enough detail to ensure that your proposal is clear. Hand-written applications will not be accepted.

Each preliminary application must be sent separately in a sealed envelope by registered mail or courier (a signed and dated certificate of receipt will be given to the deliverer) to the address below:

Mailing address

**European Commission  
EuropeAid Co-operation Office,  
ACP-EU Water & Energy Facility Unit  
Office L-41 03/18  
B-1049 Brussels (Belgium)**

Address for hand delivery or private courier service

**European Commission  
EuropeAid Co-operation Office,  
ACP-EU Water & Energy Facility Unit  
Office L-41 03/18  
c/o Central Mail Service  
Rue de Genève, 1-3-5  
B-1140 Brussels (Belgium)**

Completed applications (application form, budget with financing sources, logical framework, procurement plan, base studies, pre-feasibility/feasibility studies) must be submitted in one signed original and two copies. Completed applications must also be supplied in electronic format (virus-free floppy disk or CD-ROM, MS WORD/MS EXCEL/Adobe PDF compatible, format clearly indicated).

So as to facilitate the processing of applications, please present the original dossier and the two copies in A4 size, each held securely together but not bound.

The outer envelope must bear the reference number and title of the Call for Proposals, the full name and address of the applicant, and the words "Not to be opened before the opening session".

Applicants should verify that their application is complete by comparing it with the checklist included with the application form.

The deadline for the receipt of applications (approx. 90 days after publication) can be found in chapter 2.2.3 of the guidelines. Any application received after the deadline will

be automatically rejected, even if the postmark indicates a date preceding the deadline or if the delay is due to the private courier service.

Questions may be sent by e-mail, fax or post no later than 21 days before the deadline for the receipt of applications to the following address, indicating clearly the reference of the Call for Proposals: europeaid-energy-facility@ec.europa.eu  
(Fax: +32 2 2998622)

Only questions received in writing (by e-mail, fax or post) will be considered. Applicants will receive a reply by e-mail or fax no later than 11 calendar days before the deadline for the receipt of proposals.

Questions that may be relevant to other applicants, together with the answers, will be published on the website of the European Commission:

<http://ec.europa.eu/comm/europeaid/cgi/frame12.pl>

Applicants are advised to consult these questions and answers regularly, and to check these web addresses for possible official updates of the call.

Following the proposal examination, the contracting authority will send by e-mail or fax an acknowledgement of receipt to all applicants, indicating whether or not their proposal was received prior to the deadline and informing them of the reference number they have been allocated.

**FN (1) p17** (i) Where the partner providing services is a public entity, a non profit institution or association and the activities are of an institutional nature; non profit institutions or associations cannot automatically be presumed to be contractors with no profit motive. This is only admissible where the aim of the contract is not motivated by economic or commercial considerations.

(ii) Companies that have de facto or de jure a monopoly, awarded after an open and transparent procedure before the launch of this call for proposals, cannot be considered as partners but may be able to participate as sub-contractors under the direct agreement procedure: "De facto" or "de jure" monopoly means that the company has exclusive competence in the field and/or geographical area to which the proposal relates pursuant to any applicable law, or is the only organisation operating or capable of operating in the field of activity and /or geographical area to which the proposal relates by virtue of all consideration of fact and law. If this is the case, applicants are invited to clarify all contractual/procedural matters during the preparation of their proposal.

**FN (2) p17** 15 Member States, signatories to the 9<sup>th</sup> EDF

## Eligibility matrix

**The applicant may/must involve partners in the following way:  
(no specific restriction in terms of co-donors and associates):**

	<b>Applicants</b>	<b>Must</b>	<b>May</b>	<b>Partners</b>	
ACP	State or public body without a distinct juridical personality from State		MAY	Only two types of eligible partner <sup>1</sup>	
	Public body with a distinct juridical personality from State		MAY	Any eligible partner	
	Private		MUST		Relevant ACP Public Body with a distinct juridical personality from State or Relevant ACP NGO / Civil Society actor / decentralised co-operation
				MAY	Relevant EU public body with or without a distinct juridical personality from State or EU NGO / Civil Society actor / decentralised co-operation or International organisation
	Non-state actor; NGO/Civil society /decentralised co-operation		MAY	Any eligible partner	
EU <sup>2</sup>	Public body with or without a distinct juridical personality from State	MUST		Relevant ACP Public Body with a distinct juridical personality from State or ACP NGO/Civil Society actor/decentralised co-operation	
			MAY	Any other eligible partner.	
	Private	MUST		Relevant ACP Public Body with a distinct juridical personality from State or Relevant ACP NGO/Civil Society actor	
			MAY	Any other eligible partner	
	Non-state actor; NGO/Civil Society actor/decentralised co-operation	MUST		Relevant ACP Public Body with a distinct juridical personality from State or ACP NGO/Civil Society actor/decentralised co-operation	
			MAY	Any other eligible partner	
International Organisations		MUST		Relevant ACP Public Body with a distinct juridical personality from State or NGO /Civil Society actor /decentralised co-operation	
			MAY	Any other eligible partner.	
NON EU-ACP Public body/Govt, Private or NGO	CANNOT PARTICIPATE AS APPLICANT NOR AS PARTNER				

## Abbreviations

ACP	Africa Caribbean Pacific
EDF	European Development Fund
EIB	European Investment Bank
EUEI	EU Energy Initiative
IFI	International Financial Institution
MDGs	Millennium Development Goals
NEPAD	New Partnership for African Development
NGO	Non-Governmental Organisation
O&M	Operations and Maintenance
ODA	Official Development Assistance
OJ	Official Journal
PRSP	Poverty Reduction Strategy Paper
TA	Technical Assistance
VAT	Value Added Tax
WSSD	World Summit on Sustainable Development (Johannesburg, 2002)
€	Euro

## Eligible ACP countries

Angola	Malawi
Antigua and Barbuda	Mali
Bahamas, The	Marshall Islands
Barbados	Mauritania
Belize	Mauritius
Benin	Micronisia, Fed. States of
Botswana	Mozambique
Burkina Faso	Namibia
Burundi	Nauru
Cameroon	Niger
Cape Verde	Nigeria
Central African Republic	Niue
Chad	Palau
Comoros	Papua New Guinea
Congo, Dem. Rep. of the	Rwanda
Congo, Rep. of the	Saint Kitts and Nevis
Cook Islands	Saint Lucia
Côte d'Ivoire	Saint Vincent and the Grenadines
Djibouti	Samoa
Dominica	Sao Tome and Principe
Dominican Republic	Senegal
East Timor	Seychelles
Equatorial Guinea	Sierra Leone
Eritrea	Solomon Islands
Ethiopia	Somalia
Fiji	Sudan
Gabon	Suriname
Gambia, The	Swaziland
Ghana	Tanzania
Grenada	Togo
Guinea	Tonga
Guinea-Bissau	Trinidad and Tobago
Guinea-Conakry	Tuvalu
Guyana	Uganda
Haiti	Vanuatu
Jamaica	Zambia
Kenya	Zimbabwe
Kiribati	
Lesotho	
Liberia	
Madagascar	

*Republic of South Africa and Cuban companies and institutions can participate in projects not located in South Africa or Cuba.*

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B-1049 Brussels/BELGIUM**

**[http://ec.europa.eu/comm/europeaid/projects/energy/index\\_en.htm](http://ec.europa.eu/comm/europeaid/projects/energy/index_en.htm)**

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