



# ACP-EU Energy Facility Pooling Mechanism

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**The Energy Facility: Impact and future perspectives**  
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- **Background**
- **Objectives**
- **Financial allocation provided by the contracting authority**
- **Funding priorities and scope of operations**
- **Eligible applicants**
- **Actions eligibility and selection criteria**
- **Application procedure for grant financing from the Pooling mechanism**
- **Reporting and dissemination, final provisions**



# Background



- Available grant financing is not sufficient to meet the needs of energy investments in ACP countries. It is necessary to attract private investments and other financing instruments
- Private sector investment hampered by the regulatory framework, scarcity and cost of the available financial resources (especially for renewable energy solutions requiring high upfront costs)
- First EF results reveal a limited amount of private sector direct investment and loans on EF projects (only 9.5% of the total cost of the projects where the private sector is involved)



# Objectives



- To propose a flexible financing tool for medium-size investment projects for access to energy in ACP rural and peri-urban areas
- To encourage private sector investments in energy sector in rural and peri-urban areas in ACP states
- To maximise the impact of the Energy Facility grants through blending its grants with loans
- To create a platform for coordination at EU level of available resources and expertise



# Financial allocation provided by the Contracting Authority



- Overall indicative amount under the Pooling mechanism for the period 2009-2013: € 40 million
- Deadline for submission of an application to the Pooling mechanism: 31st December 2012 to ensure sufficient time for contracts to be concluded
- Deadline for conclusion of contracts under the Pooling mechanism in compliance with the 10th EDF: 31st December 2013
- Deadline for implementation period of the actions to be financed by the Pooling mechanism: 30th November 2017 (in compliance with the implementation period of the ACP-EU Energy Facility)





## Investment projects

- Medium-size investment projects for increased access to modern, affordable and sustainable energy services (within the range of approximately €10-50 million)
- Geographical scope: ACP peri-urban, rural areas and growth centres
- Priority to projects relying on renewable energy solutions and energy efficiency measures





## Studies and Capacity Building Activities

- Advanced project preparatory studies for potentially eligible projects
- Capacity building activities when directly linked to a specific eligible investment project

## Types of operations

- Grants for direct investment to finance part of the projects initial investment cost
- Interest rate subsidies
- Technical assistance



## Funding priorities and scope of operations (3)



### *Level of co-financing*

Action Type	Pooling mechanism grant		
	Minimum	Maximum	%
1. Investment projects for access to energy services (including related capacity building activities)	€ 1 million	€ 5 million	maximum of 25%
2. Advanced preparatory studies		€ 1 million	





# Eligible applicants



- **Applicants eligible to submit proposals to the Pooling mechanism:** European Investment Bank (EIB); EU Member States national public-sector bodies or bodies governed by private law with a public-service mission in the field of development cooperation: agencies or ministries in charge of development aid, and the European Development Finance Institutions
- **Eligible project promoters:** Entities of the ACP public and/or ACP and EU private sector
- **Other co-donors and co-financiers:** ACP Development banks, other International Finance Institutions and commercial banks



# Actions eligibility and selection criteria



Investment Projects Eligibility Criteria	
Geographic and sector eligibility	Yes/No
Investment Projects Selection Criteria	
Development impact	Required
Local ownership and coherence with national and sector strategies	Required
Leverage and additionality, justification of a grant	Required
Project feasibility and sustainability	Required
Complementarity of operations	Advantageous

- **TA should accompany projects complying with the investment projects eligibility rules and selection criteria**



# Application procedure for grant financing from the Pooling mechanism (1)



## **IAGE (meets at least 4 times per year)**

Composed of technical experts  
Exchange of information and Coordination among EU donors on the Pooling mechanism

Leading Financiers present and discuss their proposals in the form of a concept paper for discussion

## **Project Approval: DEVCO (funding decision)**

### **Project Evaluation Committee**

DEVCO, other relevant DGs and ACP Secretariat

Responsible for the evaluation of the project proposals submitted by the Leading Financier (Delegations consulted in the evaluation process.)

Step 1: IAGE Consultation

Step 2: Project proposal submission

## **Leading Financier (from eligible proponent institutions)**

Prepares proposal for submission to the Pooling mechanism in accordance with the Pooling mechanism Guidelines

Exercises a high level of responsibility regarding the proposal

Coordinates with project relevant stakeholders and other interested co-financiers

Submits project proposal to the Pooling mechanism



# Application procedure for grant financing from the Pooling mechanism (2)



## Documents to be submitted for I AGE discussion:

- Concept paper for discussion

## Application documents for the Evaluation Committee:

- Cover sheet for grant request from the Pooling mechanism (Annex I or II)
- Supporting Document, providing sufficient evidence that the proposal is in compliance with the Guidelines
- Feasibility study of the project as well as any other studies and documents prepared as a part of the project documentation



# Reporting and dissemination, final provisions



- EuropeAid Development and Cooperation DG's unit in charge of the Energy Facility ensures the Secretariat of the Pooling mechanism
- Organises the work of the Pooling mechanism and circulates all the information concerning its activities
- Produces an annual report on the activities of the Pooling mechanism to be presented to the IAGE and to other donors and partners
- Answers questions related to the Pooling mechanism Guidelines at:

E-mail: [europeaid-energy-facility@ec.europa.eu](mailto:europeaid-energy-facility@ec.europa.eu)





**Thank you for your attention!**

**For more information please contact:**

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