

## **APC-EC Energy Facility call for proposals 19.6.06, EGEC comments:**

The most interesting area for geothermal energy is component 1 (see 1.2.1 in the call guidelines); these projects may be funded up to 75 % by this EU grant, with a maximum of 2.5 Mio Euro per grant.

Excerpt from the guidelines:

### **1.2. Objectives of the programme and priority issues**

#### **OBJECTIVES**

The long-term overall objective of the ACP-EC Energy Facility is to contribute to achieving the Millennium Development Goals, in particular the goal on poverty, through increased access to energy services by the poor rural population. In accordance with the broad objectives and areas of action set by the ACP-EU Council in its decision of June 2005, the three specific objectives are:

- **Improved access to modern energy services by poor rural people, with priority for the un-served population living in scattered settlements, villages, rural towns, peri-urban areas and remote islands, using the grant funds to leverage additional investment or scale up successful programmes.**
- Improved governance and management in the energy sector by strengthening poverty related policy making in the energy sector and across sectors, the institutional and legal framework and the capacity of key stakeholders.
- Facilitation of future large-scale investment programmes in cross-border interconnections, grid extensions and rural distribution.

The Co-financing of investment projects under Component 1 will absorb the largest portion of the funds available under the Energy Facility. Component 1 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. Proposals must include elements to ensure that economic, social and environmental sustainability of the investment is attained through capacity building, institutional support and strengthening of management skills, where needed.

Component 1 is divided into two areas: (1) infrastructure projects and (2) small scale

#### *1.2.1.1 Infrastructure projects*

Area 1 of Component 1 is intended to assist those ACP countries which:

- Have in place or are in the process of implementing a sound national and/or regional energy policy, based on good governance principles, or alternatively have in place national framework conditions that are sufficiently advanced to allow a reasonable chance for success; and/or
- Have given priority to energy and poverty, e.g. within their poverty reduction strategy or within health or education strategies.

The Facility will be able to provide finance for eligible projects to central governments, international organisations, EU MS aid and cooperation organisations, as well as to sub-sovereign bodies, including local governments, regional actors, municipalities, energy authorities, non-state actors such as the private sector companies and financial intermediaries.

Grant funding from the Energy Facility will be available to co-finance infrastructure for the provision of energy services which are focused on improving the economic and social conditions of poor households and communities, using when necessary and applicable output based approaches for subsidised services.

#### *1.2.1.2 Small-scale initiatives*

Area 2 of Component 1 will provide support to small-scale initiatives for integrated energy activities (smaller scale, community-based operations, decentralised energy systems, modern and traditional biomass etc.) in poor rural areas. All initiatives should have a strong focus on poverty reduction and on sustained improvement of the livelihoods of the poor.

Small scale initiatives may be initiated by the civil society, sub-sovereign bodies or non state actors such as NGOs, entrepreneurs and small and medium sized enterprises and financing organisations. Small scale initiatives can be supported in countries with weaker policies/institutions.