

# **SUMMARY OF THE RESULTS OF THE 1<sup>ST</sup> CALL FOR PROPOSALS OF THE 9<sup>TH</sup> EDF ENERGY FACILITY**

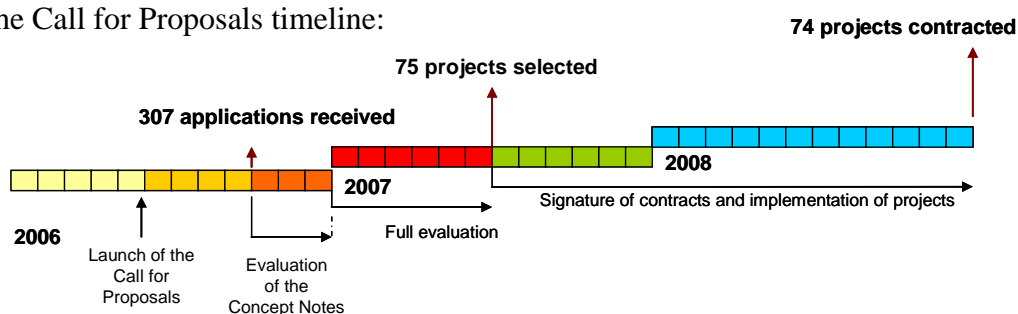
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## 1. Introduction

The Energy Facility was created on June 2005 after the approval of the ACP-EU Council with a total budget of €220M, of which €198M were to be channelled through a Call for Proposals. The Call was launched on June 2006. Within a period of one year, proposals were prepared, submitted and evaluated, and 75 projects (out of 307 proposals received) were selected for funding. Finally, **74 projects have been contracted by the end of 2008 for a total amount of €196 million from the Energy Facility, with a total project cost of €430 million.**

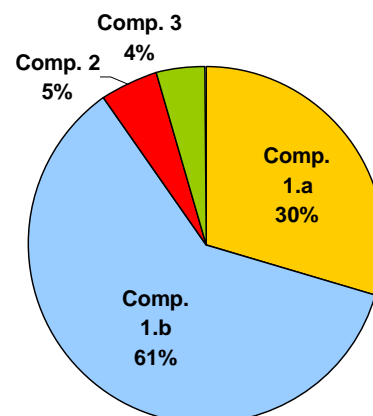
Below is the Call for Proposals timeline:



## 2. EF Call for Proposal Components

Energy Facility Call for Proposals was divided into three components:

- 1- Improvement of access to energy services in rural and peri-urban areas: 1.a) Small-scale initiatives and 1.b) Large Infrastructure projects
- 2- Improvement of the management and governance of energy.
- 3- Improvement of cross-border cooperation in the energy sector.

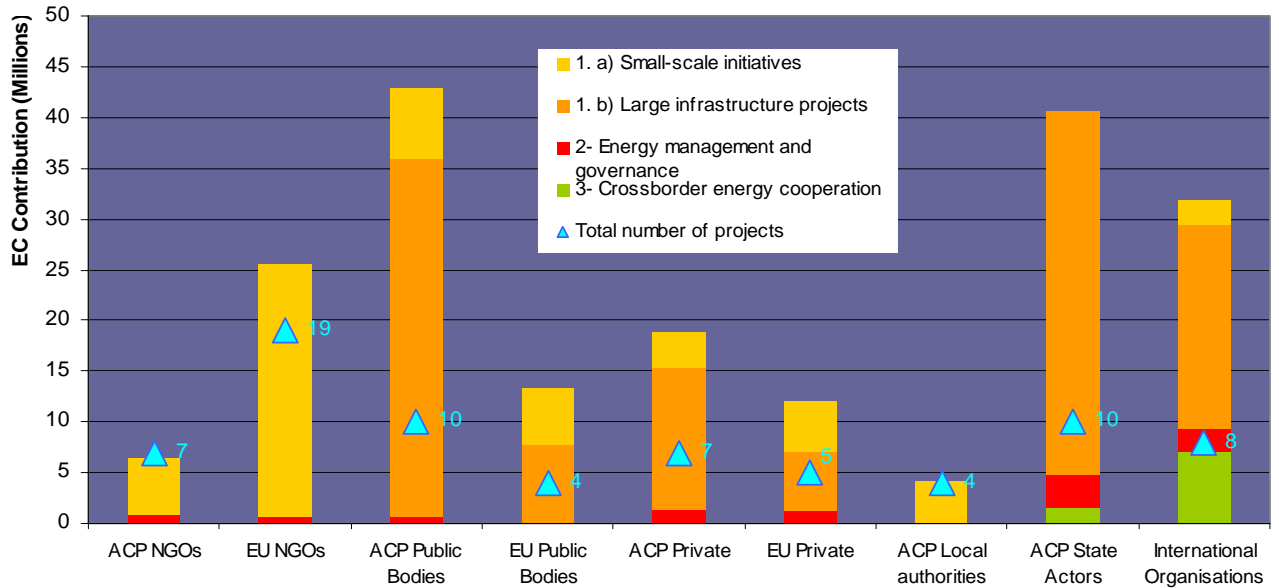


The number of projects awarded under each component, their total projects costs, their sharing of EF funds and the leverage effect, calculated here as a ratio between external co-funding and the amount co-funded by the EF (*not as ratio between the total cost and EC contribution, as sometimes defined*), are shown in the following table:

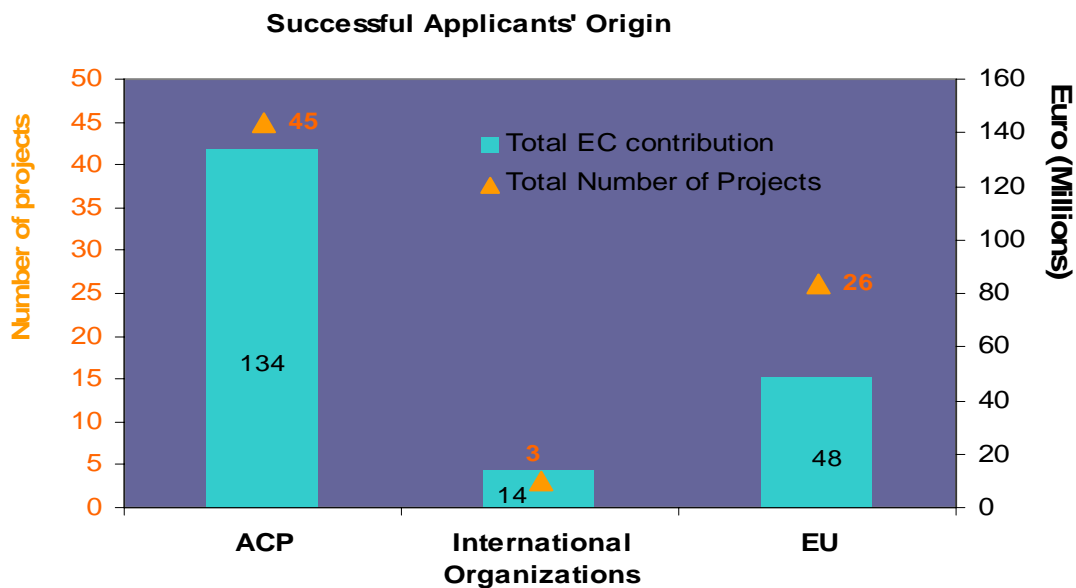
EF funding by components	Number of Projects	EC contrib. (€M)	Total Cost (€M)	Leverage Effect
1. a) Small-scale initiatives: €0,2 million min.cost, €2,5 million max. grant (< 75% of the total cost)	41	58,01	86,83	0,50
1. b) Large infrastructure projects: €2,5 million min. cost & €10 million max. grant (< 50% of the total cost)	18	118,81	309,30	1,60
2- Improvement of the management and governance of energy: €0,2 million min. cost & €1,5 million max. grant (< 75% of the total cost)	11	10,58	15,36	0,45
3- Improvement of crossborder cooperation in the energy sector: €0,2 million min.cost, €1,5 million max. grant (< 50% of the total cost)	4	8,57	18,75	1,19
<b>Total</b>	<b>74</b>	<b>195,97</b>	<b>430,24</b>	<b>1,20</b>

### 3. EF funding and breakdown by applicants' legal status and origin

As seen in the graphic below, NGOs are the largest group in terms of number of projects (26), the majority of them corresponding to small-scale initiatives. However, in terms of funds received, the lion’s share goes to Public Bodies (PB) and State Actors (SA) from ACP countries with a total of €2 M. The Regional Economic Communities (RECs) were quite successful as well, as they received almost €20 M. These public authorities at national and regional levels developed a considerable number of projects under component 1.b (large infrastructures).



In terms of the **applicants' origin**, the major part of EC contribution (67%) through the Call for Proposals has been allocated to ACP applicants (including RECs). On a second position come the European applicants, with 26%. The International Organizations receive only a 7% of EF funds.



## 4. Private sector participation and financial leverage effect

12 private companies (7 from ACP / 5 from EU) benefit as applicants from EF grants developing both small-scale initiatives and large infrastructures projects. The private sector has also been involved as a partner in another 14 projects.

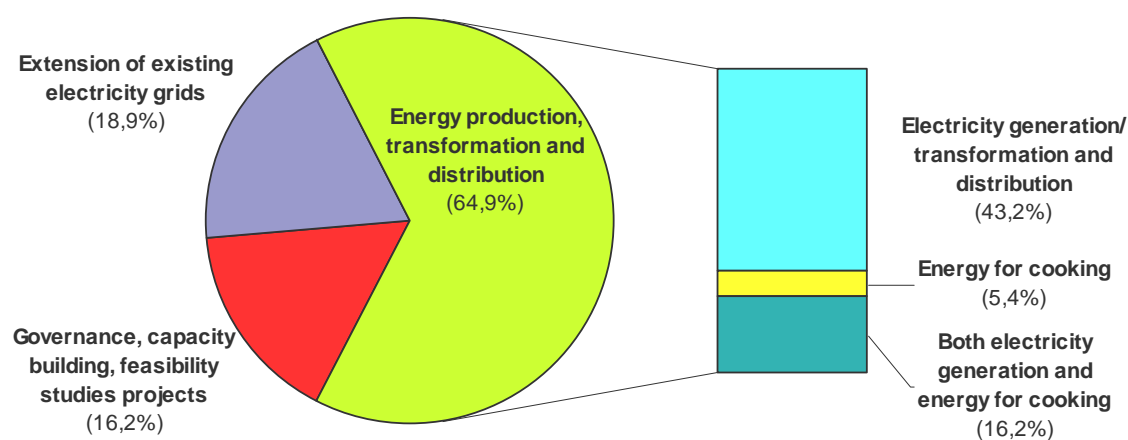
The private sector (both as an applicant and as a partner) receives €74 Million from EF funds (38% of total EF funds) generating a co-financing of €79 Million. This shows that private companies have been successful in mobilizing funds from different sources, even if their direct investment on EF projects reaches only €14,6 Million (€10,8 Million from ACP companies and €3,8 Million from EU ones).

## 5. Actions funded by the 1st EF Call for Proposals

The main activities performed on EF projects can be classified into three different groups: (1) energy production, transformation and distribution, (2) extension of existing electricity grids and (3) "soft" activities such as governance, capacity building or feasibility studies. This classification is based upon the main activity of the project, but it should be highlighted that all projects include capacity building activities.

EF projects main activity	Number of projects		EC contribution (M€)	
<b>1- Energy production, transformation and distribution</b>	<b>48</b>	<b>64,9%</b>	<b>117,4</b>	<b>59,9%</b>
1.1- Electricity generation/ transformation and distribution	32	43,2%	91,7	46,8%
1.2- Energy for cooking	4	5,4%	7,5	3,8%
1.3- Both electricity generation and energy for cooking	12	16,2%	18,2	9,3%
<b>2- Extension of existing electricity grids</b>	<b>14</b>	<b>18,9%</b>	<b>65,6</b>	<b>33,5%</b>
<b>3- Governance, capacity building or feasibility studies</b>	<b>12</b>	<b>16,2%</b>	<b>13</b>	<b>6,6%</b>
<i>Total</i>	<i>74</i>		<i>196</i>	

The majority of the EF projects (48 out of 74) are focused on energy generation and transformation activities. Among these, we can distinguish 32 projects generating electricity, 4 improving cooking technologies (mainly cooking stoves) and 12 working on both areas.

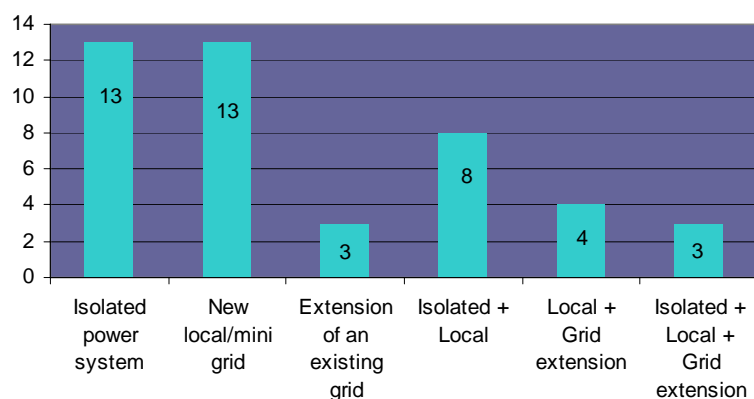


## 6. Sources of energy used for electricity generation

A deeper analysis on the **sources of energy used for electricity generation** shows a strong presence of renewable energies, in 77% of the projects. On second place are the hybrid systems, present in 1 out of every 5 projects. These systems combine renewable energies and fossil fuels for electricity generation. Only one project using exclusively fossil fuels was funded.

	Number of projects		EC contribution	
Only <b>renewable</b> sources of energy	34	77,27%	78,15	71,16%
<b>Hybrid</b> systems (renewable energies+fossil fuels)	9	20,45%	26,96	24,55%
Only <b>fossil</b> fuels	1	2,27%	4,71	4,29%
<i>Total</i>	<i>44</i>		<i>109,82</i>	

## 7. Transformation/ distribution of electricity



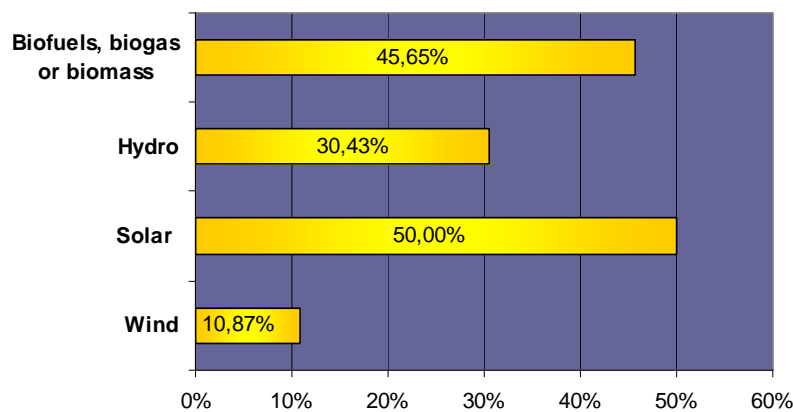
The generated electricity can be consumed directly in the location where it is produced (isolated power systems) without need or possibility to conduct it through a grid. This occurs, at least partly, in 24 of the 44 EF projects generating electricity.

Almost 50% of the EF projects develop a local (sometimes "mini") network which is not connected to a major grid. It is specially used on rural areas where national electrification is not developed.

In 10 of the EF projects it is foreseen to extend an existing grid and to use it to distribute the electricity generated by the project. This is a solution that increases project sustainability, as it allows to sell the electricity to the major grid but also to receive it in case of necessity.

## 8. Sources of renewable energy in EF projects

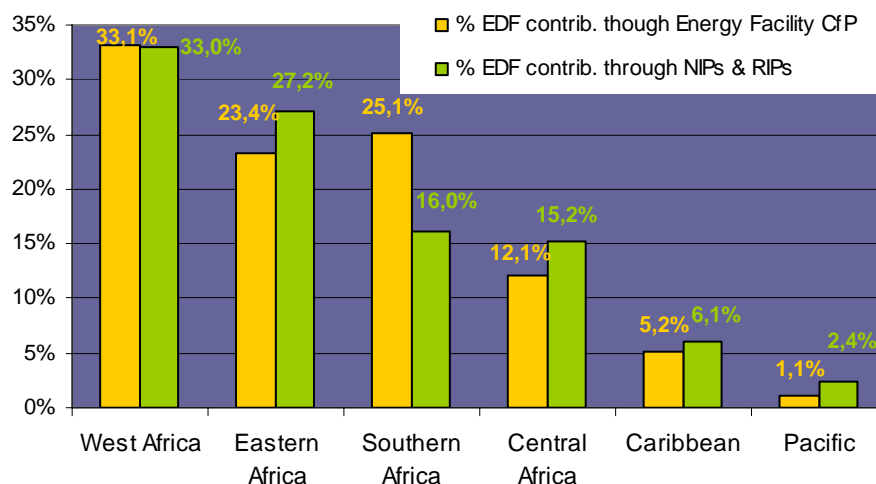
The most popular source of renewable energy among EF projects is the solar power. Photovoltaic systems are developed in 50% of the projects. In 40% of the energy production or transformation projects, we can find a combination of two or more energy sources.



On the graphic are considered only the projects developing infrastructures. A feasibility study on **geothermal** energy has also been funded in Caribbean by the EF.

## 9. Geographical distribution of funds

The geographical distribution of the Energy Facility call for proposals has proven to be very similar to the one provided by the 9<sup>th</sup> EDF funds through National and Regional Indicative Programmes (NIPs and RIPs).



## 10. Final beneficiaries

The total number of final beneficiaries of EF awarded projects reaches **6,7 million**. This figure covers however beneficiaries of very different types of energy services, being individual or collective, for lighting, cooking or motive power... The beneficiaries from governance projects are not taken into account in this global figure, since projects under this component normally benefit the whole community.