

NEWS

ACP-EU ENERGY FACILITY

EuropeAid

Energy Facility

Newsletter

Detailed Evaluation Under Way

As reported last month, the result of the evaluation of the 230 Concept Notes was that 169 proposals were accepted for detailed evaluation.

The detailed evaluations are proceeding and the Commission's decision regarding the final selection of proposals to be co-funded is expected to be taken in May 2007.

This month, we focus on a different feature of the Energy Facility – Power Pools.

Non-call EF actions

The financial envelope for the EF includes an amount of €10M for non-Call for Proposal (CfP) actions.

This provision is intended to support the energy sector in Africa by contributing to an early start of the future EU-Africa Partnership on Infrastructure (see box-out for more details).

Up to €10 million will be devoted to provide TA and institutional support to AU/NEPAD and to finance selected priority regional activities and programmes which are also in support of the EU-Africa Partnership on Infrastructure. Specific actions envisaged to be supported could include preparatory activities and capacity building for the West, Central, East and Southern Africa Power

Pools. Activities in support of regional and continental institution such as the African Union, NEPAD, FEMA, AFUR, regulatory bodies etc. could also be envisaged. These actions will be initiated outside the Call for Proposals.

Power Pools Study

Activities undertaken to-date as part of the non-call allocation of funds have mainly revolved around a consultancy contract which assessed the institutional capacity of regional Power Pools in Africa and of AFUR, the African Forum for Utility Regulators.

The overall objective of the consultancy was to advise on the institutional needs of the Power Pools and AFUR with a



Twelfth Issue

"EF will support the energy sector in Africa by paving the way to an early start of the future EU-Africa Partnership on Infrastructure."



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view to supporting them by improving their concept proposals that have already been presented to the European Commission for possible funding.

What are Power Pools?

Power Pools comprise two or more electricity generating systems that are interconnected and operated on a coordinated basis to achieve economies and reliability in supplying their combined loads.

Why Power Pools?

Power pools lead to reduced capital and operating costs, improved system reliability, and enhanced security of supply. Expansion of generation and transmission can be coordinated and the development of regional electricity market becomes feasible.

Which Power Pools?

Studied Power Pools in SSA include:

- Southern African Power Pool (SAPP) created in 1995 (12 SADC countries)
- Western African Power Pool (WAPP) created in 1999 (14 ECOWAS countries)
- Central African Power Pool (CAPP) created in 2003 (11 ECCAS countries)
- East African Power Pool

EU-Africa Partnership on Infrastructure

ON 13th July 2006, The European Commission approved a proposal for a partnership on infrastructure between the European Union and Africa. The Partnership aims to respond to the objectives set out by the African Union and NEPAD.

Up to €5.6 billion from the 10th European Development Fund (EDF, 2008-2013) will support regional development in four priority areas: transport, energy, water, and information technology and telecommunication networks.

Improving infrastructure in Africa is a fundamental precondition for increasing economic growth, promoting regional trade, and above all, for reducing poverty. In addition, trans-African networks make a key contribution to regional integration, which both acts as a motor for economic development and brings political stability and good governance. The EU-African Partnership on Infrastructure is at the heart of the EU's Strategy for Africa, which the European Council approved last December. The Strategy was developed with African partners, states, and regional organisations.

More information here:

<http://europe-cares.org/africa/>

(EAPP) created in 2005 (7 countries + 9 utilities)

What is AFUR?

The African Forum for Utility Regulators aims to support the development of effective utility regulation in Africa. The Forum was established in November 2002 in Pretoria. AFUR focuses on issues related to the regulation of energy, telecommunications, and water and sanitation, with a particular emphasis on topics that are common across sectors.

The Forum focuses primarily on region-wide issues and developments, although it may also contribute to activities at the sub-regional level.

Study Findings

The pools are at very different stages of development.

All pools, except the SAPP, need a capacity building programme to develop their capacity for the identification, preparation and appraisal of infrastructure projects.

For the SAPP, it is suggested to address specific problems through targeted training activities

Pools need to upgrade the skills of their staff accordingly.

Next Steps

The Facility will examine the findings of the study together with the institutions concerned with a view to finance concrete projects in the field of Institutional support.

(More on this subject in a future edition of this newsletter).

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

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