



**Working with the new
Instruments for Cooperation
Brussels – 25/11/2008**

luc.bagur@ec.europa.eu



- 1. Overview of EU & EC aid implementation**
- 2. EuropeAid's external cooperation Instruments**
- 3. Sustainable energy in EuropeAid's Instruments (examples)**
- 4. Regulations and funding opportunities**

1

Overview of EU & EC aid implementation

The EU and Commission aid implementation

EU largest donor in the world

- 27 + 1 donors together responsible for **60% of all development aid** (2007: €46,1 bn)

Commission on its own

- **Third largest donor** (10.6 bn in 2007) of development aid, after USA and Germany
- **Second largest** donor of humanitarian aid
- Present in more than **150 countries** through EC Delegations

EuropeAid mandate

Created in 2001

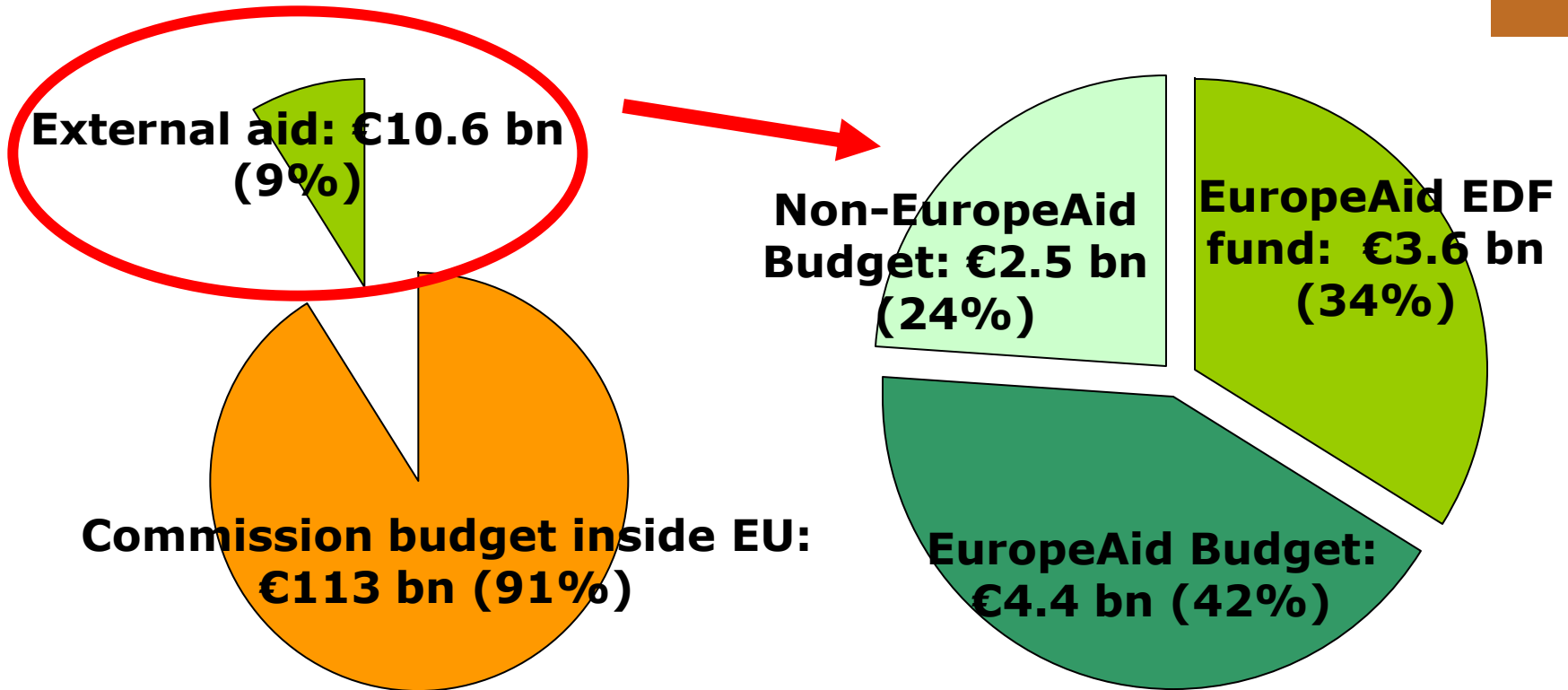
- Since 2001 responsible for **implementing external aid programmes** across the world, i.e. responsible for **translating policies into practical aid actions** and for developing new ways of aid delivery
- **Responsible for the steps of aid delivery:**
 - identification, feasibility studies
 - financial decision
 - tendering, contracting, disbursements
 - controls, monitoring, evaluation

EC Delegations

- **104 fully devolved Delegations** in countries receiving EC external assistance
 - 81 regional Delegations + 23 regionalised Delegations
 - ~ 80% of EuropeAid's portfolio managed by Delegations
 - Responsible for identification and implementation
 - Staff: 2315

EuropeAid's external cooperation Instruments

Commission and external aid budget 2007



EuropeAid implements external assistance. This excludes pre-accession aid, humanitarian aid, Common Foreign and Security Policy (CFSP) aid, and aid for trade. EC total budget includes European Development Fund (EDF)

The new instruments (1)

Geographical coverage

- New: Pre-accession: **IPA**
- New: Neighbourhood: **ENPI**
- New: Development: **DCI** and **EDF**
- New: Industrialised countries: **ICI**

General coverage

- New: Thematic programmes: included in **DCI**
- New: Human rights: **EIDHR**
- New: Stability: **IfS**
- New: Nuclear safety: **INSC**
- Humanitarian aid and Macro-financial aid

The new instruments (2)

- **Simplified**: more than 35 instruments replaced with 10, closer link with EU development policies
- **Updated on EU commitments**: MDGs, untying of aid, alignment, etc
- **More flexible**: less restrictions on type of beneficiary; measures and financing
- **More involvement Parliament**: democratic scrutiny

The new instruments (3)

- **Same rules for all instruments:** eligibility, financing mechanisms, procedures
- **Eligibility:** fewer restrictions on types of beneficiaries (including civil society)
- **Financing:** fewer restrictions: budget support, SWAP, twinning, debt relief, pool funding, operating costs
- **Opening up of procedures:** mechanisms for co-financing

Neighbourhood instrument (ENPI)

Scope	Country specific programmes Cross border cooperation with EU Member States
Region	17 countries: Mediterranean, Eastern Europe, Russia, Caucasus, Middle East
Funding	Average €1.6 billion per year
Examples	Georgia reconstruction, Palestine
Web	http://ec.europa.eu/europeaid/where/neighbourhood

Development instrument (DCI) (1)

Scope I	Country specific programmes
Funding	Average €1.4 billion per year
Regions	Asia € 740 million Latin America 380 South Africa 140 Central Asia 100 Middle East 70
Examples	Primary education in India, Colombia peace labs, institution building in South Africa, development of SMEs in Kazakhstan, strengthening rule of law in Iraq
Web	http://ec.europa.eu/europeaid/where

Development instrument (DCI) (2)

Scope II	Thematic programmes
Funding	Average €800 million per year
Region	All third countries except industrialised & pre-accession
Themes	Investing in people €150 million Environment 120 NSAs / local authorities 230 Food security 240 Migration / asylum 60
Examples	HR development in Fiji, food security in Niger, community dialogue in Lebanon, fight trafficking of humans in Niger, reforestation in Congo
Web	http://ec.europa.eu/europeaid/where/worldwide

10th European Development Fund (EDF)

Scope	Based on Cotonou agreement: Country specific programmes Horizontal programmes
Region	78 African, Caribbean, Pacific countries and OCTs
Funding	Average €3.7 billion per year
Start	July 2008
Examples	Primary education in Tanzania, HIV & TB in Benin, psychosocial support in Rwanda, vocational training in Niger, sewer management in Namibia, etc.
Web	http://ec.europa.eu/europeaid/where/acp

3

Sustainable energy in EuropeAid's Instruments (examples)

- **Bilateral programmes**

- EDF / DCI / ENPI: examples (Pakistan, Kiribati)

- **Regional programmes (examples)**

- EDF: ACP-EC Energy Facility
- EDF: African Infrastructure Trust Fund
- ENPI: The Neighbourhood Investment Facility
- ENPI: The Facility for Euro-Mediterranean Investment and Partnership
- DCI: "Eurosolar" (Latin America)
- DCI: Switch Asia

- **Global programmes (examples)**

- DCI: Thematic Programme for Environment
- DCI: The Global Energy Efficiency and Renewable Energy Fund (GEEREF)

EDF / DCI / ENPI: Bilateral programmes

- **Bilateral programmes:** agreed between EC and beneficiary state; objectives on energy cooperation included in multiannual programming document
- **Examples:**
 - **Pakistan:** “Improving Livelihoods through renewable energy” (started in 2008)
EC funds €25 million
Support implementation of innovative and/or proven renewable energy (biogas, solar energy, wind energy, etc.) in rural areas
 - **Kiribati:** “Solar Energy for Outer Islands” (not yet started)
EC funds: €4 million
Equip schools, private businesses and homes with solar energy

EDF: ACP-EC Energy Facility (1)

- **Background:** Energy Facility approved by ACP-EU Council (June 2005)
- **General Objective:** Contribute to **MDGs** -> poverty reduction through increased access to sustainable energy
- **Budget: €203 million** for Call for Proposals (+ €10 million for ACP-EU Partnership on Infrastructure & €7 million for TA, audit, évaluation...)

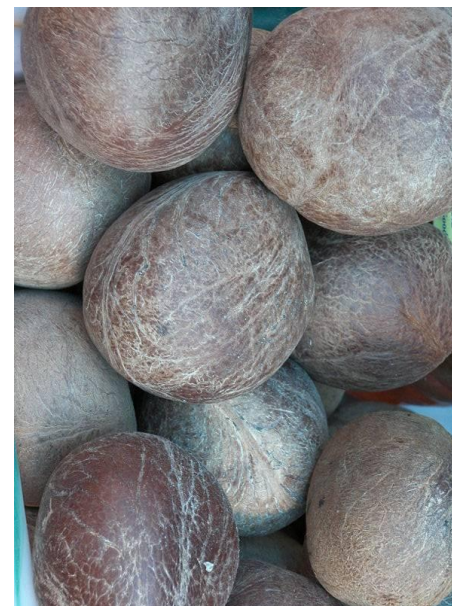


*Solar cell,
used in Cape
Verde*

EDF: ACP-EC Energy Facility (2)

- **Proposals: 75** projects selected in July 2007 for an amount of €425 million
- **Components⁽¹⁾:**
 - (i) access to energy services:
 - large scale: 56%
 - small scale: 36%(NB: 90% in rural area)
 - (ii) governance: 6%
 - (iii) cross-border interconnections: 2%
- **Number of final beneficiaries:**
> **7,5** million

(1) Distribution by requested amounts



In Vanuatu, copra oil is used as biofuel

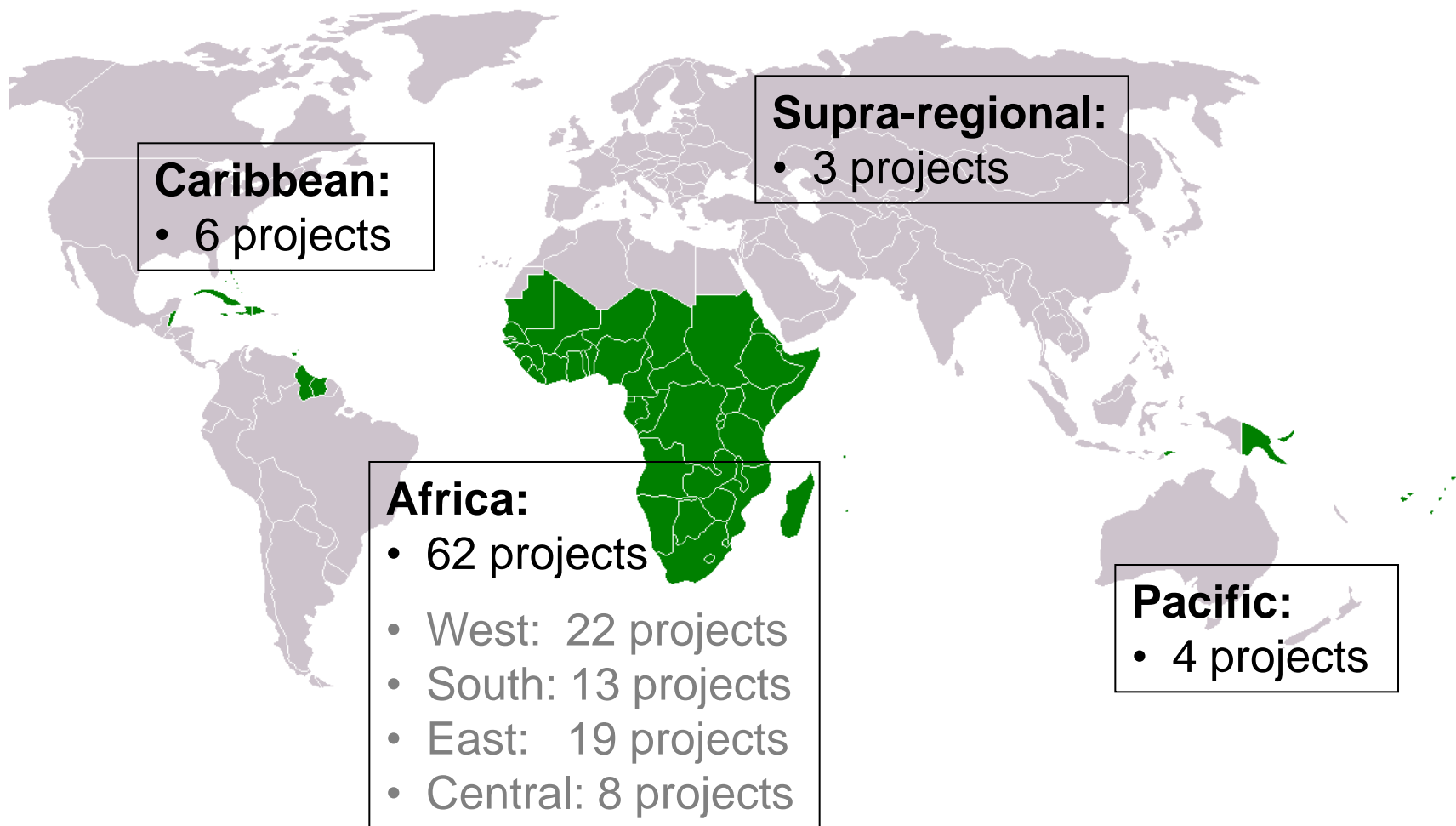
EDF: ACP-EC Energy Facility (3)

- **Nature of applicants⁽¹⁾:**

- Public: 47%
- **Private companies: 18%**
- International Organisations: 18%
- Non governmental organisations: 16%
- Other: 2%

(1) Distribution by requested amounts

EDF: ACP-EC Energy Facility (4)



Caribbean:

- 6 projects

Supra-regional:

- 3 projects

Africa:

- 62 projects
- West: 22 projects
- South: 13 projects
- East: 19 projects
- Central: 8 projects

Pacific:

- 4 projects

EDF: ACP-EC Energy Facility (5) Vanuatu example

- **Objective:** Copra oil as bio fuel in 9 villages

- **EC Partners:**

- Government of 3 Provinces
- UNELCO SUEZ (company)

- **Facts and figures:**

- €1.8 million granted
- Beneficiary: 5,000
- Construct 3 copra oil mills and 9 power plants
- 12 km of distribution network



EDF: ACP-EC Energy Facility (6)

Rwanda example

- **Objective:** Energy access in rural areas of Rwanda through Public Private Partnerships
- **EC Partners:**
 - Ministry of Infrastructure
 - BURGEAP (company)
 - ETC Foundation (foundation)
- **Facts and Figures:**
 - €9 million granted, out of €18M
 - 3MW mini-hydropower installed for 10,000 households through local private utilities
 - 350 public institutions electrified through photovoltaic technology



EDF: African Infrastructure Trust Fund (1)

- European Union's **Strategy for Africa** (2005): **"interconnecting" Africa** in terms of transport, water, **energy** and telecommunications
- **Infrastructure Trust Fund** to speed up **regional projects** (operational since June 2007)
- **Managed** by the EIB; **funded** by member states, bilateral agencies and the European Commission
- Financing cross-border and regional **infrastructure projects** in sub-Saharan Africa, mostly those included on the list of the New Partnership for Africa's Development (**NEPAD**): **energy**, water, transport and telecommunications

EDF: African Infrastructure Trust Fund (2)

- **Financial commitments:** €98 million
(as of June 2008)
 - EC: €60 million
 - 11 Member states : €38 million
- **Intermediaries:** European financing institutions with development expertise
- **Final beneficiaries:** Project promoters (public, private, mixed-capital entities)
- **Used for:** technical assistance; interest rate subsidies; direct grants for project components with social or environmental benefit; insurance premium for launching projects

ENPI: The Neighbourhood Investment Facility

- Provide opportunities for economic development
- Associates EC grants with consortia of European Finance Institutions to generate leverage for large investment projects covering **energy**, social, transport & environmental sectors
- **EC contribution 2007-2013**: €700 million

ENPI: The Facility for Euro-Mediterranean Investment and Partnership

- Support to private sector, e.g. provision of risk capital to the private sector
- **EC contribution 2007-2013**: €178 million

DCI: “Eurosolar” (Latin America)

- **EC funding:** €24 million
- **Beneficiary countries:** Bolivia, El Salvador, Ecuador, Guatemala, Honduras, Nicaragua, Paraguay, Peru
- **Objective:** contribute to the sustainable development of isolated communities and the fight against poverty through the use of renewable energy
- **Deliverables:** 600 electrification systems combining solar and wind energy

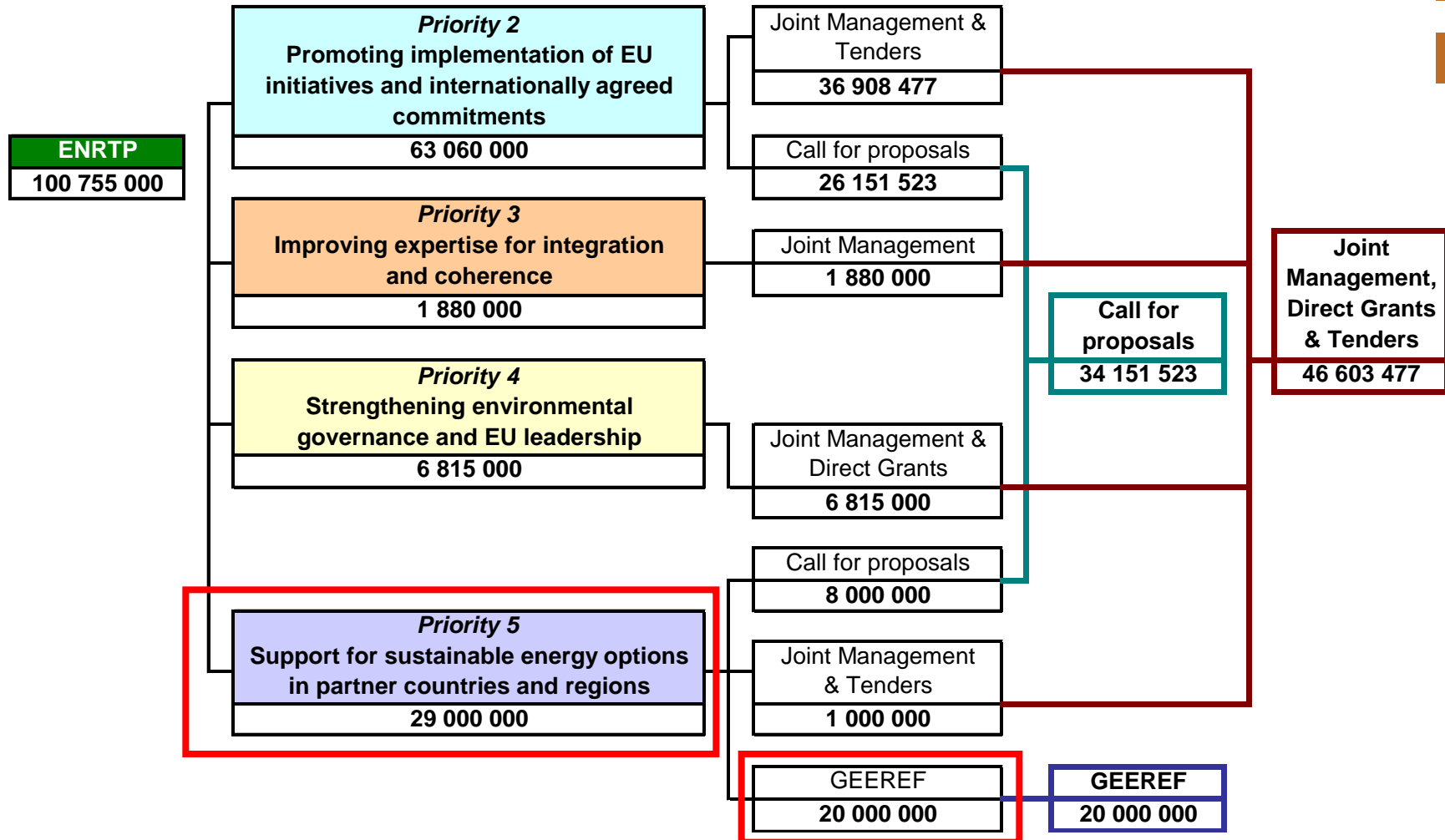
DCI: Switch Asia

- **Overall objective: cleaner and more energy efficient industry** in Asia
- Targets **small and medium-sized enterprises**
- Activities should aim to:
 - Promote the use of environmentally friendly technologies and practices
 - Promote a 'switch' towards the consumption of products that are less environmentally damaging
 - Reinforce and implement legal environmental and safety instruments
 - Develop and apply effective economic instruments that enhance sustainable consumption and production

DCI: Thematic Programme for Environment (1)

- **Full name:** "Environment and Sustainable Management of Natural Resources, **including Energy**"
- **Priorities & Financial allocation 2007-2010:**
 - Working upstream on MDG7 (environmental sustainability) 14 (3%)
 - EU initiatives and international commitments 274 (58%)
 - Better integration of environmental objectives 8 (2%)
 - Environmental governance and EU leadership 39 (8%)
 - **Sustainable energy options in partner countries 115 (25%)**

DCI: Thematic Programme for Environment (2) Action Plan 2008



Thematic Programme for Environment (3) Planning for 2009

- Commission Decision on **Annual Action Plan 2009: March - April 2009**
- Publication of **Call for Proposals 2009: June - July 2009**
- **Links:**
 - <http://ec.europa.eu/europeaid/where/worldwide/environment>
 - <http://ec.europa.eu/europeaid/what/universal-issues/environment>

DCI: The Global Energy Efficiency and Renewable Energy Fund (GEEREF) (1)

- Energy efficiency and renewable energy projects face **difficulties in raising commercial funding** (lack of risk capital)
- Overall objective: use of public funding to leverage private finance for the global fight against climate change and poverty
 - Attract private investors by using public money to protect them against risks
 - Equity finance via investment structures to regional energy efficiency and renewable energy projects and initiatives
 - Technical Support (training, research, start-up, promotion of good governance, legal advisor ...)

DCI: The Global Energy Efficiency and Renewable Energy Fund (GEEREF) (2)

Where will GEEREF invest?

- Estimated investment in **10 to 15 “Regional Funds”** with projects in developing countries with a priority in sub-Saharan Africa
- **Commercial finance structures**, which provide equity finance to small and medium sized regional energy efficiency and renewable energy projects
- Combining efficiently **financial viability** with sustainable **social and environmental returns**

DCI: The Global Energy Efficiency and Renewable Energy Fund (GEEREF) (3)

What will GEEREF fund? Examples:

- Biomass, wind, hydro, solar, geothermal
- Utility based and distributed generation, etc.
- Small and medium sized projects and initiatives: €10 million with preference on €1 million
- Energy efficiency

4 Regulations and funding opportunities

How to find basic regulations and contract models?

Practical Guide to contract procedures for EC external actions (PRAG)

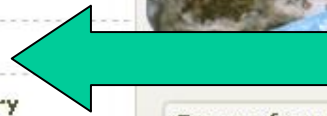
- Describes legal rules regarding applicable procedures in the framework of EC external actions
- Explains in detail how these rules should be implemented
- Annexes include documents and contract models that are used in tenders and calls for proposals (grants)

How can your organisation participate in Calls for Tender & Calls for Proposals?

European Commission External cooperation programmes

European Commission > EuropeAid

- Home
- Who we are
- What we do
- Where we work
- How we work
- Work with us
- Multimedia library



Funding Opportunities

Story from the field



Granting an improvement of basic education

In partnership with the Moroccan Ministry of Education, the European Commission set the "Basic Education Programme" in 1998. This programme aims to improve the quality of everyday life in remote and disadvantaged regions in Morocco.

[The full story](#) | [All stories](#)

Announcements

Highlights of the annual report 2007 on the European Community's development policy and external assistance



The full report will be available soon.

Quick Access



Latest News