

Implementation Guidelines for EU SE4All funding

The present document provides the general and specific guidelines that shall apply to EU SE4All project financing and support provided through the EU Blending Facilities. The objective of these guidelines is to contribute to the achievement of the SE4All objectives in a coherent and coordinated manner.

1. General issues

1.1 Definitions

The following definitions, which are not mutually exclusive, are intended for the purpose of the present document only:

1. Energy access: A project is considered as an energy access project if it increases in a sustainable way the availability or improved quality of modern energy services (for the purpose of this definition, energy services include electricity, cooking, fuel, heat and/or cooling) to a number of people and/or social and productive users.
2. Access to electricity can also comprise the increase of (centralized and decentralized) generation capacity, rehabilitation, extensions of the distribution and transmission grid as well as loss reductions in generation, transmission or distribution, provided that these measures go along with the connection of new consumers or a substantial improvement of previously inadequate power supply.
3. Rural, peri-urban and/or urban electrification: A project is considered a rural, peri-urban and/or urban electrification project if it provides increased access to electricity for productive, social and domestic use to the local population in rural, peri-urban and/or urban areas. Projects may be based on grid extension and/or decentralized solutions (mini grids, off grid).
4. Sustainable cooking: A project is considered a sustainable cooking project if it increases access to modern cooking appliances and sustainable supply of fuels.
5. Energy efficiency: A project is considered an energy efficiency project if it increases energy efficiency of i.a. industries, buildings, public lighting, municipalities, household appliances and other energy-consuming sectors.
6. Renewable energy: Renewable energy includes: geothermal, biomass, biogas, hydro, solar, wind, and ocean energy.

1.2 Eligibility criteria

Projects will be eligible to receive financing from the SE4All funds provided they meet the following eligibility criteria.

1. The project must be:
 - in line with the energy policy or strategy of the beneficiary country, as well as the development cooperation policy at national and/or regional level of the partner country agreed with the EU and/or EU Member States;
 - an investment project aligned with at least one of the following objectives: energy access, energy efficiency, as well as renewable energy.
 - notably, object of investment can be energy access, rural electrification, clean cooking, and energy efficiency. Projects can take place in rural, peri-urban and urban areas.
2. Except for rural electrification, an investment project for energy access should provide additional service to at least 50,000 beneficiaries. In this context, integrated generation, transmission and distribution projects can be eligible as access projects, provided that it goes along with the connection of new consumers or a substantial improvement of previously inadequate power supply.
3. A rural electrification investment project should provide access to at least 10,000 beneficiaries. Any exception to this rule can only be accepted on a duly justified ad hoc basis. For each project considered, the fulfilment of the SE4All objectives should be expressed in terms of or in coherence with the respective indicators for the SE4All objectives.
4. Projects need to comply with the eligibility criteria of the relevant financial or blending instrument.
5. The partner country shall engage in a sector policy dialogue with the EU and/or EU member states with the objective of reforming its energy sector aiming at providing sustainable and enabling conditions for the benefit of the population. The reform should cover at least one of the three pillars of the SE4All (energy access, renewable energy or energy efficiency) and be directly related to the project under consideration.
6. The recipient shall commit in applying proper consultation mechanisms, building upon international best practice, with local communities and indigenous people in the area of environmental and social impacts. Proper impact assessments and consultation mechanisms should be applied in the area of large infrastructure projects.
7. Projects should have detailed provisions for visibility actions in line with the Guidelines of the European Commission. All actions funded through the EU SE4All allocation shall be clearly identifiable as funded by the European Union. Lead financiers are required to take all appropriate measures to publicise projects benefiting from the EU SE4All funding under a specific EU SE4All logo to be developed by the European Commission. The Commission will lead the overall promotion of the EU funded SE4All projects.

8. Projects should not overlap with projects financed by other EU financial instruments and funding or with projects financed by other donors. Co-financing of joint initiatives with other donors will be possible in line with the Financial Regulation.

1.3 Evaluation criteria

The evaluation will take into account the affordability, quality and sustainability of provided energy services. The following criteria have to be addressed in project applications and the fulfilment of the criteria has to be adequately demonstrated at the moment of submission of the application:

1. Projects should have strong developmental objectives and demonstrate a positive impact in terms of poverty reduction, as well as promote economic and/or social development. Additionally, investments should contribute to sustainable development while minimising the impact on the environment and to equal access and opportunities for all.
2. The projects' financial sustainability must be assured. The economic rate of return and the costs per beneficiary shall be taken into consideration for the evaluation.
3. All project proposals considered should demonstrate that renewable energy resources have been properly assessed and their contribution optimised. Projects relying on renewable energy solutions contributing to mitigating climate change will be preferred. The use of fossil fuels may only be considered when justified for sustainability.

2. Specific issues applicable to EU blending facilities

1. The SE4All funding made available through the blending facilities will be used to finance projects with national or regional impact. A significant share of EU SE4All allocation to the blending facilities will be used for contributing to energy access projects.
2. In addition to the eligibility criteria given in 1.2, projects financed should also comply with overarching eligibility criteria of the blending facility and be backed up by supporting documents, including an economic analysis and estimated cost per beneficiary.
3. Investment projects prepared under the Technical Assistance Facility for the "Sustainable Energy for All" Initiative may be submitted to a relevant blending facility for its consideration.
4. The types of actions to be financed by SE4All funds are those defined by the legal basis and financing decisions governing the respective blending facility.
5. Technical assistance activities (TA) will only be considered when they ensure the feasibility, the implementation and the sustainability of an investment project meeting the eligibility criteria. In order to avoid duplication with other SE4All financial

instruments (like the Technical Assistance Facility), no other type of TA will be considered for blending.

6. When approving projects under the SE4All allocation, the distribution of the SE4All allocations per region and per objective will be taken into consideration and monitored by the European Commission.
7. The tracking system will be put in place by the Commission. This tracking system will provide an overview of the geographical distribution of the funds per country and per region as well as the projects' contribution to each of the SE4All objectives and their impact on climate change. This tracking system will be compatible with the SE4All Global Tracking Framework.