



**SUMMARY SHEET**  
**MEDITERRANEAN SOLAR PLAN PROJECT PREPARATION INITIATIVE**  
**MSP-PPI**

## 1. What is the MSP-PPI?

The **Mediterranean Solar Plan (MSP)** is one of the priority projects of the Union for the Mediterranean (**UfM**) and aims to promote the implementation of sustainable energy solutions concerning **renewable energy (RE) and energy efficiency (EE)**. Its objective is to develop an additional RE capacity in the region of 20 GW by 2020 along with the necessary electricity transmission capacity, including international interconnections and achieving significant energy savings around the Mediterranean by 2020, thus addressing both supply and demand.. This requires identifying and supporting pilot projects able to serve as significant test cases and policy drivers for the large scale development of RE and EE.

The European Commission which has been promoting energy cooperation as a central part of the Euro-Mediterranean partnership since the launching of the Barcelona Process in 1995, focusing around a number of key priorities such as working towards integration of Euro-Mediterranean electricity and gas markets; increasing security and safety of energy supplies; strengthening energy interconnections (both South-South and North-South); promoting renewable energy and efficient energy; and harmonising rules and standards, strongly supports the objectives of the Mediterranean Solar Plan, through regional Technical Assistance projects such as 'Paving the Way for the Mediterranean Solar Plan', but also through its financial support to FEMIP (the European Investment Bank's Facility for Euro-Mediterranean Investment and Partnership) and the Neighbourhood Investment Facility (NIF)."

Despite **Mediterranean partner countries' (MPCs)** awareness of the region's huge potential for RE and EE, and some encouraging steps towards their deployment under the MSP, the overall contribution of RE and EE to meeting a growing energy demand has remained limited. There is a need to accelerate the development of RE and EE projects in the MPCs to fulfil their national RE and EE targets and to achieve the regional MSP objectives.

In order to facilitate the mobilisation of funds for investments in sustainable energy and foster the attainment of the MSP objectives, several **European Financing Institutions (EFIs)**<sup>1</sup> have established the "MSP Renewable Energy and Energy Efficiency Project Preparation Initiative" (MSP-PPI) which is financed by the EU funded **Neighbourhood Investment Facility (NIF)** managed by the European Commission. By supporting eligible investment projects through the financing of **Technical Assistance (TA)** targeted at advanced project preparation, the MSP-PPI aims to accelerate the implementation and financing of RE, EE and related grid connection projects. These projects could also be eventually considered for UfM branding.

Support under the MSP-PPI covers 100% of the costs associated with TA for preparing sustainable energy investments projects in the eight eligible MPCs: Algeria, Egypt, Jordan, Lebanon, Morocco, Syria<sup>2</sup>, Tunisia, and West Bank & Gaza, as well as in Libya in the near future. Such investment projects may also be eligible for funding from the participating EFIs. The investment projects supported should contribute to achieving the objectives of the MSP<sup>3</sup>.

The financial assistance is intended to support investment projects which are already at an advanced stage of preparation, and which have a high probability of being financed and implemented in a reasonable timeframe.

<sup>1</sup> Participating EFIs as of April 1 2012 are the following: EIB, AFD, KfW, AECID and EBRD. The European Commission oversees the MSP-PPI and the UfM Secretariat has an observer status in it.

<sup>2</sup> Following EU sanctions in November 2011, the EIB has suspended all loan disbursements and TA contracts for projects with the Syrian state.

<sup>3</sup> The TA activity should be in line with the requirements related to the MSP developed in the framework of the UfM, which are available upon request



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**2. What are the sectors covered by the MSP-PPI?**

The MSP-PPI covers large and small scale investment projects which the participating EFIs<sup>4</sup> may finance in the following areas:

- Renewable Energy: Proven RE technologies, including wind, solar (PV and CSP), sustainable biomass, small hydro.
- EE and energy savings projects in all sectors (e.g. industry, housing, transport) including combined heat and power (CHP).
- Projects connecting RE projects to the national grid.

**3. What types of technical assistance can the MSP-PPI support?**

Eligible project preparation activities concern mainly preparatory studies and expert advice for the preparation of the projects' technical specifications and tender documents, and cover the following categories:

- Pre-feasibility and feasibility studies
- TA for preparing projects' technical specifications and tender documents, grid connection studies, etc.
- On-site RE resource assessments or audits
- Environmental and social impact studies
- Detailed analysis of the projects' financial structure (including an implicit analysis related to the tariffs and subsidies frameworks needed in the subsequent implementation of the project)
- Analysis of the economic impacts of the project
- TA for the implementation of the Project Implementation Units (PIUs) related to RE or EE investments
- TA / studies to speed up further project preparation and to accompany the initial stages of the implementation until the start of disbursement of the MSP investment projects

**4. Who can benefit from the MSP-PPI?**

Both public and private promoters preparing an investment project in the aforementioned sectors can benefit from the MSP-PPI (see section 6. below).

**5. How to benefit from the MSP-PPI?**

Promoters can apply for financial assistance from the MSP-PPI directly by contacting only one participating EFI from April 26, 2012, using the contact details below or through their usual operational contact at the participating EFI. Applicants should present the investment project to the contacted EFI and indicate the need for financial assistance under the MSP-PPI.

There will be no calls for proposals, and financial assistance will be granted on a first-come, first-served basis, within the limits of the given budget.

To apply for financial assistance, the following minimum information should be presented to the contacted EFI:

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<sup>4</sup> Specific technical eligibility criteria are defined by the participating EFIs and are available upon request.

## NEIGHBOURHOOD INVESTMENT FACILITY (NIF)

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- Brief description of the planned investment project, including technological sector and approach to implementation.
- Expected investment cost and schedule for finalising preparation of the project.
- Amount and scope of, and main needs to be addressed by, the requested financial assistance.

On the basis of this information the contacted EFI will assess (i) whether the proposal meets the eligibility and selection criteria, and (ii) the need for financial assistance for the specific TA supporting the investment project. Following a positive outcome, the EFI can prepare a request for financial assistance (using a dedicated template). The EFI will present the proposal to the MSP-PPI Steering Committee for approval. The Steering Committee is composed of representatives of the European Commission and of each of the EFIs participating in the MSP-PPI, as well as of the UfM Secretariat which enjoys an observer status. The selection criteria and the eligible costs are described below.

#### 6. What are the eligibility criteria for MSP-PPI?

The contacted EFI will select the investment projects to be supported by the MSP-PPI on the basis of the following criteria:

- Eligibility of the applicant: requests for financial assistance that are submitted by EFIs to the MSP-PPI should have a private or public sector company as promoter.
- Eligibility of the investment project (type of project, location in an eligible country).
- In order to avoid market distortions, the applicant must demonstrate that (i) the project to be supported has public sector support<sup>5</sup>, (ii) the applicant informed and consulted the local EU Delegation<sup>6</sup> of the project, and (iii) the provision of the requested financial assistance would not risk triggering an unfair competitive advantage vis-à-vis other private companies.
- Potential bankability of the investment project.
- Applicant's financial and technical capacity to start implementing the investment project in a reasonable timeframe (e.g. before 2015).
- Expected contribution to the MSP objectives in terms of increasing the share of renewables in energy consumption and improving EE.
- Expected cost must be between EUR 0.05m and EUR 0.5m<sup>7</sup>.
- Verification that financial assistance under the MSP-PPI is not used for financing TA supporting investment projects that can be better financed by other similar EU facilities, including the NIF. If funding is / can be obtained from other facilities, the request for financial assistance is ineligible unless the applicant justifies why the use of the MSP-PPI is necessary.
- Verification that other NIF support has not been granted for the preparation of the same investment project. If studies or TA have already been financed for the same investment project under the NIF in the past, the applicant must justify why such activities cannot be financed by an application for an increase of funds under the normal NIF procedures.
- Verification that the proposed activity is in line with the requirements related to the MSP developed in the framework of the UfM<sup>8</sup>. In this respect the following points will be considered: regional

<sup>5</sup> Projects for which financial assistance is requested under the MSP-PPI should demonstrate concrete public support by way of a standard letter. In addition, promoters should already hold the main authorisations for the project for which they require financial assistance under the MSP-PPI (e.g. grid access, licence, etc.).

<sup>6</sup> [http://eeas.europa.eu/delegations/web\\_en.htm](http://eeas.europa.eu/delegations/web_en.htm)

<sup>7</sup> Comprehensive feasibility studies and TA interventions for an amount above EUR 0.5m to prepare a concrete MSP project will be applied for – as usual for a normal NIF investment project – via the existing procedure under the NIF. Partial funding of these larger studies is not possible under the MSP-PPI.

# NEIGHBOURHOOD INVESTMENT FACILITY (NIF)

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impact, reproducibility, know-how transfer, demonstration effects, scaling up of potentials, positive impact on host country economy and employment, and where appropriate co-presentation or support by two or more UfM Member States.

### 7. What costs will the MSP-PPI cover?

The MSP-PPI covers 100% of eligible costs required for the TA activity. This would include costs of external expertise hired through publicly tendered contracts to implement the TA activity.

### 8. Where can I obtain further information?

Public or private promoters preparing an investment project in the aforementioned sectors can apply for financial assistance directly by contacting only one participating EFI or the UfM Secretariat from April 26, 2012, using the contact details below or through their usual operational contact at the participating EFI:

Organisation	Contact person	Phone	Email
European Investment Bank (EIB)	L. Tomozei	+352 43 79 86426	<a href="mailto:tomozei@eib.org">tomozei@eib.org</a>
	S. Jablonski	+352 43 79 82674	<a href="mailto:s.jablonski@eib.org">s.jablonski@eib.org</a>
Agence Française de Développement (AFD)	Rima Le Coguic	+33 1 53 44 36 32	<a href="mailto:lecoquicr@afd.fr">lecoquicr@afd.fr</a>
	Arthur Honoré	+33 1 53 44 41 76	<a href="mailto:honorea@afd.fr">honorea@afd.fr</a>
European Bank for Reconstruction and Development (EBRD)	Miroslav Maly	+44 20 7338 7382	<a href="mailto:malym@ebrd.com">malym@ebrd.com</a>
Kreditanstalt für Wiederaufbau (KfW)	Katharina Stärk	+49 69 7431 9769	<a href="mailto:katharina.staerk@kfw.de">katharina.staerk@kfw.de</a>
P4R on behalf of Agencia Española de Cooperación Internacional para el Desarrollo (AECID)	Martin Jerch	+ 34 91 210 07 45	<a href="mailto:mjerch@p4r.es">mjerch@p4r.es</a>
European Commission	Caroline Maion	+32 2 29 62799	<a href="mailto:Caroline.maion@ec.europa.eu">Caroline.maion@ec.europa.eu</a>
	Leonidas Kioussis	+32 2 29 92851	<a href="mailto:Leonidas.kioussis@ec.europa.eu">Leonidas.kioussis@ec.europa.eu</a>
Union for the Mediterranean (UfM) Secretariat	Marc Strauss	+34 935 214 172	<a href="mailto:marc.strauss@ufmsecretariat.org">marc.strauss@ufmsecretariat.org</a>

<sup>8</sup> <http://www.ufmsecretariat.org/en/a-few-key-points-about-the-msp/>