



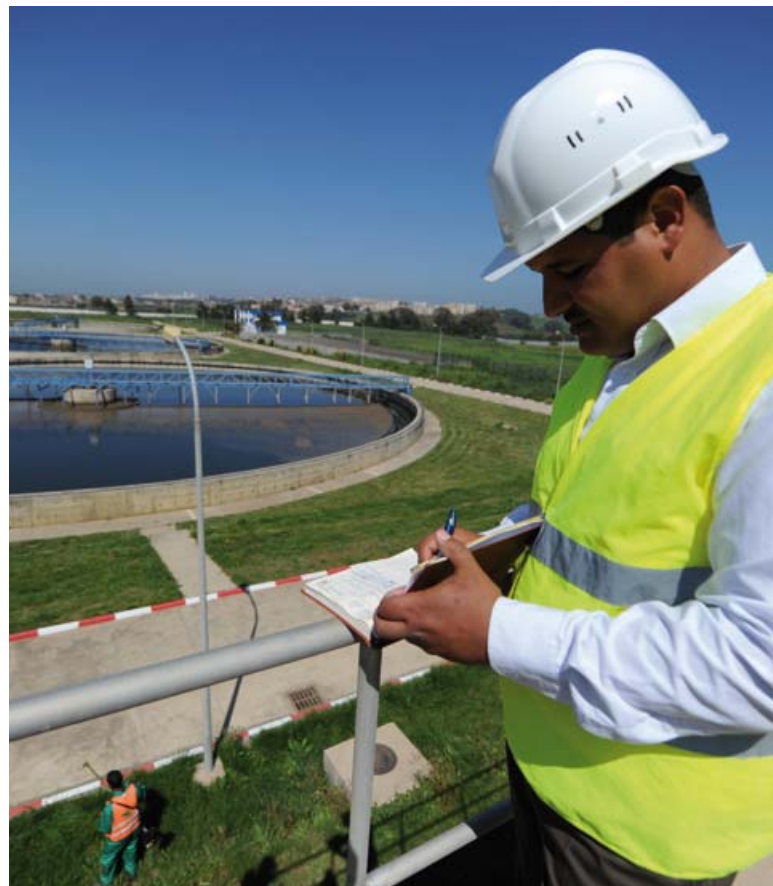
# Mediterranean Solar Plan – Project Preparation Initiative (MSP-PPI)

## What is the MSP-PPI?

The MSP-PPI is an EU-funded project preparation facility set up to support investments in renewable energy (RE), energy efficiency (EE) and related transmission capacity. The facility has its origin in the Mediterranean Solar Plan (MSP), which was identified as one of the key initiatives of the Union for the Mediterranean (UfM) upon its creation in 2008. The MSP's objective is to develop renewable energy and electricity transmission capacity in the region, as well as achieving significant energy savings around the Mediterranean by 2020.

The European Union has been promoting energy cooperation as a central part of the Euro-Mediterranean partnership since the launch of the Barcelona Process in 1995. The cooperation has focused on a number of key priorities: integrating Euro-Mediterranean electricity and gas markets; increasing security and safety of energy supplies; strengthening energy interconnections (both South-South and North-South); and promoting renewable energy and energy efficiency.

Whilst there are already encouraging steps towards the deployment of RE and EE in the Mediterranean partner countries (MPCs), the overall contribution of RE and EE to meeting a growing energy demand remains limited. In order to facilitate the mobilisation of funds for investments in sustainable energy and foster the attainment of the MSP's objectives, several European Financing Institutions (EFIs)<sup>1</sup>



<sup>1</sup> Participating EFIs as of April 2015 are the EIB and KfW. The European Commission oversees the MSP-PPI and the UfM Secretariat has an observer status.



have established the “MSP Renewable Energy and Energy Efficiency Project Preparation Initiative” (MSP-PPI), which is financed by the EU through the Neighbourhood Investment Facility (NIF).

The facility is intended to accelerate the financing and implementation of investment projects in RE, EE and RE transmission capacities through the provision of small-scale Technical Assistance (TA). Projects to be supported should be at an advanced stage of preparation and have a high probability of being financed and implemented in a reasonable timeframe.

Support under the MSP-PPI covers 100% of the costs associated with TA for preparing sustainable energy investment projects in the eight eligible Mediterranean partner countries: Algeria, Egypt, Jordan, Lebanon, Morocco, Palestine, Syria<sup>2</sup> and Tunisia. Such investment projects may also be eligible for funding from the participating European Financing Institutions.

### What are the sectors covered by the MSP-PPI?

The MSP-PPI covers large and small-scale investment projects which the participating EFIs<sup>3</sup> may finance in the following areas:

- Renewable energy: proven RE technologies, including wind, solar (PV and CSP), sustainable biomass, small hydro.

- Energy efficiency 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.

### 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.

<sup>2</sup> Following the sanctions taken by the EU in November 2011, the EIB and KfW have suspended all disbursements and technical advisory contracts relating to projects in Syria.

<sup>3</sup> Specific technical eligibility criteria are defined by the participating EFIs and are available upon request.



- 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 for the MSP investment projects.

### 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 below).

### How to benefit from the MSP-PPI?

Promoters can apply for financial assistance from the MSP-PPI directly by contacting a single participating EFI from 1 April 2015, 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, and with the aim of ensuring geographic representation that is as balanced as possible.



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

- 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 observer status. The selection criteria and the eligible costs are described below.

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

The contacted EFI will select the investment projects to be proposed for support 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>4</sup>, and (ii) 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 construction of the investment project in a reasonable timeframe (e.g. within 3 years).

<sup>4</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.).



- Expected contribution to the MSP's 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>5</sup>.
- 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 overall policy objectives related to the MSP in the field of energy and climate change. In this respect the following points will be considered: regional impact, geographic representation that is as balanced as possible, reproducibility, know-how transfer, demonstration effects, scaling up of potentials, positive impact on the host country's economy and employment, and where appropriate co-presentation or support by two or more UfM Member States.

### 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.

### 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 a single participating EFI or the UfM Secretariat using the contact details below or through their usual operational contact at the participating EFI.

Organisation	Contact person	Phone	Email
European Investment Bank (EIB)	Joyce Liyan	+352 4379-86424	j.liyan@bei.org
	Sophie Jablonski	+352 4379-82674	s.jablonski@bei.org
	Mirjam Larsson	+352 4379-88648	m.larsson@bei.org
Kreditanstalt für Wiederaufbau (KfW)	Esther Drumm	(+49) 6974311791	esther.drumm@kfw.de
Union for the Mediterranean (UfM) Secretariat	Olgu Okumuş		olgu.okumus@ufmsecretariat.org
Regional	Guy Fleuret		guy.fleuret@ufmsecretariat.org



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 ☎ +352 4379-22000  
 📠 +352 4379-62000  
 📧 [info@eib.org](mailto:info@eib.org)

<sup>5</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.