

ORIGINAL

*Addendum N°2 to the
Financing Agreement N° 0053
ASE/RELEX/2000/0053*

ADDENDUM N°2 TO THE
FINANCING AGREEMENT
BETWEEN
THE EUROPEAN COMMUNITY AND
THE ASSOCIATION OF SOUTHEAST ASIAN NATIONS
ASEAN

"EC-ASEAN ENERGY FACILITY "



**ADDENDUM N°2 TO FINANCING AGREEMENT
N° ASE/RELEX/2000/0053**

The European Community, hereinafter referred to as "the Community", represented by the Commission of the European Communities, hereinafter referred to as "THE COMMISSION",

of the one part,

and

The Association of Southeast Asian Nations (ASEAN), hereinafter referred to as "THE BENEFICIARY", represented by the Secretary General of ASEAN,

of the other part,

HAVE AGREED AS FOLLOWS:

The following provisions of Financing Agreement N° ASE/RELEX/2000/0053 (2585) "EC-ASEAN Energy Facility" concluded between the Community and the Recipient on 21/06/2001 (the "Financing Agreement") are hereby replaced/ completed as follows:

Annex 2 : Technical and Administrative Provisions

Annex 2, Technical and Administrative Provisions, is amended as shown in the Attachment 1 annexed to this Addendum.

All other terms and conditions of the Financing Agreement and its previous Addendum remain unchanged. This Addendum shall enter into force on the date on which it is signed by the later of the two parties.

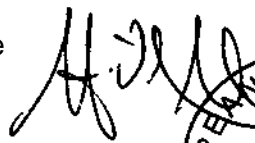

FOR THE COMMISSION

FOR THE BENEFICIARY

Name Erich. W. Muller
 Director
 Asia Directorate
 EuropeAid Co-operation Office

Name Pengiran Dato Mashor P.
 Ahmad
 Deputy Secretary General
 Economic Cooperation
 ASEAN Secretariat

Signature

Date

9/3/2005

Signature


Date 18/4/2005

Attachment 1: "Changes to Annex 2: Technical and Administrative Provisions"

"1.1 Overall objectives

In accordance with the approved Europe-Asia Co-operation strategy for Energy, the programme will contribute to:

- Increasing the security of energy supply of ASEAN countries and indirectly of Europe
- Increasing the economic exchanges between European Union and ASEAN countries
- Improving the environment at local and global level
- Facilitating the implementation of the ASEAN Plan of Action for Energy Co-operation 1999-2004 *and subsequently 2004-2009*¹

"1.3 Expected results

The programme is expected to deliver the following results:

- Institutional Development
- Stronger linkages between EU and ASEAN businessmen and policy makers
- Regulatory frameworks conducive to investment in regional energy issues
- Detailed investment and business opportunities for energy equipment and service suppliers
- References of European technology solutions adapted to ASEAN conditions
- Substantial implementation of the ASEAN Plan of Action for Energy Co-operation (APAEC) 1999-2004 *and subsequently 2004-2009*². “

"2.4.1 Facilities

The programme consists of a set of four facilities that will enable the energy actors of the EU and ASEAN to address the above-mentioned four kinds of barriers.

- **Facility 1: Increasing market awareness:** Through study tours, work shops, seminars, exhibitions or similar actions which can increase ASEAN awareness of European experience as well as European knowledge of ASEAN markets.
- **Facility 2: Adapting institutional frameworks:** Through the provision of expertise in formulating policies or adapting institutional frameworks, training of ASEAN executives, preparation of operational master plans or strategic studies, co-ordination of national plans for the extension of power supply systems and gas grids, harmonization of national legislation etc.

¹ Not exceeding the end of the operational implementation phase set at 28 February 2007 as of Article 3 of the Financing Agreement, as last modified by addendum n°1 on 17/12/2004.

² Not exceeding the end of the operational implementation phase set at 28 February 2007 as of Article 3 of the Financing Agreement, as last modified by addendum n°1 on 17/12/2004.

- Facility 3: Conducting feasibility studies: As investors and promoters are reluctant to cover alone the high cost of preparing long term projects, especially those involving several countries, the programme will contribute to the cost of preparing bankable projects for submission to the financing institutions.
- Facility 4: Implementing demonstration projects: This will be done on a full scale basis, in order to demonstrate their technical reliability and economic viability, with a view to transferring advanced technologies for energy efficiency, renewable energy, *clean coal and natural gas* projects. *The allocation for demonstration projects within clean coal and natural gas will be limited to a maximum 40% of the total EC-contribution allocated to each call for proposals.* These demonstration projects will constitute "shop windows" for European technology. *This will be done on a full scale basis, in order to demonstrate their technical reliability and economic viability, with a view to transferring advanced technologies for energy efficiency, renewable energy, clean coal and natural gas projects. "*

All other terms and conditions of Annex 2 Technical and Administrative Provisions remain unchanged.