

Agreement n°ASE/RELEX/2000/0053

FINANCING AGREEMENT

between

THE EUROPEAN COMMUNITY

and

**THE ASSOCIATION OF SOUTH-EAST
ASIAN NATIONS (ASEAN)**

« EC-ASEAN energy facility »

FINANCING AGREEMENT

The European Community, hereinafter referred to as "the Community", represented by the Commission of the European Communities, hereinafter referred to as "THE COMMISSION", represented in turn by the Member with special responsibility for External Relations,

of the one part, and

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

of the other part,

Whereas the Cooperation Agreement between the European Community and Indonesia, Malaysia, the Philippines, Singapore and Thailand, member countries of the Association of South-East Asian Nations signed on 7 March 1980 in Kuala Lumpur, and extended to Brunei-Darussalam on 16 November 1984 and to Vietnam on 14 February 1997, to the Kingdom of Cambodia on 28 July 2000 and to Lao People's Democratic Republic on 28 July 2000, hereinafter referred to as the "Agreement", provides for financial and technical cooperation with ASEAN in the pursuit of its objectives,

HAVE AGREED AS FOLLOWS:

**ARTICLE 1: FINANCING AGREEMENT, GENERAL TERMS AND
CONDITIONS AND TECHNICAL AND ADMINISTRATIVE
PROVISIONS.**

The project described in Article 2 shall be implemented in accordance with the Financing Agreement, the General Terms and Conditions set out in Annex 1 and the Technical and Administrative Provisions in Annex 2. The Annexes form an integral part of this Agreement.

The Financing Agreement and the Technical and Administrative Provisions amend or supplement the General Terms and Conditions and, in the case of conflict, take precedence over the latter.

ARTICLE 2: NATURE AND PURPOSE OF THE OPERATION

THE COMMISSION shall provide a grant to contribute to the financing of the project referred to below:

Project number: ASE/RELEX/2000/0053

Title: EC – ASEAN Energy Facility

Hereinafter referred to as "the project" which is described in the Technical and Administrative Provisions in Annex 2.

ARTICLE 3: THE COMMUNITY'S COMMITMENT

The total cost of the project is estimated to be 31,510,000 EURO (thirty one million five hundred and ten thousand EURO) including the estimated individual project partner contributions.

The commitment of the Community is fixed at 18,000,000 EURO (eighteen million EURO), hereinafter referred to as the EC Grant.

This Financing Agreement is subject to an expiry date, after which any balance of funds remaining available under the EC Grant shall be automatically cancelled. THE COMMISSION may however, depending on the circumstances, agree to an appropriate extension of this expiry date, should such an extension be requested and properly justified by THE BENEFICIARY.

For the present project, the expiry date of the Financing Agreement is hereby set at 30 June 2008.

ARTICLE 4: THE BENEFICIARY'S COMMITMENT

The ASEAN Centre for Energy (ACE) will make in-kind contributions to the project (office space and facilities, local transport) to the counter-value of 510,000 EURO (five hundred and ten thousand EURO).

ARTICLE 5: CORRESPONDENCE

Correspondence relating to the implementation of this Agreement should be marked with the number and title of the project and be sent to:

(a) for the EUROPEAN COMMUNITY

*Commission of the European Communities
EuropeAid Co-operation Office (AIDCO)
Direction D Asia
Rue de la Loi 200
B-1049 Brussels, Belgium*

and

*Delegation of the European Commission
Wisma Dharmala Sakti, 16th. Fl., Jl. Jendral Sudirman 32
Jakarta*

(b) for the BENEFICIARY

*c/o the Director,
Bureau for Programme Coordination and External Relations,
ASEAN Secretariat,
70 A Jl. Sisingamangaraja,
Jakarta 12110, Indonesia*

ARTICLE 6: ORIGINALS

This Agreement shall be drawn up in triplicate, two for the Commission and one for the Beneficiary, the three texts being equally authentic.

ARTICLE 7: ENTRY INTO FORCE

This Agreement shall enter into force on the date on which the last of the two parties signs. Any Party may rescind the Agreement by notifying the other Parties in writing. In that case, it shall continue to apply in respect of the obligations deriving from agreements or contracts concluded under this Agreement.

SIGNATURES

In witness whereof, the undersigned representatives, duly empowered to this effect, have signed this Agreement.

Done at..... Done at.....

(Date) 15 -03- 2001

(Date) 21 JUN 2001

FOR THE EUROPEAN COMMUNITY



FOR THE BENEFICIARY



Annex 1: General Terms and Conditions
Annex 2: Technical and Administrative Provisions

ANNEX 1

GENERAL TERMS AND CONDITIONS

TITLE I - PROJECT FINANCING

ARTICLE 1: THE COMMUNITY'S COMMITMENT

The Community's commitment for the project, which is specified in the Financing Agreement, shall determine the level of the Community's contribution.

The Community's financial commitment must be implemented by the time limit specified for the project in the Financing Agreement.

ARTICLE 2: THE BENEFICIARY'S COMMITMENT

If the Financing Agreement stipulates that the implementation of the project requires the Beneficiary to make a financial contribution, disbursement of the Community contribution shall be conditional on the Beneficiary's obligations being fulfilled.

ARTICLE 3: COST OVERRUNS

Cost overruns are incurred where, at the time the contract is awarded or the estimate for a project is drawn up, the amount of a contract or estimate exceeds the initial budget.

Cost overruns are also incurred where, in the course of implementation of a contract or estimate, as a result of an increase in the volume of work or change or adjustment to the project, taking into account the known or likely impact of price variations, the costs provided for in the contract or estimate, including contingency reserves, are likely to be exceeded.

Any cost overruns shall be borne by the Beneficiary.

ARTICLE 4: COVERING COST OVERRUNS

Once it appears that cost overruns are likely to be incurred, the Beneficiary shall inform the Commission and notify them of the measures which he intends to take in order to cover such cost overruns, either by reducing the scale of the project or calling on his own resources.

If the project cannot be scaled down or the overruns cannot be covered by the Beneficiary's own resources, the Commission may, exceptionally, at the Beneficiary's substantiated request, adopt an additional Community financing decision. If the request is approved, the relevant costs shall be financed, without prejudice to the relevant Community rules and procedures, by an additional contribution to be set by the Commission.

TITLE II - IMPLEMENTATION

ARTICLE 5: GENERAL PRINCIPLE

The project shall be implemented by the Beneficiary in close collaboration with the Commission in accordance with the provisions of this Agreement.

ARTICLE 6: HEAD OF DELEGATION

The Head of Delegation shall represent the Commission vis-à-vis the Beneficiary's government for the purposes of implementing this Agreement and in respect of the funds for which the Commission acts as authorising officer.

ARTICLE 7: DISBURSEMENT

1. Where appropriate, the Beneficiary shall authorise and validate any expenditure covered by this Agreement against appropriations committed by the Commission. The Beneficiary shall remain financially liable to the Commission until the Commission clears the operations for the execution of which the Beneficiary is responsible.

2. For payments in currencies other than that of the Beneficiary's national currency the Commission shall make direct payment for services provided.

3. For payments in the Beneficiary's national currency at least two accounts must be opened in the sole name of the project:

- one account in EUROS or in the currency of a Member State of the Community;
- one account in the Beneficiary's national currency.

These accounts shall be opened in the Beneficiary's country with a commercial financial institution recognised by the Beneficiary and approved by the Commission.

4. The accounts referred to in paragraph 3 shall be replenished to meet actual cash requirements. Transfers shall be made in EUROS or, exceptionally, in the currency of a Member State, and shall be converted into the Beneficiary's national currency as payments fall due at the exchange rate applying on the date of payment.

5. Interest on the deposits in the accounts referred to in paragraph 3 shall be used exclusively for the project. The interest, which should be entered under a separate heading in the accounts, and the charges on these accounts shall accrue to or be borne by the project. However, the Commission's prior approval is required before the interest can be used for the project.

6. At regular intervals, and, at least once every quarter, the Beneficiary shall send the Commission a statement of actual expenditure and revenue, together with supporting documents. These documents and all accounts shall be kept for five years following the last date of payment.

ARTICLE 8: PAYMENT PROCEDURES

1. Payments to contractors shall be made in EUROS, directly by the Commission, for contracts made out in EUROS. Payments for contracts in the Beneficiary's national currency shall be made in this currency.

2. Contracts signed under this Agreement shall be eligible for payment only if they have been concluded before the date of expiry for activities under this Agreement. The last payment for such contracts must be effected no later than the final date for financial commitments set in Article 3 of the Financing Agreement.

TITLE III - AWARD OF CONTRACTS

ARTICLE 9: GENERAL RULE

Notwithstanding Articles 12 and 13, works and supply contracts shall be awarded after open invitations to tender and service contracts shall be awarded after restricted invitations to tender.

ARTICLE 10: ELIGIBILITY

1. Tendering procedures for works, supply and service contracts shall be open on equal terms to all natural and legal persons in the Member States of the Community and to all natural and legal persons in the Beneficiary country.

2. For jointly financed projects, the Commission, treating each case on its own merits, may agree to allow nationals of countries other than the partner countries concerned to bid for tenders and contracts. In such instances, firms from third countries shall be eligible only if there are reciprocal arrangements.

ARTICLE 11: EQUALITY OF CONDITIONS

The Commission and the Beneficiary shall take the necessary steps to ensure the widest possible participation on equal terms in tendering procedures and in works, supply and service contracts financed by the Community.

To this end they shall:

- ensure invitations to tender are published far enough ahead in the Official Journal of the European Communities and the official gazette of the Beneficiary's country;
- remove any discriminatory practice or technical specifications which could prevent wide participation, on equal terms, by any natural or legal person referred to in Article 10.

ARTICLE 12: WORKS AND SUPPLY CONTRACTS

Works and supply contracts shall be awarded on the basis of the general terms and conditions applying to such contracts and approved by the Commission.

Exceptionally, in urgent cases or where the nature, small scale or particular features of certain work or supplies warrant, the Commission or the Beneficiary, with the Commission's agreement, may authorise:

- contracts to be awarded on an open invitation to tender restricted to tenderers from particular geographical areas;
- contracts to be awarded on restricted invitation to tender;
- contracts to be concluded by direct agreement;
- contracts to be performed by direct labour.

ARTICLE 13: TENDER DOSSIER

1. For works and supply contracts, the Beneficiary shall submit the tender dossiers for the Commission's approval before invitations to tender are issued. On the basis of the decisions approved, and in close collaboration with the Commission, the Beneficiary shall issue invitations to tender, receive and assess tenders, and select the successful tenderer.
2. The Commission shall always be represented when tenders are opened. The Commission has the right to be present, as an observer when the tenders are assessed.
3. The Beneficiary shall submit the results of the scrutiny of the tenders and the name of the proposed contractor to the Commission for approval. With the Commission's prior approval the Beneficiary shall sign contracts, riders thereto and estimates and shall notify the Commission thereof. The Commission shall, if necessary, make individual commitments for contracts, riders thereto and estimates. Individual commitments shall take precedence over commitments under the Financing Agreement.

ARTICLE 14: SERVICE CONTRACTS

1. As a general rule, service contracts shall be prepared, negotiated and concluded by the Commission on the Beneficiary's behalf.
2. The Commission shall draw up, if necessary after prequalification, a short list of candidates on the basis of criteria which guarantee the qualifications, professional experience and independence of bidders, and their availability for the operation in question.
3. If express provision is made in the Agreement, the responsibilities referred to in paragraph 1 shall be delegated to the Beneficiary with the Commission's approval and under a representative's supervision. In that case the general specifications for public service contracts financed by the European Community shall apply.

ARTICLE 15: PROCEDURES APPLYING TO LOCAL CONTRACTS

The procedures for service, supply and works contracts in the Beneficiary country are set out in the Technical and Administrative Conditions to the Agreement (See tables numbers 1, 2 and 3 in Annex 2).

ARTICLE 16: CRITERIA FOR THE SELECTION OF CONTRACTORS

For each operation the Commission and the Beneficiary shall ensure that the tender selected is the economically most advantageous in terms of the price of the services provided, costs, technical value, qualifications and guarantees provided by tenderers, and the type of the works or supplies and the conditions of performance. These criteria must be mentioned in the tender document and the notice of contract award.

TITLE IV - PERFORMANCE OF THE CONTRACT

ARTICLE 17: ESTABLISHMENT AND RIGHT OF RESIDENCE

Natural and legal persons participating in tendering and works, supply or service contracts shall be granted equal and provisional right of establishment and residence in the Beneficiary's country where this is justified by the nature of the contract. This right shall remain valid for one month after the contractor is selected.

Contractors and natural persons and members of their family whose services are required for the contract shall enjoy similar rights for the duration of the contract up to one month following the final acceptance of work performed under the contract.

ARTICLE 18: ORIGIN OF SUPPLIES

The supplies required for the performance of works, supply and service contracts must originate in countries allowed to participate pursuant to Article 10, unless an exception is authorised by the Commission.

ARTICLE 19: TAX AND CUSTOMS ARRANGEMENTS

1. No tax, duties or other charges shall be financed from the Community's contribution.
2. In context of the cooperation, the Beneficiary government shall apply to contracts financed by the Community tax and customs arrangements no less favourable than those applied to the most-favoured State or most-favoured international organisation.

ARTICLE 20: FOREIGN EXCHANGE ARRANGEMENTS

The Beneficiary's government shall undertake to authorise the import or acquisition of foreign exchange required for implementation of the project. It shall also undertake to apply its national rules on foreign exchange on a non-discriminatory basis to the countries authorised to participate pursuant to Article 10.

ARTICLE 21: INTELLECTUAL PROPERTY

If studies are financed under this Agreement the Commission and the Beneficiary shall be entitled to use the data contained in such studies, and to publish it or pass it on to third parties.

ARTICLE 22: DISPUTES BETWEEN THE BENEFICIARY AND CONTRACTOR

1. Without prejudice to paragraph 2 any disputes which arise between the Beneficiary and a contractor from a Member state, during implementation of a contract financed by the Community shall be settled in accordance with the conciliation and arbitration rules of the International Chamber of Commerce in Paris.
2. The Beneficiary shall undertake to reach agreement with the Commission before a final position is taken on any request for compensation, irrespective of whether it is justified, from the contractor. If no agreement can be reached, the Commission shall not provide a financial commitment for any amounts granted unilaterally including those by the Beneficiary.

TITLE V - GENERAL AND FINAL PROVISIONS

ARTICLE 23: VISIBILITY

The project shall be implemented in such a way to ensure maximum visibility for the European Community's involvement at all times. Actions of communication and information shall be determined in close collaboration with the EC Delegation.

Special attention shall be devoted to implementing these rules at events and in all public or official written material connected with the project. Objects, equipment and documentation connected with the project shall carry the European Community flag with the text in the language of the Beneficiary. The symbols identifying the European Community shall be of the same size and appearance as any symbols identifying the Beneficiary, should the latter be present.

ARTICLE 24: AUDITING OF ACCOUNTS

1. The Commission shall have the right to send its own agents or authorised representatives to undertake any technical, accounting or financial assignments it may consider necessary to monitor the implementation of the project.

2. The Court of Auditors, in the accomplishment of its responsibilities under the Treaty establishing the European Community, shall have the right to undertake a full audit, if necessary, on the basis of supporting documents of accounts and accounting documents and any other documents relating to the financing of the project and on the spot.

3. The Beneficiary shall be notified if agents appointed by the Commission or the Court of Auditors are sent to the project site.

4. To this end the Beneficiary:

- shall undertake to provide any information or documents requested, and to take any measures to facilitate the work of persons undertaking such audits;
- shall keep the dossiers and accounts required to identify the work, supplies or services financed under this Agreement and the supporting documents relating to local expenditure in accordance with the best accounting practice;
- shall assist the Court of Auditors, in the accomplishment of its responsibilities under the Treaties establishing the European institutions, in auditing the project's accounts, if necessary, on the spot;

- shall ensure the Commission's representatives can inspect any accounting or other documents relating to projects financed under this Agreement and shall assist the Court of Auditors in monitoring the use made of Community funds.

ARTICLE 25: CONCILIATION

1. Any matter relating to the implementation or interpretation of this Agreement shall give rise to consultation between the Beneficiary and the Commission. This procedure may, if necessary, lead to this Agreement being amended.
2. If any obligation under the Agreement is not met, the Commission may suspend financing after consulting the Beneficiary.
3. The Beneficiary may decide to withdraw wholly or partially from the project with the Commission's approval.
4. Any decision taken by the Commission to suspend financing or by the Beneficiary to withdraw totally or partially from a project shall be notified to all Parties in writing.

ARTICLE 26: ARBITRATION

Any dispute between the Community and the Beneficiary, arising from the implementation of this Agreement which is not settled by common accord by the Parties in due time, shall be settled by arbitration, in accordance with the Permanent Court of Arbitration's Optional Rules for Arbitration involving International Organisations and States (The Hague).

ARTICLE 27: NOTIFICATION - ADDRESSES

Any communication or agreement between the Parties shall be recorded in writing giving the number and title of the project. This shall be sent by letter to the authorised addressee at the latter's address. In emergencies, communications by fax, telegram or telex shall be allowed provided they are immediately confirmed by letter. The addresses shall be set out in the Financing Agreement.

Technical and Administrative Provisions

Beneficiary:	The Association of South-East Asian Nations (ASEAN)
Title:	EC-ASEAN Energy Facility
Project No:	ASE/RELEX/2000/0053

1. GENERAL PRESENTATION

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.

1.2 Immediate objectives

The programme will stimulate regional energy projects and initiatives proposed by the energy industry, either public or private, from the European Union and from ASEAN.

The programme will co-finance groups of EU and ASEAN energy actors for the implementation of consistent projects which have a regional ASEAN dimension and which also clearly have a real European "added value", i.e. featuring the diversity of the European experience in terms of institutional or technological options.

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 1999-2004.

1.4 Main activities

The programme will centre on four different facilities which will be available for co-financing activities such as information exchange, training, provision of technical expertise and demonstration of proven European technology. In addition, the programme

will comprise institutional strengthening activities to maximise the overall long term impact of the programme.

1.5 Beneficiaries

The programme will directly benefit (a) ASEAN public authorities, in particular the energy policy-making bodies, and (b) energy sector organisations in EU Member States and in ASEAN countries. It will further advance the institutional development of the ASEAN Centre for Energy (ACE).

1.6 Location

The programme activities will take place in EU Member States and in ASEAN countries.

1.7 Time schedule

The total programme duration is five years. These can be subdivided as follows:

Year one	Setting up, elaboration of strategic objectives and promotion
Years two to four	Core activities, project implementation
Year five	Monitoring and sustainable unwinding

The programme activities and the manpower allocation will vary from one step to another, as illustrated in appendix 1: Tentative Schedule.

Pursuant to article 36(2) of the Financial Regulation of 21 December 1977, all individual legal commitments to be made for the implementation of the project will have to be concluded within the aforementioned period of 5 years.

2. PROJECT DESCRIPTION

2.1 Problem addressed

For financial and political reasons, the development of the energy sector of the ASEAN countries will require an increasing involvement of the private sector, both at the local and international levels. The Programme is designed to support solutions aimed at eliminating four essential barriers for such involvement, namely:

- Low market awareness of experience and proven technology, especially from Europe,
- Inadequate regulatory frameworks for exchanges and investments,
- High cost of feasibility studies,
- Absence of local references.

The programme is designed to address the complex combination of stimulating private initiatives and investments in regional energy projects on the one hand, while preserving long term collective interests at national, ASEAN and international level on the other hand.

2.2 Sub-sectors concerned

The programme will address the five following sub-sectors:

- Electricity, focusing on the interconnection of the electricity grids (the ASEAN Power Grid, APG), the reduction of generation losses and the modernisation of distribution companies;
- Natural Gas with emphasis on gas transmission, the TAGP (Trans-ASEAN Gas Pipeline) and distribution;
- Clean Coal technology;
- Energy Efficiency;
- Renewable Energy.

2.3 Institutional Structure

A Financing Agreement will be concluded with the ASEAN Secretariat. This will delegate responsibility for implementing the programme to the ASEAN Centre for Energy (ACE). In this context ACE will be fully responsible for all contractual matters, preparation and signature of all contracts as well as execution of all payments and the monitoring of programme implementation.

The programme structure will include a Programme Management Unit (PMU) and a Programme Steering Committee (PSC).

The tender procedure for selecting the PMU will be launched by the EC. ACE will be the Contracting Authority for all further contracts.

2.3.1. Programme Management Unit

ACE will facilitate the implementation of the programme in the ASEAN countries, particularly regarding energy policy issues, and will host the PMU.

The PMU will manage the overall implementation of the programme and will serve as the secretariat to the PSC and to the Selection Committee. It will prepare an Overall Work Plan and Budget as well as detailed Annual Work Plans and Budgets. These must be consistent with the overall Work Plan. It will encourage and assist project partners in understanding the objectives and practicalities of the programme. The PMU will also prepare call for proposals and tender dossiers. The PMU will handle the travel and operating budget of both the European and ASEAN experts assigned to the programme.

The PMU will be headed by two Project Co-Directors, one European and one ASEAN. The PMU will comprise sector and sub-sector specific expertise.

The European TA for the PMU comprises the EU Programme Co-Director, the Senior expert, the Junior expert, the five European experts on the Selection Committee and the European short-term experts.

Local TA includes five ASEAN experts (three senior experts for the first three topics listed under 2.2 and two junior experts for remaining topics).

The CV of the European Co-Director will be presented by the EC to the ASEAN Secretariat for endorsement and the CV of the candidate for the ASEAN Co-Director will be presented by the ASEAN Secretariat to the EC for endorsement.

Short-term experts to undertake networking and monitoring of projects during their implementation may be contracted through local tendering procedures.

2.3.2 Committees

The Programme Steering Committee (PSC) will be co-chaired by representatives of the ASEAN Secretariat and of the Delegation of the European Commission. It will also comprise the current and future Chairpersons of the ASEAN Senior Officials Meeting on Energy, the Director of ACE, and the two Programme Co-Directors.

The PSC will normally meet once a year, on the occasion of the regular SOME/AMEM meetings. The function of the PSC will be to:

- provide strategy and policy guidance to the Programme;
- discuss the projects proposed to be co-financed by the EC;
- guide the overall implementation of the Programme;

- examine the advancement of the programme components;
- evaluate the performance and impact of the Programme.

The composition of the Steering Committee is described in detail in appendix 2: *Organisation Chart*.

An external Selection Committee, composed of ten professional experts (one from the EU and one from ASEAN for each of the five sub-sectors concerned) appointed by the EC and SOME, will be responsible for carrying out an assessment of project proposals. These independent experts, or their employer, may not have any direct or indirect interest in any of the project proposals. The Committee members will separately analyse the proposals and recommend the proposals to be retained to the Programme Steering Committee, through the PMU. The workload of each member is estimated at 0.5 person-month per year during four years.

2.4 Programme implementation

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, workshops, 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, harmonisation of national legislation, etc.
- 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 and renewable energy projects. These demonstration projects will constitute “shop windows” for European technology. Projects for bio-mass as well as clean coal and natural gas will be covered under the EC-ASEAN COGEN III programme.

2.4.2 Call for proposals

The four programme facilities will be organised as one or more open calls for proposals for individual actions or projects to be proposed by groups of minimum three partners, at least two from EU and one from ASEAN. Each individual action will have to follow the typical project cycle:

1. Identification of project ideas;
2. Formulation of the proposal;
3. Evaluation: Formatting/Screening/Ranking/Recommendation;
4. Financing decision;
5. Implementation;
6. Monitoring.

Depending on the type of individual project, different rates and ceilings will be applied for the call for proposals:

Facility	Category	Typical actions supported	Typical proponents/ partners	EC grant maximum support	EC grant maximum amount
1	Increasing market awareness	<ul style="list-style-type: none"> • Workshops, • High level • Meetings, • Study tours, • Exchanges of Personnel. 	Public and/or Non-Profit Organisations	50%	100,000
2	Adapting Institutional Frameworks	<ul style="list-style-type: none"> • Masterplans, Strategic studies, • Policy formulation, • Secondment of experts in ASEAN, • Staff placement in EU, • Training. 	ASEAN Public sector (Regulatory bodies or utilities)	50%	200,000
3	Conducting feasibility studies	<ul style="list-style-type: none"> • Provision of expertise, • Travel, Documentation and misc. study costs. 	Non-Profit Organisations	50%	500,000
4	Implementing demonstration projects	<ul style="list-style-type: none"> • Contribution to equipment cost, • Training of O&M staff, • Independent monitoring. 	Non-Profit Organisations	15%	500,000

Applications may be submitted by any public and private sector non-profit organisation from EU Member States or from ASEAN (e.g. Professional Associations and Industrial Federations).

The screening of proposals will be carried out on the basis of published evaluation criteria contained in the guidelines for the call for proposals. Quality issues measuring the impacts of the projects, e.g. in terms of energy produced or saved, pollution avoided, business induced and intra-ASEAN co-operation, will determine project preferences.

On the basis of the policy and implementation framework of the programme and the annual work plans and guidelines agreed by the Programme Steering Committee, the call for proposals dossier(s) will be prepared by the PMU for final approval and publication by ACE following endorsement by the EC Delegation. Following a technical assessment (including the checking of possible conflicts of interest) by the Selection Committee, and a decision by the Programme Steering Committee, individual contracts will be signed by ACE, following their endorsement by the EC Delegation in Jakarta. Only contracts in compliance with the implementation limit of the programme can be signed.

2.4.3 Targeted Projects

In addition to projects selected through the call for proposals, studies and demonstration projects in areas of strategic importance and defined as priorities by the Programme Steering Committee, but which are not adequately addressed by the projects selected through the call for proposals, may be initiated by the PSC.

Such projects will be implemented on the basis of service contracts and may be carried out by both profit making and non-profit organisations. The tender dossier(s) will be prepared by the PMU for approval and publication by ACE following endorsement by the EC Delegation.

2.4.4 Institutional development

In both regions, the energy industry is already organised in professional groupings established to defend the interests of their members (such as Eurelectric/Unipede, Marcogas/Eurogas, Cecso, EREEC, EnR, in the EU, and ASCOPE, HAPUA, AFOC, Networks on Energy Efficiency and on Renewable Energy in ASEAN). The programme will collaborate with these organisations as much as possible. There will be possibilities for sub-contracting with them for promotional activities for a limited number of person-months during the first two years.

The programme will also include activities for institutional interaction (e.g. through annual roundtable discussions and working groups). During the first year of the implementation of the programme, the themes to be taken up as priorities on specific energy issues will be defined and the criteria and profile of participants established. The aim will be to build a strong network of experts, organisations and bodies involved in

ASEAN institution building, exchange programmes and transfer of know-how and experiences.

2.5 Procurement

The contracts for services, works and supplies shall be concluded in accordance with the contract award procedures laid down in the “Manual of Instructions for contracts concluded for the purpose of Community cooperation with third countries” (adopted by the Commission on 10 November 1999) and summarised in the attached tables N° 1, 2 and 3.

2.6. Cost and financing

The total EC contribution to the programme is estimated at 18 million euro, comprising 13 million for support to the individual projects, 2 million for institutional development activities, and 3 million for the management and operating costs of the programme and reviews, as detailed in appendix 3: Budget.

ACE will provide office space and facilities e.g. furniture, normal office equipment and transport to the European and ASEAN experts assigned to the project. The in-kind costs are estimated at 0.5 million euro for the five year period. ACE's regular office staff (e.g. secretaries, operators and drivers) will be available to support the programme.

The individual project partners will contribute in kind and in cash an estimated total amount of over 13 million Euro.

2.7 Reporting, Monitoring, Evaluation

The PMU will produce half-yearly progress reports and a final report applying progress and results indicators established at the outset of the programme.

Regular monitoring of activities and projects will be organised by the PMU. Independent mid-term and end of programme reviews will be contracted directly by the Commission in co-ordination with the ASEAN Secretariat.

As per its normal operation, ACE will report to the SOME/AMEM. Progress in the implementation of the programme is reported to the Programme Steering Committee.

2.8 Financial Management

The PMU will manage the operational costs within the budgetary limits established in the Financing Agreement.

The Community disbursements for the implementation of the present programme will be executed after verification of the conformity of the expenses with the needs established in the work programme and in accordance with the availability of annual budgetary appropriations.

For the operational expenditures funded under the EC grant payment shall be made as follows:

- the project should establish appropriate interest bearing bank accounts in Indonesia, one in EURO, denominated as the 'EURO Account' and one in Rupiah, denominated as the 'Local Currency Account', for this sole purpose;

- the accounts shall be operated with the joint signatures of the two co-directors. Subordinate accounts will only be opened with the express agreement of the Commission;

- the Commission shall make an initial advance of 50,000 EURO following notification of the opening of the accounts in order to cover the personnel and recurrent costs of the starting-up of the programme;

- the Commission shall, on the basis of the agreed overall and first year workplans and budgets, make a further advance of up to 80 % of the estimated expenditure during the first year of implementation, decreased by the amounts already transferred;

- for the second and subsequent years of project implementation, the outstanding advance of the preceding year shall be adjusted to reflect the agreed estimates of expenditure for the current year. This adjustment will be effected by providing a supplementary advance, or by decreasing subsequent payment instalments made in respect of the reimbursement request during that current year;

- disbursement from the PMU accounts shall be made jointly by the two co-directors, in line with requirements of the project and the agreed plan on implementation and estimates. Transfers from the EURO Account to the Local Currency Accounts shall be made in line with the monthly requirements of the project. The total balance in the Local Currency Accounts shall not normally exceed two months' estimated expenditure, nor fall below one month's estimated expenditure. The exchange rate applied to transfers from the EURO Account to the Local Currency Accounts shall be the regular market exchange rate applicable on the day on which the transfer is made;

- all expenses of the programme covered by the EC grant will be supported by records such as bills, receipts and bank statements. Such documents as well as the book accounting and the inventory logbook shall be kept for at least five years from the last

payments. The programme's bookkeeping will be in accordance with the double-entry system and shall include the registration of each receipt and each expense. The accounting results of these books must appear in a general book of the programme, including the interest accounting. Even if the national legislation does not foresee it, the Commission may request the application of minimum criteria of analytical accounting, according to the nature and the needs of the programme;

- reporting of expenditures on a quarterly basis shall be prepared by the two co-directors and submitted for inspection to a qualified firm of auditors to be hired by the programme for this purpose. Once certified by the auditors as being in conformity with project progress and the agreed Workplan estimates, these quarterly returns shall be the basis of requests by the two co-directors through the Executing Authority to the Commission for the transfer of additional funds. Such requests shall normally be made every six months;

- in case of urgency, duly justified by the two co-directors, the Commission may be requested to make a temporary partial reimbursement on the basis of a non-audited request. Any such temporary reimbursement will be recovered from subsequent audited requests;

- interest generated by the bank accounts will be accounted separately and utilisation will require prior written authorisation from the Commission;

- all funds in the programme accounts, including any interest generated thereon, shall remain the property of the Commission. Any unused balances remaining available on the termination of the programme shall revert to the Commission.

2.9 Visibility

Public relations and publicity work, within the framework of the programme, shall be conducted in order to give European Community co-operation maximum visibility, and in order to make the programme better known and more effective.

Special attention shall be devoted to implementing these rules at events and in all public or official written material connected with the programme. Objects, equipment and documentation connected with the programme shall carry the European Community flag. *All such activities shall be conducted in close collaboration with the Commission Delegation in Jakarta.*

3. SPECIAL CONDITIONS

The partners will have to present the energy impact, the (positive or neutral) environment impact and the amount of business induced by their proposal.

The ASEAN Secretariat will facilitate any arrangements to be established with the Indonesian Authorities for the functioning of the PMU and residence of long term experts.

Table n°1 (ALA countries)

SERVICE CONTRACTS CONCLUDED IN THE FRAMEWORK OF DECENTRALISED PROCUREMENT PROCEDURES ¹²

Value of contract(s) (in Euro)	5000³ < 200.000	> 200.000
Eligibility	Community, beneficiary country as defined in the relevant Council regulation	Community, beneficiary country as defined in the relevant Council regulation
Procedure	Framework contract or Simplified procedure	Restricted invitation to tender Forecast of invitations to tender and contract notices published in OJ and on the SCR website
Number of firms consulted or invited to tender	Minimum 3	Shortlist 4-8 firms
Approval of invitation to tender file	Contracting authority with agreement of delegation	If standard dossier – Delegation, otherwise Commission headquarters
Assessment of tenders	Framework contract ⁴ : Commission Headquarters Simplified procedure: Contract award committee with participation of delegation, as observer	Contract award committee with participation of Delegation, as observer
Award decision	Framework contract: Commission Headquarters (SCR/E) Simplified procedure: Contracting Authority with agreement of Delegation	Contracting authority with agreement of Delegation
Contract	Framework contract: Commission Simplified procedure: Contract signed by contracting authority, endorsed by Delegation	Contract signed by contracting authority, endorsed by delegation

¹ Contracting Authorities: Project Management Units, Recipients

² Decisions on derogation from any aspect of the tender procedure and award decision falls under the competence of Commission Headquarters EuropeAid Co-operation Office Unit D/6

³ Up to 5.000 Euro the Contracting Authority award contracts through direct agreement with 1 company

⁴ For the time being Framework contracts will be managed by Commission headquarters

Table n°2 (ALA countries)

SUPPLY CONTRACTS CONCLUDED IN THE FRAMEWORK OF DECENTRALISED PROCUREMENT PROCEDURES ⁵⁶

Value of contract(s) (in Euro)	5 000⁷<x<30 000	30 000<x<150 000	x>150 000
Origin	Community, beneficiary countries as defined in the relevant Council regulation	Community, beneficiary countries as defined in the relevant Council regulation	Community, beneficiary countries as defined in the relevant Council regulation
Procedure	Simplified procedure	Open invitation to tender – publication in local press.	International invitation to tender – publication in OJ, local press and SCR Web Site.
Number of firms consulted or invited to tender	at least 3	Open	Open
Approval of invitation to tender file	Contracting authority	Delegation	If standard dossier, Delegation – otherwise Commission Headquarters (SCR/E)
Assessment of tenders	By the Contracting authority	Assessment committee on which delegation is entitled to sit, as observer	Assessment committee with participation of delegation as observer
Award decision	Contracting authority	Contracting authority with agreement of the delegation	Contracting authority with agreement of the Delegation
Contract	Contract signed by contracting authority Copy and supporting documents filed	Contract signed by contracting authority, then by contractor	Contract signed by contracting authority endorsed by Delegation, then signed by contractor

⁵ Contracting Authorities: Project Management Units, Recipients

⁶ Decisions on derogation from any aspect of the tender procedure and award decision falls under the competence of Commission Headquarters EuropeAid Co-operation Office Unit D/6

⁷ Up to 5.000 Euro the Contracting Authority award contracts through direct agreement with 1 company, non-respect of the rule of origin

Table n°3 (ALA countries)

WORKS CONTRACTS CONCLUDED IN THE FRAMEWORK OF DECENTRALISED PROCUREMENT PROCEDURES ⁸⁹

Value of contract(s) (in Euro)	5000 ¹⁰ <x<300.000	300.000<x<5.000.000	x>5.000.000
Procedure	Simplified procedure	Invitation to tender – publication in local press	International invitation to tender – publication in OJ, local press and SCR Web Site.
Number of firms consulted or invited to tender	at least 3	Open	Open
Approval of invitation to tender file	Contracting authority	Delegation	Delegation and Commission Headquarters (SCR/E)
Assessment of tenders	By the Contracting authority	Assessment committee on which delegation is entitled to sit, as observer	Assessment committee with participation of delegation, as observer
Award decision	Contracting authority	Contracting Authority with agreement of Delegation	Contracting Authority with agreement of Commission Headquarters (SCR/E).
Contract	Contract signed by contracting authority Copy and supporting documents filed	Contract signed by contracting authority, then by contractor	Contract signed by contracting authority endorsed by Commission Delegation, then signed by contractor

⁸ Contracting Authorities: Project Management Units, Recipients⁹ Decisions on derogation from any aspect of the tender procedure and award decision falls under the competence of Commission Headquarters EuropeAid Co-operation Office Unit D/6¹⁰ Up to 5.000 Euro the Contracting Authority award contracts through direct agreement with 1 company

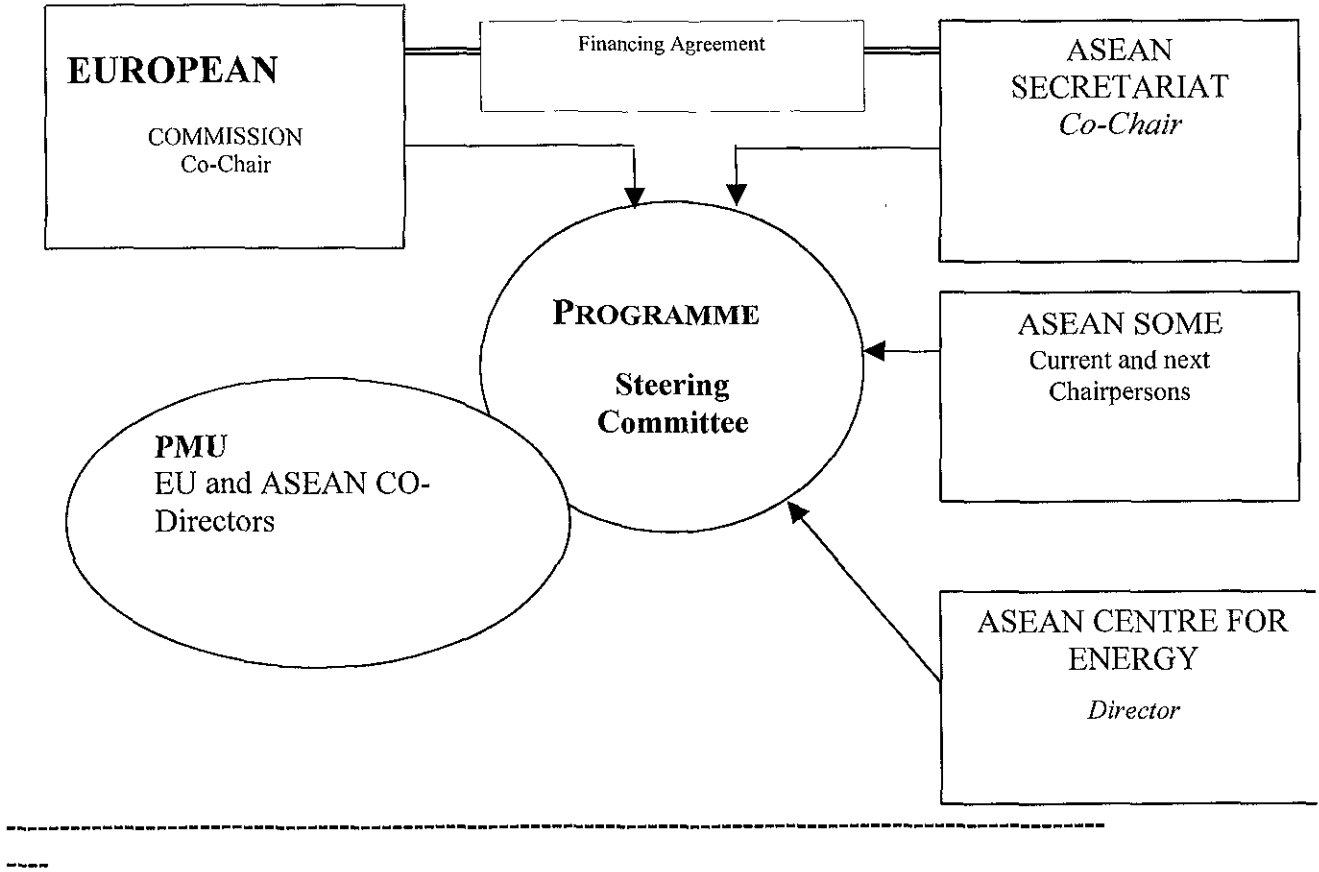
EC-ASEAN ENERGY FACILITY
Appendix 1: TENTATIVE SCHEDULE

Step	Description	Year	1	Year	2	Year	3	Year	4	Year	5
	Steering Committee Meetings		x		x		x		x		x
	SOME/AMEM Meetings		x		x		x		x		x
1	Setting up the Programme networks	=====	=====	=====	=====						
	Advertising the Programme	=====	=====	=====	=====						
2	Cycle of project proposals		=====	=====	=====	=====	=====	=====	=====	=====	
3	Individual projects final monitoring			=====	=====	=====	=====	=====	=====	=====	=====
	Programme unwinding									=====	=====

Duration	Staff mobilisation										
5 years	Programme Directors and Senior expert	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====
4 years	Programme experts	=====	=====	=====	=====	=====	=====	=====	=====		
2 years	Networks	=====	=====	=====	=====						
4 years	Selecting Committee			=====	=====	=====	=====	=====	=====	=====	=====

Appendix 2 ORGANISATION CHART

Composition of the Steering Committee



Appendix 3: BUDGET

1. CO-FINANCING GRANTS

million €

Partners	EC
over 13	13

2. INSTITUTIONAL STRENGTHENING

million €

Partners	EC
	2

3. MANAGEMENT AND OPERATING COSTS

in €

HONORARIA		No expert	mm/year	Years	Total mm	Rate	Partners	EC
European experts								
*Programme Co-Director		1	10	5	50	10000		500'000
*Senior Expert		1	10	5	50	10000		500'000
*Junior Expert		1	10	5	50	5000		250'000
*Selecting Committee members		5	0.5	4	10	10000		100'000
*Short term experts		5	1	4	20	10000		200'000
Eur. network/monitoring		5	1	2	10	10000		100'000
Sub total					0			1'650'000
								0
HONORARIA		No expert	mm/year	Years	Total mm	Rate		Amount
ASEAN experts								
ASEAN Co-Director		1	6	5	30	6000	180000	
*Senior experts		3	12	4	144	2500		360'000
*Junior experts		2	12	4	96	1000		96'000
Selecting Committee members		5	0.5	4	10	2500		25'000
As. network/monitoring		5	2	2	20	2500		50'000
Sub total					0			531'000
TRAVELS & PERDIEM		No expert	No /year	Years	Total No	Rate		Amount
EU Co-Director	Int'l	1	3	5	15	4000		60'000
	Intra EU	1	4	5	20	1000		20'000
EU Senior expert	Int'l	1	1	4	4	4000		16'000
	Intra EU	1	6	4	24	1000		24'000
EU experts in Sel. Com.	Int'l	5	1	4	20	4000		80'000
Eur. network/monitoring	Int'l	5	1	4	20	4000		80'000
	Intra ASEAN	5	1	4	20	1000		20'000
ASEAN Co-Director	Int'l	1	1	4	4	4000		16'000
	Intra	1	10	4	40	1000		40'000

	ASEAN							
ASEAN experts	Intra ASEAN	3	6	4	72	1000		72'000
ASEAN experts in Sel. Com.	Intra ASEAN	5	1	4	20	1000		20'000
As. network /monitoring	Intra ASEAN	5	3	2	30	1000		30'000
Sub total								478'000
OPERATING COSTS		Unit Cost	Quantity					
Office facilities	Monthly	5500	60				330000	
Telecoms	Monthly	2000	60					120'000
Printing materials	Yearly	15000	4					60'000
Misc. office costs	Monthly	1000	60					60'000
Audit								40'000
Sub total								280'000
*Reviews								61'000
TOTAL							510'000	3'000'000

GRAND TOTAL
in million €

Partners	EC
over	18
13.51	

* These experts for the PMU and the mid-term/end of project reviews are subject to EC Tender, where payments shall be made directly by the Commission.

Appendix 4:

EC-ASEAN ENERGY FACILITY

The ASEAN Centre for Energy, ACE

Status

The Centre was established on the 4th of January 1999 by the ASEAN governments. The Centre has a juridical personality enabling it to conclude agreements with states, local or international organisations, to contract, to acquire and dispose property and to be a party to legal proceedings.

Host Country obligations

Indonesia provides the Centre and its staff a status similar to the ASEAN Secretariat, also based in Jakarta.

History

The creation of the Centre results from the successful completion of the 10-year long ASEAN-EC Energy Management Training and Research Centre (AEEMTRC), which was funded originally by DG XVII at its creation in 1988 and then by DG I since 1991.

Governing Council

The programmes of the Centre are guided by a Governing Council composed of the ASEAN Senior Officials on Energy and a representative from the ASEAN Secretariat. The Governing Council of ACE meets annually to monitor and to discuss the progress of ACE activities and also to provide directions for the coming years.

Vision

To serve as a catalyst for the economic growth and development of the ASEAN region by initiating, coordinating and facilitating regional as well as joint and collective activities on energy.

Mission

The ASEAN Centre for Energy will accelerate the integration of energy strategies within ASEAN by providing relevant information state-of-the-art technology and expertise to ensure that over the long term, necessary energy development policies and programs are in harmony with the economic growth and the environmental sustainability of the region.

Objectives

1. To strengthen the region's capability in addressing global and regional issues in energy by enhancing the coordination of energy strategies of the ASEAN Member Countries.
2. To facilitate intra-regional trade in energy through the establishment of interconnecting arrangements for electricity and natural gas within ASEAN such as the proposed Power Grid and Trans-ASEAN Gas Pipeline.
3. To promote ASEAN cooperation in energy efficiency and conservation as effective mechanisms for demand-side management.
4. To promote the development of new and renewable energy resources in the ASEAN as an instrument towards sustainable energy development in the ASEAN Member Countries over the long term.
5. To serve as an energy information network and exchange centre at both regional and global scales.
6. To enhance the development of ASEAN expertise in energy development and management.
7. To promote private sector investment and participation in energy activities of the region.

Financing

The core funding of the centre is ensured thanks to an ASEAN Energy Endowment Fund, in which each of the ten ASEAN member countries contributes an amount of US \$ 528,000. The

Centre must also seek and generate funds from other sources to finance its programme and activities.

Staff

As of December 2000, the Centre staff comprised the Executive Director, the Head of Administration and Finance, four other senior officers, two assistants and four secretaries and office staff.

Achievements

In its first year of operation, ACE has been able to finalise the ASEAN Plan of Action for Energy cooperation 1999-2004 and establish working relationships with the other relevant ASEAN bodies, among which the ASEAN Secretariat regarding funding and international dialogue, ASCOPE for oil and gas matters, HAPUA for electricity issues, AFOC for coal and the two networks on Energy Efficiency and Renewable energy. ACE also assisted in the organisation of the next ASEAN Energy Business Forum.

On the international level, the Centre is developing partnerships with the European Commission, APEC, ADB, IEA, ESCAP, Germany, Austria, France, Australia and Switzerland

International cooperation

Presently ACE is engaged in partnerships with Australia, the European Commission (DG TREN Synergy funded PRESSEA project) Germany and Switzerland.

More information can be found on the Centre website at www.ace.or.id

