



The European Commission's leading role in financing energy access worldwide

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Empowering Development

**Energy:
key driver for sustainable
inclusive growth**

- Sustainable Energy for All Initiative (2011)
- President Barroso goal - Energy access to 500 M people by 2030 (2012)
- SDGs (2015) - SDG 7 – Affordable and clean energy
- SDG 13 – Climate action
- Paris Agreement on Climate change (Dec. 2015)
- Africa Renewable Energy Initiative (2015)
- **New European Consensus for Development**



EU development cooperation in energy

Three Priority Areas:

- Build on **political ownership** for policy reforms needed to attract investments
- **Increase capacity** and **improve the regulatory framework** to attract investments
- **Stimulate investments** increasing access to energy with innovative co-financing schemes





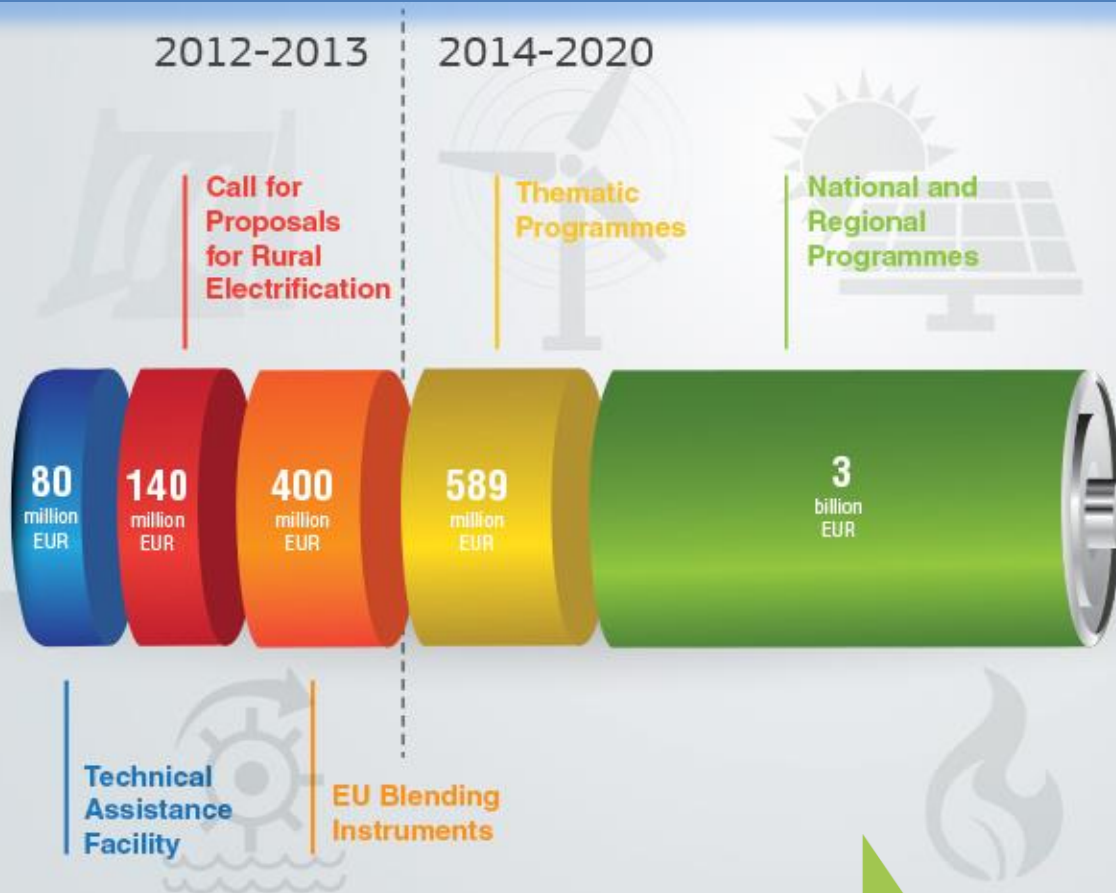
EU development cooperation in energy

Main Instruments:

- **Joint Declarations** on Enhanced Energy Co-operation;
- **EU Technical Assistance Facility** (TAF) for the Sustainable Energy for All (SE4All) initiative;
- **National/Regional Indicative Programmes**
- **Blending Facilities**
 - **European Investment Plan**
 - **Electrifi**
- **Thematic Programmes / Initiatives**



More than EUR 4 billion for the fight against energy poverty so far



- **EUR 600 million** mobilised in 2012-2013
- **EUR 3.5 billion** allocated for 2014-2020
- Significant **leveraging investments** and **fostering end-users' access** to a range of energy services for household, community and productive uses – a "total energy access" approach.





Joint Declarations on enhanced energy cooperation

- Reinforce policy dialogue on energy
- Improve Donor coordination
- Follow up to Paris COP21 agreement
- 24 Joint Declarations have been already signed
- **EU-Mozambique Joint Declaration signed during COP 22 Morocco**





EU Energy Technical Assistance Facility

- ✓ Covers **all partner countries**, high quality expertise and support in:
 - ✓ policy advice
 - ✓ capacity building
 - ✓ identification of projects
 - ✓ mobilisation of funding
 - ✓ technology transfer
- ✓ Supports crucial **regulatory and policy reforms** in partner countries' energy sectors
- ✓ Assists in the fine-tuning of policies to create a conducive environment for **private sector investments**



Mozambique NIP 2014-2020 - € 734 M

- Good governance and development contract (€ 367 M)
- **Rural development (€ 325 M)**
 - Objectives:
 - Improving food security and nutrition status
 - Enhance rural competitiveness
 - Pillars
 - Road transport (rural roads)
 - Sustainable Agriculture, Value Chain and Nutrition
 - **Energy (€ 94 M)**
- Cross cutting issues - support (€ 42 M)

SADC RIP – Infrastructures € 228 M



Mozambique NIP 2014-2020

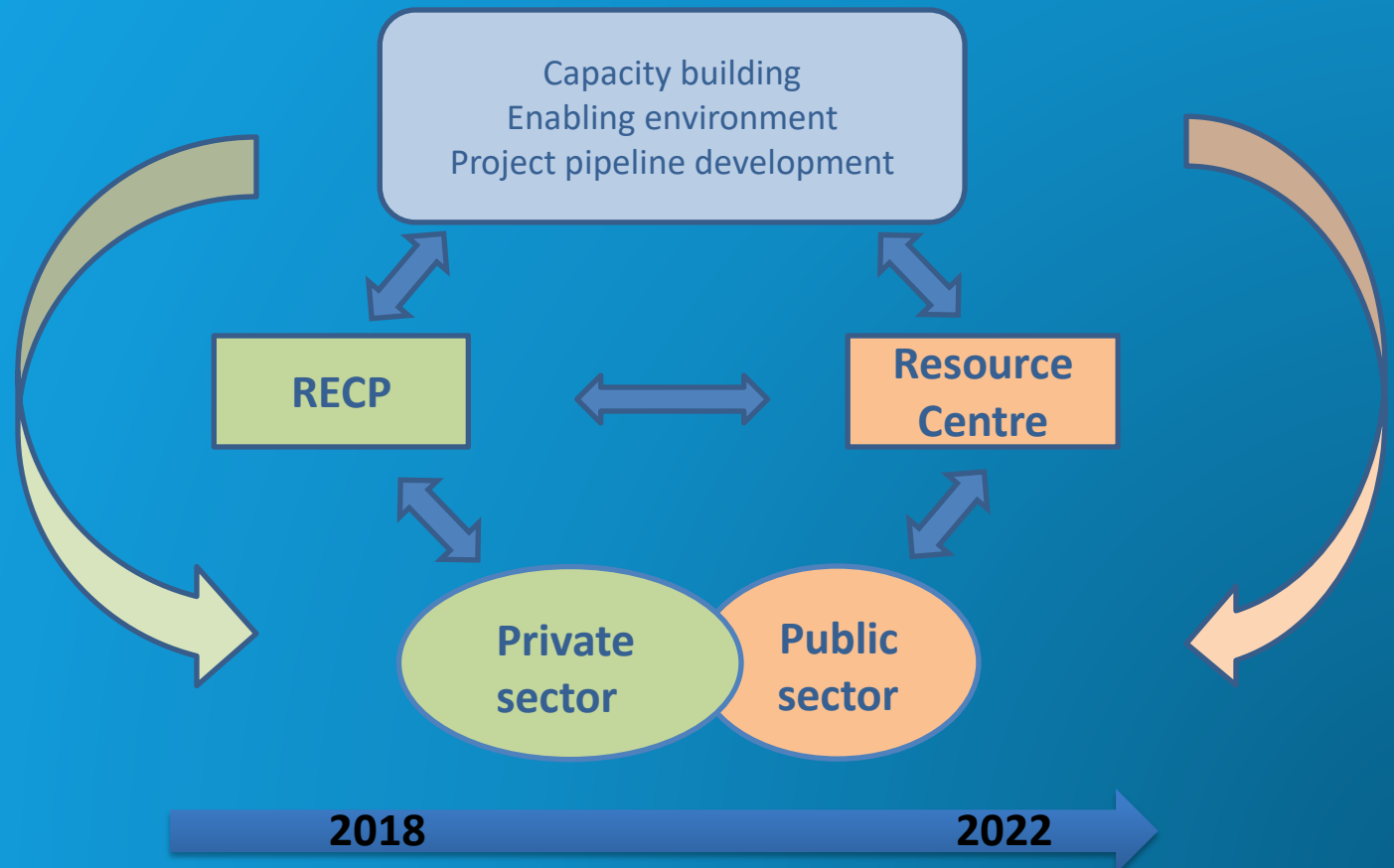
Energy support to Mozambique

- **1st Phase: Project Preparation Facility (€10.5 M)**
 - Capacity building
 - Enabling environment
 - Project pipeline development
- **2nd Phase: Energy services access programme (€ 83.5 M)**
 - Direct investment in national/regional projects (ElectriFi, AfIF, EIP, others)



Energy Support to Mozambique

Project Preparation Facility (PPF) -€ 10.5 M





Energy Support to Mozambique

Energy Services Access Programme - € 83.5 M

Implementation period: 2019-2023

Support Direct investment in national/regional projects

Main areas of support:

- **Grid densification + energy efficiency**
- **Mini-grids**
- **PV-Solar home systems**
- **Improved cook stoves**
- **Productive use of energy**

Leverage of public/private funds

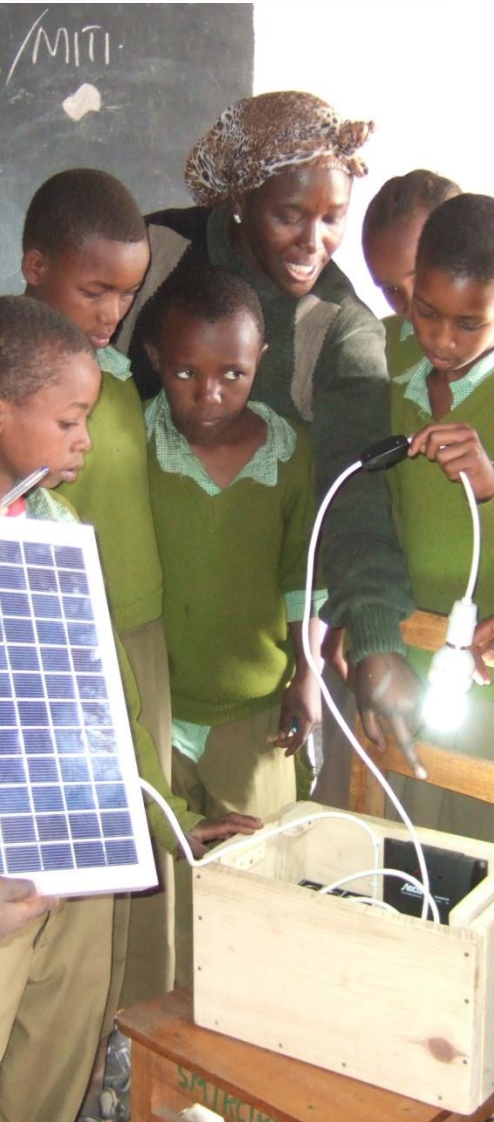
Blending tools and mechanisms (ElectriFi, AfIF, EIP, others)



SADC RIP 2014-2020 – (€ 228 M)

- **Soft programme**
- **Investment - African Investment Facility (AfIF/EIP)**
 - **Blending operations (DIG, IR, RG, TA)**
 - **EIB, AFD, KfW, EDFIs + AfDB to lead the projects**
 - **Mozambique pipeline (> € 1.5 bn)**
 - Cahora Bassa North Bank Hydropower plant
 - Mozambique-Malawi Interconnector
 - Tsatse Hydropower plant
 - Metoro Solar PV plant
 - Caia-Nacala transmission line
 - Mozambique-Zimbabwe-South Africa interconnector

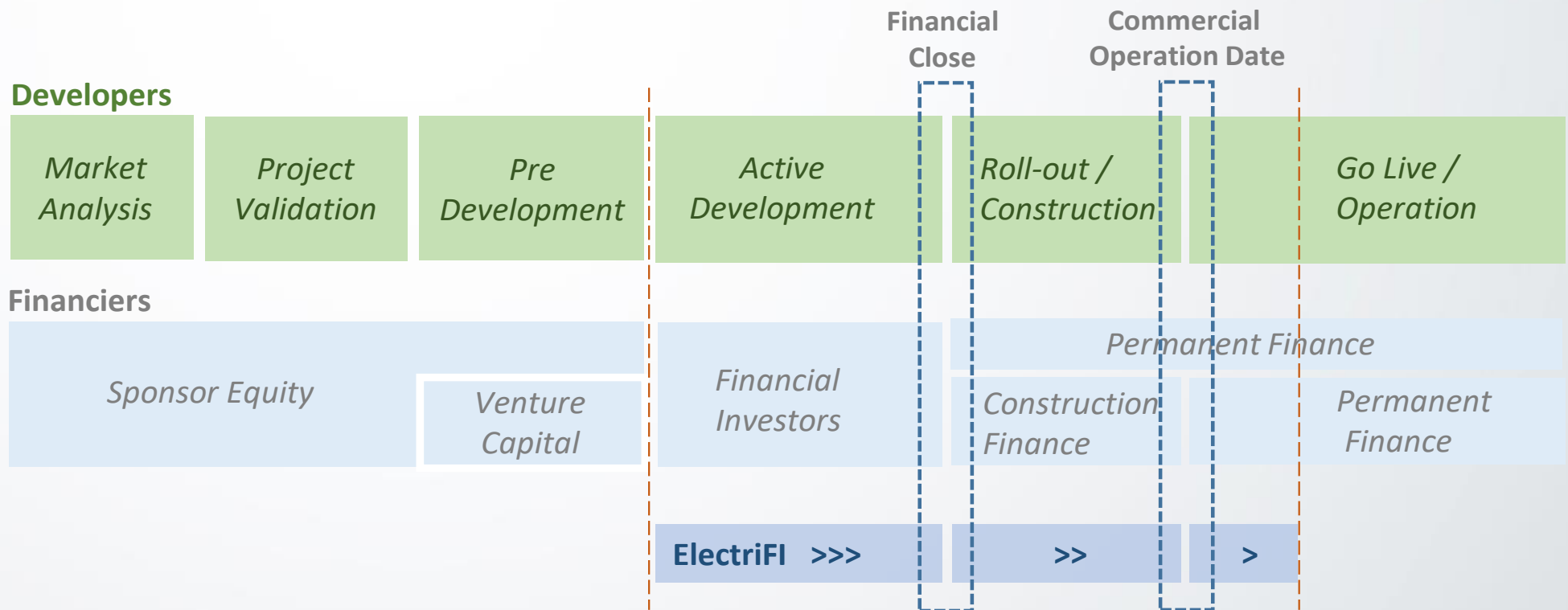




ElectriFI

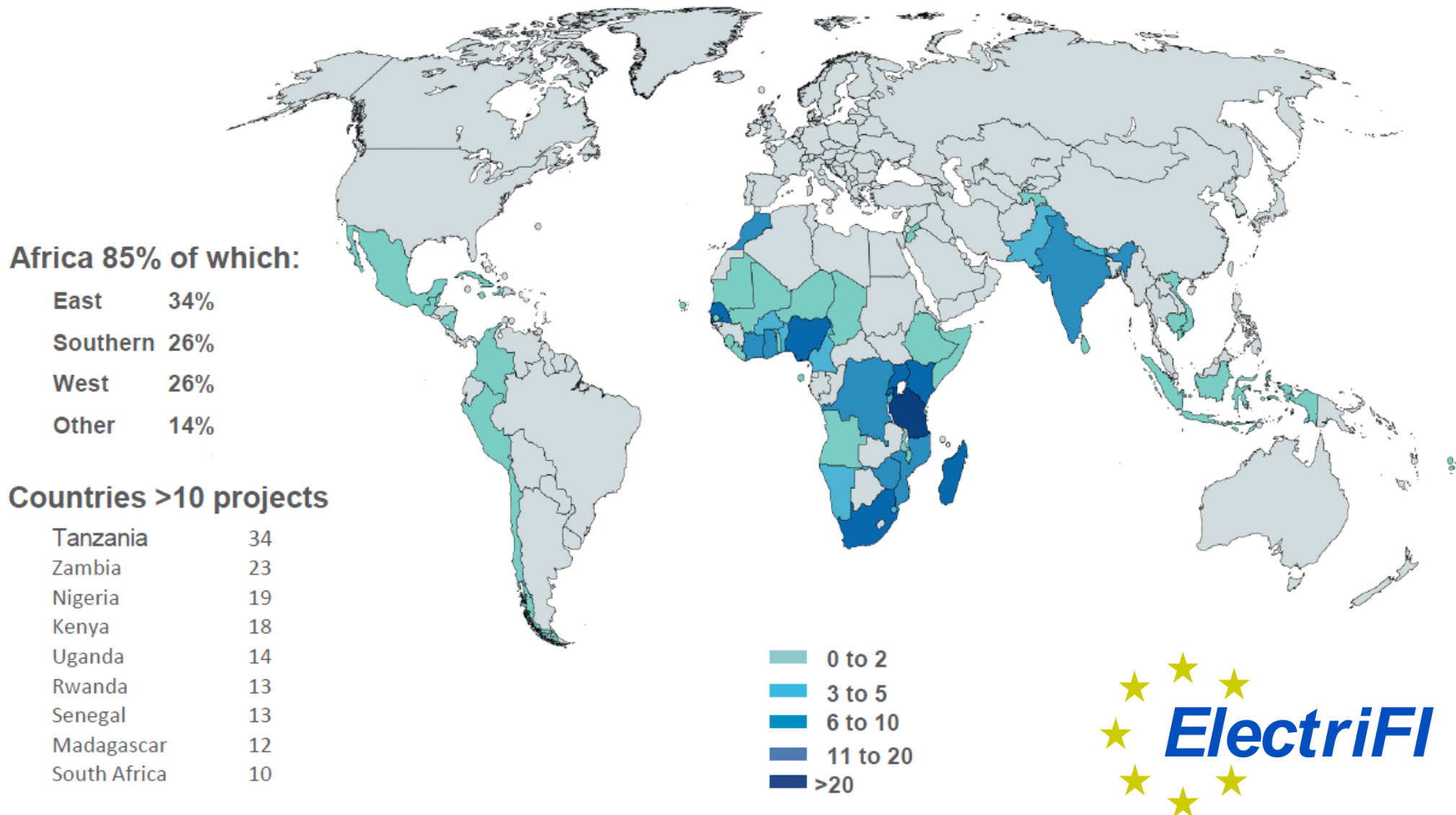
- ✓ Mobilisation of **private sector investments** in increasing and/or improving access to sustainable electricity
- ✓ Emphasis on **decentralised sustainable energy solutions** for populations living principally in rural areas
- ✓ Providing **funding and support** to developers
- ✓ € 132 M Initial Allocation + \$ 10 M Power Africa
- ✓ First call May 2016. Second call March 2017.

Target ventures/projects



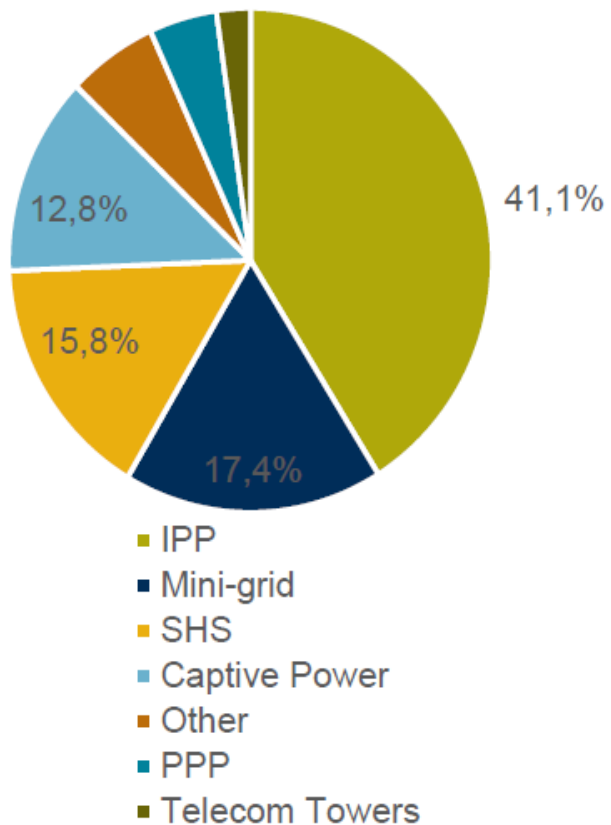
→ Projects or businesses at least in “active development” stage

Round 1, Phase 1: 290 Applications from 55 project Host Countries

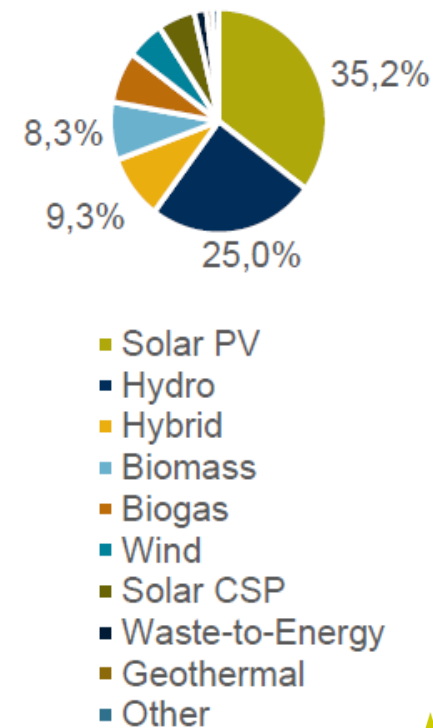


Round 1, Phase 1: 3.7 GW / EUR 8.5bn project cost / EUR 800m requested

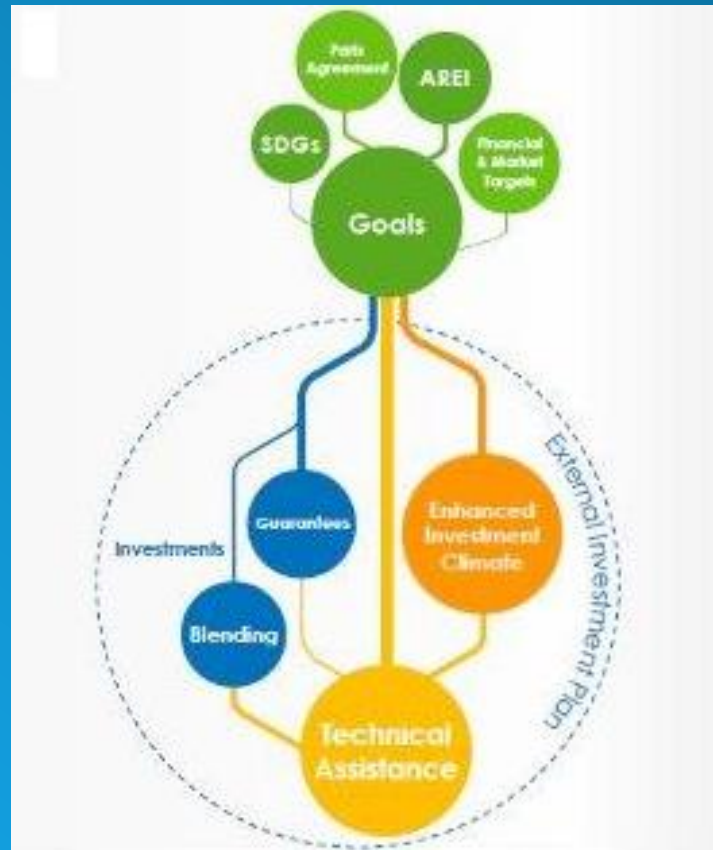
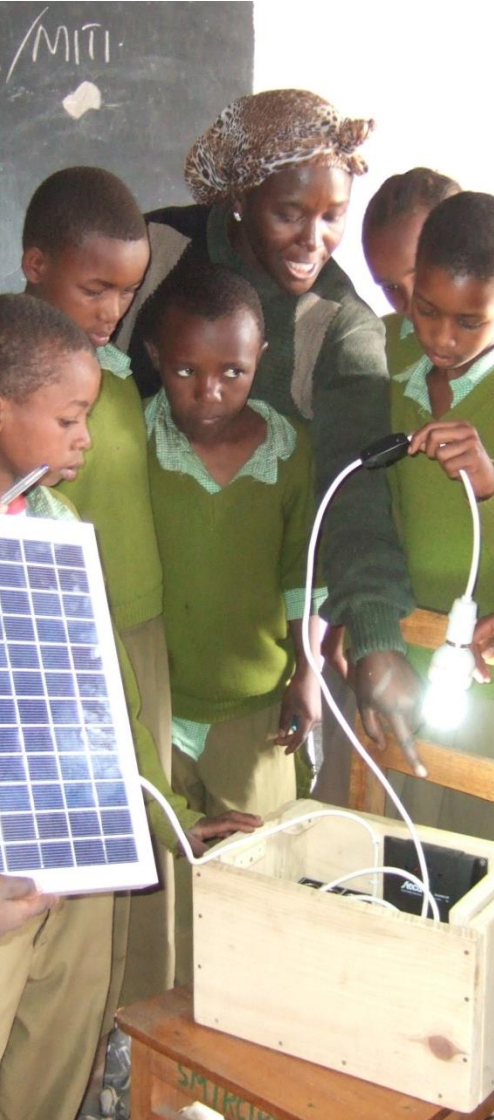
Business Models



IPP Technologies



External Investment Plan (EIP)





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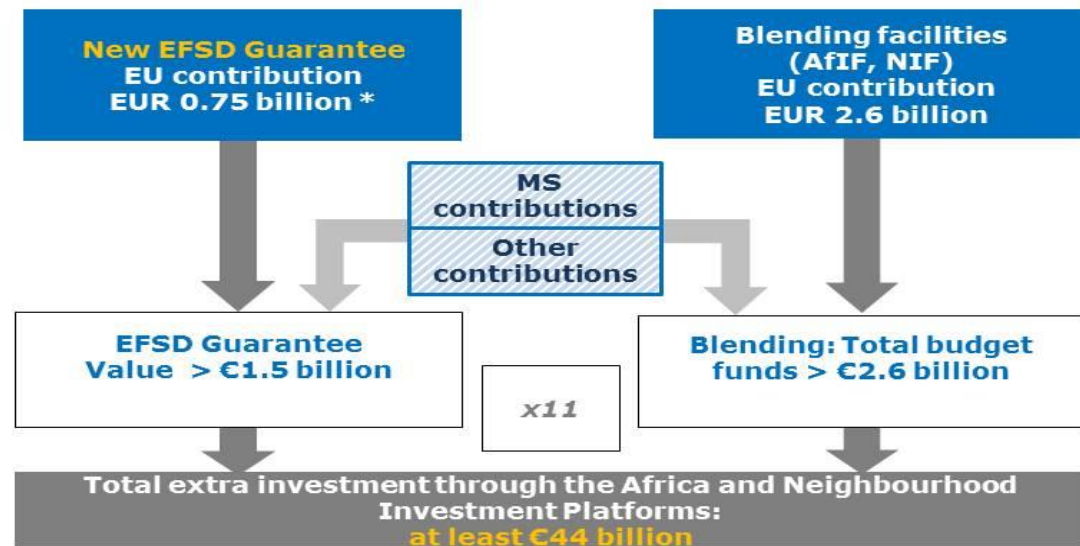
3 Pillars Structure
One-stop-shop / Web Portal



External Investment Plan (EIP)

NEW PARTNERSHIP FRAMEWORK – EXTERNAL INVESTMENT PLAN

European Fund for Sustainable Development (EFSD)



* Plus a EUR 0.75 billion contingent liability.



Obrigado pela atenção!

For more information:

http://eeas.europa.eu/delegations/mozambique/index_en.htm

<https://www.facebook.com/UEemMoz>

<http://ec.europa.eu/europeaid/energy>

<http://capacity4dev.ec.europa.eu/topic/energy>

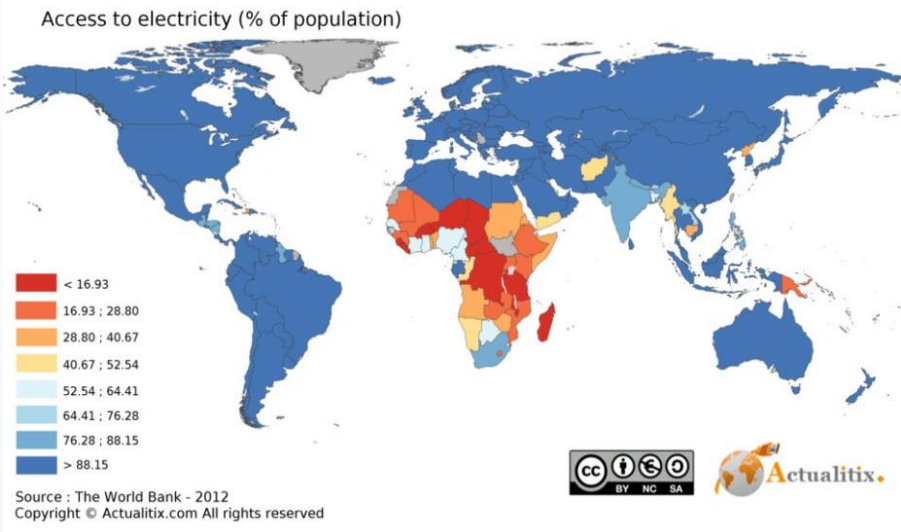
<http://www.electrifi.org/>

https://ec.europa.eu/europeaid/eu-external-investment-plan-factsheet_en

Email: Jose-Carlos.EDO-MONFORT@eeas.europa.eu

Facts & figures

Energy poverty



1.2 billion people without access to electricity (IEA, 2016)

3 billion people cook and heat their homes using open fires and simple stoves burning biomass (wood, animal dung and crop waste) and coal.

Over 4 million people die prematurely from illness attributable to the household air pollution from cooking with solid fuels (WHO,

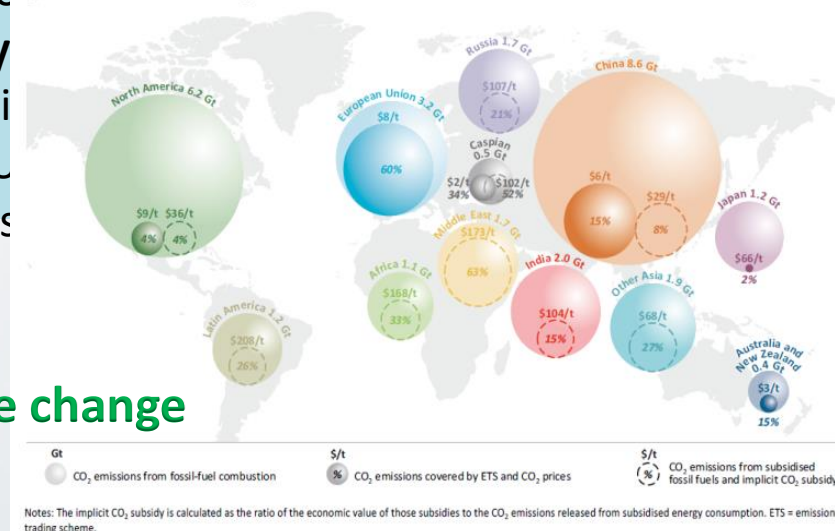
Energy financing

Annual requirement for the period from 2010 to 2030 to achieve the universal access to modern energy services and doubling the share of renewable energy in the global mix :

- **\$50 billion for energy access** (current spending is \$9 billion)
- **\$442-650 billion for renewable energy** (current baseline cost \$100 billion)

efficiency (SE4All Advise on Scaling Up Investments

Figure 1.2 Energy-related CO₂ emissions in selected regions, 2014



Climate change



Africa Renewable Energy Initiative (AREI)



- *EU strongly supports AREI objectives, guiding principles and criteria*
- *EU commitment: EUR 1.5 billion to support 5GW of new renewable energy by 2020 (half AREI objective by 2020)*
- *Enhanced cooperation through existing instruments:*
 - *Ensuring country ownership and local socio-economic development*



ElectriFI-FMO www.electrifi.eu

Investment facility to increase access to renewable energy (mainly decentralised) with the **private sector sharing high-risk** in projects business plan with **loans**.

Ticket size: **min. EUR 500k - max. EUR 10mln** (Small- to medium-scale)

Product range: **Equity, Quasi-equity, Debt and Development Finance**

2016 1st Call > 290 applications received

- 19 applications pre-selected (4 received final approval already)

2017 2nd Call > 155 applications received

- evaluation is ongoing (65 project host countries, business models - IPP (state or municipal off-taker), Utility (Mini-/Micro-/Nano-Grids), SHS, Captive Power - Private off-taker, Mobile power unit, telco tower)