



Sharing risk, maximizing impact

EFSD+ Guarantees and renewable energy investments in Sub-Saharan Africa

Maputo, 24th November 2023

A photograph of a blue European Union flag with twelve gold stars, held up by two hands. The flag is waving in the wind against a background of green trees. The image is partially obscured by a blue banner at the top and a blue square at the bottom.

*Danijela Bogdan, Investment Officer,
European Commission*

“Africa-EU Green Energy Initiative”

- Ambitious target: by 2030 support the deployment of at least 50 GW of additional RE capacity, providing at least 100 million people with access to electricity.
- Objectives:
 - increase access to affordable, reliable and sustainable energy services for people and businesses
 - strengthen cross-border energy trade and regional energy market integration, including between EU and Africa
 - to increase energy efficiency in Africa

EFSD+ guarantee

EUR 13 billion at global level in Open Access Guarantees

Guarantees provided to Partner Development Finance Institutions (DFIs)

DFIs use guarantees to mobilise their own funds and funds from other major private and public investors



European Bank
for Reconstruction and Development



EFSD+ guarantee

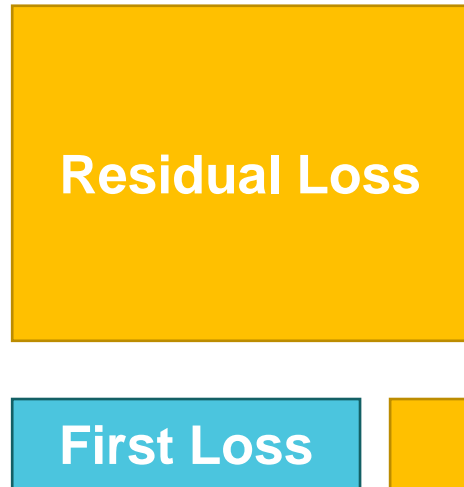
- First/second/third loss guarantees
- Credit enhancements
- Junior equity
- Securitisation
- Specific risk cover (PPAs, construction phases, etc.)

! Guarantee is priced: avoid market distortion and crowding-out of private capital

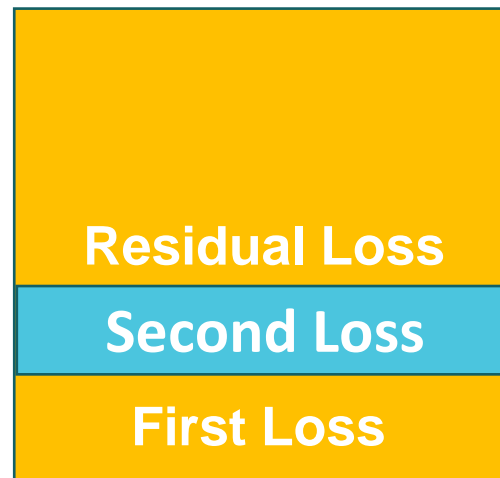
! Policy discounts for impactful operations

What types of guarantee structures are there?

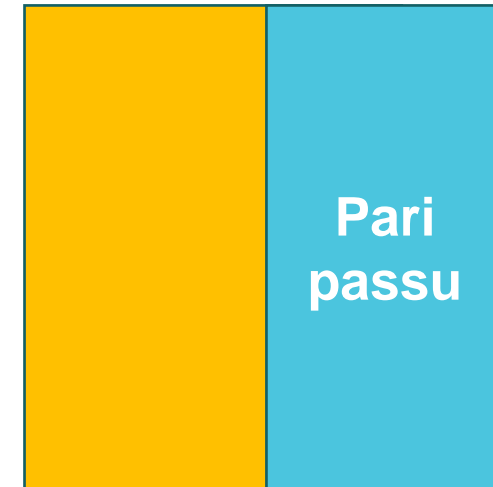
FIRST LOSS



SECOND LOSS



PARI PASSU



For individual loans and/or for the whole portfolio

Forthcoming EFSD+ RE and climate adaptation guarantees- potential opportunities for Mozambique

Carbon Sinks Guarantee Programme– EDFI (Association of European DFIs)	Accelerate the Energy Transition – AccelerET- AFD
<p>Objective: Increase carbon storage in partner countries and increase area of land or wetlands under sustainable management while delivering high quality emission reductions, restoring biodiversity, and improving the livelihoods</p> <p>Amount: up to 360 MEUR (Africa, Latin America, Asia)</p> <p>Total investment to be mobilised: 8.29 bnEUR</p> <p>Type of investments:</p> <ol style="list-style-type: none">1) Guarantee on equity and equity-like investments directly (into forestry and regenerative agribusiness companies investing in carbon sinks) or indirectly (into PE Funds of Carbon Credit funds)2) Technical Assistance: support to pipeline preparation	<p>Objective: Accelerating energy transition by promoting at-scale and innovative schemes in support of national energy utilities' decarbonization</p> <p>Amount: up to 164 MEUR (SSA, Asia)</p> <p>Total investment to be mobilised: 392 MEUR</p> <p>Type of investments:</p> <ol style="list-style-type: none">1) Guarantee on loans to public utilities on non-sovereign terms (credit enhancement), areas: production, storage, T&D (including smart grids), EE, RE (solar, wind, hydro, geothermal, biomass)...2) Technical Assistance: support to pipeline development and to public utilities achieving financial and governance sustainability

! How to get involved as a potential co-investor or beneficiary? → Get in touch with the relevant DFI or EUD Mozambique with a project idea (pipelines are under development)

Thank you



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