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)
• 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.

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

- Capacity building
- Enabling environment
- Project pipeline development

RECP

Resource Centre

Private sector

Public sector

2018

2022
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
Projects or businesses at least in “active development” stage
Round 1, Phase 1: 290 Applications from 55 project Host Countries

Africa 85% of which:
- East 34%
- Southern 26%
- West 26%
- Other 14%

Countries >10 projects:
- Tanzania 34
- Zambia 23
- Nigeria 19
- Kenya 18
- Uganda 14
- Rwanda 13
- Senegal 13
- Madagascar 12
- South Africa 10
Round 1, Phase 1: 3.7 GW / EUR 8.5bn project cost / EUR 800m requested

- Business Models:
  - IPP: 41.1%
  - Mini-grid: 17.4%
  - SHS: 15.8%
  - Captive Power: 12.8%
  - Other: 8.3%
  - PPP: 9.3%
  - Telecom Towers: 25.0%

- IPP Technologies:
  - Solar PV: 35.2%
  - Hydro: 8.3%
  - Hybrid: 9.3%
  - Biomass: 35.2%
  - Biogas: 9.3%
  - Wind: 8.3%
  - Solar CSP: 25.0%
  - Waste-to-Energy: 8.3%
  - Geothermal: 25.0%
  - Other: 8.3%
External Investment Plan (EIP)
External Investment Plan (EIP)

3 Pillars Structure
One-stop-shop / Web Portal
External Investment Plan (EIP)

NEW PARTNERSHIP FRAMEWORK – EXTERNAL INVESTMENT PLAN

European Fund for Sustainable Development (EFSD)

- **New EFSD Guarantee**
  - EU contribution
  - EUR 0.75 billion *

- **Blending facilities**
  - 
  - EU contribution
  - EUR 2.6 billion

- **EFSD Guarantee**
  - Value > C1.5 billion

- **Blending**: Total budget funds > C2.6 billion

Total extra investment through the Africa and Neighbourhood Investment Platforms: at least C44 billion

* Plus a EUR 0.75 billion contingent liability.
Obrigado pela atenção!

For more information:
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

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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, 2016).

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

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 of $258 billion)
- **$560 billion for energy efficiency** (current spending is $130 billion).

(SE4All Advisory Board's Finance Committee Report on Scaling Up Finance for Sustainable Energy Investments, 2015)

Climate change

Notes: The implicit CO2 subsidy is calculated as the ratio of the economic value of these subsidies to the CO2 emissions released from subsidised energy consumption. ETS = emissions trading scheme.
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
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)

ElectriFI-FMO www.electrifi.eu