



## PRESS RELEASE

### European Union announces its contribution to the Fund for Sustainable Access to Renewable Energy (FASER) in the framework of



**Maputo, 11 February 2021.** The Delegation of the European Union (EU) to Mozambique and the German Embassy have announced today their commitment to mitigate the negative effects of the Covid-19 pandemic on the energy sector.

Such contribution will be under the well-established *Fundo de Acesso Sustentável às Energias Renováveis* – FASER, to which the EU has put forward EUR 5 million and the German Government contributed with an additional Euro 0.5 million. This innovative financing mechanism – CovidPlus - aims at alleviating the impact of the pandemic on small and medium sized energy service companies and on the population that still has no access to energy.

The CovidPlus incentive will play a vital role in ensuring the business continuity of the private companies operating in this segment during the Covid-19 pandemic and at the same time give room to those companies to offer special price and payment conditions to their clients, temporarily relieving their household expenses.

More than 20,000 households living in rural areas should gain access to energy services through this mechanism. A call for proposals was also launched to select private companies for the delivery of such services.

Speaking about EU support to the energy sector, the Ambassador of the EU to Mozambique, Antonio Sánchez-Benedito Gaspar, stressed that “as part of EU response to the Covid-19 sanitary and economic crisis in Mozambique, the contribution to FASER is a smart way to reinforce the private sector capacity to deliver services and to support vulnerable populations to access energy services in an affordable and sustainable manner”.

The German Ambassador to Mozambique, Lothar Freischlader, said “EnDev-GIZ and FDC have worked intensively in 2020 on "rapid response" to ensure business continuity and access to energy. Two support mechanisms were introduced through FASER: CovidPay in May and a complementary mechanism, CovidPlus, was launched in September 2020 with €2.5 million from the German Government (Federal Ministry for Economic Cooperation and Development, BMZ). We welcome the EU's contribution to FASER to join this initiative and launch together today the second call for proposals”.

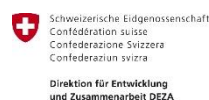
Graça Machel, Chair of the Board of Directors of FDC, who manages the FASER fund, said: "It is with great joy that we welcome the EU to this joint initiative of GIZ and FDC, which since 2019 has provided access to energy to more than a 100,000 Mozambicans but also, and most importantly, has been responding to the pressing needs of women and vulnerable families that face unprecedented challenges, resulting from Idai in 2019 and the global Covid-19 pandemic”.

The Minister of Mineral Resources and Energy, Ernesto Max Tonela, stated: "The Government of Mozambique is committed to providing universal energy access to its entire population by 2030. In this context the contributions of the European Union and the German Government play an important role in combining efforts towards this major national goal. The creation in 2019 of the *Fundo de Acesso Sustentável às Energias Renováveis* – FASER - was an important initiative to support the private sector in its efforts to provide energy supply services to rural populations living in locations far from the National Electricity grid. The mechanisms introduced by EnDev and GIZ are important to ensure business continuity in the energy access sector in the framework of the health and economic challenges resulting from the pandemic we currently face"

Mozambique’s efforts towards the 2030 target of achieving universal access to energy in Mozambique, in particular in rural areas, are at risk of being significantly delayed and even prone to suffer a regression if energy sector actors do not receive targeted support through the ongoing crisis.

FASER is implemented jointly by the German Cooperation Agency (GIZ) through its programme Energising Development (EnDev) and the local NGO Fundação para o Desenvolvimento da Comunidade (FDC). The EU funds are part of PROMOVE, an EU comprehensive approach to rural development in Mozambique.

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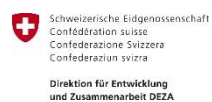
**For more information, please contact:**

*Ms. Sonia Arao Muchate, Presds & Information, Delegation of the European Union in Mozambique*

*Email: [sonia.arao-muchate@eeas.europa.eu](mailto:sonia.arao-muchate@eeas.europa.eu)*

*Or contact FASER directly at the following email: [faser@giz.de](mailto:faser@giz.de) and check if your company is eligible for the fund.*

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