



European  
Commission



# Empowering Development

Sustainable Energy and Climate  
Change

European Commission  
Directorate-General for International  
Cooperation and Development

# Global Vision



*Sustainable Energy for All  
(SE4ALL) initiative - 2011*

*UN 2030 Agenda for  
Sustainable Development,  
SDG7 and SDG 13 - 2015*



***Goal 7: universal access to affordable,  
reliable, sustainable and modern  
energy by 2030***

***Goal 13: Take urgent action to combat  
climate change and its impacts***

*Paris Agreement on climate  
change - 2015*

*COP23 Bonn – 2017*

*G7 and G20 energy, climate  
and development groups*



## **EU Vision**

***Increase access to renewable energy***

***Increase renewable energy generation capacity and energy efficiency***

***Contribute to fight against climate change***

### ***Special focus: Africa***

***Council Decision on Climate and Energy 2014***

***Council Conclusions on Energy and Development 2016***

***European Consensus for Development 2016***

***CC on Energy and Climate Diplomacy 2017***



## 3 pillars of cooperation

- **Political ownership of reform agenda**
  - 21 Joint Declarations
  - Africa Renewable Energy Initiative (AREI)
  - Africa-EU Energy Partnership
  - Contribution to National/Regional Indicative Programmes with EUR 3,7 bn 2014-2020
  - Covenant of Mayors for Sub-Saharan Africa
  - Implementation of Paris Agreement (NDCs) and the SDGs: GCCA+ and mainstreaming (20% budget climate relevant)
- **Capacity building**
  - Technical Assistance Facility (TAF)
- **Investments**
  - Blending facilities
  - ElectriFI, Women and Sustainable Energy



## Targets for Africa



- *EUR 2.7 billion to sustainable energy in Sub-Saharan Africa for 2014-2020 aiming at enabling access to 30 million people via 5 GW of renewable energy saving  $\approx$  11 million tCO<sub>2</sub>e/year*
- *Supporting African partners implementing their NDCs and the 2030 Agenda (through specific climate programmes like the Global Climate Change Alliance ([GCCA+](#)) and mainstreaming*

# 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*



# AREI: History and State of Play

- *Launched by African leaders at COP21, December 2015*
- *Endorsed by African Union Commission (Summit of Kigali 2016 and Addis Ababa 2017)*
- *Governance structure under discussion (task force established)*
- *Technical meetings with IDU and partners – Conakry 2-3 March*
- *Second Board meeting – Conakry 4 March*
- *When operational: **complementarity with the External Investment Plan (EIP)!***

## AREI: making progress

- *First 19 EU AREI projects approved (March AREI Board, Conakry)*
  - Expected generation capacity: 1.7 GW
  - Indicative EU contribution: €300 million
  - Potential investment: €4.8 billion
  - Guinea, Nigeria, Benin, Niger, Chad, Rwanda, Ethiopia, Tanzania and regional (Central Africa, Indian Ocean Islands)
- *Paving the way for AREI: intensified cooperation with EU IFIs and private sector to accelerate projects identification and implementation*
  - High level roundtable on renewable energy private sector (April 2017)
  - Renewable energy high-level business Forum (EDDs, June 2017)
  - Renewable energy & green economy Forum (Conakry, October 2017)
  - Sustainable Energy, Africa EU Summit (Abidjan, November 2017)



# Project example: BAUCHI Solar - NIGERIA

- **Lead financier:** *African development Bank (AfDB)*
- **Budget total:** *USD 202.74 – 212.24 million*
- **EU Contribution:** *USD 22.74 – 32.24 million to be confirmed*
  
- **Generation capacity** *100 MW*

## ***Estimated impact:***

- *Approx. 164,084 MWh of electricity per year*
- *2.5% increase of Nigeria's generating capacity*
- *Approx. 2,750,000 additional households with access to electricity*
- *79,860 tons of CO2 per year inhibited*

## ElectriFI [www.electrifi.eu](http://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



## ElectriFI [www.electrifi.eu](http://www.electrifi.eu)

- 2016 1<sup>st</sup> Call > 290 applications received
  - 19 applications pre-selected
  - In Africa:
    - 3 preparing for Clearance in Principle
    - 4 already cleared
    - 2 approved in **Kenya, Tanzania**
  
- 2017 2<sup>nd</sup> 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



# Africa Renewable Energy Scale-Up Facility (ARESUF)

- **1 million households** with **240 MW** on-grid and **50 MW** off-grid renewable energy
- 24 M€ from European Union through **AFD** and **Proparco**
  - **reinforce public sector actions:** public policy, sector planning and regulation, transparent tender preparation for IPP on-grid projects, develop national rural electrification sector strategies recognizing privately led off-grid activities
  - **support private sector projects** in the off-grid and mini-grid sub-sectors







# THANK YOU

*Please visit:*

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

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

<http://capacity4dev.ec.europa.eu/public-environment-climate>

[www.gcca.eu](http://www.gcca.eu)