

Energy Africa: Coordinated Support Offer



**ENERGY
AFRICA**

Solar energy can help deliver
energy access for all Africans by 2030



Energy Africa: Background

Aim

- Accelerate expansion of household solar market to **help** bring universal electricity access in Africa forward from 2080 on current trends to 2030

Opportunity

- Decreasing cost of Solar PV, efficient appliances (esp. LED lights), better batteries and spread of mobile payment systems creates
- Opportunity for market-driven solution meeting consumer's most highly valued energy needs – currently underserved and over-priced.


Approach

- **Campaign** to improve policy and support conditions to accelerate market-based SHS delivery - **focus within the wider scope of SE4ALL Action Areas/Agendas**
- **The core tool is Energy Africa Country Compacts incorporating agreed policy measures matched with a co-ordinated multi-donor support offer**

Energy Africa: Progress to Date

- **Launched in London in October** with Kofi Annan, Madame Zuma, AfDB President Adesina, Nigerian Vice President, and Ministers from Sierra Leone, Somalia and Ethiopia
- **Partnership Documents signed** with Ethiopia, Ghana, Malawi, Nigeria, Rwanda, Sierra Leone, Somalia. Further signatures expected soon with Mozambique, Kenya and Zambia.
- **MOU signed with Power Africa** at COP in December
- **Compact Development process started** – background studies complete and [online](#) , TA Facility in place and ToRs in development for Compact processes in partner countries
- **Compilation with donors of Regional Support Toolkit ongoing** – see next slides, discussing appropriate location for this information

Where Energy Africa fits – FEEDBACK WELCOME

| KEY: | SE4ALL/GG 7 Access and RE targets | | | | | Indirect contribution to access target (unless grid densification) | SE4ALL/GG 7 EE target |
|----------------------------|--|--|--------------------|---|-------------------|--|-----------------------|
| | UK co-fund | | | | | | |
| No UK support | Clean Cooking | Household Solar | Green Mini-Grids | Grid RE Power | Grid Non-RE Power | Energy Efficiency | |
| MDBs | WB ACCESS | Lighting Africa | | Majority of MDB lending – WB, AfDB New Deal on Energy, UK | | | |
| | ElectriFI | | | ESMAP | | | |
| Global & Regional | | IRENA / AREI | | NEPAD | | | |
| | EnDev | | | SEFA | | | |
| | Global LPG | ECREEE | | | | | |
| | Energy Access Ventures Fund | | EAIF, Globaleq/CDC | | | | |
| Bilaterals | | Power Africa | | | | E4A | |
| | |  | GMGs Africa | Majority of bilat. Support – Nor, De, Swe, NL, Fr, US | | | |
| Business Groups/ Fndations | | Triple 5 | | World Energy Council | | | |
| | | GOGLA | | World Economic Forum | | | |
| | ARE | | | Rockefeller, Shell Foundation | | | |
| NGOs/ CSOs | GACC | Power for All | | | | REEEP | |
| | | AKON | | | | | |
| | | SolarAid | | | | | |
| | GVPEP, Practical Action, SNV, EA Pract. Net. | | | | | | |

Support Needs – FEEDBACK WELCOME

Based on review of markets which have made progress to date on household solar, and review of support portfolios in place, the following are the **types of support**:

- 1. Legal and technical advice**
- 2. Market information and data**
- 3. Quality assurance and standards**
- 4. Matchmaking and trade missions between national and international firms and investors**
- 5. Transaction and technical advice to firms and developers**
- 6. Startup and feasibility/innovation grants/loans**
- 7. Working capital loan facilities**
- 8. Guarantee facilities**
- 9. Results-based financing (RBF) and incentives**
- 10. Promotion of consumer awareness**

Coordinated Support Compiled to Date

| | TA for govts | Market info | QA | Matchmaking | TA for firms | Startup grants/loans | Finance facilities | Guarantees | RBF | Consumer Awareness | Int. agreements |
|--------------|--------------|-------------|----|-------------|--------------|----------------------|--------------------|------------|-----|--------------------|-----------------|
| Ethiopia | | | x2 | | x2 | x2 | | | | | |
| Ghana | | | | x2 | | x2 | | | | | |
| Kenya | x2 | x2 | | | | x2 | x2 | | | | |
| Malawi | | | | | x2 | | | | | x3 | |
| Mozambique | | | | | x2 | | | | | x2 | |
| Nigeria | | | | | | | | | | | |
| Rwanda | | | | | | | | | | | |
| Senegal | | | | | | | | | | x2 | |
| Sierra Leone | | | | | | | | | | | |
| Somalia | | | | | | | | | | | |
| Tanzania | | | | x2 | x2 | | | | x3 | x2 | |
| Uganda | x2 | | x2 | | x2 | x2 | x3 | | | x4 | x2 |
| Zambia | | | | | | | | | | | |
| Zimbabwe | | | | | | | | | | | |
| Regional | x9 | x3 | | x3 | x8 | x6 | x3 | x3 | | | |

| | | | |
|------|--------|-------|------------------|
| AfDB | SE4All | EnDev | USAID |
| DFID | SIDA | GIZ | World Bank Group |
| EC | SNV | Norad | Joint Effort |

Energy Africa is...

- .. a **deep dive** on the household solar market, within wider frameworks – esp. SE4ALL Action Areas/Agendas
- .. **just one aspect** of wider DFID engagement on energy in Africa
- .. a **campaign** integrating political momentum, comms and a range of multi-donor support – not a “new programme”
- .. taking a **country-by-country approach**, linking them also with regional funds and programmes
- .. **fundamentally about better co-ordinating policy and support to move the HH solar sector**

Questions

- **African Governments are joining Energy Africa at the highest levels, is this appropriately reflected in SE4ALL Action Agendas?**
- **How can we position improved co-ordination on household solar, within a wider SE4ALL co-ordination offer?**
- **Is there a common online platform for co-ordination of support (and potentially projects) which we can together use or build?**

DFID existing programming

The campaign will then produce a toolkit of support at the regional and country levels that can be called down to the country level support work.

UK already has a number of programmes that will form a part of this support:

AECF Renewable Energy and Adaptation to Climate Technologies (REACT) Challenge Fund

- Kenya, Tanzania, Uganda - £27m

Energy and Environment Partnership Programme (EEP)

- Kenya, Malawi, Mozambique, Rwanda, Tanzania, Uganda, Zambia - €60m

Results Based Financing (RBF)

- Benin, Kenya, Rwanda, Tanzania - £10.7m

New Energy Applications and Delivery Models (NEADM)

- Innovation into solar products, M4D Utilities, mobile technology solutions - £4.1m

Sustainable Energy Access and Gender (SEAG)

- R&D to ensure energy sector activities better address women's needs - £16m

Climatescope

- A web-based index of countries' attractiveness for climate-related investment

Solar Nigeria Programme

- To improve welfare outcomes of communities in Lagos state and Northern Nigeria - £37m

Energy Access Ventures Fund

- The DFID Impact Fund managed by CDC, DFID investment - £11.5m

Another 30 country programmes already supporting household solar (to some extent)

- eg through market development and financial sector deepening programmes

DFID proposed programming

We are developing three additional programmes to support the campaign:

Transforming Energy Access (TEA) tests and builds the evidence base on **innovative technologies and business models** that can scale up affordable, clean energy access. It is a global applied research programme but with a focus on Africa outcomes. TEA will provide grant support to innovators and promising enterprises that can transform energy access, as well as promoting innovation partnerships and capacity building, and will leverage additional funding.

Africa Clean Energy (ACE) is **geographically focused**, following up directly on Energy Africa Compacts with support tailored to the policy reform and support gaps identified in each country. ACE support will mix grants and loans and go to both partner governments and firms operating in the campaign countries (typically not businesses chosen for their innovation as in TEA, but to get more businesses competing in particular markets). ACE support will include: 1. a Technical Assistance Facility in support of compacts to all the Energy Africa campaign countries, for example on quality assurance, national market information, integrating off-grid into national energy planning, support for mobile banking reform and customer awareness raising; 2. “seed finance” to firms for their start-up and early phases, matched by the businesses own finance; and 3. support for early innovation in market development.

Energy Access Debt Fund (EADF) is focussed on the **financial sector** in sub-Saharan Africa. EADF will support market expansion by providing loans to companies in three ways: local currency loans to the leading firms with the fund syndicating debt from local capital providers; dollar loans to new SHS market entrants with long track records in the solar sector (eg d.light); and dollar loans to businesses moving into new markets.