EU cooperation

Instruments and tools to support implementation of SE4All AA's and IP's

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The EU is applying a multilevel approach

**National & Regional Programmes**
*Strengthening bilateral and regional cooperation*

**Technical Assistance Facility**
*Catalysing reforms - improving investments environment*

**EU Blending Instruments**
*Fuelling inclusive growth*

**Grants for Rural Electrification**
*Empowering rural communities*
The EU strategy in the energy sector in the aftermath of COP21

- Our Commissioner confirmed that energy remains a top priority and encouraged us all to avoid fragmentation of efforts and approaches and to focus on a maximum of three main pillars, notably:
  1. **access to energy services** (in line with the SDG7),
  2. **renewables** (support energy generation limited to renewable energies),
  3. **private sector** engagement

- The EU will implement a coherent strategy that will cover all these goals and track the results produced
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.

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In the next 4 slides, I will try to present how the EU plans to put this multilevel approach to the service of facilitating SE4ALL objectives.
The EU is applying a multitool approach to achieve the goals

TARGET

- Creating a longlasting direct partnership with certain countries in the energy sector

TOOL

National indicative programmes (NIP's), signature of Joint Declarations

How does it work?

Steering a sector dialogue with African countries – Link to parallel programmes managed by EU Delegations residents in a wide network of African countries
The EU is applying a multitool approach to achieve the goals

**TARGET**

→ Planning of demand

**TOOL**

The EU's Technical Assistance Facility (TAF) for the SE4ALL initiative

**How does it work?**

The TAF has worked and is working in the elaboration of AA' and IP's and other strategic planning actions.
The EU is applying a multitool approach to achieve the goals

TARGET

→ Linking Supply and Demand - Matchmaking and covering the financial gap

TOOL

ElectriFI

How does it work?

ElectriFI works with a pipeline that opens to the private sector and includes bankability assessment.
The EU is applying a multitool approach to achieve the goals

**TARGET**

→ Providing capital for investments

**TOOL**

Funding through a multitude of instruments

**How does it work?**

Depending on the nature of projects and actions
National, Regional and Panafrican instruments used (feeding financial instruments)
A new financing initiative by the EU: ElectriFI

**ElectriFI objectives:**

- **boost investments by** increasing access to electricity and modern energy services as a driver for development, through unlocking the existing potential of the private sector.

- **bridge the financial gap** by making available early stage development risk capital, namely grants, that may convert into subordinated debt and which will be paid back when investments succeed.
ElectriFI Support: Early Stage Development Capital (illustrative)

- Convertible Grant
- Subordinated Debt
- Contingent Subordinated Debt

Cash flow for subordinated debt service and dividends
Cash flow for senior debt service
O&M costs

Pipeline boosting
Pipeline enhancement
Pilot / Growth phase
Scaling-up

YEAR

€
## The GET-FIT Initiative in Uganda

<table>
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<tr>
<th>GET-FIT Supported Projects in Uganda</th>
<th>Uganda's first grid connected solar PV power plant</th>
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<tr>
<td><strong>Project</strong></td>
<td><strong>Technology</strong></td>
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<td>Soroti</td>
<td>Solar</td>
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<tr>
<td>Nyamwamba</td>
<td>Hydro</td>
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<td>Rwimi</td>
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<td>PH Farms</td>
<td>Biomass</td>
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<td>SAIL Cogen</td>
<td>Biomass</td>
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<td>Kikagati</td>
<td>Hydro</td>
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<td>Kakira</td>
<td>Cogen Biomass</td>
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<td>Nengo Bridge</td>
<td>Hydro</td>
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<td>Muvumbe</td>
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<td>Lubilia</td>
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<td>Siti I</td>
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<td>Siti II</td>
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<td>Sindila</td>
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- GET-FIT facilitates private investment in small renewable energy projects (Hydro, biomass and solar) and provide top-up to private project developers to improve project financial viability
- Results: RE projects totalling 114.5 MW of which 20 MW Solar PV funded by ITF
- Partners are KfW, Deutsche Bank and cofunded by many European partners such as Norway, United Kingdom, Germany
Instruments and tools to support implementation of SE4All AAs and IPs

But in which countries can the EU funds be directed to?
Energy in National Programming

Energy stands high in the EU bilateral cooperation with African countries:

• At least 30 countries indicated that they favour energy as focal sector for the next programming cooperation (2014-2020)

• 14 of these countries are in Africa
  – Ethiopia, Tanzania, Lesotho, Liberia, Cote d’Ivoire, Benin, Togo, Nigeria, Burundi, Rwanda, Mozambique, Zambia, Kenya, Senegal
  – Ghana, Cape Verde and Uganda will also work in energy issues
In Burkina Faso the EU supported the development of Action Agenda and associated investments prospectus draft.

Facilitating countries in their SE4ALL planning
The EU has a strong cooperation relationship with ECREEE

→ EU and its TAF were present in the regional meeting validating the National Action Agendas
→ EU will in the next period support ECREEE with its Technical Assistance Facility in order to advance with Investment prospectuses in 5-7 countries (countries tbd.)
→ EU will support ECREEE and the region in its planning role and advancing of SE4ALL objectives planning

→ Facilitating regions to coordinate their SE4ALL planning at national and regional level
The EU has already worked with SADC on several energy actions:

→ EU will support SADC in the drafting of its regional Action Agenda

→ Facilitating regions to coordinate their SE4ALL planning at national and regional level

The EU is now providing continuous support through the EU SE4ALL Technical Assistance Facility (2015-2016) (150 mandays) to the Se4ALL secretariat.
EU Interventions under Uganda’s SE4ALL Initiative

First phase of EU Technical Assistance 2013-2014

- Kickstart of the SE4ALL Initiative
- Set up of the SE4ALL Secretariat
- Set up of the SE4ALL Task Force (MEMD, REA, Development Partners)
- Draft of the Uganda SE4ALL Action Agenda
- Draft of a work program 2015-2018
EU Interventions under Uganda’s SE4ALL Initiative

SE4ALL Energy Database

- EU Support (2015-2016) to the Government of Uganda for SE4ALL through the EU Technical Assistance Facility

- Designing a multi-tier framework to track and measure developments with regard to SE4ALL goals in Uganda

- Develop a computerised database software toolkit for storage and management of data for the progress of SE4All goals in Uganda
Discussion
The different role of Action Agendas and Investment prospectuses

<table>
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<th>ACTION AGENDA</th>
<th>INVESTMENT PROSPECTUS</th>
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<tr>
<td>Led by the country</td>
<td>Tests the Action Agenda goals and the possible interest of the private and financial sector</td>
</tr>
<tr>
<td>Reflects strategic needs and choices</td>
<td>Provides framework</td>
</tr>
<tr>
<td>Reflects needs</td>
<td>Provides feedback</td>
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This iterative process needs to be encouraged
Thank you for your attention!