

Powering the World: The European Union's Work on Energy



THE EU – LEADING THE WAY ON ENERGY

The EU is the biggest donor in energy worldwide. Our work on energy is powering the world – from helping people to light their homes using solar panels, to providing electricity to thousands of households and businesses across Africa, EU aid on energy is delivering results.

In fact, in its recent Agenda for Change communication (a commitment to increase the impact of aid by focusing on fewer sectors), the EU confirmed energy as one of its priorities.

The EU was also one of the first to recognise the importance of energy access in order to reduce poverty, with the 2002 launch in Johannesburg of a policy initiative dedicated to this challenge: the EU Energy Initiative for Poverty Eradication and Sustainable Development.

This led to the EU Africa Energy Partnership setting clear objectives: bringing access to modern and sustainable energy services to at least 100 million Africans and increasing the Renewable energy capacity in Africa by more than 15000 MW.

Consequently the EU has launched a range of financial instruments to promote energy investments. And they have produced results.

Talking Numbers: Existing EU funding on energy at a glance

- The Commission and the Member States' contribution in grants and loans reached €11.5 billion over 2003-2011, with close to 50% for renewable energy sources.
- From 2005 to 2011, the European Commission on its own provided €1bn in grants for energy programmes in ACP developing countries.

This includes:

1) Technical Assistance Platform

Total: €50 million to date for 2012-2013

This money helps developing countries to set up country action plans for energy and carry out the regulatory reforms needed to raise the necessary private capital to implement those plans in African countries. This is part of the new EU 'Energising Development' initiative, which was created as a response to the UN's Sustainable Energy for All (SE4A) initiative.

2) EU Financial Instruments on Energy

EU-Africa Infrastructure Trust Fund (ITF)

Total: €392 million

Financial tool to combine grants and loans from EU and Member States with the lending capacity of banks (such as the European Investment Bank) to support local infrastructure projects.

Global Energy Efficiency and Renewable Energy Fund (GEEREF)

Total: €108 million since 2008

GEEREF is a public-private partnership, offering risk sharing and co-funding opportunities for both the commercial and public investor.

3) Financial instruments dedicated to Energy Access: The Energy Facility

Total: €420 million

The Commission's basic instrument for supporting energy access since its establishment in 2005. Operates through a combination of call for proposals and a blending mode for large projects.

4) Africa-EU Renewable Energy Cooperation Programme

Total: €6.6m 2011- 2013

Launched in 2010, this programme helps to stimulate sustainable economic and social development in Africa through an increased use of the continent's renewable energy sources.

5) National and Regional Programmes in ACP developing countries

Total: €275 million

A range of programmes to respond to a specific country or region's energy needs

EU-Africa Infrastructure Trust Fund

With poorly interconnected national power systems, reliability of energy supply in Africa is low, creating a huge barrier to providing energy services to the people and to business productivity.

However, the EU-Africa Infrastructure Trust Fund is helping to address this issue by acting as a financing tool, combining loans from the EU and Member States with the lending capacity of banks to support local infrastructure projects. So far, it has approved 57 grants worth almost €300 million.



Project in Focus

The **Caprivi Interconnector project** is a good example of the EU-Africa Infrastructure Trust fund at work. Under the project, a 300 megawatt high-voltage, direct-current transmission connection stretching for 950 kilometres has been constructed; boosting electricity transmission between Zambia, Namibia and South Africa and delivering reliable and cheaper access to electricity, which is crucial to development in Southern Africa.

The ACP-EU Energy Facility

The EU is also providing support at local level. The EU Energy Facility was established in 2005 to support projects giving poor people in rural and peri-urban areas greater access to sustainable and affordable energy services. Through the programme, the EU has now been involved with more than 140 projects in ACP countries, bringing modern energy services to between **12 and 13 million people**.

Project in focus

A powerful example of this project is the **PAMENU project in Uganda** – set up to provide access to basic energy services to rural households, social institutions and small and medium-sized businesses.

With a small budget, the project succeeded in extending modern energy services to more than **a million people**. 200,000 households were provided with improved cooking stoves, small hydro power plants were built to supply electricity to 3 communities and 140 instructors in solar technologies were trained.

National and Regional Programmes

We also carry out a number of special national and regional programmes – allowing us to respond to countries' specific energy requirements where needed.



Project in Focus

Bringing cheaper energy to Djibouti

Through a national programme, the EU will support a project giving access to low-cost renewable energy available from Ethiopia to Djibouti through the recently constructed interconnection power line. This will provide energy to more than 33,000 citizens of Djibouti who had been paying one of the highest electricity prices in the world. The new line will also ensure access to electricity to an additional 9,000 people living in the 12 border towns in Ethiopia.

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Energy will be a key focus at the UN Conference on Sustainable Development (Rio+20) in Brazil in June 2012.

The EU is in favour of setting concrete targets on key priority areas at Rio, including sustainable energy.

The Sustainable Energy for All Summit on 16th April will be a key milestone on the way to Rio – bringing together high-level representatives from the EU, the UN, developing countries, industry and civil society organisations committed to achieving sustainable energy for all by 2030.

More information

On the EU's work on energy:

http://ec.europa.eu/europeaid/what/energy/index_en.htm

On the Caprivi project:

http://ec.europa.eu/europeaid/what/energy/sustainable/cs_caprivi_en.htm

On the Pamenu project:

http://ec.europa.eu/europeaid/what/energy/sustainable/panemu_en.htm

On the EU's Sustainable Energy for All Summit:

http://ec.europa.eu/europeaid/what/energy/sustainable/se4all_en.htm

On the Sustainable Energy for All Initiative:

<http://www.sustainableenergyforall.org/>

On a recent EU Eurobarometer survey on energy:

<http://europa.eu/rapid/pressReleasesAction.do?reference=IP/12/363&format=HTML&aged=0&language=EN&guiLanguage=en>

