



# Regional Electricity Investment Conference

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- 1) ACP–EU Energy Facility (220 mEuro in grant)
- 2) Europe–Africa Partnership for Infrastructure

# The EUEI

Agreed Objective: “Facilitate the achievement of the Millennium Development Goals through the provision of sustainable energy services”

**Political recognition of the importance of energy**

**Enhanced efficiency, co-ordinated EU input**

**Increased activity**

**Attract innovative resources**

# Nairobi recommendations

- Rural energy in general and in particular rural electrification
- Energy for households, biomass and substitutes
- Assistance in drafting strategies and policies for the sector, both at national and at regional level
- Capacity building at all levels

In response, the EU approved an ACP–EU Energy Facility (220 mEuro) aiming at

- The use of sustainable energy services for productive and social purposes of the targeted population in ACP countries has significantly increased
- Significant and measurable steps have been taken towards achieving the Millennium Development Goals

# Key principles

- Ownership by Developing Countries
- Ability to attract additional funds from banks and private sector
- Close collaboration with Member States e.g. parallel financing
- Innovative approach with focus on e.g.:
  - **productive uses of energy**
  - **cross sectoral actions**
  - **a wide menu of institutional and technical options**

# Activity area 1 Delivery of energy services

Targeting countries and regions where an enabling policy framework is in place

- Provide co-financing to delivery oriented projects that improve energy access for people living in rural and peri-urban areas, and remote islands
- Leverage from public and private sources is needed
- Innovative approaches to address energy needs may be applied, e.g. in an integrated and cross sectoral way



## Activity area 2 Creating enabling environment

Targeting countries and regions where enabling policy and governance framework need to be developed

- Support development of national energy policies and strategies, e.g. in the context of poverty reduction
- Improve institutional, legal and regulatory framework
- Strengthen key stakeholders
- Improve monitoring and evaluation capacity



# Activity area 3 Facilitating large investments

- Preparatory activities to facilitate future investment in cross-border interconnections, grid extensions and rural distribution
- Addressing African Union/NEPAD priorities
- It is expected that the Facility in this way can mobilize significant additional investment for energy and development

# Modalities of implementation

- Call for proposal system for delivery oriented projects (Activity area 1)
- Has to work within EDF regulations
- Approval of Financial Commitment and launch of call for proposal by April 2006



*A Europe - Africa  
Partnership on Infrastructure*



## Key EU decisions – A focus on Africa

Increased resources - a EU target of 0.56% of ODA/GNI– an additional €20 billion by 2010 with 50% earmarked for Sub Saharan Africa (SSA)

An emphasis on governance, interconnectivity & access to services that builds on existing development programmes

A Europe - Africa Partnership on infrastructure, based on AU-NEPAD strategies that include sustainable trans-African networks for interconnecting Africa





# A Partnership that interconnects Africa....

Must tackle the high cost of services that reduce trade competitiveness and hinder African growth, e.g:

Transport:

- eliminate the "informal" charges along regional transport corridors that are almost equivalent to legal road user charges,
- rationalise port operations that make the cost of clearing a container through the port of Dakar the same as the shipping cost from Dakar to Rotterdam

Energy

- reduce unreliability of power supply, power cuts etc. that increase manufacturing costs, foster energy trade and exchange

ICT

- overcome the inefficiency of existing communication and information systems





... shares the benefits of improved management & use of regional resources....

## WATER

By addressing the current sub-optimal use of scarce regional resources through integrated water resource management, transboundary river basin approaches etc.

...and increases access to basic services

By ensuring the complementarity with national strategies and sectoral objectives





# Creating the Partnership

## – some guiding principles

Enhance working relations with Member States, EIB and EDFIs involved in infrastructure

Use this European-led initiative as a way of achieving coordination and complementarity

Use the Partnership to improve networking with African Development Bank, RECs, World Bank, UN and other important players

Find the financial resources to fill the systematic gap between available finance and sustainable needs for infrastructure development





# Creating the Partnership

## – aim, scope, coherence & priorities

The Partnership **aims** to support and initiate programmes (trans-African networks) that facilitate interconnectivity at continental level for the promotion of regional integration

**Scope:** transboundary and regional infrastructure: transport networks: roads, railways, inland waterways, ports and airport; water and energy infrastructure and connections, and ICT.

**Coherence** between regional development objectives and pro-poor growth strategies at a country level





# Creating the Partnership

## - complementarity with sectoral objectives

**Transport** – reduce the cost and improve the quality of services - trade corridors without borders, better and safer roads, competitive rail services, efficient ports and airports, safe seas and skies...

**Water and sanitation** – sustainable use of available and finite water resources – improved water management at national, river basin and transboundary levels...

**Energy** – access to sustainable and affordable energy services - facilitate essential investments for generation, cross-border interconnection, grid extension and rural distribution...

**ICT** – affordable access to telephone, broadcasting, computer and Internet services..



THANK YOU

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