

EUEI Bulletin

Selected News and Information on European Energy Development Cooperation

No. 4 | September 2016

REMINDER

Dear EUEI Members,

Please support us in the **validation of the European portfolio on Energy in Development Cooperation** and reply to the consultation **by the 15th of September**. This will help ensure that the study provides EUEI members with a robust and reliable overview of the energy development field and of cooperation opportunities.

Additionally, please use this opportunity to provide **case studies and best practice examples for the EUEI Brochure** to help illustrate the practical contribution to energy development cooperation made by the European Commission and Member States. Please also provide these **by the 15th of September**.

Please contact <u>Luca Ferrini</u> should you have any questions.

Additionally, please be aware the that **date of the next EUEI meeting** is being rescheduled, and we will be in touch with further details as soon as this has been set.

Dear EUEI Members, dear Readers,

We hope you had a restorative and sunny summer break!

Back at our desks and looking to a busy autumn ahead, we are happy to share with you the latest **EUEI Bulletin.**

As always we aim to inform EUEI stakeholders (predominantly EU Member States) about key developments in the field of energy development cooperation, with a focus on European activities. In doing so, we hope to support and strengthen your and other stakeholders' participation in the EUEI process.

Our invitation still stands: Join us in our efforts to enhance communication and information exchange on energy development cooperation, and help make EUEI efforts visible, by sending us ideas, stories, experiences, facts and figures from your work. For this and any other enquiries about the EUEI Bulletin, please contact Fiona D. Wollensack.

With kindest regards from Brussels, Your team of the EUEI support project, EUEI PDF

UPCOMING EVENTS

- 1. G20 Summit; Hangzhou, China; 4-5 September | Event Details
- Workshop: Harmonisation of methodologies for tracking energy access [Invitation Only];
 Brussels, Belgium; 20 September | <u>Contact Information</u>
- 3. Energy & Environment Partnership (EEP): 4th Knowledge Exchange Forum; Nairobi, Kenya; 20 September | Event Details
- 4. Climate Chance Summit for cities and other non-state actors; Nantes, France; 26-28 September | Event Details
- 5. Development of a Harmonised Regulatory Framework for the Electricity Market in Africa, Validation Workshop; Cairo, Egypt; 27-29 September | [Invitation Only]
- 6. Developing a Sustainable Energy Supply for Africa: Opportunities for Investment and Economic Transformation; Potsdam, Germany; 28 September | Event Details
- 7. International Off-Grid Renewable Energy Conference (IOREC); Nairobi, Kenya; 30 September-1 October | <u>Event Details</u>
- 8. World Energy Congress; Istanbul, Turkey; 9-13 October | Event Details
- 9. EUEI Advisory Board Meeting; Brussels, Belgium; 4 or 5 October | Event Details
- Engendering Habitat III: Facing the Global Challenge in Cities, Climate Change and Transport;
 Madrid, Spain; 5-6 October 2016 | <u>Event Details</u>
- 11. Powering Africa: Nigeria 2016 Getting Electricity Investments Moving; Abuja, Nigeria; 12-14 October | Event Details

THEMATIC SECTIONS

News from the European Union: with details of a new publication on the EU's activities

In the Spotlight: COP22 looms large, and an update on climate finance and progress on SDG indicators

Opportunities for the Private Sector: with details of two large calls for consulting services for the RECP

<u>Africa Focus</u>: presenting proposals for infrastructure financing, training on commercial biogas, and energy plans in Tanzania and Namibia

<u>News from the Member States</u>: introducing the new head of the OECD DAC, cooperation in Kenya and Morocco and a first glance at Italy's forthcoming G7 presidency

Media Suggestions: offering reports and webinars to support your work

NEWS FROM THE EUROPEAN UNION

Affordable energy for all as a key priority – EU reports on international cooperation activities

The first report based on the new "EU International Cooperation and Development Results Framework" has just been released by EU Commissioner for International Cooperation and Development, Neven Mimica. The <u>report</u> contains a selection of results achieved in about 100 partner countries across the globe, focussing on projects and programmes receiving more than €750,000 in funding from the EU, and completed between mid-2013 and mid-2014.

The publication, designed in a reader-friendly way, is the first of its kind and aims to make EU development policy more transparent, accountable and visible for a broader public. It highlights a breadth of European activities by the issues being addressed – energy, climate protection, agriculture etc. – and by partner country. In the field of energy it spotlights, for example, 22 km of medium-voltage and low-voltage electricity transmission lines which were built in the Democratic Republic of

Congo with the support of the EU, benefiting rural households, or the EU's efforts to help local actors develop effective power sector regulations and harmonise their regulatory policies, for example by supporting the African Forum for Utility Regulators.

For more information about the report, click $\underline{\text{here}}$.

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IN THE SPOTLIGHT

Climate change remains high on international agenda: COP22 in Morocco in November

The 22nd session of the Conference of the Parties (COP22) to the United Nations Framework Convention on Climate Change (UNFCCC) is scheduled to take place from 7-18 of November 2016 in Marrakesh, Morocco. During the upcoming conference, parties will begin preparations for entry into force of the COP21 Paris Agreement, signed at last year's summit. The EU has committed itself to play a major role in the implementation of the agreement. It is already taking steps to implement its target to reduce emissions by at least 40% by 2030. Nevertheless, financing the efforts against climate change, especially in developing countries, remains one of the biggest challenges.

Members of the EUEI will of course be in attendance, both negotiating and presenting their work and achievements. Amongst the efforts being showcased at COP22 is the Africa Renewable Energy Initiative (AREI) which has progressed since its launch to establish a secretariat and develop a pipeline of projects which contribute to the deployment of renewables across Africa. A special informal meeting of the EUEI in July 2016 served to prepare this process and identify common criteria and projects for the pipeline.

For current news and updates on COP22, please see here.

The latest information on AREI can be found here.

To read the full report, click here.

\$81 billion mobilised in 2015 to tackle climate change highlighted in joint MDB report

The fight against climate change remains high on the agenda of the world's six largest multilateral development banks (MDBs). Together they mobilised a total of \$81 billion for climate projects in 2015 according to the 2015 Joint Report on Multilateral Development Banks' Climate Finance, prepared by the Asian Development Bank (ADB) with the African Development Bank (AfDB), the European Bank for Reconstruction and Development (EBRD), the European Investment Bank (EIB), the Inter-American Development Bank Group (IDBG), and the World Bank Group (WBG). The report reveals that MDBs delivered over \$20 billion for activities of greenhouse gas emissions mitigation through clean energy projects and projects for energy efficiency. Another \$5 billion were spent on adaptation to climate change. Since 2011, MDBs have jointly committed more than \$131 billion in climate finance. Renewable energy received the bulk of mitigation finance (30%). The largest amount of adaptation funding went to the water sector, including wastewater systems (27%). The report notes that MDBs will further scale up climate finance activities across multiple sectors.

Decentralised energy access for the poor: more public financing needed

The International Energy Agency (IEA) and the Sustainable Energy for All initiative (SE4AII) estimate that nearly \$50 billion a year are needed to achieve universal access to electricity and clean cooking facilities by 2030. But to what extent is international public finance for climate change targeting decentralised energy access for the poor? This is the topic of the background paper "Unlocking climate finance for decentralised energy access", published by the UK-based International Institute for Environment and Development, IIED, together with its partner organisation HIVOS.

The conclusion: Although the energy sector is a big recipient of climate funds, only a small share goes to decentralised energy. Out of the approved \$14.1 billion of total international public climate finance, between 2006 and 2015 only just over 3% has been allocated to decentralised energy specifically. According to the authors, international climate funds often do not have the right instruments or design elements which would enable them to prioritise decentralised energy access. The report therefore recommends adjusting the design features of climate funds and promoting diversified and more appropriate financing instruments for projects on decentralised energy access. Nepal and Bangladesh are described as best-practice examples for national efforts to enhance finance of energy access for the poor.

The background paper is available here.

On the way to a "data revolution" – the SDGs need appropriate and robust indicators

When the international community agreed upon the 2030 Agenda with its 17 Sustainable Development Goals (SDGs) and 169 targets last September in New York, developing appropriate indicators to measure the progress with regard to these goals and targets remained a work-in-progress. In the meantime, the Inter-Agency and Expert Group on the SDG Indicators (IAEG-SDGs), established by the UN Statistical Commission, has presented a total set of 231 global indicators. These indicators, supposed to be further refined during the SDGs' 15-year period, are the data points by which each SDG target will be measured.

In the upcoming months, more work needs to be done on the methodology of indicators, since about 40% of the proposed indicators currently do not have an agreed methodology. Additionally, in some areas only insufficient data is available. Thus, there is a clear need for extensive statistical capacity building and a "data revolution", as an integral component of the 2030 Agenda. A policy and timeline for this will be discussed at a meeting of the IAEG group in Addis Ababa, Ethiopia, in October 2016. Next, the indicator framework must be approved in the UN General Assembly (UNGA).

Meanwhile, a selected set of indicators were already assessed in the first SDG Progress Report, which highlights the current, most significant gaps and challenges in implementing the SDGs. This annual report will serve as a benchmark for assessing implementation of the 2030 Agenda throughout the next 14 years.

To read more about the ongoing development of the indicator framework, click <u>here</u>. The first SDG Progress Report is available <u>here</u>.

The EUEI will also be addressing the complexities of the methodology by which to measure and monitor progress on energy access (SDG7) at its forthcoming workshop, held by DG Devco, several EU Member States and Agencies, together with GIZ and KfW, in Brussels.

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OPPORTUNITIES FOR THE PRIVATE SECTOR

RECP: Call for proposals for policy advisory and market information services

Two tenders for consulting and support services have been published by the Africa-EU Renewable Energy Cooperation Programme (RECP). The <u>Policy Advisory</u> tender describes a work package for a service provider to assist Sub-Sahara African countries with building public sector capacity for private sector-orientated renewable energy policies and regulation. The <u>Market Information</u> tender describes a work package of providing "how-to"-studies in various renewable energy market segments (technology, size, on/off-grid) in Sub-Sahara African countries with the aim of unlocking currently untapped or underdeveloped business opportunities. The full set of tender documents and terms of reference for both tenders can be found on the tendering section of the GIZ website, under

the section for services above the EU threshold. Deadline for the submission of proposals is the 5th of October.

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AFRICA FOCUS

Proposal for a "delicate balance" on financing Africa's infrastructure

While progress has been made with regard to large regional infrastructure projects in Africa, the necessary scaling-up of financing infrastructure has yet to take place. The issue of an appropriate structure of financing for infrastructure investment in developing countries, particular in Africa, has garnered little attention so-far. A recent report published by the Brookings Institution, however, seeks to change this.

Considering the differences in investors' preferences and the risky nature of infrastructure investment that Africa still faces in many parts, the authors of the paper argue that the continent needs to come to a delicate balance between development banking and institutional long-term investment. In a first phase, development banks — which have both the necessary flexibility and expertise — should help finance the riskier phases of large greenfield infrastructure projects. In a second phase, development banks should then disengage and offload their mature brownfield projects to pave the way for a viable engagement of long-term institutional investors such as sovereign wealth funds (SWFs). The authors also recommend that banks and, in particular, development banks and multilateral development banks (MDBs) that have expertise in infrastructure and flexibility in terms of their investment horizon, play a key role in this process.

The full report can be downloaded <u>here</u>.

"People at the centre of action" – launch of the Tanzania Sustainable Energy for All (SE4All) Action Agenda

Tanzania officially launched its Sustainable Energy for All (SE4All) Action Agenda and Investment Prospectus during a workshop organised by the Ministry of Energy and Minerals, together with the United Nations Development Programme (UNDP) and the African Development Bank (AfDB). The SE4All Action Agenda sets Tanzania's 2030 targets for access to electricity and clean cooking solutions as well as for the share of renewables within the country's energy mix. It also designs improvements to be made for greater energy efficiency. Thus it constitutes the national response to SDG 7, which aims to ensure access to affordable, reliable, sustainable and modern energy for all. The African Development Bank supported the development process of the Action Agenda and Investment Prospectus with technical assistance financed via the African Climate Technology Centre (ACTC). In his key note address during the launch of the Action Agenda, Tanzania's Minister of Energy and Minerals, Sospeter Muhongo, stressed that it is the people of the country who need to be at the centre of all actions.

You can read the full story here.

Scaling up commercial biogas projects in Africa

About 100 delegates from Kenya, Uganda, Nigeria and Tanzania, attended the Biogas Africa Forum and the first German Biogas Training Day in July 2016 in Nairobi. The two conferences were organised by the International Clean Energy and Sustainability Network (ICESN) together with GIZ's Project Development Programme (PDP). Their aim was to foster the promising but very distributed successes in commercial biogas development in sub-Saharan Africa. The Biogas Africa Forum offers a

platform to share common experiences, deliver solutions, overcome challenges and transfer competencies in commercial biogas project developments in sub-Saharan Africa.

Focusing on concrete action, a German Biogas Training Day was conducted by the German biogas developer Snow Leopard Projects GmbH together with the German Biogas Association (FvB). The training featured topics on biogas basics and biology, safety measures as well as basic economic performance calculations. It took into consideration that, starting from mostly aid-driven, small-scale distributed rural biogas, a number of biogas projects with commercially viable plants have sprung up all over African countries of late.

The <u>PDP</u> is commissioned by the German Ministry for Economic Affairs and Energy (BMWi) under the 'energy solutions – made in Germany' initiative.

Namibia aims for 70% renewable energy in 2030

Namibia is in the process of reformulating its national renewable energy policy, according to "ESI Africa – Africa's Power Journal", an online news-platform specialised in energy topics in Africa. With this new policy the Namibian government wants to scale-up the contribution of power from renewable sources in the country's electricity mix.

Key points are to address the problem of inadequate access to electricity (especially in rural areas), the challenge of extending affordable energy services to underserved populations, and the need for self-sufficiency and energy independence. The country also wants to ensure that the development of the energy sector is climate-resilient and able to secure energy access even in a changing natural environment. Four different scenarios have been developed to reach these goals, expressing different possible pathways that Namibia can take, with varying levels of installed capacity of renewable energies. The most ambitious one sees a 70% share of renewable energy in the country's energy mix by 2030.

For more information, visit the ESI Africa <u>website</u>. [back]

NEWS FROM THE MEMBER STATES

France

The French Development Agency (AFD) is providing €33 million of financing (about 3.7 billion Kenyan shillings) to support the installation of renewable energy generation units in 23 Kenya Power minigrids, currently powered by diesel generators. They will be primarily replaced by solar photovoltaic units, but also by wind turbines. The project is expected to reduce the average cost of electricity production through mini-grids by an average of 20%, to improve the security of energy supply in the country - thereby supporting economic development - and to reduce greenhouse gas emissions.

Since the beginning of its activity in Kenya in early 2000, AFD has committed over €800 million of loans to the Kenyan power sector, spread across the entire industry value chain: from drilling for the development of geothermal energy, to renewable energy plants, national grid and interconnection with Ethiopia, electrification in rural areas and in urban areas, as well as providing support for investment by small and medium-sized enterprises.

For more info, see here.

Greece

A joint Declaration of Intent on Renewable Energy Cooperation has been signed by the Greek Ministry for Environment and Energy and the German government. The declaration refers to the 'Technical Assistance for Renewable Energies and Energy Efficiency in Greece' (TARES+) project,

which is implemented by German International Cooperation (GIZ) on behalf of the Federal Ministry for Economic Affairs and Energy (BMWi), with co-financing from the European Commission.

Within this framework, Greece and Germany have agreed to cooperate in developing joint pilot projects with high shares of renewable energy that could serve as lighthouse projects. They will show the significant potential for the cost-competitive deployment of renewable energies. The approach could also include projects on the Greek non-interconnected islands where electricity consumption is currently covered by expensive and polluting diesel generators.

Italy

Following Japan in 2016, Italy will assume the rotating presidency of the G7 in 2017. While details about the substantive focus of the presidency are in the process of being developed, it is expected that a number of international development issues of direct relevance to Italy will be on the agenda, such as the Mediterranean migration crisis or the implementation of the SDGs in particular in Africa. A number of talks and events have already taken place in anticipation of Italy's forthcoming G7 presidency, such as a recent meeting between Italian Prime Minister Matteo Renzi, FAO Director-General José Graziano da Silva, Italian Agriculture Minister, Maurizio Martina, and Carlo Petrini, President of Slow Food and recently named FAO Special Ambassador Zero Hunger for Europe, on how hunger, violence, climate change and the violation of human rights are forcing millions of people to abandon their lands.

It is also expected that energy development cooperation will play a central role during the Italian presidency, not least given its role as co-chair of the <u>Africa-EU Energy Partnership (AEEP)</u> and as an active EUEI member. Further information will follow in future editions of the EUEI Bulletin.

For information about the meeting mentioned above, follow this <u>link</u>.

The official website of the current G7 Presidency, held by Japan, can be found here.

Portugal

Portugal has signed two cooperation agreements on renewable energy with Morocco, according to the news agency "Morocco World News". The Portuguese Institute for Systems and Computer Engineering, Technology and Science (INESC TEC) will support the Moroccan Institute for Solar and New Energies Research (IRESEN) and the National Applied Sciences School (ENSAK) in integrating renewable energy into Moroccan electrical systems. The partnership focuses on advanced training, where INESC TEC will share its proficiency in renewable technologies integration — especially for solar, photovoltaic and wind in isolated networks. INESC TEC is already working to install the most modern smart grid laboratory in Africa as part of a project with Morocco named SECRETS (Sustainable Energy Cluster Realised through Smart Grids).

For more info, click here.

Sweden

Charlotte Petri Gornitzka, Director-General of the Swedish International Development Cooperation Agency Sida, has been appointed as new Chair of the OECD's Development Assistance Committee (DAC). Ms. Petri Gornitzka replaces outgoing DAC Chair Erik Solheim, who recently became Executive Director of the United Nations Environment Programme (UNEP). "I look forward to continue to push for important development issues in one of the most influential organisations in the world of development cooperation", Petri Gornitzka says. She stressed the development of mechanisms for peer learning and review within the DAC as a key priority for her future work. She also wants to broaden partnerships, involve a wider range of countries in development discussions, mobilise

additional financing and attract new stakeholders in the work towards sustainable development. The Development Assistance Committee within the OECD is the most influential arena for discussions between donors on development cooperation. Together, members represent a total of \$160 billion of annual official development assistance.

For more information, click <u>here</u>.

Additional biographical details of Ms. Petri Gornitzka can be found under this link.

UK

Private investments as well as Public-Private Partnerships (PPPs) play a key role in improving renewable energies and off-grid solutions in developing countries, and in access to affordable and clean energy especially for people living in rural and remote areas. The 2030 Agenda for Sustainable Development explicitly highlights the role of the private sector as an important contributor to this development. Putting this principle into practice, the British Department for International Development, DFID, recently launched a call for proposals for "Africa Clean Energy (ACE) Business". The programme aims to catalyse a market-based approach for private sector delivery of off-grid renewable energy products and services for people and communities in sub-Saharan Africa. It focuses on isolated off-grid products and services, for households and individual businesses, such as solar home systems and other systems that use renewable energy. Countries to be covered are Mozambique, Malawi, Zambia, Zimbabwe, Tanzania, Rwanda, Uganda, Kenya, Ethiopia, Somalia, Senegal, Nigeria, Ghana and Sierra Leone.

For more information on the tender and detailed conditions for application, please refer to this <u>link</u>. [back]

MEDIA SUGGESTIONS

- 1. Webinar on the 4th Call of NAMA Facility
- 2. International Union for Conservation of Nature (IUCN), Webinar Cycle on Gender and Energy
- 3. <u>Webstreaming</u> of the Foreign Affairs and Development Committee Meeting, 1st September, 10:00 to 12:30
- 4. World Resources Institute: <u>Universality, Integration, and Policy Coherence for Sustainable</u>

 <u>Development: Early SDG Implementation in selected OECD countries</u>
- 5. First lessons learnt from the High-Level Political Forum on implementing the SDGs: <u>KfW Development Research</u>

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