



# Renewable Energy Investments Opportunities

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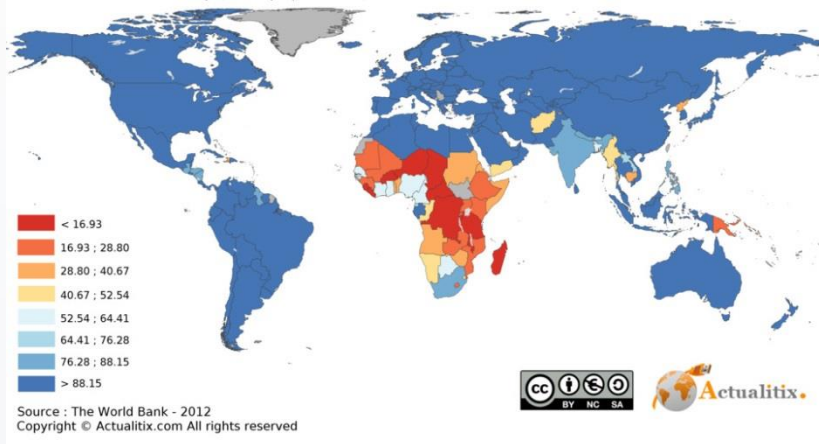


- ***Current situation***
- ***Vision and commitments***
- ***Instruments***
- ***Investments***

# Facts & figures

## Energy poverty

Access to electricity (% of population)



## Energy financing

Annual requirement for the period from 2010 to 2030 to achieve the universal access to modern energy services and doubling the share of renewable energy in the global mix :

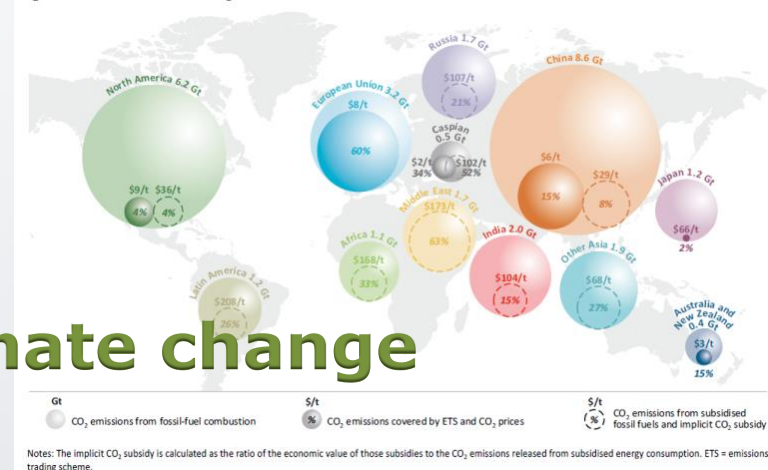
- **\$50 billion for energy access** (current spending is \$9 billion)
  - **\$442-650 billion for renewable energy** (current baseline of \$258 billion). Except for Europe all regions need to increase investment to meet targets. The largest annual funding gap by far is in developing Asia.
  - **\$560 billion for energy efficiency** (current spending is \$130 billion).
- (SE4All Advisory Board's Finance Committee Report on Scaling Up Finance for Sustainable Energy Investments, 2015)

**1.2 billion people without access to electricity (IEA, 2016)**

**3 billion people cook and heat their homes using open fires and simple stoves burning biomass (wood, animal dung and crop waste) and coal.**

Over 4 million people die prematurely from illness attributable to the household air pollution from cooking with solid fuels (WHO, 2016).

Figure 1.2 Energy-related CO<sub>2</sub> emissions in selected regions, 2014



## Climate change

# Global Ambitions



- Universal access to affordable, reliable, sustainable and modern energy by 2030.
- Sustainable growth and poverty reduction based on low emission, climate resilient and environmentally sustainable economic and social development.
- Protect people's lives and livelihood from climate change related natural disasters.



# Global Vision



Sustainable Energy for All (SE4ALL) initiative –  
2011

Agenda for Change – 2011

UN 2030 Agenda for Sustainable Development  
SDG7 - 2015

Paris Agreement 2016

COP22 Marrakech 2016

*COP23 Bonn – 2017*

G7 and G20 energy, climate and development  
groups



# EU Vision

**Increase access to renewable energy**

**Increase renewable energy generation capacity and energy efficiency**

**Contribute to the fight against climate change**

- Council Decision on Climate and Energy 2014
- Council Conclusions on Energy and Development 2016
- New European Consensus for Development 2016
- Council Conclusions on Energy and Climate Diplomacies 2017



## EU Core targets



- More than **EUR 3.5 bn** allocated for 2014-2020 to support partner countries all over the world in achieving the sustainable energy objectives (*contributing towards enabling access to 40 mil. people via 6,5 GW of renewable energy, saving  $\approx$  15 million tons of CO<sub>2</sub>e/year*)
- Min. 20% of EU Budget to Climate Action: energy - a core contributor to mitigating climate change.



# Sustainable Energy and Climate Change

## 3 pillars of cooperation

### ➤ **Political ownership of reform agenda**

- 24 Joint Declarations (one more under preparation: Vietnam)
- Contribution to National/Regional and Global Indicative Programmes

### ➤ **Capacity building**

- EU Technical Assistance Facility for Sustainable Energy (TAF) – supporting Reforms and regulatory frameworks

### ➤ **Investments**

- Blending facilities
- ElectriFI
- European External Investment Plan (EIP)



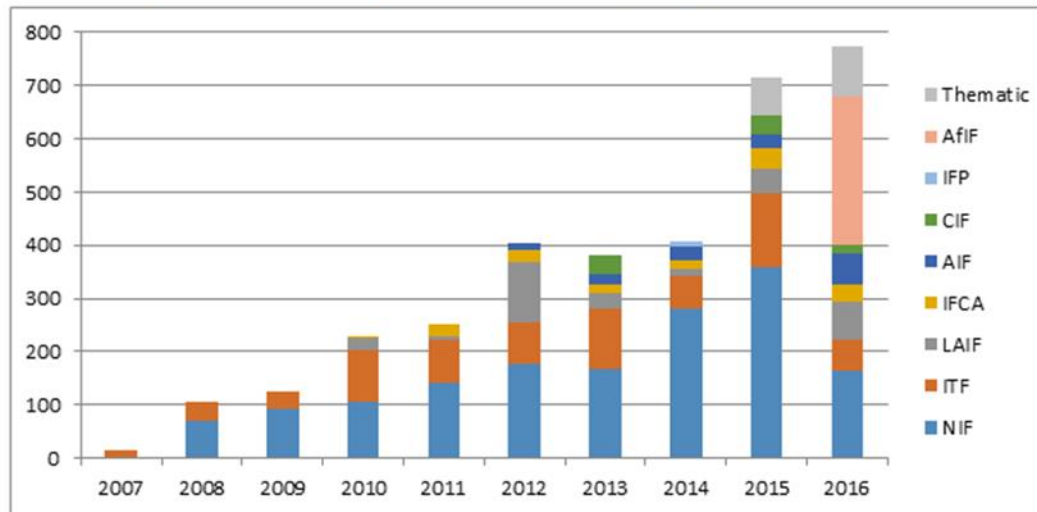


# EU Technical Assistance Facility for Sustainable Energy

- Covers all partner countries, provides high quality expertise and support in terms of:
  - policy advice
  - capacity building
  - identification of projects
  - mobilisation of funding
  - technology transfer
- Supports crucial regulatory and policy reforms in partner countries' energy sectors
- Assists in the fine-tuning of policies to create a conducive environment for private sector investments

# The blending facilities

Figure 3 - EU Blending Facilities: Annual grant approvals (in € million)



All facilities grant approvals to 380 operations

**EUR 3.4 billion**

Average: EUR 9 million per operation

EFIs financing to approved projects <sup>1</sup> \*

**EUR 26.2 billion**

Leverage: 7.7/1

Total investment amount

**EUR 57.3 billion**

Leverage: 16.8/1

<sup>1</sup> Regional Banks (e.g. AfDB, IADB, CDB, ADB.) and WB/IFC are NOT included.



# The blending facilities

## ElectriFI-FMO [www.electrifi.eu](http://www.electrifi.eu)

Investment facility to increase access to renewable energy (mainly decentralised) with the **private sector sharing high-risk** in projects business plan with **loans**.

Ticket size: **min. EUR 500k - max. EUR 10mln** (Small- to medium-scale)

Product range: **Equity, Quasi-equity, Debt and Development Finance**

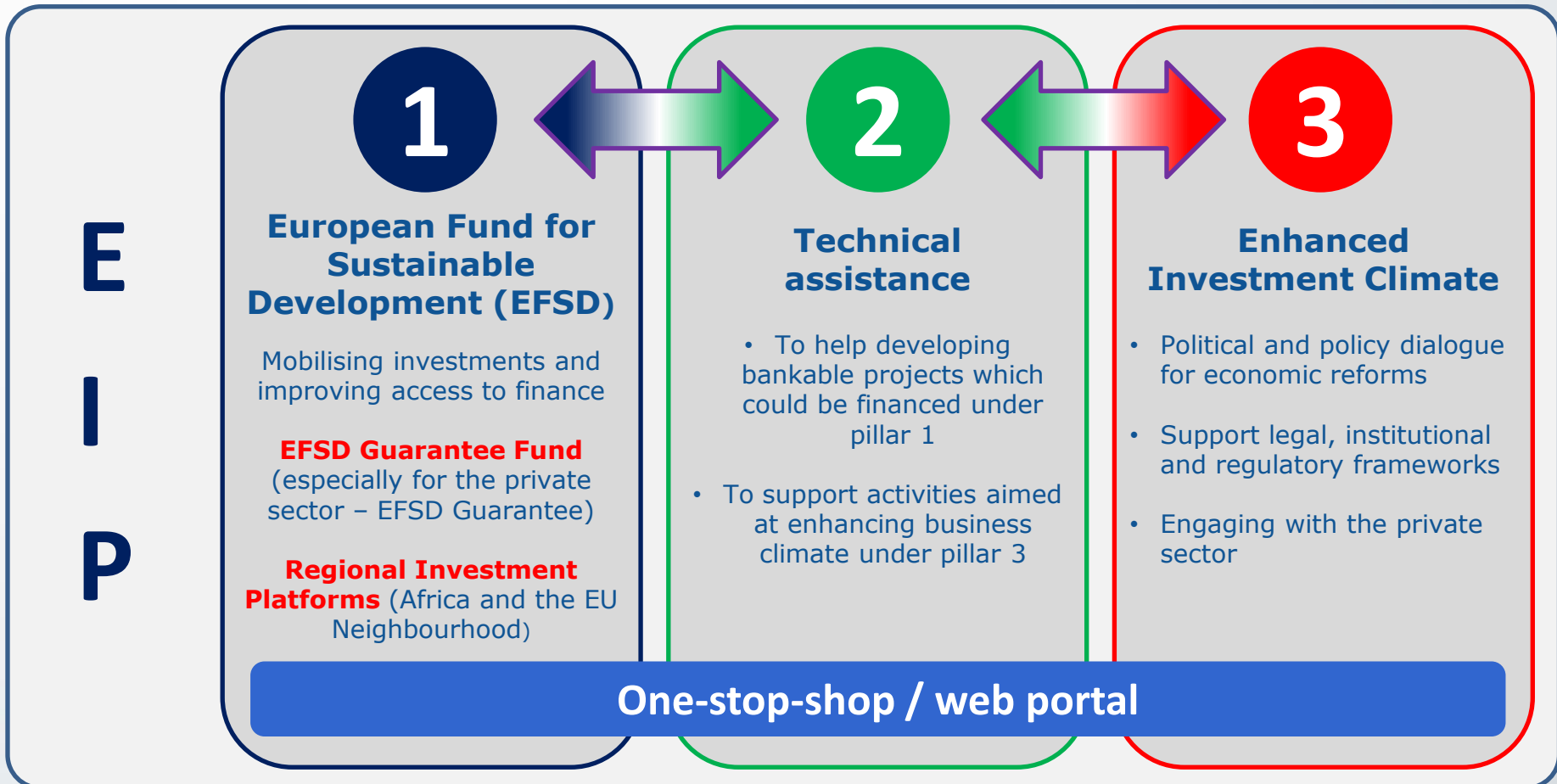
### **2016 1<sup>st</sup> Call > 290 applications received**

- 19 applications pre-selected (1 rejected, 5 cancelled, 4 preparing for Clearance in Principle, 2 approved - Haiti, India)

### **2017 2<sup>nd</sup> Call > 155 applications received**

- evaluation is ongoing (65 project host countries, business models - IPP (state or municipal off-taker), Utility (Mini-/Micro-/Nano-Grids), SHS, Captive Power - Private off-taker, Mobile power unit, telco tower)

# External Investment Plan 3 Pillars Structure





# EU energy approach in development

## Priorities

- ✓ Continued support to improve **ACCESS** to energy and energy **EFFICIENCY**
- ✓ Development of new business models to boost **PRIVATE SECTOR** to invest for improving access to sustainable energy
- ✓ Support the EU **GENDER agenda**
- ✓ The focus continues to be on **RENEWABLE ENERGIES**