

African Utility Week

Clean Power Africa 

The largest global meeting place from African Utilities

17 - 19 May 2016

Cape Town, South Africa



TOPIC

- Lidia Afonso
- Energy and Public Finance Officer
- Delegation of the European Union to South Africa





EU energy development cooperation:

Priority areas to stimulate investment

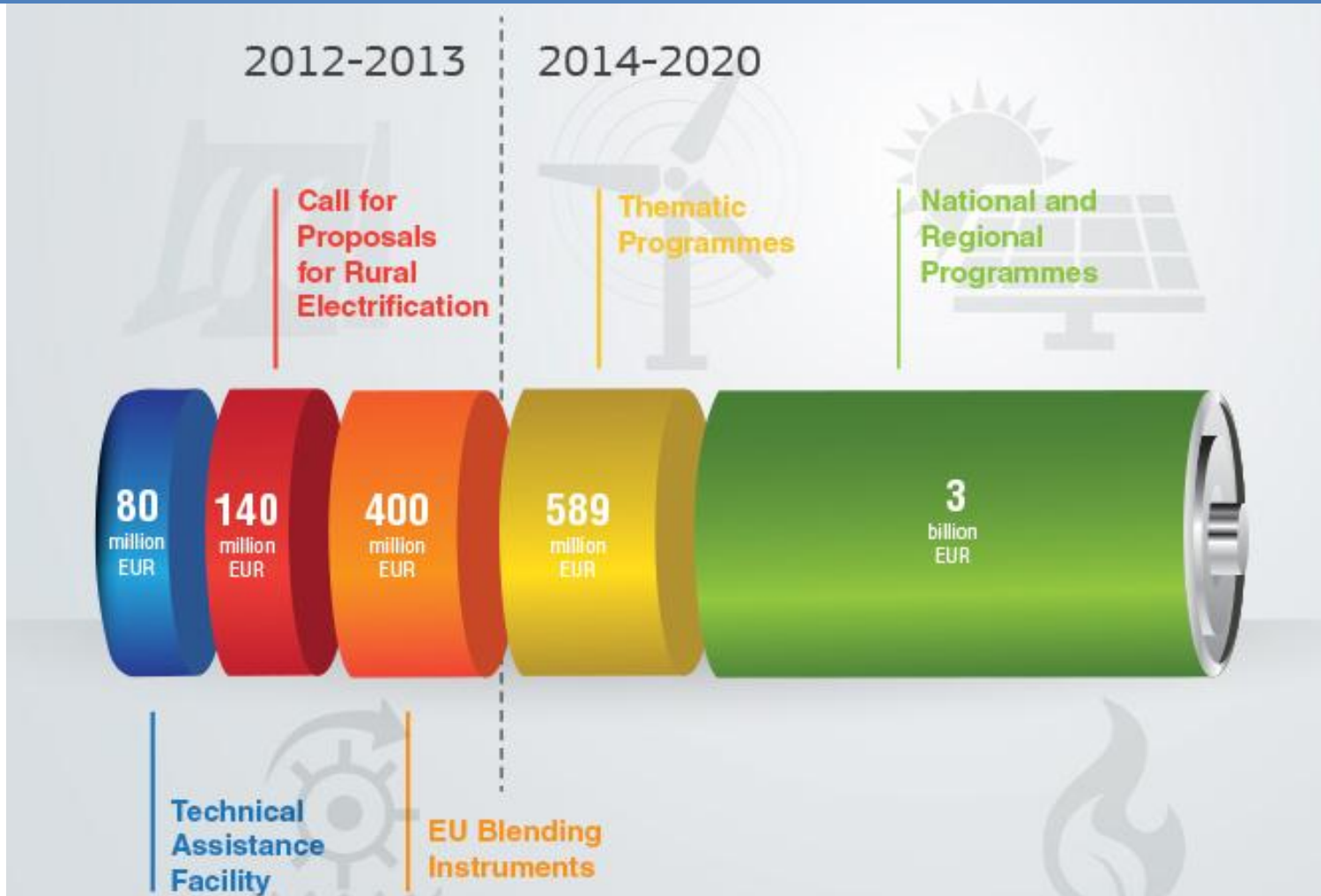
- Build strong political ownership
- Increase partner countries' capacity and improve regulatory frameworks
- Innovative co-financing schemes

Instruments

- Joint Declarations and Policy Dialogue
- EU Technical Assistance Facility (TAF)
- Blending Facilities including **ElectriFI**



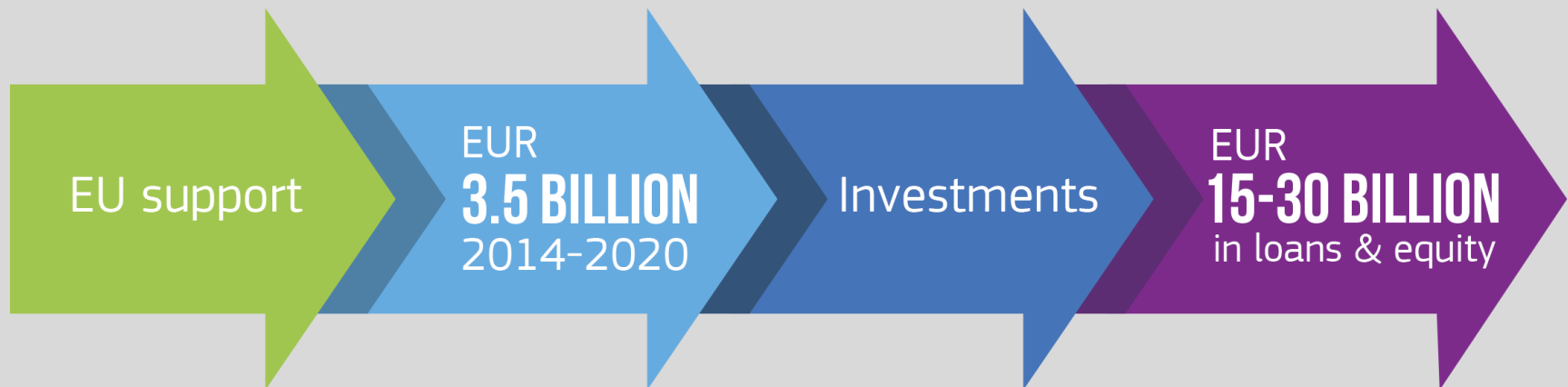
> EUR 4 billion to fight energy poverty

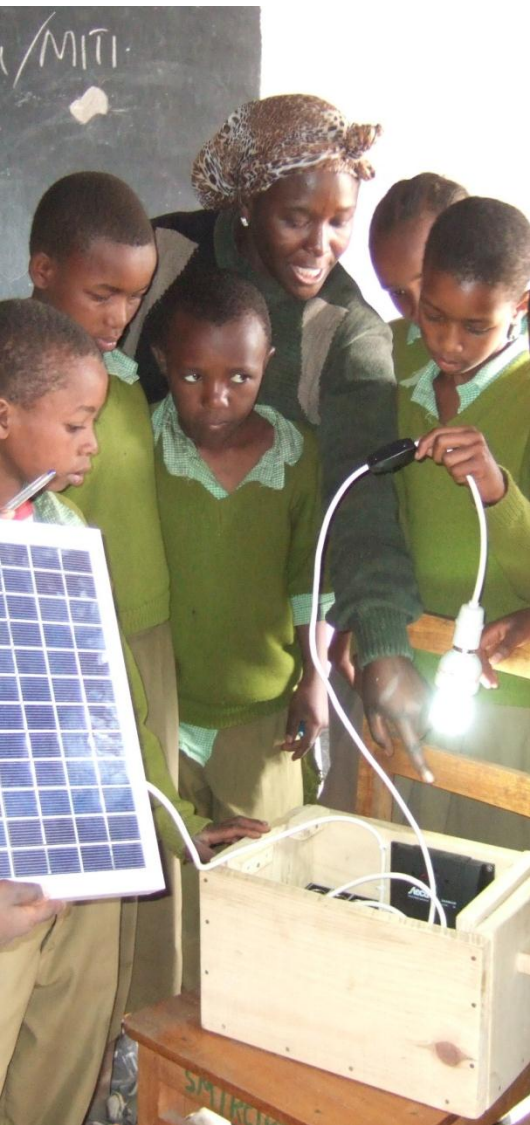




> EUR 4 billion to fight energy poverty

- **Total energy access approach**
- Significant leveraging investments and fostering end-users' access to a range of energy services for household, community and productive uses.





Electrification Financing Initiative (ElectriFI) objectives:

- ✓ intensive mobilisation of private sector investments increasing access to affordable, reliable, sustainable and modern energy
- ✓ encourage actions with emphasis on decentralised sustainable energy solutions for populations living principally in rural areas or underserved areas / unreliable supply areas,
- ✓ attract additional financing



Main "obstacles"

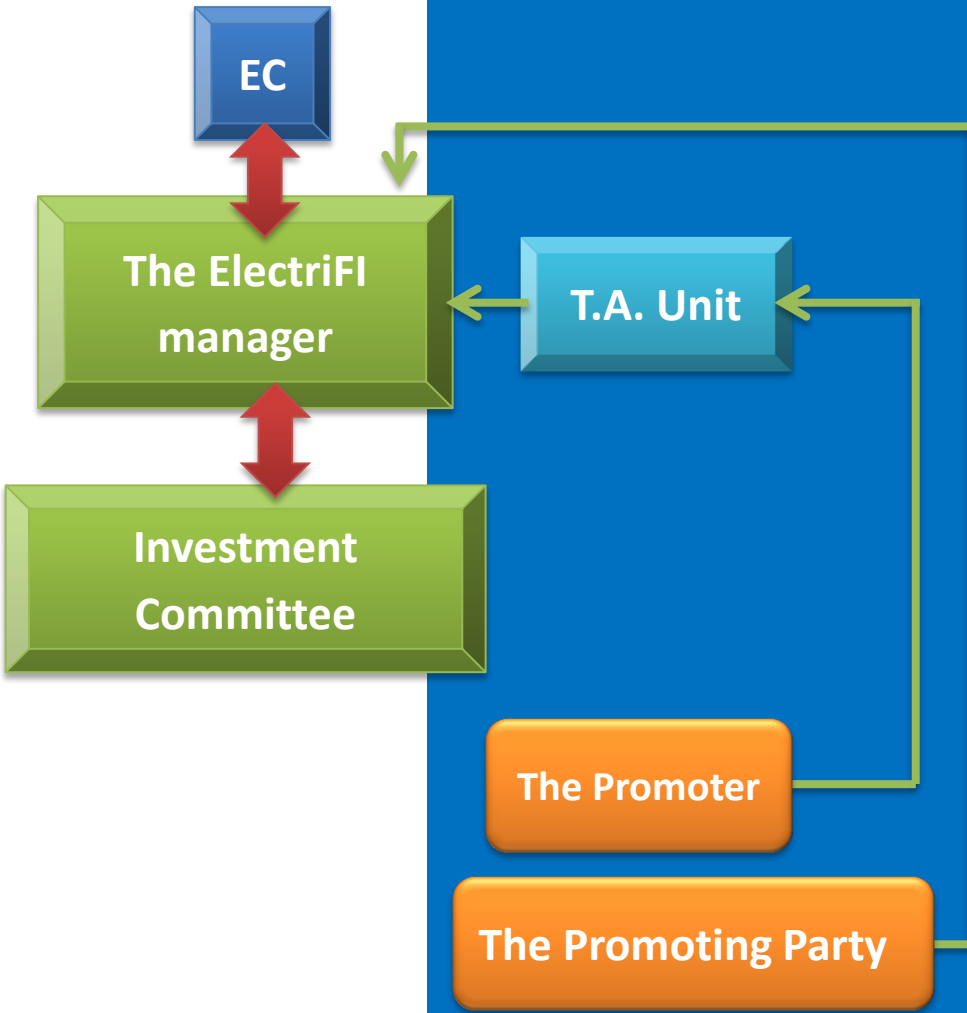
- Lack of equity
- Lack of skilled developers
- Lack of scale to cover transaction cost
- Lack of affordable long term debt
- Lack of interaction with private investors

Market imperfections to be addressed

- ✓ Increase risk capital to substitute for lack of equity
- ✓ Increase long term debt availability
- ✓ Increase project scaling up possibilities
- ✓ Increase number of projects reaching financial close through structuring / arranging / advising
- ✓ Partner with CSOs and LAs to address social impact



Who intervenes?



The ElectriFI manager: processes applications; conducts DD; supports investment committee; drafts contractual documents; monitors implementation.

The TA-Unit provides technical assistance to beneficiaries (developers) at all stages

The **Promoter** is any developer who applies for ElectriFI support. The entity implementing the project and being the beneficiary of ElectriFI funding.

The **Promoting Party** are Development Agency/Financial Institution (EDFI /DFI) that 'promote' a certain transaction for ElectriFI



How does ElectriFI work?

Step 1

Proposal submission by the Promoter or the Promoting Party to the ElectriFI Manager

Step 2

High-level early screening by IC to ensure that an application fits the scheme and meets development objectives

Procedure

Step 3

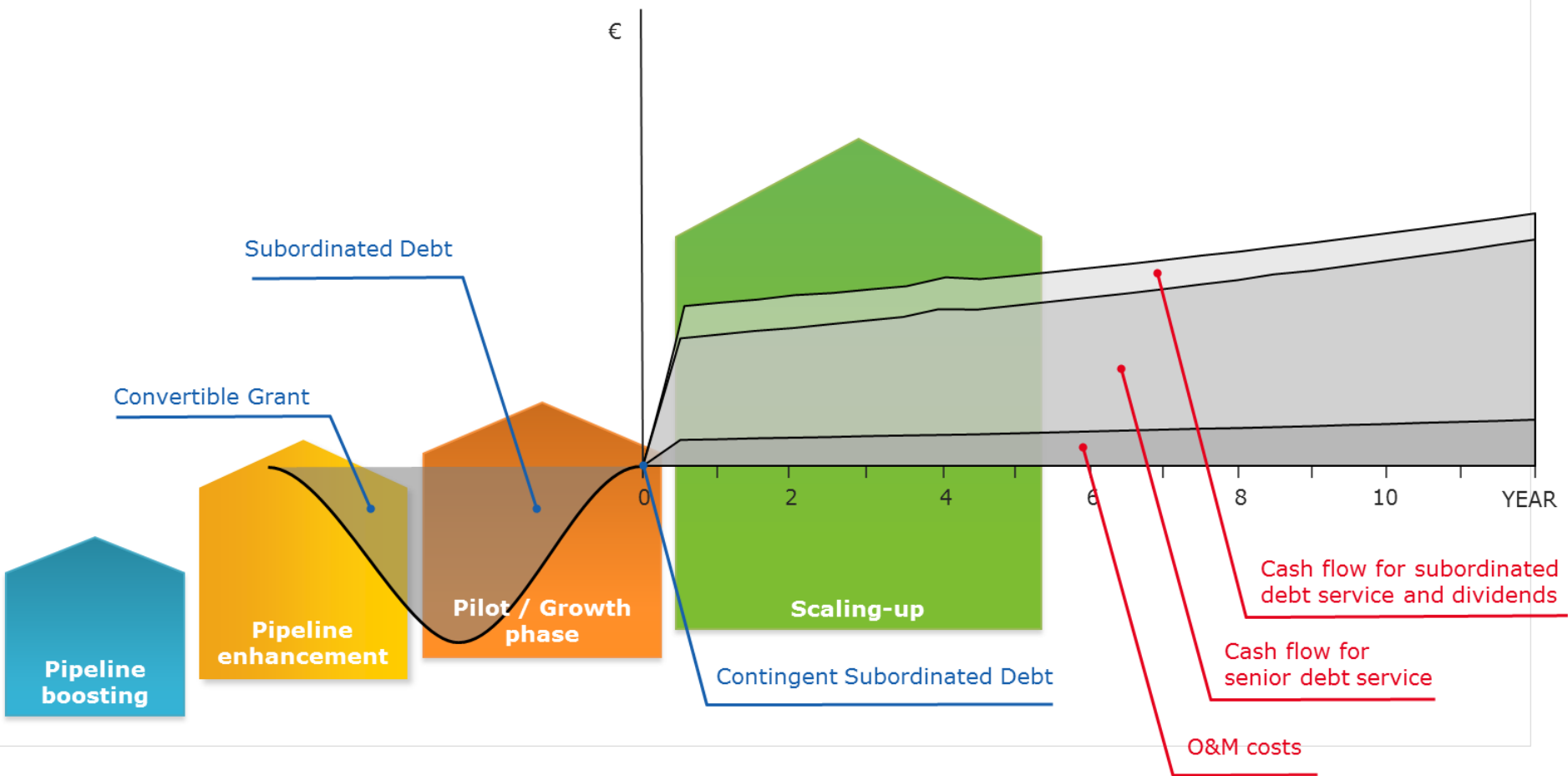
Mature (bankable) proposals and those submitted by a Promoting Party submitted to ElectriFI IC for approval

Step 3

Proposals in need of further TA receive due support in order to become bankable prior to submission to the IC



ElectriFI Support: Early Stage Development Capital (illustrative)





Thank you for your attention!

www.electrifi.eu