

Brussels, 4 November 2009

EU gives € 200 million support to increase energy access in ACP countries

Today the European Commission announced the launch of a second phase of the ACP-EU Energy Facility under the 10th European Development Fund (EDF) for the period 2009-2013. Following a first successful implementation phase, the European Union and the ACP Group of States agreed to set aside € 200 million to continue activities to improve access to sustainable and affordable energy services for the poor while contributing to the fight against climate change by focusing on renewable energy solutions and energy efficiency measures.

Karel De Gucht, European Commissioner for Development, declared: "If we are going to see real economic and social development for the world's poorest, there must be access to reliable energy services. The Energy Facility will contribute to helping to reach this goal whilst also encouraging greater energy efficiency and clean energy solutions which are critical as developing nations also take-up the fight against climate change."

In most of African, Caribbean and Pacific countries, access to sustainable and modern energy services is as low as 10% in rural areas. Besides, the use of traditional fuels, which generate indoor air pollution, may cause health problems and death. It also leads to environmental degradation as a consequence of deforestation due to the misuse of natural resources used for these fuels.

The new Energy Facility will tackle these issues by co-financing projects to increase access to improved energy services for the rural poor in ACP countries. In line with the fight against climate change, the Energy Facility will give priority to projects encouraging the use of renewable energy sources, such as solar systems, wind farms, hydro power, biomass (bio-fuel and biogas) and geothermal systems as well as promoting energy efficiency in public and private buildings, for example the replacement of energy-consuming light bulbs with more efficient ones. The Energy Facility will also fund operations in support of governance and capacity building in the energy sector at local, national and regional level. The new Energy Facility will co-finance projects through calls for proposals, the first one being launched in November, and two new co-financing instruments, namely a pooling mechanism involving financing institutions and the private sector as well as financial support to energy governance through the EU Energy Initiative-Partnership Dialogue Facility.

The Energy Facility has already proven its efficiency in leveraging millions of co-financing from the private sector, NGOs, EU Member States and international financial institutions. Almost 7 million people have benefitted from the 74 projects financed from the ACP-EU Energy Facility for a total amount of €196 million out of the total project costs of € 430 million, while mobilising more than € 230 million of co-financing from the public and private sectors. 97% of the funded projects focused on energy generation based on renewable sources and hybrid solutions. The new Energy Facility, empowered with new co-financing instruments, is expected to reach even more beneficiaries living in rural and peri-urban areas.

Background:

The Energy Facility was created in 2004 as a financing instrument for the implementation of the EU Energy Initiative (EUEI) for Poverty Eradication and Sustainable Development. The Initiative was launched in 2002 during the World Summit on Sustainable Development in Johannesburg as a confirmation of the EU's commitment to the achievement of the Millennium Development Goals. The Energy Facility is also an implementing instrument of the Africa-EU Energy Partnership, which is part of the EU-Africa Joint Strategy and Action Plan adopted in Lisbon in December 2007.