



## The EU's Technical Assistance Facility (TAF) for Sustainable Energy

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This project is funded by  
the European Union

Stories of success, practices that foster change and are being taken to scale, where innovation and cooperation in policy, finance, and technology are bringing results - and benefiting the people of Africa.

### In this issue:

#### What's new: Field facts and findings

##### Strong EU support to Vietnam for sustainable energy

Vietnam's rural access to sustainable energy will be considerably enhanced with the new 108-million-euro European Union support package. The TAF is contributing, in supporting the operations of the recently founded Vietnam Energy Partnership Group (VEPG).

##### European Union meets African Union to exchange experiences

The EU TAF for East and Southern Africa organised a series of sessions in Brussels, bringing together the Infrastructure and Energy Department (IED) of the African Union Commission (AUC) and EU Institutions & Energy Sector Associations, in a series of technical meetings dedicated to 'Exchange of Experiences'.

##### Cuba's Sustainable Energy Forum

Looking to accelerate the achievement of 24% renewable energy target for 2030, Cuba is calling foreign investors to take a serious look at the investment opportunities on offer. The EU and Cuba will organise the first joint Sustainable Energy Forum in January 2018.

##### Training Uganda's banks to finance renewable energy

Risk-averse commercial banks are often reluctant to provide financing for Renewable Energy projects. A two-day training for 17 of Uganda's commercial banks aimed to address bank officials' gaps in technical, financial, environmental and regulatory aspects of RE project development.

#### What's next: Upcoming missions

- Market Study in view of preparing partial off-take guarantees under the European Investment Plan (EIP)
- Ghana: 10 MW PV power plant prefeasibility study
- Myanmar: Stocktaking Mission & Policy assessment in the energy sector
- Ivory Coast: Support to contract IPPs
- Angola: New Power Purchase Agreement model for renewable energy projects

#### What we do: The EU's Technical Assistance Facility for Sustainable Energy

Focus on: The Asia-Pacific

#### Who's who: Meet the team

*We are proud to announce that as of this issue, 'The EU's Technical Assistance Facility for Sustainable Energy' newsletter covers items of news from all the countries of operation of the EU TAF: East & Southern Africa, West & Central Africa, East & South Neighbourhood, Asia & Central Asia, Latin America, the Caribbean and the Pacific.*

*If there is a particular topic that you would like to see covered in future newsletters, please write to us. We welcome your feedback!*

*With our best wishes,*

*The TAF teams*

# What's new: Field facts and findings

## Strong EU support to Vietnam for sustainable energy

*Activity Area: Policy and Reforms; Capacity building; Mobilising funds and partnerships.*

**Vietnam's rural access to sustainable energy will be considerably enhanced with the new 108-million-euro European Union support package. The TAF is contributing, in supporting the operations of the recently founded Vietnam Energy Partnership Group (VEPG).**

On December 1, 2017, representatives of the Vietnamese (VN) Government and the European Union signed an agreement in which the EU provides 108 million euros of assistance for Vietnam to enhance access to sustainable energy in rural areas. The 108-million-euro assistance includes 100 million for budget support and 8 million for complementary support. The programme will be carried out over three years, from 2018 to 2020, with 27 sub-projects.

**The EU support will allow Vietnam to provide reliable and sustainable energy to more than 60,000 households, focusing on rural and mountainous areas and islands.**

This important development comes only a few months after the launch of the Vietnam Energy Partnership (VEPG), during the 'High Level Meeting: Launching of the Vietnam Energy Partnership Group & Policy Dialogue' in June 2017, held within the framework of a dedicated

TAF assignment, and the signature of the joint EU-VN declaration on reinforced cooperation in the field of sustainable energy.

The Vietnam Energy Partnership (VEPG) framework will help Vietnam in the implementation of objectives on energy security and socio-economic development, and will support the country in maintaining its national efforts and international commitments concerning sustainable development. The Partnership will create more comprehensive and coherent mechanisms of cooperation, which will improve the efficiency of high-level consultations on policies.

The TAF has been requested to provide support to the operation of the VEPG Secretariat following its launch. A TAF expert team has now been deployed to support the operation of the VEPG and of its Secretariat for the first year. The assignment is in full operation, with the first Technical Working Group Meetings and the 1st Steering Committee Meeting to take place in December 2017.

A second EU TAF team has initiated the 'Vietnam Energy Information System (VEIS)', to prepare and propose to the Government of Vietnam a Road Map and Action Plan to develop a VEIS in Vietnam. This Road Map and Action Plan are scheduled to be discussed with Vietnamese and International Stakeholders in a Workshop to be held in Hanoi in March 2018.



*The European Union's Delegation to Vietnam and the Ministry of Industry and Trade (MOIT) held the ceremony of Vietnam Energy Partner Group (VEPG) with the participation of more than a hundred representatives from Vietnam government agencies, organisations of development partners, finance, private sector and NGOs (June 2017).*

“Sustainable energy development is a key objective for Vietnam's economy and we are strongly committed to make the best of our efforts to help Vietnam in addressing this important challenge. This requires a comprehensive approach, taking into consideration the socio-economic development goals of the country.”

*Ambassador Bruno Angelet, Head of Delegation of the European Union to Vietnam*



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# What's new: Field facts and findings

## European Union meets African Union to exchange experiences

*Activity Areas: Policy and reforms; Capacity building.*

**The EU TAF for East and Southern Africa organised a series of sessions in Brussels, bringing together the Infrastructure and Energy Department (IED) of the African Union Commission (AUC) and EU Institutions & Energy Sector Associations, in a series of technical meetings dedicated to "Exchange of Experiences".**

The technical meetings took place over two dates, from 20 - 21 November 2017, and gathered more than 30 participants including AUC officials, representatives from DG DEVCO, DG ENER, the energy sector associations, as well as the EU-TAF Key experts and Assignments experts. Visited institutions include the European Network of Transmission System Operators for Electricity (ENTSO-E), the Alliance for Rural Electrification (ARE), the Council of European Energy Regulators (CEER), the European Distribution System Operator's Association for Smartgrids (EDSO). Throughout the meetings, of particular interest was the 'Clean Energy for All Europeans' package, aiming to facilitate the clean energy transition through creation of the Energy Union - reforming the energy sector in the European Union and its Member States.



*Meeting at the European Commission where a joint session was hosted by DG DEVCO and DG ENER. The Head of Unit of the Sustainable Energy and Climate Change Unit, Mr. Felice Zaccheo, delivered the opening remarks.*

*The AUC delegation was headed by the Director of the Energy Division, Mr. Rashid Ali Abdallah, who highlighted the importance attached by AUC to further strengthen the know-how transfer with its European partners.*

Topics included:

**International Electricity Markets** - ENTSO-E introduced the Officials from the African Union Commission (AUC) to the European economic integration process by.

Investing in Africa from a private sector perspective - Representing the private sector and focusing on gaps to address in the enabling environment, the Alliance for Rural Electrification presented its contribution on policy and regulation, raising awareness, investment and finance, and private sector participation - focusing on market access, technology transfer, and market information.

**Energy regulators** - The role/mandate of the National Energy Regulators in the EU context were discussed, along with future plans to further enhance their role in implementing the EU policies in the energy sector.

**Modalities for mini-grids investments deployment**

- The high importance of de-risking was a topic that sparked interest, and discussions evolved around how this can be accomplished in multiple axes: from financial interventions, stability and reliability of policies, to standardization of Public-Private-Partnerships (PPPs) and of tariff methodologies, as well as exit strategies for the investor if the main grid arrives at the location.

**Smart grids** - A session with the European Distribution System Operator's Association for Smartgrids (EDSO) provided insight into the structure, areas of activity as well as the approach and recommendations made at key issues pertaining to EDSO's activities, such as the creation of one single electricity entity and establishment of Local Energy Communities. Discussions focused on transferring smart-grid knowledge to both central and off-grid mini-grids in Africa for leapfrogging.

**EU-AUC Energy cooperation** - During a joint session hosted by DG DEVCO at the European Commission premises, DG ENER presented the evolution of the EU's energy policy towards an Energy Union. Other topics covered included energy efficiency and digitalisation technologies.

The joint session also provided a recap of completed and ongoing support provided to AUC through the TAF, with emphasis on the Strategy and Action Plans to harmonise the electricity markets, now endorsed by the Heads of State, which are seen as reference documents to guide the process of harmonisation across Africa.





# What's new: Field facts and findings

## Cuba's Sustainable Energy Forum

*Activity Areas: Mobilising funds and partnerships.*

**Looking to accelerate the achievement of 24% renewable energy target for 2030, Cuba is calling foreign investors to take a serious look at the investment opportunities on offer. The EU and Cuba will organise the first joint Sustainable Energy Forum in January 2018.**

On 30th and 31st January 2018 in Havana, the European Union and the Ministry of Energy and Mines of the Republic of Cuba are jointly organising the 'Cuba Sustainable Energy Forum 2018: Accelerating the achievement of the 24% renewable energy target for 2030'.

The Forum has two main objectives: For the Cuban authorities, to present their new energy and foreign investment policies along with the portfolio of investment opportunities in the fields of renewable energy and energy efficiency in Cuba; For the EU, to showcase technologies and lessons learnt from the European experience and present the range of available financing instruments in Cuba.



*Here, High Representative of the European Union for Foreign Affairs and Security Policy, Federica Mogherini with Minister of Foreign Affairs of Cuba, Bruno Rodríguez Parrilla, within the context of the 'Political Dialogue and Cooperation Agreement'- the first ever agreement between the European Union and Cuba supporting dialogue and cooperation in, among other areas, the sustainable energy sector.*

*The Forum is the first event to take place following the start of provisional application of the Agreement, on 1 November 2017.*

*Therefore, the Forum is expected to be attended by high level officials from the Cuban government and the European Union.*

This event is of key importance for the country in its bid to attract foreign investment to its sustainable energy sector. In fact, in the context of the ambitious 2030 goals described in the Development Perspective of Renewable Energy Sources and Energy Efficiency, Cuba is calling foreign investors to take a serious look at the investment opportunities on offer as included in the 'CUBA: Portfolio of Opportunities for Foreign Investment 2017-2018' which includes renewable energy project opportunities in wind, solar PV, hydro and biomass.

**A new convergence of interests between the EU and Cuba now exists and the EU has an important leading role to play in opening the path for needed foreign investments in sustainable energy in Cuba.**

For this Forum, the Cuban Government provides projects that are ready for implementation and fully permitted, guarantees the purchase of all generated energy, on a priority basis, and offers long-term power purchase agreements with negotiated market prices.

The event is organised with the support of the EU Technical Assistance Facility (EU TAF) for Sustainable Energy for Neighbourhood (East and South), Asia (including Central Asia), Latin America, Caribbean and Pacific. The TAF team of experts is providing support to this ground-breaking event through the technical development of the programme and the facilitation of business-to-business (B2B) sessions by establishing investment leads and contacts between Cuban counterparts and EU companies.

For more information about the Forum, please visit:  
<http://www.cuba-sustainableenergyforum2017.eu/>

or contact the Secretariat at:  
[info@cuba-sustainableenergyforum2017.eu](mailto:info@cuba-sustainableenergyforum2017.eu)

Further reading

Political Dialogue and Cooperation Agreement:

[http://europa.eu/rapid/press-release\\_IP-17-4301\\_en.htm](http://europa.eu/rapid/press-release_IP-17-4301_en.htm)

'CUBA: Portfolio of Opportunities for Foreign Investment 2017-2018':

<https://static1.squarespace.com/static/563a4585e4b00d0211e8dd7e/t/59fa0830c8302541485fcb2/1509558343528/Portfolio+of+opportunities+for+foreign+investment+2017-2018.pdf>



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# What's new: Field facts and findings

## Training Uganda's banks to finance renewable energy

*Activity Area: Capacity building; Mobilising funds and partnerships.*

**Risk-averse commercial banks are often reluctant to provide financing for Renewable Energy projects. A two-day training for 17 of Uganda's commercial banks aimed to address bank officials' gaps in technical, financial, environmental and regulatory aspects of RE project development.**

A TAF mission conducted in Uganda in November 2016 identified a number of capacity building needs in the promotion of sustainable energy solutions, including the need to build capacity of commercial banks in project development in the Renewable Energy (RE) sector as one of the key to the involvement of private sector and availability of local finance.

Because of their limited knowledge of RE technologies and the associated risks, risk-averse commercial banks are hesitant to provide financing to the private sector in the RE space. A dedicated TAF assignment was launched to set up a training programme for commercial banks and other financial institutions in the country, aiming to support in RE project development.

**Private sector involvement is key to achieving the Sustainable Energy for ALL Action Agenda targets. In Uganda, the supply of locally sourced finances is short, as is the case for many Sub-Saharan countries.**

Before the actual training, a capacity assessment was conducted to verify the needs and consolidate the scope of the assignment and identify the financial institutions for the training.

The Training Activity took place over two days, November 15-16, 2017 and attracted a record number of 17 Ugandan Commercial Banks to participate in one single event, the Uganda Energy Credit Capitalisation Company (UECCC), 'non-traditional banks', such as finance companies and credit guarantee companies, and Renewable energy (RE)/energy efficiency (EE) companies and energy producers.

The training session was opened by Mr. Pavlos Evangelidis, the new Head of Section Green Economy & Infrastructure of the EUD Kampala and Mr. Usamah

Kaggwa, Senior Energy Officer from the Ministry of Energy and Mineral Development - MEMD and the event was directed by Mr. Ludovic Durel, Operations Adviser – Infrastructure Economic Growth Section EUD Kampala.

For the purpose of this assignment, new training materials were used, including excel toolkits, power point presentations, practical exercises and discussions especially developed this Banks training -including a presentation on the Electrification Financing Initiative -ElectriFI.

Bank officials took part in practical hands-on training using the toolkits designed by the TAF to assess the financial viability of real Renewable Energy and Energy Efficiency projects implemented during EU activities in Uganda and East Africa.



*Seventeen Ugandan banks took part in the training organised by the TAF in Kampala, on 15-16 November. Feedback from the banks confirmed that the training event increased their knowledge about the Ugandan renewable energy and energy efficiency sectors, and the players active in Uganda.*

The training session included a session on the SUNREF, the green finance label of the Agence Française de Développement- AFD, its mechanism and opportunities, presented by Mr. Martin Jandot. Further topics included presentations by Open Capital Advisors on 'How to mitigate financial risks associated to RE and EE projects, with particular focus on East Africa; financial risks and challenges of Solar Home Systems (SHS) market' and a presentation by Dr. Geoffrey Bakkabulindi, Manager of the GetFiT Secretariat.



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# What next: Upcoming missions

## **Market Study in view of preparing partial off-take guarantees under the European Investment Plan (EIP)**

Private sector investments in the electricity sector in Sub-Saharan African countries are crucial to increase access to modern low-carbon energy services and to contribute to achieve the Sustainable Development Goals (SDGs) on affordable and clean energy (SDG 7) and on climate action (SDG 13).

The Assignment will develop an analysis of the current situation of renewable energy Independent Power Producers (IPPs) in Sub-Saharan African countries, based on an adequate market overview and segmentation.

Countries will be ranked according to whether partial off-take guarantees would represent a realistic opportunity to promote private sector investments in a timely manner. This market overview may eventually allow for a targeted engagement with the top-ranked selected countries and their respective national utilities.

### **Ghana: 10 MW PV power plant Prefeasibility study**



A 10 MW PV power plant close to Ghana's city of Wa will be assessed under this assignment, as part of the efforts of the European Union to promote the development of a sustainable agriculture in the Upper West Area of the country. The power plant is expected to improve the livelihoods of the local population, generate economic growth, improve food security in the region, and create new, stable employments protect resources.

Clean, cheap electrical energy at a fixed and stable price will become available for agro-processing entrepreneurs – who will also be partners of the company to be created to develop and manage the facility.

### **Myanmar: Stocktaking Mission & Policy assessment in the Energy Sector**



The TAF team will provide an in-depth analysis of the energy sector and related policies in Myanmar with a specific emphasis on four sub-sector policies: renewable energy, energy efficiency, access to electricity in rural areas and private sector investment in the energy market.

The Team will undertake a stocktaking Mission to Myanmar, and analyse the policy and regulatory environment of the energy sector in Myanmar, especially in the context of rural development and rural electrification.

### **Angola: New Power Purchase Agreement model for Renewable Energy projects**



The first TAF assignment in Angola aims to support the development of a model of Power Purchase Agreement (PPA) for the purchase of energy power produced by private-led renewable energy undertakings, which will promote the development of Renewable Energy projects in Angola.

The model will be built upon the existing PPA documents and adapted to the particular characteristics and to the legal system of Angola, and will include the best related international practices in the domain.

### **Ivory Coast: Support to contract Independent Power Producers -IPPs**



The TAF is providing technical assistance to the Directorate General of Energy and the Ivory Coast Energy Company -CI-ENERGIES, to define the contractual aspects to employ Independent Renewable Energy Producers, and coordinate the relevant studies.

The experts will provide recommendations on the structure of the calls for tender and support the technical, legal and financial aspects of contracting, as well as prepare the full tender dossier for procurement to be launched.



# What we do: The EU's Technical Assistance Facility for Sustainable Energy

The 'EU's Technical Assistance Facility (TAF) for Sustainable Energy' assists partner countries in fine-tuning their energy policies and regulatory framework that allow for increased investments in the energy sector. The TAF supports countries which are committed to reaching Sustainable Energy objectives, and in particular those who selected energy not only as one of the priority areas of their national policy agenda but also as focal sector in their bilateral cooperation with the EU for the period of 2014-2020.

Through targeted expert missions to the partner countries, five types of technical assistance packages ('Activity Areas') are delivered:

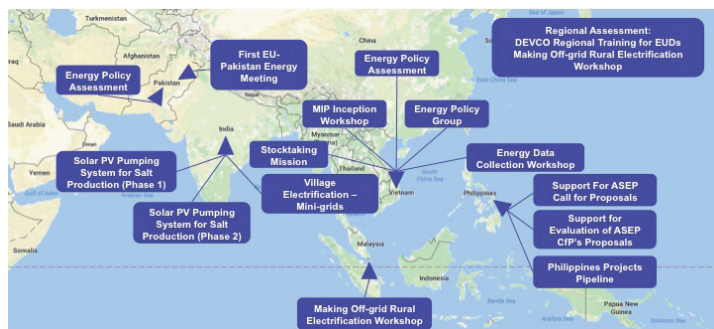
**Policy and reforms; Capacity building; Investment projects planning; Mobilising funds and partnerships; Industrial and technology cooperation.**

## Overview of TAF support:

Since its launch in 2013, the TAF has provided technical assistance for some 200 missions in Sub-Saharan Africa.

A year after the Sub-Saharan Africa TAF launch, TAF operations were extended to also accommodate regions beyond Sub-Saharan Africa, and to date over 30 technical teams have been deployed in the rest of the world.

## Focus on: Asia - Pacific



Supporting the **#EU's vision** and strategies at national and regional level

Provision of **#high quality** technical assistance at Partner Country and Region

Institutional **#memory** through a core Key Expert team

**#Low lead times** from ToR preparation to assignment launch

Efficient and **#effective management** of each mission

**#Control mechanism** and QA for coherent deliverables





# Who's who: Meet the team

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## DISCLAIMER

This newsletter update has been drafted by the EU's Technical Assistance Facility (TAF) for Sustainable Energy. The aim is to update EU Delegations regarding news and findings from the TAF missions and areas of assistance. The data has been collected from various sources by the TAF Experts in the context of the ongoing TAF missions, and is not exclusive. Please feel free to contact us with any feedback on the information provided, or other areas of support you would like to be informed of.



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