

THE EUROPEAN UNION'S DEVELOPMENT COOPERATION AND ENERGY POVERTY IN AFRICA

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1. The state of energy poverty in Africa

- **Energy poverty** is the situation in which households are unable to access essential energy services and products.
- In Africa, energy poverty is measured in terms of **access to electricity and clean cooking**.
- In 2022, there were **600 million people** (43 % of the total population) without access to electricity, and **970 million people** (70 %) without clean cooking.
- **If additional efforts are not made by 2030**, the previous figures will increase to **660 million** and **1 billion**.



Electricity access

- Sub-Saharan Africa comprises **18 of the 20 countries with the lowest rate of access to electricity in the world;**
- Even when there is access **the quality of services is often poor;**
- Most people without access to electricity live in **rural areas and informal settlements**, or are **displaced people or refugees;**
- There are 3 modes to provide electricity:
 1. **Grid extension**
 2. **Isolated mini-grids**
 3. **Stand-alone system.**

The grid needs generation, transport and distribution;

- **The distribution segment is the weakest**, but the universal access, the quality of the services and the viability of the whole sector depend on it.



Clean cooking access

- The lack of access to modern cooking in Africa has **huge social and environmental consequences**:
 - **Health** (due to the smoke of the firewood and charcoal used to cook)
 - **Deforestation** (soil erosion, loss of biodiversity, loss of water sources, floods and landslides)
 - **Climate change** (greenhouse gas emissions are associated with deforestation and black carbon emissions)
- Clean cooking is an 'orphan', **invisible and expensive** sector.
- Sub-Saharan Africa comprises **19 of the 20 countries with the lowest rate of access to clean cooking** in the world.



2. EU support to overcome energy poverty in Africa

Cooperation framework

- European Consensus on Development
- Policy coherence for development
- Development Effectiveness

African framework

- European Neighborhood Policy
- African, Caribbean, and Pacific–EU Partnership
- NDICI – Global Europe (Neighborhood, Development and International Cooperation Instrument)
- Global Gateway Africa – Europe Investment Package

Energy framework

- Africa-EU Energy Partnership
- The thematic orientations as climate change and energy security
- The programmes such as REPowerEU and Global Gateway
- Africa-EU Green Energy Initiative



Energy programmes and partnerships in Africa

The EU and its Member States (Team Europe) provided **the majority of Official Development Assistance (ODA) for energy** projects between 2014 and 2020 (EUR 12.1 billion):

- EUR 7.5 billion for renewable energy and;
 - EUR 4.6 billion for transport and distribution;
- 53% of loans.

Technical Assistance Facility (TAF)

Electrification Financing Initiative (2015-2021)

Africa-EU Green Energy Initiative (since 2021)

The regional electricity interconnections and market integration;

Renewable energy, access to energy, and promoting sustainable energy use;

Just Energy Transition Partnerships in Africa;

Access to energy through decentralised systems;

Global Gateway flagship projects



3. Analysis of European cooperation in Africa (I)

Grants and loans

Africa needs 200 billion euros between 2022 and 2030, equivalent to **EUR 25 billion/year**, to reach the IEA's 'Sustainable Africa Scenario'.

But, the combination of ODA, private investment and African national government spending on energy was **EUR 21 billion** in 2020.

ODA in energy is an important catalyst for investments;

21 low-income countries in Africa are in, or at risk of, debt distress.

Geographic targeting

Morocco (EUR 2.5 billion) and South Africa (EUR 1.2 billion) received the highest amount of financing. **Amongst the top ten recipients, only three were Least Developed Countries.**

The orientation of resources has not been channelled towards reducing access rates and this trend continues in new projects.



3. Analysis of European cooperation in Africa (II)

Sectoral allocation

Most projects are aimed at promoting large electricity generation infrastructures and the interconnection of transmission networks;

Funding for the distribution segment is small;

There are few electrification projects for productive uses.

Gender perspective

The EU's Gender Action Plan III makes obligatory the mainstreaming of gender perspective in all policies and actions.

EU energy policies and programmes have **not yet incorporated the gender perspective.**



3. Analysis of European cooperation in Africa (III)

Modern Cooking

- EU funding in clean cooking is marginal.
- In 2020, Team Europe dedicated less than 1 %.

Technical Assistance Facility (TAF)

- In many countries, the lack of proper regulation is hindering the proper functioning of companies and makes investments difficult and risky;
- It is pertinent for the EU to finance technical assistance for improving regulatory frameworks, enhancing institutional capacities, and mobilising and de-risking investments;
- There is little information on the guidance and support being provided by the EU TAF.



4. Policy Recommendations

1. Continue as an investment catalyst and increase the amount of ODA oriented to the energy sector in Africa, prioritising grants over loans in countries at risk of debt distress.
2. Reorient financing towards countries with lower rates of access to electricity.
3. Give much more weight to the distribution segment as a strategic element to promote universal access to electricity.
4. Incorporate the gender perspective into the design of EU development policies and programmes on energy in Africa.
5. Continue with reforms of the electricity systems and the strengthening of institutions.
6. Incorporate access to clean cooking as a priority.
7. Report on how the projects and programmes supported contribute to improving energy access with specific indicators.

BRIEFING

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Thank you very much!