



**EUROPEAN COMMISSION**

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**Andris PIEBALGS**

European Commissioner for Development

## **Opening remarks**

Rural Electrification Workshop

**Brussels, 29 September 2014**

Excellencies, Colleagues, Members of the Press, Ladies and Gentlemen,

Let me begin by extending a very warm welcome to you all. I'm delighted to see so many of you here today at this Rural Electrification Workshop.

I'm especially happy to welcome Kandeh Yumkella, UN special representative for the Sustainable Energy for All initiative, and Adnan Amin, Director-General of the International Renewable Energy Agency. Their presence here and the valuable input they can offer will enrich our debate and give added impetus to our efforts to achieve our aims.

We have come together today to provide an answer to one of the crucial challenges of our time – ending energy poverty. And with so many experts here, I am confident that we will succeed.

Access to clean and affordable energy forms the basis of sustainable economic growth and job creation. As such, it is vital to empowering communities and people.

This is why the EU is a strong supporter of the UN Secretary General's Sustainable Energy for All initiative. In May 2013, President Barroso set up the ambitious goal of helping developing countries provide access to sustainable energy services for 500 million people by 2030.

And we have put our money where our mouth is. We have set aside more than 3.5 billion euro to support sustainable energy activities in our partner countries at regional level and in individual partner countries.

I am also pleased to announce that today, the EU will commit to a 2 million euro contribution to support the functioning of Sustainable Energy for All for the coming years.

Energy is also considered as a priority by a number of our partner countries. I am delighted to report that 30 of them have chosen energy as a focal sector in their bilateral cooperation with the EU for the period 2014-2020.

We will make sure our actions focus on three key framework conditions to support a flourishing energy sector: strengthening political ownership, boosting implementation capacity, and putting in place financial arrangements to encourage investment.

Political ownership is already a reality. President Barroso and I signed Joint Declarations with European and African countries that have decided to work together to defeat energy poverty and bring people sustainable energy services.

These declarations will boost our cooperation with the 5 signatory partner countries – Ivory Coast, Liberia, Rwanda, Togo and Cape Verde – and with co-signing EU Member States and donors. In the process, we will be delivering political ownership.

As regards implementation capacity needs on the ground, the EU's 80 million euro Technical Assistance Facility can help partner countries build a strong energy sector. It is already operating in Liberia, Burundi, Cape Verde and Rwanda and will soon be rolled out further.

And to tackle the financing challenge we have innovative blending of grants and loans to leverage additional investment and fund much-needed generation capacity and energy infrastructure. For instance, the very successful EU-Africa Infrastructure Trust Fund is expected to leverage concrete investments of up to 8 billion euro.

In all our actions, of course, we haven't forgotten the need to empower the energy poor. We are acutely aware that over 84 percent of people without energy access live in rural areas. That's why we have not wasted any time in taking action against energy poverty.

Accordingly, twenty-one EU-funded projects selected recently will bring better access to modern, affordable and sustainable energy services to some 3 million people in rural areas across Africa.

And looking to the future, we have considerably scaled up our efforts in fighting energy poverty. Over the next 7 years we will seek to allocate over 3 billion euro in sustainable energy grants to leverage over 15 billion euro in loans and equity investment. In this way we can plug infrastructure gaps and power businesses, schools, homes and hospitals.

Naturally, this money needs to be spent wisely, and it needs to be spent differently. We all know that energy access for all will require innovative, less costly off-grid solutions that provide sustainable solutions for those who risk being left behind. Hundreds of millions of citizens live in remote areas where we can have little hope of a grid connection in the coming years.

And that's why we are here.

Today, after extensive consultations with donors and stakeholders to find ways of boosting rural electrification, the EU has put forward a brand new initiative that we have called the Electrification Financing Initiative, or ElectriFI for short.

This innovative instrument aims at accelerating access to rural energy in developing countries by encouraging private sector to invest in new business opportunities.

EU grants will complement private financing, bridging potential financial gap in order to make a project bankable. This will provide the security investors and banks are expecting to boost investments. The specificity of this new initiative is the following: should the investment be successful, the grants will be converted into loans, at concessional rate, and the EU will be "reimbursed". We will then be able to reinvest our grants in new projects, allowing more and more people to get access to electricity services.

Another of ElectriFI's key benefits lies in its potential to take donor funding and increase it five or tenfold, while at the same time establishing real partnerships geared by economic results with beneficiaries and stakeholders to keep actions sustainable.

As you can see, ElectriFI is more than a financing proposal; it puts forward an innovative business model to leverage more private investments and involve more key stakeholders in all areas of expertise on a global level.

This is where you, major players in the energy sector, come in. The purpose of bringing you together in a rural electrification workshop rather than a conference is to launch a process of reflection with you. In short, I have called you here today to bring this proposal to life.

I'm counting on this workshop to help us build on the work we have already achieved and to forge a new partnership for investment and greater cooperation. These partnerships should allow to leveraging development funds from new investment opportunities. These opportunities will, in turn, open up innovative avenues for success on a wide scale.

My term as European Commissioner for Development will shortly be coming to a close but I can assure you also that I will continue to keep a close eye on your future activities and deliberations.

The future it is not about bringing a single light bulb to a home in rural area, as Kandeh once remarked so eloquently, this only sheds a light on poverty.

It is about creating an energy revolution across the developing world, bringing sustainable and affordable electricity to all citizens, along with reliable and sufficient capacity so that businesses can grow in confidence, creating jobs, growth and wealth.

I am confident this ambition will guide you over the next two days. I look forward to hearing about the results of your workshop and I will be happy to relay them to the Sustainable Energy for All Access Committee meeting on 1 October, which I will also be attending.

Thank you.