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Subject : Council Conclusions on Access to sustainable energy sources at local level in
developing countries

At the meeting on 18 May 2009, the General Affairs and External Relations Council adopted the Conclusions set out in the Annex to this note.

Council conclusions
on
Access to sustainable energy sources at the local level in developing countries

Access to energy, a key development challenge

1. The three main energy challenges of our time are to ensure energy security and sustainability for all, to cut greenhouse-gas emissions to a level which will not cause irreparable damage to the climate and to help developing countries to have access to modern, affordable and reliable energy services in order to ensure basic human needs, accelerate economic growth and improve the livelihoods of their people. These three challenges are inextricably linked and the EU is firmly determined to address them through the relevant policies and instruments and in cooperation with the international community in an integrated way.

2. In developing countries, 1.6 billion people lack access to electricity, 2.5 billion people use traditional biomass for cooking and access to electricity is very low in rural areas in spite of the potential of different renewable energy sources. Access to sustainable energy sources and modern energy services is a prerequisite for economic growth and social development, as well as for the achievement of the Millennium Development Goals (MDGs). A focus on sustainable energy will consolidate progress towards the MDGs and will contribute to address the global crisis and to mitigate climate change. In this regard, the EU looks forward to the discussions within the upcoming G-8 Energy Ministers meeting (Rome, 24-25 May 2009)¹.

¹ <http://www.g8italia2009.it>.

3. The EU is ready to address this situation by promoting and supporting access to sustainable energy sources at the local level in developing countries, building on the EU principles for integrating energy interventions into development cooperation². The Council therefore welcomes the Commission's initiative in this regard³, which focuses on the following key areas of action:

Supporting local solutions and engaging local actors

4. The EU will enhance its support to and cooperation with local actors (in particular local authorities), other local bodies in charge of energy development, the private sector (in particular small and medium-sized enterprises (SMEs)), local micro-finance institutions and civil society. Models of cooperation should build on best practices and may include twinning arrangements and other institutional support programmes at various levels, including local capacity building for energy services.
5. The EU will support partner countries' efforts to strengthen local democratic governance in the context of access to sustainable energy services. Particular attention will be paid to gender equality and children's rights in the management and delivery of energy services at local level, in particular by enhancing women's capacity-building and decision-making power.

Promoting decentralised solutions based on renewable energies

6. While respecting the energy choices of partner countries and bearing in mind their energy needs and local conditions, the EU will enhance its support to renewable energy systems in developing countries through appropriate demand-driven, local, sustainable energy solutions, stimulation of markets for local renewable energy systems, technology transfer and applied research into renewable energies⁴. The objectives are to supply sustainable energy services to meet the local needs and to stimulate enterprise and job creation.

² Council Conclusions of 11 April 2006 on Energy and Development (doc. 8358/06).

³ Commission staff working paper on Access to sustainable energy sources at the local level in developing countries (doc. 8857/09 - SEC(2009)534 final).

⁴ Including hybrid technologies as appropriate.

7. The EU will encourage public/private partnerships on energy service delivery and research&development of clean energies and low-carbon options and will step up assistance to developing countries to systematically address the various barriers to implementing renewable energy supply, uses and services at the local level.

Improving energy efficiency

8. The EU will mainstream energy efficiency in its development cooperation and assist partner countries in the elaboration of their national, regional and local action plans, the design of appropriate policy measures and the dissemination of information and best practices.
9. The EU will further support the increased use of modern and efficient cooking, heat and cooling devices and fuels through the promotion of sustainable public, productive and domestic energy uses, sustainable forest management as well as the enhancement of the local private sector capacity.

Setting up the appropriate frameworks and financing models

10. The EU will increase its support to partner countries to develop and strengthen long-term sustainable energy supply policies and conducive legal, regulatory and institutional frameworks, as well as to integrate decentralized, sustainable energy sources into their planning of the energy supply mix, including energy for cooking and with particular emphasis on access to sustainable energy sources at the local level.
11. In accordance with the Paris/Accra agenda on aid effectiveness, the EU will promote increased cooperation, coordination, complementarity and coherence among the different donors and with all relevant stakeholders in the energy development sector, building upon already existing frameworks and including the newly set up International Renewable Energy Agency (IRENA).

12. The Council welcomes the Commission's intention to provide coordination and support to the Africa-EU Partnership on Energy and invites the Commission, Member States and African partner countries to enhance the interaction between roadmaps of the Africa-EU Partnerships on Energy, Climate change, MDGs and Infrastructure.
13. The EU will step up its assistance to partner countries to attract international, national and local capital, including from the private sector and multilateral organisations, in order to finance the investments required to ensure long-term access to sustainable energy sources at the local level. The financing schemes should be adapted to the local scale of the action. Appropriate business models, suitable for scale-up, and public-private partnerships targeting the local level should be promoted. In particular, the EU will seek for appropriate models for joint financing with the private sector. In this context, the Councils highlights the Clean Development Mechanism (CDM) as an important source of additional funding for renewable energy projects, *inter alia* for least developed countries (LDCs), and calls on Member States to focus on reducing transaction costs and increasing awareness and capacity building in this area.
14. The Council welcomes the signature of the EU-ACP intra-ACP indicative programming for the 10th EDF and the Commission's intention to launch a second ACP-EU Energy Facility (200 million € under the 10th EDF), and calls on Member States to participate through co-financing. The new Energy Facility will contribute to reduce poverty and improve livelihoods through the support to innovative projects aiming at increased access to modern energy services in rural, isolated and peri-urban areas in ACP countries. It will focus on renewable energies, will work with decentralised actors and the private sector and will be anchored in ACP partner countries' strategies and priorities.
15. The Council recognises the role that the EU-Africa Infrastructure Trust Fund plays in terms of support to the energy sector in Africa. In this context, the Council underscores the need to address as appropriate and simultaneously the three energy challenges (energy poverty, energy security and climate change) in its implementation.

16. The EC will contribute to the objectives of these conclusions through the Environmental and Natural Resources Thematic Programme of the Development Cooperation Instrument⁵. Further EU support in this field to all developing countries may be channelled through the instruments addressing climate change, *inter alia* the Global Energy Efficiency and Renewable Energy Fund (GEEREF) and the Global Climate Change Alliance (GCCA). In this context, the EU remains committed to playing a leading role in bringing about a global and comprehensive Climate Agreement in Copenhagen in December 2009⁶.
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⁵ Regulation (EC) no. 1905/2006 of the European Parliament and of the Council of 18 December 2006 establishing a financial instrument for development cooperation (OJ L 378, 27.12.2006, p. 41).

⁶ Brussels European Council Conclusions of 19-20 March 2009 (doc. 7880/09).