

## **MoU EU Power Africa**

Recently, on the sideline of the Third International Finance for Development Conference, The European Union and the United States' Power Africa Initiative pledged to increase access to electricity in sub-Saharan African countries. Thus, Secretary of Treasury Jacob J. Lew and EU International Cooperation and Development Commissioner Neven Mimica signed a Memorandum of Understanding (MoU) to support power generation and access to electricity in sub-Saharan Africa at Hilton hotel.

The MOU intended to enhance coordination between the European Union and the United States' Power Africa Initiative that will deepen their ongoing long-term engagement with partner countries and the private sector and thereby to assist developing countries increase access to electricity for over 600 million people in sub-Saharan Africa. Commissioner Mimica said, "Today's agreement is a clear sign that the European Union and the United States are ready to pool their efforts and resources in helping partner countries in Africa to fight energy poverty. Increased access to sustainable energy sources will be essential if we really want to empower those most in need."

As outlined in the MOU, collaboration will occur on five key areas across sub-Saharan Africa: expanding small-scale and off-grid efforts, coordinating technical assistance mechanisms, aligning policy dialogue and reform efforts to improve the business enabling environment for energy investments, exploring opportunities for blended finance facilities and other types of financial support and improving energy efficiency.

Similarly, the European Commission has put in place a comprehensive set of actions to combat energy poverty. From now until 2020, the EU budget alone will allocate more than EUR 2.5 billion (approximately USD 2.8 billion) in grants to support sustainable energy in Sub-Saharan Africa, with an estimated leveraging of up to EUR 20 billion in financing and investment.

With these investments, the EU expects to bring electricity to more than 100 million people in Sub-Saharan Africa by 2020. This would contribute to reaching longer-term common goals of bringing access to electricity to 500 million people by 2030. It would also help to provide a durable solution to the shortfalls in energy infrastructure, and to power businesses, schools, homes and hospitals.

**Source:** By Zelalem Girma

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