

European Financial Flows to **SDG7** in Africa



4th Edition **March 2026**

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The AEEP is supported by its Steering Group:



Foreword

Access to affordable, reliable, sustainable, and modern energy is fundamental to sustainable development. Achieving Sustainable Development Goal 7 (SDG7) is a cornerstone for economic growth and social progress in Africa, while also supporting climate action, industrial development, and improved quality of life for millions across the continent. With 2030 approaching, accelerating progress toward universal energy access remains one of the continent's most pressing development challenges.

Finance and investment are decisive in determining whether this goal can be achieved. Understanding how resources are mobilised, allocated, and translated into tangible results is essential to inform policy decisions and strengthen international cooperation.

This fourth edition of the Africa–EU Energy Partnership (AEEP) flagship **report on European Financial Flows to SDG7 in Africa** provides a comprehensive analysis of how energy investments are advancing SDG7 across the continent. Drawing on a decade of data (2014–2023), the report examines the evolving financing landscape, highlighting the pivotal contributions of European institutions and Member States alongside those of multilateral partners, African governments, and the private sector. The report provides a unique value addition through its granular, Africa-centric lens, integrating diverse datasets to provide a “single source of truth” that aligns with the specific needs of the Africa-EU Energy Partnership.

The findings confirm that Europe remains a long-standing and committed partner in financing SDG7. European finance has supported renewable energy deployment, strengthened transmission and distribution infrastructure, and advanced policy and institutional reforms. At the same time, African governments remain the first investors in their energy sectors, despite increasingly constrained fiscal space.

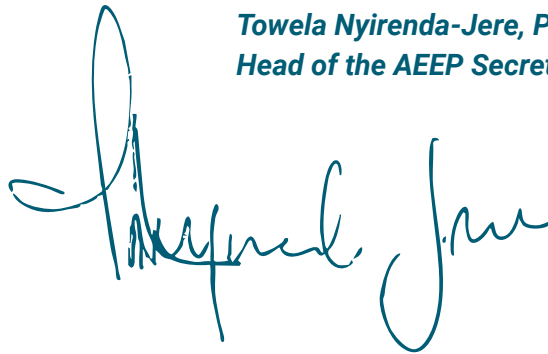
While the findings in this report offer a sobering assessment of the scale of the financing gap, they also illuminate a pathway toward a resilient energy future. We must be realistic: current financial flows are not yet at the magnitude required to achieve universal access. Yet, there is a profound sense of optimism to be found in the emerging trends of diversified investment sources and the increasing viability of renewable technologies. At the same time, we must do more, especially in rural electrification, clean cooking, grid integration and energy efficiency. This report does not simply document the shortfalls; it identifies the untapped potential for growth and the specific mechanisms that can unlock transformative capital.

This report provides policymakers, development partners, financial institutions, and private investors with an evidence-based understanding of the current financing landscape for SDG7 in Africa. By synthesising the data into actionable insights, it bridges the gap between high-level policy goals

and the practical realities of implementation, guiding more effective collaboration and ensuring that investments are directed where they are needed most. Pathways in the report indicate where constrained international concessional resources should be prioritised and highlight how domestic and private resources can be mobilised more effectively to close the financing gap.

In a world of rapid geopolitical shifts, partnerships are more important than ever. Strengthening cooperation between African and European partners and mobilising both public and private capital will be critical to translating ambition into tangible results.

As the Africa–EU Energy Partnership continues to serve as the premier platform for dialogue, cooperation, and action between the two continents, we invite all stakeholders to use this report not just as a reference, but as a call to action. We must ensure that financial flows are optimised towards our shared objective: ensuring sustainable energy access for all and supporting an inclusive and resilient energy future.


Towela Nyirenda-Jere, PhD
Head of the AEEP Secretariat

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GLOSSARY

AEEP	Africa-EU Energy Partnership
AEGEI	Africa-EU Green Energy Initiative
AfCFTA	African Continental Free Trade Area
AFD	Agence Française de Développement
AfDB	African Development Bank
AfEES	African Energy Efficiency Strategy
AfIF	Africa Investment Facility
AFREC	African Energy Commission
AfSEM	African Single Electricity Market
AIP	Africa Investment Platform
ANG	African National Government
AU	African Union
AUDA-NEPAD	African Union Development Agency
BMZ	German Federal Ministry for Economic Cooperation and Development
BOAD	West African Development Bank
CEPA	Continental Energy Programme in Africa
CIV	collective investment vehicles
CMP	Continental Power Systems Masterplan
CRS	Creditor Reporting System
DAC	The OECD's Development Assistance Committee
DBSA	Development Bank of Southern Africa
DEG	Deutsche Investitions-und Entwicklungsgesellschaft
DFI	Development finance institution

EAPP	Eastern African Power Pool
EBRD	European Bank for Reconstruction and Development
EC	European Commission
EFSD+	European Fund for Sustainable Development Plus
EI&MS	European Union Institutions and European Union Member States
ESI	Electricity supply industry
ESMAP	Energy Sector Management Assistance Programme
EU	European Union
GDP	gross domestic product
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit (Germany)
GW	giga-watt
GWh	giga-watt hour
IDA	International Development Association
IEA	International Energy Agency
IFI	International financial institution
IPP	independent power producer
IRENA	International Renewable Energy Agency
ITP	Independent transmission project
JET-P	Just Energy Transition Partnership
kV	kilovolt
kW	kilo-watt
kWh	kilo-watt hour
kWp	kilo-watt peak

LDC	Least-developed country
LIC	Low-income country
LMIC	Lower middle-income country
LNG	liquefied natural gas
MIGA	Multilateral Investment Guarantee Agency
MJ	Mega-joule
MPFD	Mobilised private finance for development
MTF	Multi-tier framework
MW	mega-watt
MWp	mega-watt peak
NTCSA	National Transmission Company of South Africa
ODA	Official development assistance
OECD	Organisation for EconomicCo-operation and Development
OOF	Other official flows
P&CB	Policy and Capacity Building
PPP	public/private partnership
PSI	Private Sector Instrument
PV	Photovoltaic
RCREEE	Regional Centers for Renewable Energy and Energy Efficiency
RDB	Regional Development Banks
RE	renewable energy
RISE	Regulatory Indicators for Sustainable Energy
SADC	Southern African Development Community
SAPP	Southern Africa Power Pool

SAS	Sustainable Africa Scenario (IEA)
SDG	Sustainable Development Goal
SE4All	Sustainable Energy for All
SHS	Solar home systems
SPV	Special purpose vehicle
SSA	Sub-Saharan Africa
T&D	transmission and distribution
TDB	Eastern and Southern Africa Trade and Development Bank
TES	Total energy supply
TWh	tera-watt hour
UMIC	upper, middle-income country
UN	United Nations
WBG	World Bank Group
ZTK	Zambia-Tanzania-Kenya interconnector

Executive Summary

The Sustainable Development Goal 7 (SDG7) sets ambitious targets for global energy development, with the aim to “**ensure access to affordable, reliable, sustainable and modern energy for all**” by 2030. Progress towards SDG7 is directly linked to the scale and effectiveness of finance and investments that are dedicated to this goal.

This fourth edition of AEEP’s flagship report on European Financial Flows to SDG7 in Africa provides a comprehensive overview of how SDG7 is being financed across the African continent, with a specific focus on European contributions. **Drawing on a decade of data (2014–2023)**, the report provides a **comprehensive data-driven analysis** of the evolving financial landscape of SDG7, providing insights on financing approaches and instruments, and highlights remaining gaps and challenges.

Support for SDG7 is delivered through a complex ecosystem of international public financial institutions, African national bodies, and private sector actors, and through a multitude of projects and initiatives. The report provides detailed analysis of European contributions to SDG7 in Africa and contextualises this effort within the international development finance landscape. To provide the most comprehensive picture of the SDG7 financing landscape, the report also examines mobilised private investments and provides an overview of African government’s own energy financing. Finally, the report outlines tangible progress achieved on SDG7 through these financial flows and highlights remaining needs and pathways to accelerate progress.

EUROPEAN FINANCIAL FLOWS TO SDG7 IN AFRICA

Finance from EU institutions and EU Member States (EI&MS) has consistently represented a major share of international public financial support dedicated to achieving SDG7 in Africa.

Between 2014 and 2023, total **commitments to SDG7-compliant projects reached EUR 20.67 billion**, making the EU the largest source of public finance for SDG7 in Africa after multilateral institutions, and the leading regional partner in supporting the continent's energy transition¹. Commitments to non-SDG7 projects represented only 7.5% of energy commitments in Africa, a share that has been declining in recent years, demonstrating Europe's firm commitment to clean energy access and the phase-out of fossil fuels.

Portfolios are led by renewable generation (57 % of commitments) and by transmission and distribution (28% of commitments), with a marked increase for policy and capacity building in 2022 and 2023. This trend reflects Europe's integrated approach to cooperation, combining investment in hard infrastructure with support to reforms and planning. In contrast, energy efficiency and clean cooking initiatives have received relatively limited funding.

SDG7-compliant commitments were directed primarily to Lower-Middle Income Countries (LMICs), which received 40% of total funding, followed by Least-Developed Countries (LDCs) with 31% (excluding regional programmes). Given that LDCs face the most significant access deficits, meaningful progress toward SDG7 will increasingly depend on directing a larger share of future European financing toward projects in these countries.

EI&MS provide highly concessional support, with **95% of all SDG7-compliant commitments categorised as Official Development Assistance (ODA) and grants accounting for a substantial share (35%)**. This is particularly important given the growing debt distress and rising external debt burdens faced by many countries.

Over the decade, **SDG7-compliant disbursements levels reached almost three quarter of commitments** and have shown a consistent upward trend, signalling better execution. Accelerating the translation of commitments into disbursements will be key to driving tangible progress toward SDG7.

The EU is also a key actor in mobilising² private sector investment, **leveraging EUR 4.25 billion euros in private finance** over the same period through a range of instruments, including shares in common investment vehicles and simple co-financing. EU institutions, in particular, have played an increasingly significant role in this mobilisation.

This **long-term and sustained engagement** has enabled the development and implementation of strategic projects across the continent, many of which are highlighted in this report, each contributing incrementally to the realisation of SDG7 targets in Africa.

¹ This analysis excludes financial flows coming from China (see chapter 2.7 for more details)

² "mobilised private finance" refers to private capital mobilised by official interventions, in line with the OECD methodology.

INTERNATIONAL DEVELOPMENT FINANCE TO SDG7 IN AFRICA

This support from EI&MS is part of a global effort provided by multilateral and bilateral development institutions around the globe. This international public support remains a cornerstone for SDG7 delivery.

International donors have provided about **EUR 71 billion commitments to SDG7-compliant projects** over the 2014-2023 decade, representing 75% of overall commitments to energy.

Multilateral development institutions have long been the largest source of international public commitments to SDG7-compliant projects, providing EUR 41.1 billion, or about 58% of international public finance. Their contribution peaked in 2023, reaching EUR 6 billion committed. The leading multilateral institution has been World Bank Group's IDA, representing 44% of multilateral finance. Multilateral institutions have directed more commitments towards transmission and distribution projects than to any other sector.

Parts of multilateral funding is composed of contributions from members to be channelled directly through specific projects. European Union entities were by far the largest contributors of SDG7-compliant finance channelled through multilateral institutions in the ten years to 2023.

The sectoral distribution of commitments from all international donors mirrors that of EI&MS: funding was directed primarily towards renewable energy generation projects, followed by transmission and distribution projects, and policy support and capacity building activities. Clean cooking and energy efficiency received only a marginal share, around 2% of total commitments.

Commitments were directed primarily towards Least Developed Countries (LDCs), which account for the largest share of Africa's population and have the greatest energy access needs. These countries absorbed 43% of total commitments over the period.

Approximately 70% of international public commitments were classified as Official Development Assistance (ODA), a lower share than that observed for EI&MS. ODA grants have declined sharply since 2021, while in contrast, ODA loans peaked in 2023, accounting for 54% of total commitments. This **relatively important share of non-ODA financing and the shift from grant-based to loan-based financing** is preoccupying as many African countries experience high debt burdens and limited borrowing capacity.

From 2014 to 2021, Chinese support to energy projects (including non-SDG7 sectors) in Africa amounted to about EUR 40 billion euro³. Chinese commitments have been very volatile from one year to another, and highly concentrated on a few countries. Only 25% of recorded flow were classified as "ODA-like".

³ Funding from The People's Republic of China is addressed separately in this report as the country doesn't report its foreign aid flows in a systematic and transparent manner line with OECD definition, unlike OECD-DAC donors. Data also cannot identify SDG7-compliance.

AFRICAN CONTRIBUTIONS TO SDG7

Against this backdrop, Africa is not standing still. **African governments are the primary source of funding for SDG7 in Africa.**

Between 2014 and 2023, African governments collectively allocated an estimated **EUR 116 billion to their energy sectors**⁴. After a marked decrease in 2021 and 2022, spending has been recovering in the latest year. However, levels remain uneven across the continent. While some countries have committed substantial resources to large-scale and transformative energy projects, many countries (particularly LDCs) continue to face significant fiscal constraints.

Analysis of detailed budget data from 28 African countries indicates that most public spending has focused on grid infrastructure and renewable power generation. Allocations for clean cooking and energy efficiency were limited, although these areas could yield high social and environmental returns with modest investment. However, the robustness of this analysis is limited as there is no standardised budget reporting. To improve transparency and comparability, harmonised reporting frameworks and dedicated standards for tracking SDG7-related investments should be adopted across the continent.

In parallel, **governments are advancing SDG7 through policy and regulatory reforms** designed to strengthen sector governance and attract private investment, though the depth and pace of these reforms vary widely. Countries having signed Mission 300 compacts have taken additional steps to fast-track key reforms aimed at accelerating energy access.

Many African countries face **constrained fiscal space and weak revenue performance**, limiting their ability to fund their energy sectors. Pathways to **increase domestic resource** include curbing illicit financial flows, leveraging institutional capital such as pension funds, tapping into mineral resource revenues and deepening local capital markets. **African regional development banks** are also emerging as significant sources of energy finance.

Nonetheless, domestic resources alone are unlikely to meet Africa's growing energy needs. Sustained external support from development finance institutions and philanthropies remains essential. Additionally, there is a growing need to attract more private investors underscoring the importance of strengthening utilities' financial health and ensuring stable, transparent regulatory environments.

⁴ This figure includes external financing sources (and therefore overlaps with parts of data presented under European and international development finance) and also in some instances non-energy spending. The reason is the uneven level of disaggregation in the analysed national budgets. See methodology in the introduction of the report, and box in chapter 3.1, for more details.

MOBILISED PRIVATE FINANCE TO SDG7 IN AFRICA

Mobilised private finance refers to private capital mobilised by leveraging instruments provided by bilateral and multilateral developments actors. Between 2014 and 2023, EUR 16.03 billion private investments were mobilised for SDG7-compliant projects. This figure doesn't capture private investments that occurred without leveraging instruments. Investment levels were strongly affected by the pandemic and still haven't recovered to their pre-pandemic levels. Sustaining and increasing them constitutes a challenge.

LDCs attracted only 19% of these investments, reflecting how unfavourable investment climates and higher perceived risks commonly associated with lower-income countries continue to constrain private investment flows.

Multilateral and bilateral financing institutions used several leveraging instruments to mobilise these private investments. **Guarantees mobilised the highest share, representing 40%** or EUR 6.4 billion private investments, and were widely used by multilateral institutions. European donors used a balanced portfolio of instruments and mobilised the second highest amount of private investments after multilateral organisations.

KEY INITIATIVES SHAPING PROGRESS ON SDG7 IN AFRICA

Delivery on SDG7 and wider energy goals will be accelerated through a set of initiatives developed by the African Union and its European and international partners, that link planning, reforms and market rules, and infrastructure finance.

The African Union, and its development agency AUDA-NEPAD, have developed a set of continental initiative aiming to transform the continents energy landscape. The **African Single Electricity Market (AfSEM)** defines harmonised market rules and transparent settlement needed for trading electricity within and between the five Power Pools⁵. The **Continental Power Systems Master Plan (CMP)** provides a roadmap for interconnecting the continent and meeting electricity consumptions needs by 2040 and sets least cost investment for generation and interconnection priorities. The **Africa Energy Efficiency Strategy (AfEES)** provides a roadmap for energy-efficient practices among several economic sectors, aiming to reduce system costs and improve reliability. Together, these initiatives will drive the creation of project pipelines at national and regional levels and shorten the path from preparation to financial close.

The Africa-EU Green Energy Initiative (AEGEI) is a Team Europe Initiative designed to leverage European efforts to support investments in clean energy and energy access in Africa. AEGEI's goals are to bring at least 50GW of additional renewable energy capacity into service by 2030, providing more than 100 million people access to affordable, sustainable electricity supply and improving energy efficiency. Delivery combines funding and technical assistance for both "hard"

⁵ AfSEM and its component CMP are flagship projects of the AU's Agenda 2063.

infrastructure projects and “soft” policy and capacity-building programs, in addition to risk-sharing and other instruments to mobilise private sector investments. The focus is on renewable generation, transmission and distribution reinforcement, distributed solutions for access, and clean cooking. AEGEI addresses Africa’s energy needs at three scales: at continental level, supporting the three aforementioned AU initiatives, and at regional and national scale supporting transformative projects.

Complementary to these key African and European initiatives, a new programme—**Mission 300**—launched by the World Bank and the African Development Bank, and supported by several other partners, aims to provide electricity access to 300 million people in Africa by 2030. The initiative places strong emphasis on implementing transformative reforms outlined in the national compacts of 30 signatory countries, as at the date of preparation of this report.

Given the vast scale of financing needs, there is ample space for all actors to contribute meaningfully and for the initiatives not to overlap. The initiatives highlighted form a coherent ecosystem capable of delivering tangible progress on SDG7, establishing a stable chain that links planning, reforms and regulation, and finance. To maximise results, partnership roles must be clearly defined and coordination increased.

The ultimate measure of success will be a stronger regional grid infrastructure, increased generation capacity and verifiable improvements in access to electricity and clean cooking as per the SDG7 targets.

FROM FUNDING TO IMPACT - PROGRESS AND PATHWAYS TO SDG7 IN AFRICA

The levels of funding described in this report have contributed to advancing progress on SDG7 on the continent. An assessment of this actual progress toward SDG7 allows one to evaluate whether current trajectories align with the 2030 targets and identify where the funding gaps are.

- **Electricity access** (indicator SDG7.1.1) has improved on the continent, from 38% in 2014 to 53% in 2023, yet rural communities still lag far behind urban centres, and the continent retains most of the global deficit as progress barely outpaces population growth.
- **Access to clean cooking fuels and technologies** (indicator SDG 7.1.2) is progressing very slowly on the continent. In Sub-Saharan Africa, the rate of access only rose from 13% in 2014 to 21% in 2023 and it is the only region in the world where the absolute number of people without access continues to grow.

- **Renewable capacity** (indicator SDG 7.2) is growing across the continent, reaching 33% of installed capacity in 2023, but growth in solar and wind power generation in SSA has lagged other regions of the world, despite extremely favourable conditions for both on the continent. Integration is constrained by transmission and distribution bottlenecks and limited system services.
- **Energy efficiency** (indicator SDG 7.3) has improved modestly between 2014 and 2023, with an average annual improvement rate of only 0.65%.

This analysis shows that the **delivery remains uneven** between SDG7 indicators, and the **pace remains too slow to meet these targets by 2030**, the horizon for all SDGs.

This means that while finance has supported important improvements on SDG7 in Africa, it remains **below the levels needed to meet the region's ambitions**. The International Energy Agency (IEA) estimates that in Africa, reaching universal access to clean cooking requires USD 2.2 billion annually⁶ until 2040 and to electricity USD 15 billion annually⁷ until 2035. The estimated financing requirements in the 30 Mission 300 national compacts amount to EUR 90 billion in private and EUR 95 billion in public finance until 2030. Realising the AU's Continental Power Systems Master Plan (CMP) requires EUR 73 billion/year until 2040. These needs are several times larger than historical combined public and mobilised private flows described in this report.

These figures demonstrate that overall funding and investments flowing to Africa on SDG7 need to be dramatically increased. **To close this gap, Africa and Europe can work together on the following priority actions:**

- 1) Converting pledges into firm commitments and accelerating the translation of commitments into disbursements;
- 2) Substantially increasing funding to clean cooking and energy efficiency;
- 3) Preserving grant windows to LDCs and prioritising concessional resources for access operations in electricity and clean cooking;
- 4) Unlocking private capital at scale through regulatory reforms, improved market conditions and expanded risk-sharing and blended-finance instruments;
- 5) Increasing domestic resource mobilisation through improved tax mobilisation, institutional capital from pension funds, and revenues from mineral resources;

⁶ *Universal Access to Clean Cooking in Africa*, IEA, 2025

⁷ *Financing Electricity Access in Africa*, IEA, 2025

- 6) Ensuring strong alignment among major initiatives and align partner support with AU continental frameworks;
- 7) Implementing targeted measures across the four SDG7 dimensions: integrated electrification strategies, targeted financing instruments for clean cooking support, improved grid conditions for renewable energy deployment, and prioritised energy efficiency actions offering rapid, cost-effective gains.



Introduction



This fourth edition of AEEP's flagship report European Financial Flows to SDG7 in Africa provides a comprehensive view of how the United Nations' Sustainable Development Goal 7 (SDG7) is being financed across the African continent. SDG7 aims to "ensure access to affordable, reliable, sustainable and modern energy for all" by 2030.

Covering a decade of data (2014–2023), the report assesses the financial landscape supporting SDG7 in Africa. It analyses providers and recipients of SDG7 finance, provides sectoral breakdowns, offers insights into financing approaches and instruments, and highlights persistent gaps.

Support for SDG7 comes from a diverse ecosystem of international public financial institutions, pan-African and national bodies, and private-sector actors, operating through a wide array of projects and initiatives. The report explores how these efforts interact and how stronger coordination could enhance results.

The financing landscape of SDG7 in Africa directly affects the pace at which the continent is moving towards achieving affordable, reliable, sustainable and modern energy for all. Combined with an assessment of progress on SDG 7 indicators, this analysis provides an evidence-based foundation for identifying pathways to accelerate future progress toward achieving SDG7 in Africa.

Table 1: SDG7 targets and indicators⁵, and corresponding financial flows analysed in the report

SDG7: affordable, reliable, sustainable and modern energy for all by 2030		
SDG7 target	SDG7 indicator	Financial flows covered in the report
7.1 By 2030, ensure universal access to affordable, reliable and modern energy services	7.1.1 Proportion of population with access to electricity 7.1.2 proportion of population with access to clean cooking	Projects contributing to electricity access Projects contributing to clean cooking access
7.2 By 2030, increase substantially the share of renewable energy in the global energy mix	7.2.1 Renewable energy share in the total final energy consumption	Projects contributing to renewable electricity generation only
7.3 By 2030, double the global rate of improvement in energy efficiency	7.3.1 Energy intensity measured in terms of primary energy and GDP	Projects contributing to energy efficiency
7.A By 2030, enhance international cooperation to facilitate access to clean energy [...]	7.A. 1 International financial flows to developing countries in support of clean energy research and development and renewable energy production	International development financial flows, mobilised private finance, and African government spending on energy

Report structure

- Chapter 1** provides a detailed breakdown energy financing and commitments to SDG7 provided by **European Institutions and Member States**. It explores sources, sectoral allocation, instruments and destinations of those commitments.
- Chapter 2** situates European support within the broader landscape of **international development finance**, offering an overview of commitments from global donors. This edition provides a focus on multilateral institutions and on the funding from the People's Republic of China.
- Chapter 3** explores **Africa's own contributions to energy**. It examines government budget spending on energy, the constraints imposed by debt and limited fiscal space, and pathways to strengthen domestic resource mobilisation. It also presents data on African Regional Development Banks and their expanding role.

⁵ [SDG7 Targets & Indicators | United Nations](#)

- Chapter 4** provides a detailed analysis of **private investments** to SDG7 in Africa mobilised through instruments provided by multilateral and bilateral donors. It explores the types of risk-sharing and blended-finance instruments and their origin, as well as the destination of mobilised private investments.
- Chapter 5** spotlights several **major initiatives driving progress** on SDG7 in Africa. These include the African Union's continental strategies, the Africa-EU Green Energy Initiative, and Mission 300. The chapter explores how enhanced coordination and alignment can maximise progress towards shared objectives.
- Chapter 6** highlights real-life **progress** achieved to date on SDG7 in Africa with the support of financing described in the report. It quantifies financing needs required to achieve SDG7 and proposes **pathways** to accelerate progress.

Methodology and data

As with the previous editions of *European Financial Flows to SDG7 in Africa*, the findings of this report are based on the production and analysis of the most comprehensive and robust data set possible for public finance (international and domestic) and mobilised private finance.

- The analysis of **European and international development financial flows** is primarily based on the OECD's Development Assistance Committee Creditor Reporting System (DAC CRS), which tracks aid commitments and disbursements from OECD members.⁹ The data cover all sources of official development finance, and philanthropy (the latter representing a small share). The analysis of **Chinese investments** into energy projects in Africa is based on AidData's dataset up to 2021¹⁰.
- The analysis of **mobilised private investment** towards SDG7 is based on the OECD methodology for private finance mobilised by official development finance interventions¹¹ and corresponding database provided by the OECD. As a result, purely private investments that did not benefit from international public support are not captured in the report. While it is extremely difficult to quantify the exact share of such purely private investments, we estimate that a large majority of private investment in SDG7 sectors in Africa is supported by official development sources, as most projects are not commercially attractive on a purely market basis.
- For **African National Government spending**, open-source research budget data was used to uncover spending in the energy sector. While data availability has improved over the years, spending was, in some instances, only available at the ministry level instead of at a more granular departmental level. As a result, spending figures may in some cases include other sector spending when the Ministry covers different sectors

⁹ This dataset may be accessed at [OECD DAC CRS](#).

¹⁰ AidData is an international development research lab housed at William & Mary university, Williamsburg, Virginia, USA. AidData has a very active Chinese Development Finance Programme.

¹¹ Mobilisation of private finance for development, Organisation for Economic Co-operation and Development, Paris, France. Accessed at: [OECD DAC CRS – mobilisation of private finance](#).

and it has not been possible to disaggregate this data. Additionally, it is not possible to identify SDG7-compliant spending within most African budget documents. For a subset of countries for which budget data is sufficiently disaggregated, it was possible to provide a breakdown of SDG7 categories and non-SDG7 spending. Finally, most budget documents do not allow separation of external resources (from international donors) from internal resources (tax revenues...etc). Therefore, data on African spending may contain some data covered under international

Unless stated otherwise, the headline figures presented in chapters 1 and 2 are commitments as reported to the OECD DAC. Disbursements are analysed in parallel to track the volume of funds actually disbursed over the period, and to quantify the grant equivalent and concessionality of investments.

SDG7-compliance and alignment with SDG7 indicators

The OECD DAC CRS does not allow for a consistent separation between SDG7 and non-SDG7 projects, and does not provide a breakdown according to SDG7 indicators. For this analysis, the following OECD DAC CRS sectors have been considered SDG7-compliant: transmission and distribution, renewable generation, clean cooking, energy efficiency and policy and capacity building (see the methodology section on AEEP's website for further details on OECD DAC CRS classifications).

The table below shows the correlation between OECD DAC CRS sectors and SDG7 indicators:

Table 2 Correspondence between SDG/ indicators and OECD DAC CRS sectors

SDG7 indicators	7.1.1 Access to electricity	7.2.1 Renewable energy	7.1.2 Access to clean cooking	7.3.1 Energy efficiency		
OECD DAC CRS sectors	Transmission and distribution				SDG7	SDG7-compliant
		Renewable generation				
			Clean cooking	Energy efficiency		
	Policy and capacity building					

While most OECD DAC CRS categories directly match the SDG7 indicators, the database does not include a dedicated category for electricity access. Financing for electricity access is therefore captured primarily under the *transmission and distribution* category, with a smaller share included under *renewable generation*. Indeed, the *renewable generation* category encompasses generation for decentralised systems, including for mini-grids (only the generation component) and solar home systems, that contribute to electricity access.

The *transmission and distribution* category covers both centralised electricity grids and isolated mini-grids (the network component). Centralised grid investments make a significant contribution to expanding electricity access and therefore contribute to electricity access indicator in this report.

Policy and capacity building covers all SDG7 indicators.

Definitions

The definitions of the main terms used in this report are given below¹²:

Definitions	
SDG7	Projects in the sectors of renewable generation, transmission and distribution, energy efficiency and clean cooking (see methodology for details of the OECD DAC sector codes).
SDG7-compliant	SDG7 as defined above, plus policy support and capacity-building.
Non-SDG7	Finance to energy directed to projects that do not align with OECD DAC sector codes classified as SDG7-compliant (e.g. fossil fuels), or where the finance type or origin could not be identified.
Energy	SDG7-compliant and non-SDG7 finance in the energy sector.
Development Finance	Relates to Official Development Assistance (ODA), Other Official Flows (OOF) and Private Development Finance (philanthropy) as reported to the OECD DAC CRS. ²⁷
ODA	Official Development Assistance is financial support to aid recipients provided by official agencies, administered with the promotion of economic development and welfare of developing countries as its main objective, and is concessional in character ¹³ .
OOF	Other Official Flows are official sector transactions which do not meet ODA criteria.

¹² Refer to the methodology for a full and detailed explanation of all definitions (available as a separate document on AEEP's website)

¹³ [Official development assistance – definition and coverage | OECD](#)

Mobilised Private	Relates to private finance mobilised through interventions from international public sources, as recorded in the OECD's Mobilised private finance for development database.
African national governments	Sovereign governments of African Union Member States.
EU Institutions and Member States (EI & MS):	European Union institutions (including the European Commission and associated funds, and the European Investment Bank), and ministries/development agencies/development banks of its Member States as of 31st December 2022 (except United Kingdom (2014-2019)).
Multilateral institutions	Multilateral development institutions, multilateral development banks or climate funds and funded by multiple countries.
Commitments	A firm obligation made by a public donor to provide specified support to a recipient country or multilateral institution. Amounts are recorded in full, irrespective of the time required for disbursement.
Disbursements	The release of funds to, or the purchase of, goods or services for a recipient; by extension, the amount thus spent in a given year. They may be recorded gross (the total amount disbursed over a given accounting period), or net (the gross amount, less any repayments of loan principal, or recoveries on grants received during the same period).

A full and detailed explanation of terms and definitions can be found in the methodology available as a separate document on AEEP's [website](#).

1.

European financial flows to SDG7 in Africa

This chapter provides a detailed analysis of the funding provided by European Union Institutions and Member States (EI&MS), over a decade of data.

These entities include EU-level institutions such as the European Commission (EC), the European Investment Bank (EIB) and the European Development Fund, as well as the 27 national governments and their respective ministries, regional and provincial authorities, development finance institutions and banks. This institutional diversity translates into a broad spectrum of interventions supporting SDG7 implementation across Africa.

To fully assess the impact of European financing and alignment with the objectives of SDG7, it is essential to understand its delivery architecture. This chapter provides a comprehensive analysis of the source, composition and direction of these financial flows and financial instruments deployed to support SDG7 objectives in Africa from 2014 to 2023.

1.1 | Overview of European Energy financing and contributions to SDG7

Data on European energy financing in Africa underscores Europe's strong commitment to advancing sustainable energy access on the continent. Between 2014 and 2023, European Institutions and Member States (EI&MS) committed EUR 22.32 billion to the energy sector, of which EUR 20.67 billion, or 93%, was SDG7-compliant. This figure includes SDG7 projects and policy and capacity building (P&CB) (see Figure 1.1).

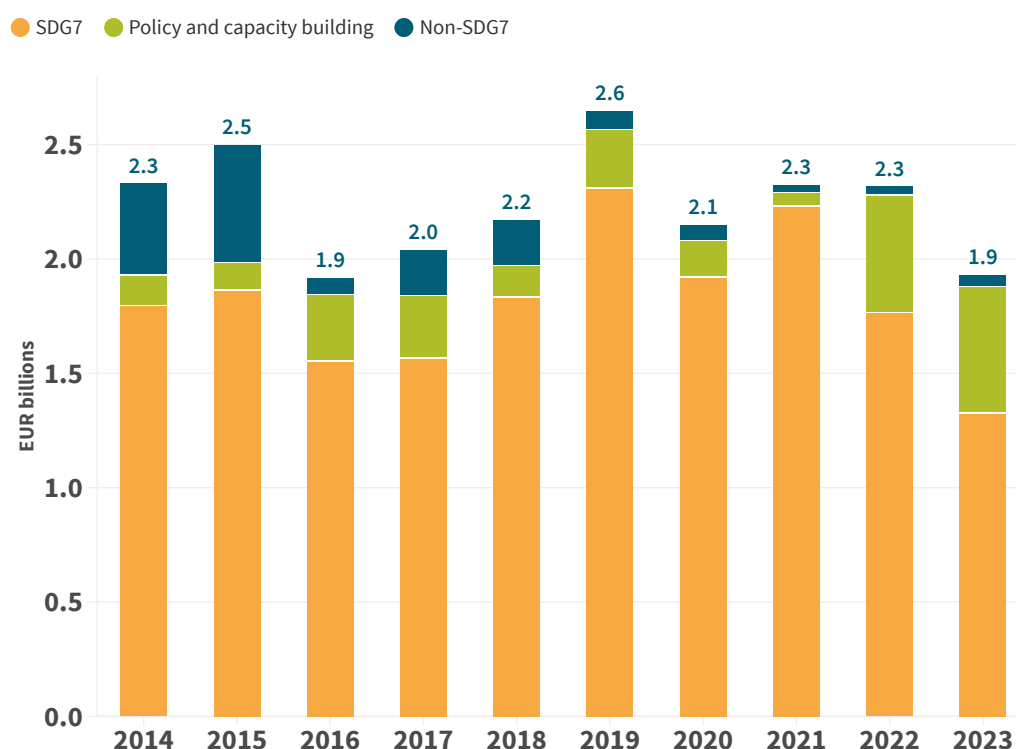
Figure 1.1 Total commitments to energy in Africa from EI&MS (2014-2023)



Analysing EI&MS commitments trends over a decade helps shed light on the strategic priorities shaping European development cooperation. While the total volume of financing has varied over time without a clear upward or downward trend, the nature of these investments has changed significantly, with declining levels of non-SDG7 funding and a growing share of policy and capacity building support within SDG7-compliant¹⁴ financing.

Over a decade, EI&MS committed EUR 20.67 billion to SDG7-compliant projects

¹⁴ In this report, "SDG7-compliant" refers to SDG7 sectors (renewable energy, transmission and distribution, energy efficiency and clean cooking) plus policy and capacity building

Figure 1.2 Evolution of commitments to energy in Africa from EI&MS (2014-2023)

Non-SDG7 commitments declined markedly over the decade, consistent with institutional decisions to phase out support to unabated fossil assets. In 2014, these commitments, amounted to EUR 400 million, or 17.1% of the year's total. By 2023, this figure had fallen to just EUR 49 million, representing a mere 2.53% of total commitments (Figure 1.2).

This trajectory reflects major policy shifts driven by climate considerations. As an example, the European Investment Bank's (EIB) announced in 2019 a landmark decision to end all financing for unabated fossil-fuel projects from 2022 onwards. In December 2021, at the COP26 in Glasgow, 39 signatories, including many European Union Member States, committed to end direct public support for the international unabated fossil fuel energy sector by end-2022¹⁵. The effects of these decisions are clearly visible in the data.

93% of European funding was SDG7-compliant, demonstrating Europe's strong commitment to clean energy access in Africa

¹⁵ Statement on international public support for the clean energy transition, UK Government, 4 November 2021.



Another important trend emerging from the data is the recent significant rise in funding for Policy and Capacity Building (P&CB). In 2014, P&CB funding stood at EUR 135 million (5.8% of the total), while a decade later, in 2023, this figure had more than quadrupled to EUR 554 million (28.7% of the total). This reflects an evolution in the European approach, acknowledging that sustainable energy systems rely not only on physical investments but also on strong institutions, sound governance, and effective regulatory frameworks (the “360° approach”).

Both the focus on SDG7 and the 360° approach are part of Europe’s Global Gateway Strategy¹⁶ and more specifically the Africa-EU Green Energy Initiative (see box).

Box 1

How SDG7 and key African initiatives are supported by the Africa-EU Green Energy Initiative (AEGEI)

The **Africa-EU Green Initiative (AEGEI)** is a Team Europe Initiative aimed at supporting green energy investments in Africa. The initiative seeks to add at least 50 GW of renewable energy on the continent, provide energy access to at least 100 million additional people and support energy efficiency improvements. The initiative brings together the efforts of the European Commission, 12 EU Member States, the EIB and the EBRD to support progress towards SDG7 achievement on the continent, in alignment with key African strategies, including African Union flagship initiatives.

Three key continental African Union initiatives are notably supported through AEGEI: the Continental Power Systems Masterplan (CMP), The Africa Single Electricity Market (AfSEM), and the African Energy Efficiency Strategy (AfEES).

More than EUR 20 billion have been pledged for the period 2021-2027, marking a significant increase compared to financing from EU institutions and Member States during the previous Multiannual Financial Framework period (2014-2020). This figure is likely to increase as the Scaling up RE campaign¹⁷ launched in November 2024 brought additional European pledges to support renewable energy development to the continent and will be integrated under AEGEI.

EI&MS SDG7-compliant commitments (2014-2020)

EUR 14.22 billion

AEGEI initial pledge (2021-2027)

EUR 20 billion

Source: OECD DAC, European Commission

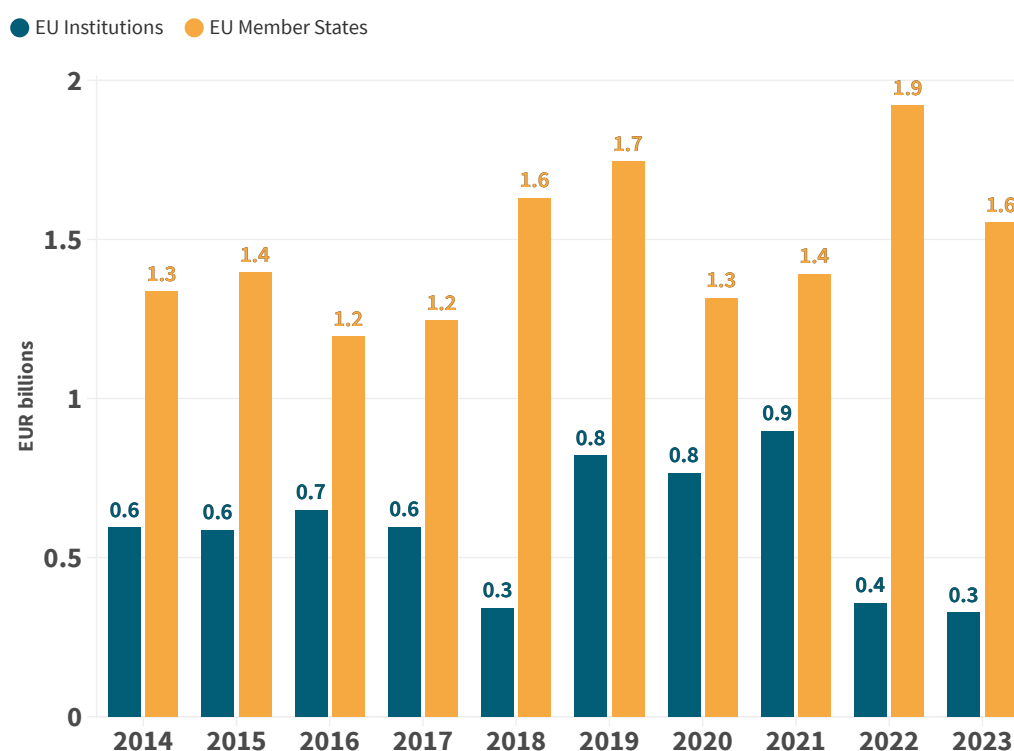
See chapter 5.2 for more detailed information on AEGEI and AU initiatives.

¹⁶ *Global Gateway - European Commission*

¹⁷ *EUR 15.5 billion have been pledged to clean energy in Africa, but the share that will fall under AEGEI is still to be communicated. Europe leads pledging effort in campaign mobilising €15.5 billion for clean energy in Africa*

SDG7-compliant commitments from EU institutions and from EU Member States

Figure 1.3 SDG7-compliant commitments from EU Institutions and from Member States (2014-2023)



Over the 2014-2023 period, SDG7-compliant commitments from EU Member States have reached EUR 14.73 billion in total, while EU Institutions committed EUR 5.94 billion (see Figure 1.3).

While direct commitments from EU Institutions remained relatively low in 2022 and 2023 compared to earlier years, their contribution to private sector mobilisation increased significantly in 2023 (see chapter 1.6), reflecting a shift in the approach to SDG7 in Africa, with greater focus on catalysing private investments. By contrast, overall contributions from EU Member States increased, reaching some of the highest levels of the past decade. These were driven by some very large commitments in 2022 and 2023, including major loans directed to South Africa's JET-P and other projects in Tanzania, Mozambique and Guinea.

Among Member States, two countries account for a substantial share of contributions: Germany committed EUR 7.01 billion (or 48% Member State's commitments) and France EUR 5.6 billion (or 38%). The remaining EU Member States together provided EUR 2.10 billion, led by Sweden (EUR 649 million), the United Kingdom (pre-Brexit) (EUR 305 million), and Denmark (EUR 279 million).

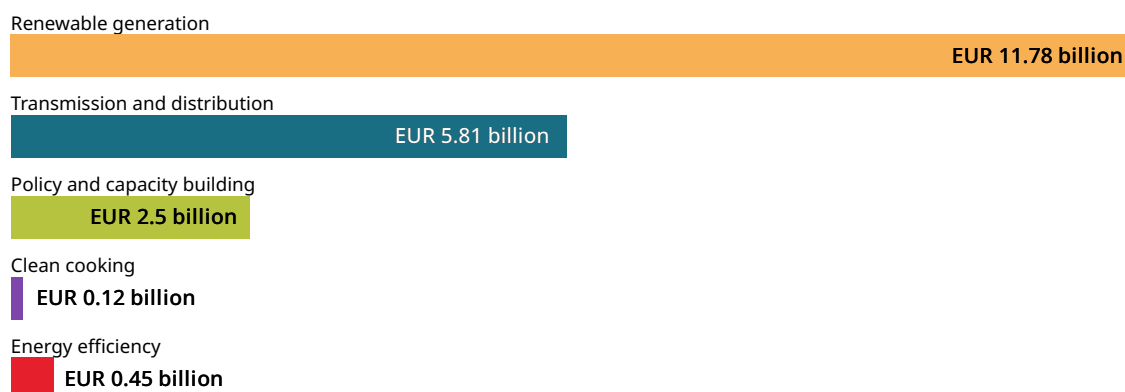
Among EU institutions, three EU Institutions have made commitments to SDG7 over the past decade: the European Investment Bank (EIB) accounts for 41% institutional commitments, followed by the European Development Fund (EDF) (31%) and the European Commission (28%)¹⁸.

¹⁸ The European Bank for Reconstruction and Development (EBRD) is not an EU institution and is categorised in this report as a multilateral institution.

1.2 | European SDG7-compliant financing by sector

Understanding the allocation of funds across different SDG7-compliant sectors is critical to evaluating the focus and effectiveness of European support for SDG7¹⁹. Over the decade, total SDG7-compliant financing reached EUR 20.67 billion. The sectoral distribution of these commitments reveals that renewable energy (RE) generation accounted for the largest share (57%), followed by transmission and distribution (T&D) (28%) and policy and capacity building (P&CB) (12%). Other areas such as energy efficiency (2.2%) and clean cooking (0.6%) received comparatively smaller volumes of funding (see Figure 1.4).

Figure 1.4 Total SDG7-compliant commitments from EI&MS, by sector (2014-2023)

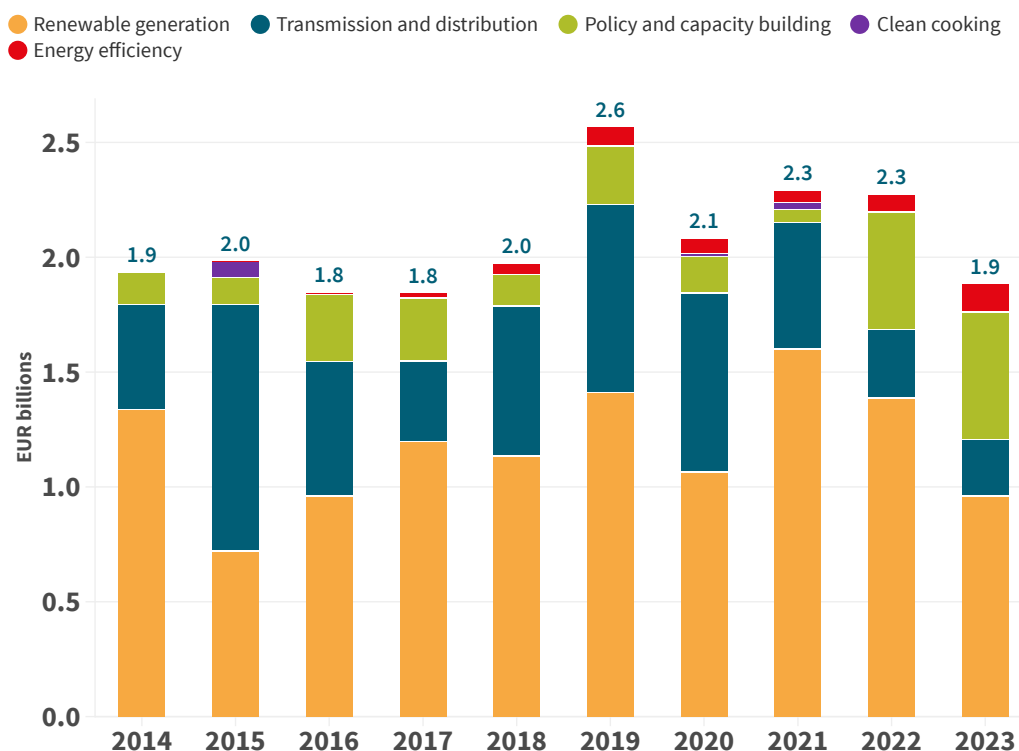


More than half of EI&MS' commitments went to RE generation, followed by and transmission & distribution

¹⁹ See methodology in the introduction of the report for the correspondence between SDG7 indicators and sectoral repartition of the data in the report.

A recent trend has emerged since 2021, with commitments to both RE and T&D declining while funding for P&CB has increased significantly, signalling a shift in the composition of financing (Figure 1.5).

Figure 1.5 Evolution of SDG7-compliant commitments from EI&MS, by sector (2014-2023)



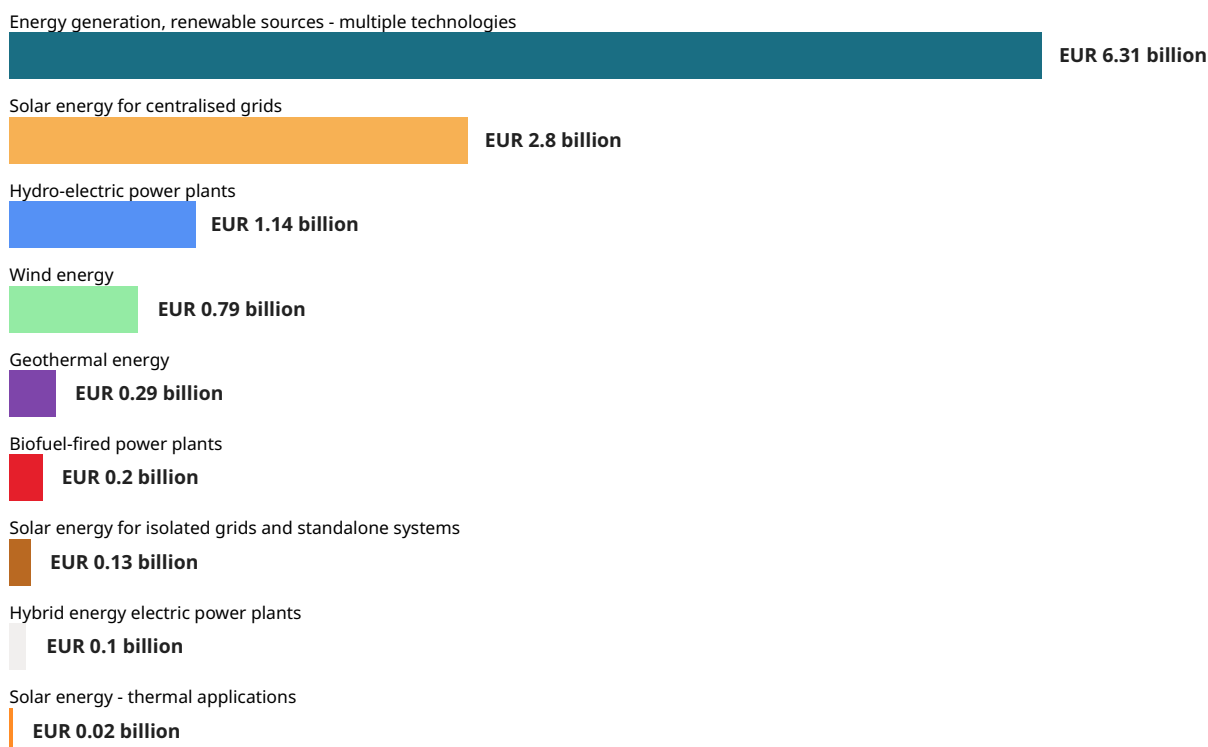
Subsequent sections will provide more details on the three main sectors receiving European support.

The growing share of funding to P&CB demonstrates European emphasis on strong institutions, sound governance, and effective regulatory frameworks to deliver on SDG7

Renewable energy

With EUR 11.78 billion in commitments, renewable energy generation remains a cornerstone of European investment in Africa's energy sector, even if levels have declined in the recent years. These commitments have supported a diverse portfolio of technologies (see Figure 1.6).

Figure 1.6 Total commitments to Renewable Energy from EI&MS (2014-2023)



The largest category under which renewable generation commitments were reported is the 'Energy generation, renewable sources – multiple technologies' category. It primarily includes programmes and projects supporting more than one RE technology, and financing platforms and investment funds, such as the European Fund for Sustainable Development Plus (EFSD+), which are designed to support a wide range of RE initiatives rather than a specific technology²⁰. In addition, commitments to South Africa's Just Energy Transition Partnership (JET-P) are also categorised under the 'multiple technologies' heading. The second largest category include centralised solar generation projects.

²⁰ Analysis of the data under this category showed that donors tend to over-report projects by default under this category, even when they could be reported under a more specific one. Decentralised solar, for example, projects are often reported under "Energy generation, renewable sources – multiple technologies" rather than the specific "Solar energy for isolated grids and stand-alone systems" subcategory. As a result, related commitments cannot be isolated, likely inflating the former category at the expense of the latter.

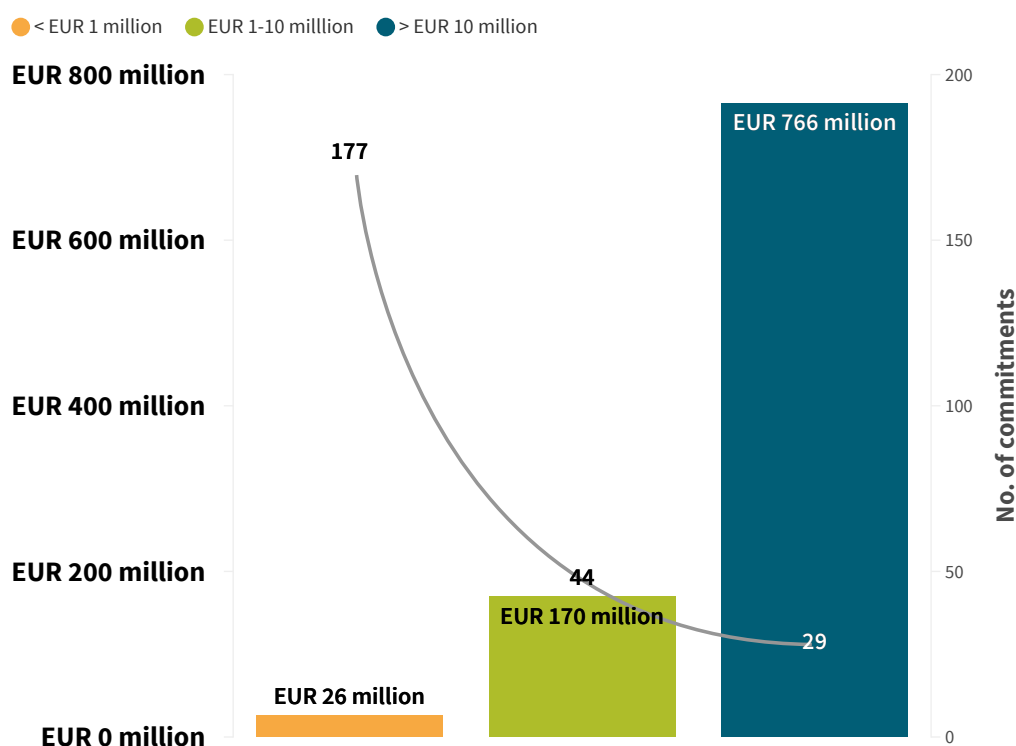
Over the past decade, major commitment falling under these categories included:

- The European Commission's EUR 523.31 million grant to the Common Provisioning Fund compartment for the EFSD+ in 2021
- Four ODA loans with a total value of EUR 1.25 billion from the German development bank KfW in 2014 and 2018, to support the development of Morocco's electricity supply. These loans financed three generation plants under the 120MW Moroccan solar plan, commissioned in 2020 and 2021, as well as the 1.2GW Noor Midelt solar complex, which combines photovoltaic (PV) and concentrated solar power (CSP) technologies.
- A total of EUR 460 million in loans from KfW and AFD to South Africa's JETP.

Throughout the period, EI&MS donors have maintained a strong focus on utility-scale RE generation and associated infrastructure. Projects such as Morocco's solar complexes are becoming central elements of the electricity supply sector across Africa.

However, large-scale projects only account for a small share of the total number of RE interventions supported by EI&MS, as shown in Figure 1.7 for the year 2023. Commitments above EUR 10 million, or in the EUR 1-10 million range, typically targeted large schemes or multi-projects programmes. Smaller commitments, often below EUR 1 million, supported decentralised solar power systems for businesses, institutions, and communities. Although less visible, these small-scale initiatives represent the kind of last-mile and consumer-focused schemes that are bringing the continent closer to achieving the SDG7 objectives.

Figure 1.7 Number and sum of EI&MS commitments to Renewable energy, per project size, in 2023



Transmission and distribution

Enhanced Transmission and distribution (T&D) systems are key for renewable integration, loss reduction and last-mile access. Despite prioritisation in the African energy sector policy agenda, and while T&D is the second biggest destination of European SDG7-compliant finance over the decade, commitments dipped in the last two years of the series.

Nevertheless, significant projects continue to be supported, as demonstrated by these key commitments in 2023:

- A EUR 60 million loan provided by AFD, combined with a EUR 20.6 million grant from the European Commission, were committed for a 225kV transmission line in Guinea. This project is strategically vital, as it will enable the evacuation of power from major hydropower complexes to the capital, Conakry, making a substantive contribution to improving Guinea's national electrification rate, which stood at 51% in 2023.
- BMZ committed a EUR 30 million loan to the Egyptian government for a smart grid development under the Green Energy Transition.
- The EIB committed a EUR 17 million loan to support an interconnection between the member states of the Organisation de Mise en Valeur du Fleuve Gambie (OMVG) - Senegal, Gambia, Guinea-Bissau and Guinea -, facilitating regional electricity exchange and improving supply reliability.

Transmission networks in many countries are already congested, and more investment in grids and grid services is needed to integrate more intermittent RE generation. Upgraded grid infrastructure remains one of the most effective pathways to ensuring low-cost, reliable, and accessible energy for millions. Financing provided by EI&MS should prioritise congestion relief corridors, distribution loss reduction and grid codes with ancillary services.

Policy and capacity building

The increased importance of policy and capacity building (P&CB)²¹ within EI&MS support is a countervailing trend to the recent decline in commitments to RE and T&D. This shift reflects the European cooperation's approach to not only finance physical infrastructure but also strengthen institutional, regulatory, and policy environments that underpin sustainable energy systems (360° approach).

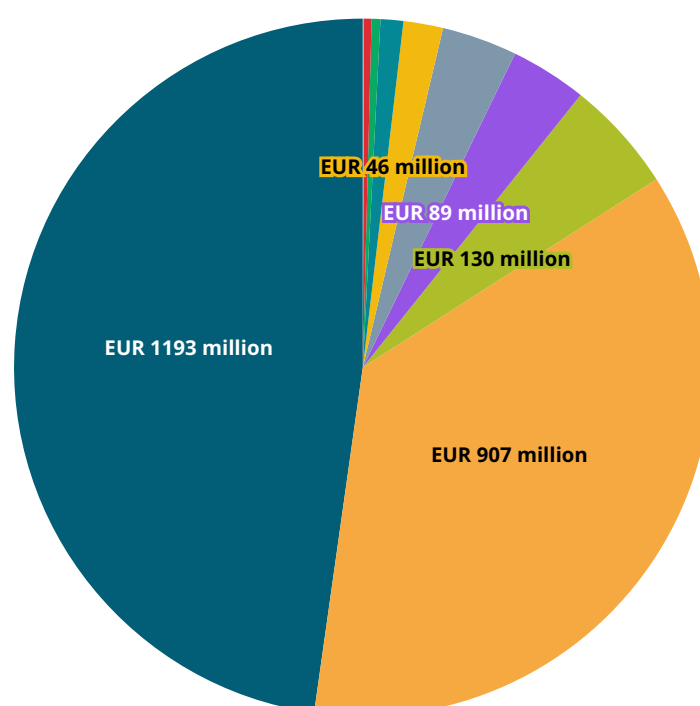
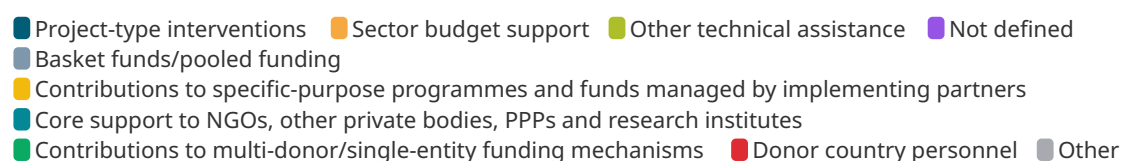
²¹ It is important to note in the OECD database, it is frequent to have commitments categorised under P&CB that also include an infrastructure component, which can lead to a slight overestimation of this category, but not influence the real growing trend.

- The two largest P&CB commitments during the period were made by KfW to South Africa. In 2022 and 2023, KfW provided the Government of South Africa EUR 650 million in loan to support its Just Energy Transition Partnership (JET-P), with loans that supported operationalisation of the new National Transmission Company of South Africa (NTCSA), along with reforms creating a wholesale competitive electricity market and debt relief for state-owned utility Eskom.

These South African operations largely account for the sharp rise in P&CB in 2022 and 2023. They also showcase how P&CB is increasingly viewed as a critical tool for supporting national energy transitions and creating an enabling environment that can attract the much larger volumes of private capital required to achieve SDG7 and tackle climate change.

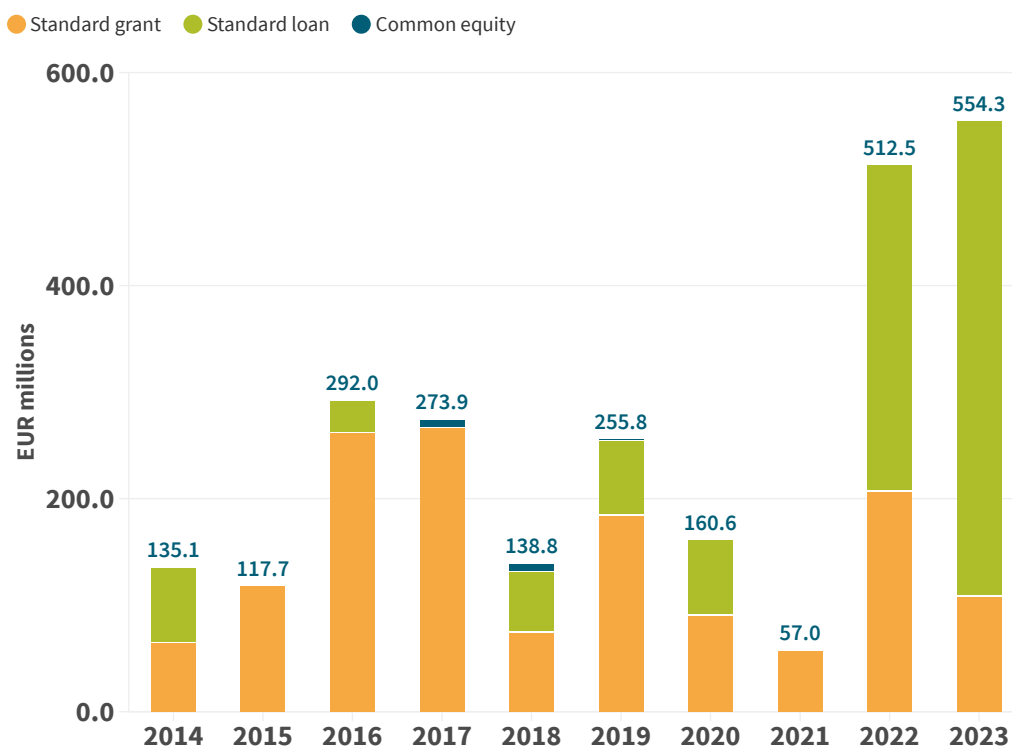
Alongside project-type interventions, sectoral budget support is the second key delivery mechanism for P&CB (see Figure 1.8). Sector budget support encompasses commitments to the country's general budget to support strategies and reforms, not earmarked for a specific project.

Figure 1.8 Total EI&MS commitments to P&CB, by cooperation modality (2014-2023)



Historically, most P&CB support has been delivered as grants, with loan commitments rising sharply only in 2022–2023 due to large-scale JET-P financing (Figure 1.9).

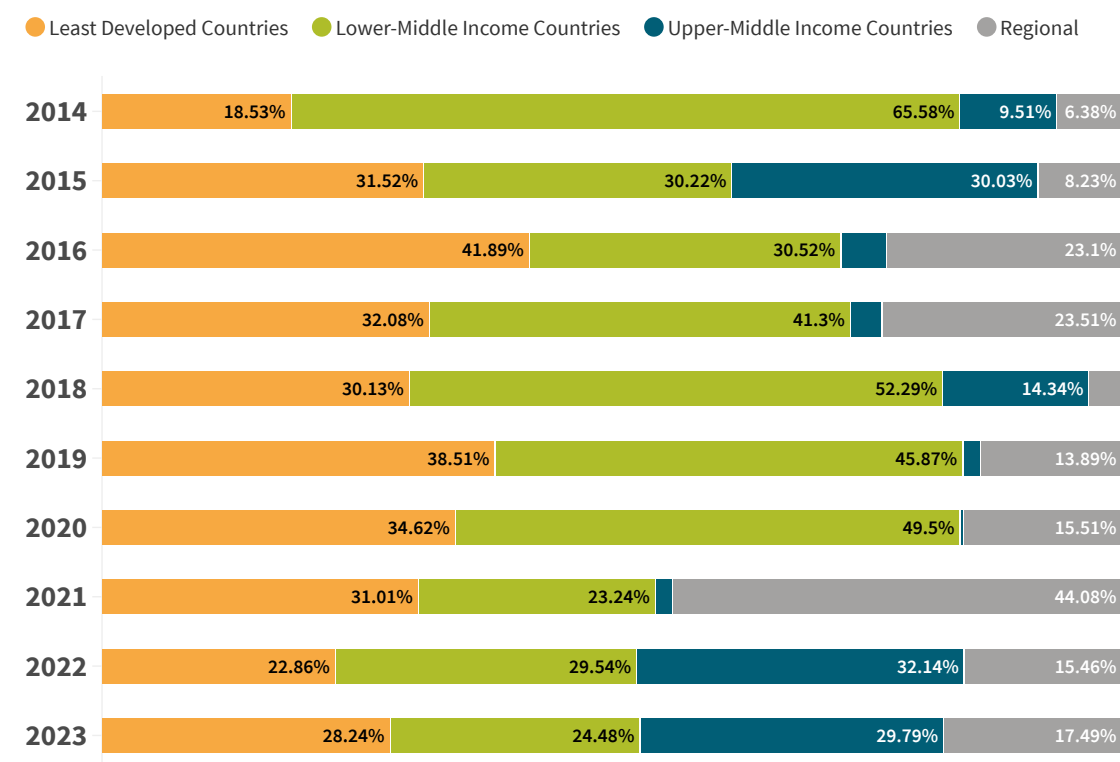
Figure 1.9 Evolution of EI&MS' commitments to P&CB, by finance type (2014-2023)



Stronger policy frameworks and enhanced institutional capacity will generate lasting benefits for Africa's energy sectors. Achieving SDG7 objectives increasingly depends on greater participation of private sector finance. While continued EI&MS financing for clean and modern generation and transmission infrastructure remains essential, growing attention to P&CB commitments that strengthen governance, regulatory frameworks, and the overall investment environment will be critical to attracting larger volumes of private capital, ensuring long-term sustainability.

1.3 | European SDG7-compliant financing by recipient

Figure 1.10 SDG7-compliant commitments from EI&MS, by country income group (2014-2023)

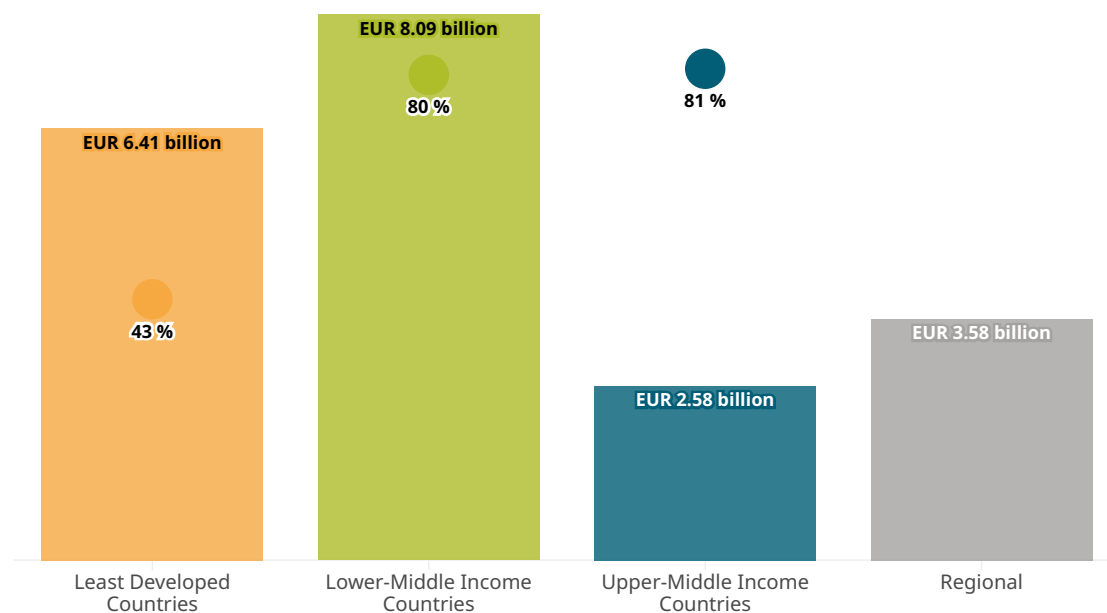


Over the studied decade, EI&MS have directed the largest amounts of SDG7-compliant commitments to Lower-Middle Income Countries (LMICs) with EUR 8.09 billion. Least Developed Countries (LDCs) received EUR 6.41 billion.

Since 2021, the combined share of commitments to these two income groups has however declined, with a significant rise in the share of commitments made to Upper-Middle Income Countries (UMICs) and those falling under the regional category (see Figures 1.10 and 1.11).

- In 2021, the European Commission issued two large ODA grants falling under the regional category: one for the provisioning of the EFSD+ and another worth EUR 150 million to support the development of resilient continental and inter-regional energy networks. The large increase in commitments to UMICs in 2022-23 was driven by commitments to South Africa's Just Energy Transition Partnership (JET-P) from AFD and KfW, for a total of EUR 1.1 billion.

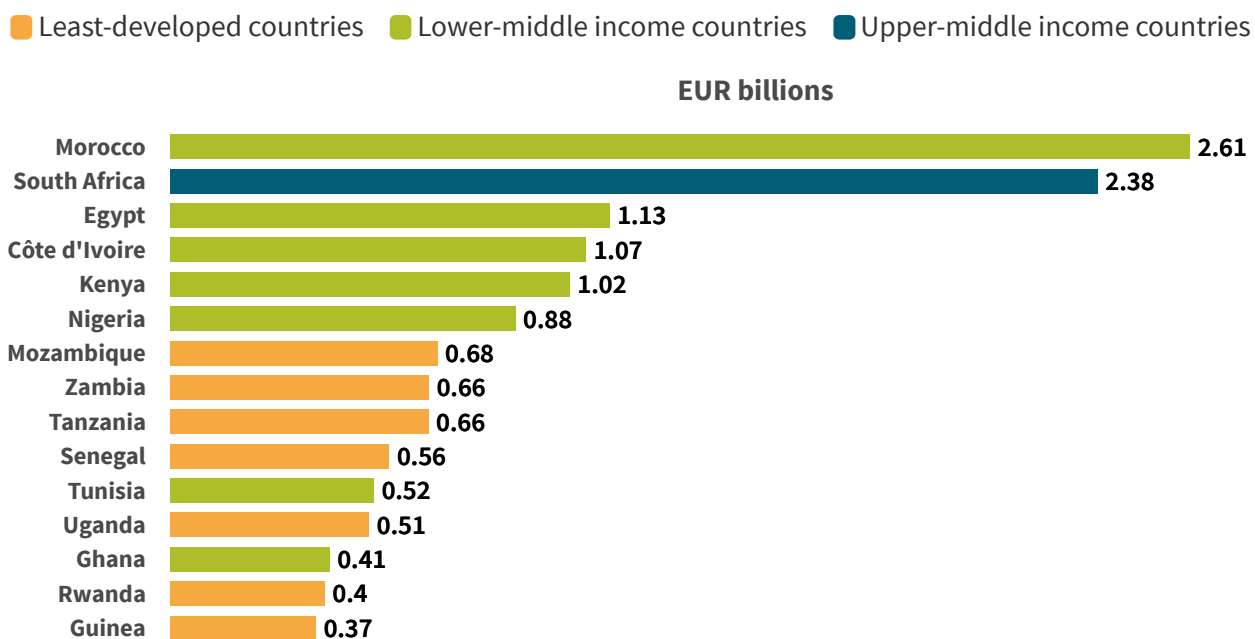
Figure 1.11 Total SDG7-compliant commitments from EI&MS, by country income group and access to electricity (2014 – 2023)



Over the 2014-2023 period, LMICs on their own have attracted 40% of all EI&MS SDG7-compliant commitments. The average electricity access rate across the 13 countries in this income group is 80%, just under the average rate of 81% in eight African UMICs (see Figure 5.13). For many of the LMIC countries, achieving universal electricity access now appears attainable. EI&MS financing is playing an important role in assisting these countries close the remaining access gaps.

By contrast, Africa's 33 LDCs continue to face much greater challenges. Over the past decade, they have attracted 31% in SDG7-compliant finance from EI&MS. Yet the average electricity access rate across this group is only 43%.

Progress toward SDG7 will therefore depend increasingly on directing a larger share of the future European financing to projects in LDCs, where access deficits remain the most severe.

Figure 1.12 Top 15 recipients of SDG7-compliant commitments from EI&MS (2014-2023)

Morocco and South Africa are by far the biggest recipients of EI&MS's support, followed by Egypt, driven mainly by large RE generation projects (Egypt and Morocco have achieved universal access to electricity). The five top recipients are LMICs and UMICS countries and some of the biggest African economies, reflecting their capacity to absorb more financing (many LDCs are in debt distress) for larger-scale projects (see Figure 1.12).

South Africa is the second recipient and by far the first UMIC country, with 2.38 billion received over the period. This important support was driven by the size of its energy sector and capacity to absorb funding and the complexity of its energy transition requirements (it remains Africa's largest emitter of carbon dioxide) rather than needs for energy access improvement (the electricity access rate is 88%). Consequently, international support, including substantial EI&MS financing through the JET-P, has focused on RE generation projects and policy and capacity building.



1.4 | European SDG7-compliant finance by finance type

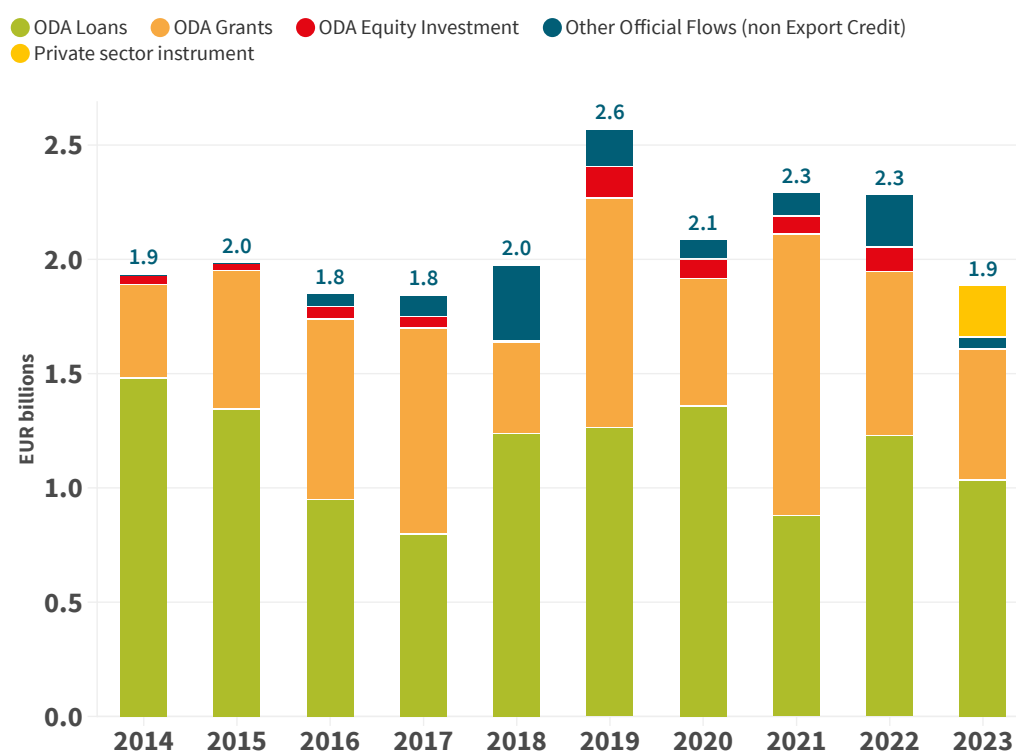
The OECD Development Assistance Committee (DAC) provides reporting on financial instruments classified as Official Development Assistance (ODA) and on instruments that do not meet ODA criteria, referred to as Other Official Flows (OOF).

Concessional finance—particularly through ODA grants and ODA loans with a minimum grant element—plays a crucial role, especially given the mounting debt challenges faced by many African countries (see box).

Against this backdrop, it is important to highlight that over the period, 95% of EI&MS commitments to SDG7 were classified as ODA.

Official Development Assistance (ODA) loans remain the main financing instrument for SDG7-related commitments, which accounted for EUR 11.58 billion (or 56% of the total). ODA grants represented the second largest financing type, with EUR 7.19 billion, committed or 35% of the total (see Figure 1.13).

Figure 1.13 Evolution of SDG7-compliant commitments from EI&MS, by finance type (2014-2023)



External debt in Africa

African external debt is growing rapidly, now surpassing USD 1 trillion²², double the amount recorded in 2020. By the end of 2024, twenty-two African countries were at high risk of debt distress or already in debt distress. Borrowing costs are the highest worldwide, and debt servicing cost rise, absorbing a growing share of national revenues. According to UNCTAD, as of 2024, 27 African countries allocated more than 10 % of their revenues to net interest payments²³. This dynamic constrains the ability of the countries most in need to access finance, underscoring the critical importance of maintaining high levels of concessional financing.

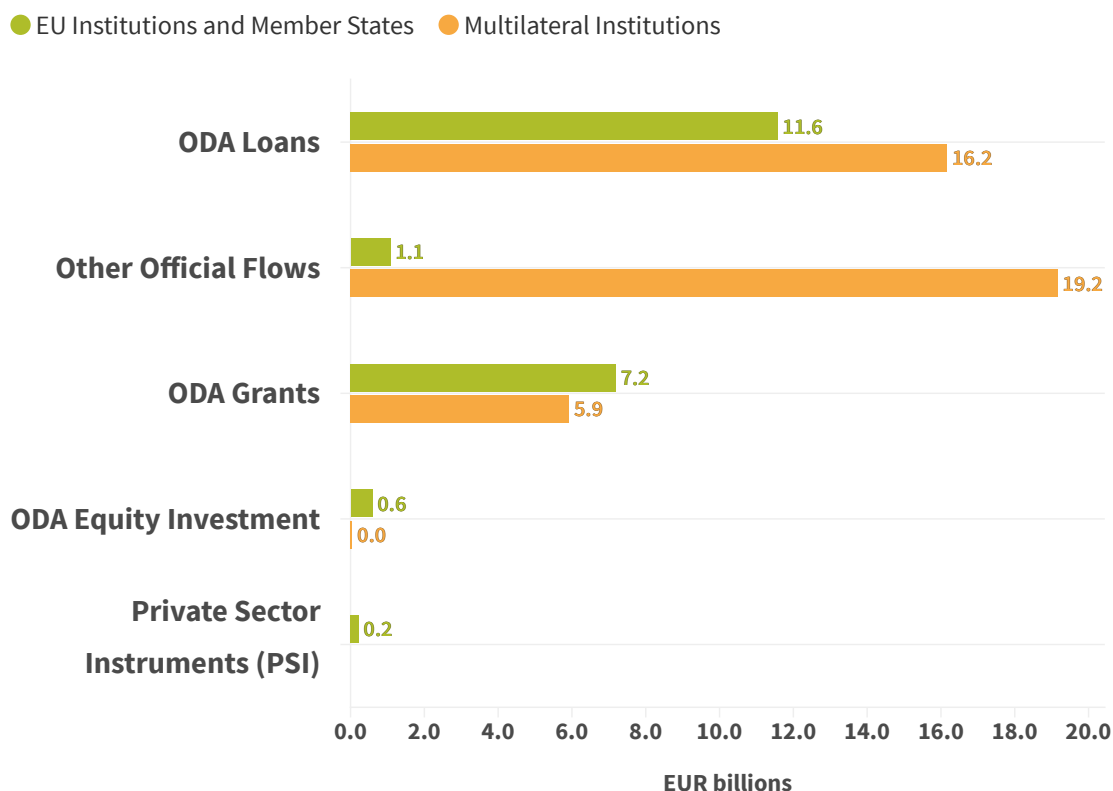
The notably high share of ODA-compliant financing from EI&MS gains particular significance when compared with financing composition of multilateral institutions (see Figure 1.14). While the overall volume of commitments from multilateral institutions surpasses that of EI&MS, the proportion of commitments classified as Other Official Flows constitutes the largest category among multilaterals (46%, compared to only 5% for EI&MS). An explanation is that the category multilateral institutions encompasses a diverse and heterogeneous group of organisations (multilateral institutions include multilateral development banks, climate funds, UN agencies and other multilateral providers), with mandates and risk-return profiles that differ from those of EI&MS.

Furthermore, over the past decade, EI&MS have recorded a higher volume of ODA grant commitments than multilateral institutions, underscoring their strong position as providers of highly concessional finance.

²² *Navigating the Debt Crisis: Reforming the Common Framework for African Countries | United Nations Development Programme*

²³ UNCTAD, *A World of Debt 2025*, <https://unctad.org/publication/world-of-debt>

Figure 1.14 Comparison of SDG7-compliant commitments from EI&MS and from Multilateral Institutions, by finance type (2014-2023)



A notable development in the DAC methodology in 2023 was the introduction of Private Sector Instrument (PSI) (see box below) as a new category of finance type.

- Among the largest PSI commitments was Swedfund' EUR 26.38 million investment in the Sunfunder Gigaton private debt fund, which finances clean energy in Africa and Asia, and a EUR 21.98 million to Evolution III, a private equity fund investing in clean energy in Africa. France's infrastructure investment fund STOA committed EUR 15.18 million to the South African renewable power developer Red Rocket.

Explaining the private sector instrument

The Private Sector Instrument (PSI) category was introduced in 2023 in the OECD's Public Finance Database to better capture support to development-oriented private investment within Official Development Assistance (ODA) reporting. Previously, some PSI activities were classified under ODA or Other Official Flows (OOF).

PSI are official resources provided to or through private sector entities to promote economic development in partner countries.²⁴ The updated DAC framework defines PSI-eligible operations as including capital increases in DFIs, direct loans, equity and guarantee instruments, mezzanine finance, and reimbursable grants. It also strengthens transparency, data disclosure, and safeguards to ensure that PSI activities meet ODA integrity and additionality criteria.

The new directives became effective for 2023 data (reported in 2024), with a transition period of up to two years. Although PSI currently accounts for only 1–3% of total ODA, it provides a structured basis for monitoring the growing use of blended and private-sector-based financing mechanisms.

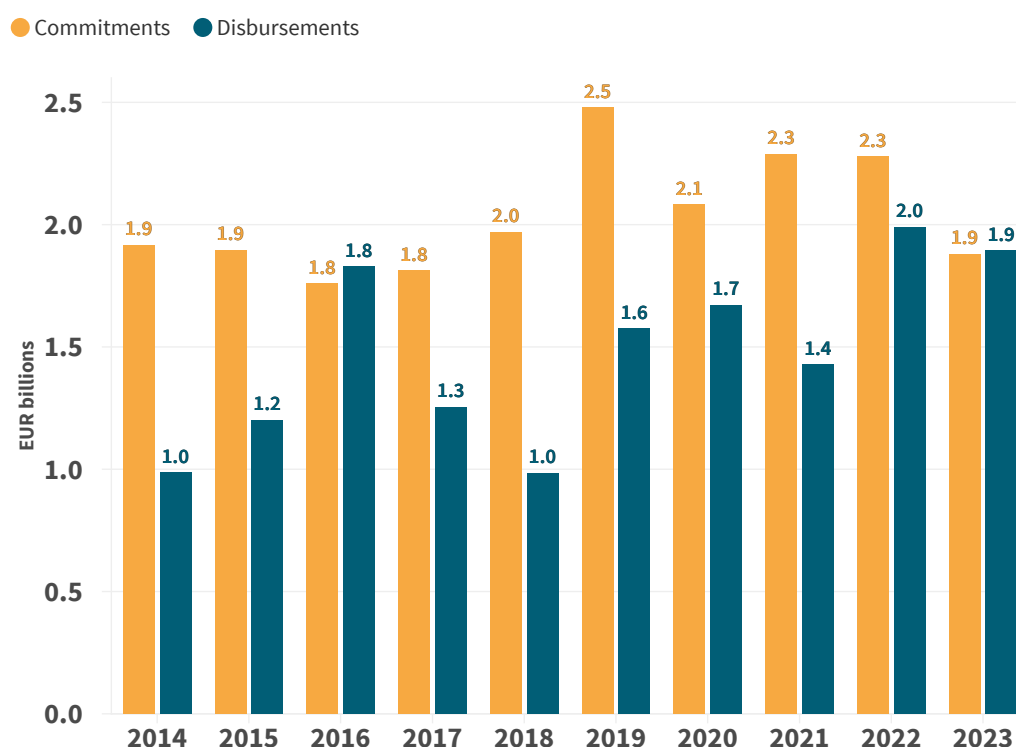
The PSI framework represents a significant step toward more transparent reporting and recognition of private finance as a complementary tool in development cooperation²⁵.

²⁴ *Private sector instruments in development finance* | OECD

²⁵ *Modernising Official Development Assistance, OECD DAC.*

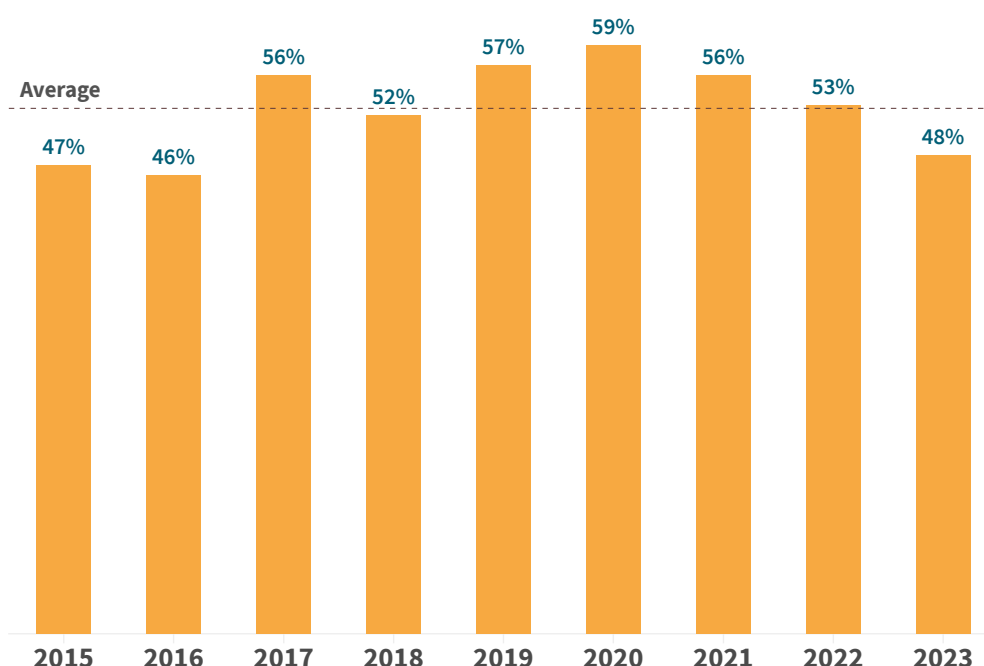
1.5 | European SDG7-compliant disbursements

Figure 1.15 Evolution of SDG7-compliant commitments and disbursements from EU Institutions and Member States (2014-2023)



While commitments signal intent, disbursements of funds are key indicators of tangible progress and catalytic impact. These metrics provide a clear picture of how financial pledges translate into action on the ground. Once commitments are made, funds are typically released in tranches over several years, depending on the structure and progress of the project. As a result, there is often a time lag between amounts being committed and disbursed.

Between 2014 and 2023, European Institutions and Member States (EI&MS) disbursed EUR 14.81 billion for SDG7-compliant projects, representing 73% of total commitments. While commitments have exceeded disbursements, sometimes substantially, the gap narrowed in 2022 and 2023 (see Figure 1.15).

Figure 1.16 Evolution of the grant equivalent of EI&MS's SDG7-compliant ODA loan disbursements (%)

The analysis of ODA loans disbursements provides insight into grant equivalents, which serves as an indicator of donor effort. Over the 2014-2023 period, SDG7-compliant loans from EI&MS recorded an average grant equivalent of 52.67% (see Figure 1.16). While this overall ratio has fluctuated within a narrow range over the decade, the level of concessionality varied significantly across individual operations.

- In 2023, the lowest grant equivalent ratio (10.03%) was recorded for a EUR 2.99 million disbursement under a loan for grid strengthening and RE integration in South Africa. In contrast, a EUR 0.2 million disbursement from a loan to the government of Madagascar supporting the installation of three solar generation plants with total capacity of 5MW showed a grant equivalent of 79.14%.

It is important to note that the minimum grant equivalent required for a loan to be classified as ODA varies by income group. For Upper-Middle Income Countries (UMICs) such as South Africa, the minimum is set at 10%, whereas for Least Developed Countries (LDCs) such as Madagascar, a grant equivalent must at least reach 45%²⁶. These thresholds help contextualise the varying degrees of concessionality observed across different country operations.

²⁶ DAC statistics state that concessional transactions imply a grant element of at least:

- 45% in the case of bilateral loans to the official sector of LDCs and other LICs (calculated at a rate of discount of 9%).
- 15% in the case of bilateral loans to the official sector of LMICs (calculated at a rate of discount of 7%).
- 10% in the case of bilateral loans to the official sector of UMICs (calculated at a rate of discount of 6%).
- 10% in the case of core contributions to, loans channelled through, and loans to. Trust funds administered by multilateral institutions (calculated at a rate of discount of 5% for global institutions and multilateral development banks, and 6% for other organisations, including sub-regional organisations).
- 10% in the case of loans to international NGOs (calculated at a rate of discount of 6%).

<https://www.oecd.org/en/topics/sub-issues/oda-eligibility-and-conditions/official-development-assistance-definition-and-coverage.html#note-1>

1.6 | European mobilisation of private sector investments to SDG7

Private sector finance is increasingly recognised as being a key source of funding for achieving SDG7, particularly as public and concessional resources face growing constraints. Beyond the volume of capital mobilised, private sector participation can contribute to improved technical standards, operational efficiency, innovation in business models and technologies, and stronger project discipline in implementation and commercial performance.

Mobilised private finance²⁷ refers to private capital mobilised by leveraging instruments provided by bilateral and multilateral developments actors. However, it is important to note that mobilisation figures reflect private finance attributed to official interventions under OECD reporting rules. Private investment that occurs without such instruments, or outside EU-supported transactions, is not captured in these data. As such, the figures presented here illustrate catalytic effects associated with EI&MS interventions rather than total private investment flows to SDG7 sectors in Africa.

Over the studied decade, EUR 4.25 billion private finance for SDG7-compliant projects has been mobilised through instruments provided by EI&MS. Annual volumes fluctuated significantly over the period, reaching a peak of EUR 1.01 billion in 2019 (see Figure 1.17).

EU Institutions have gradually expanded their role in mobilising private finance, rising from none to 89% of all private finance mobilised by EI&MS in 2023.

Over the 2014-2023 period, EU Institutions mobilised EUR 1.26 billion in private finance for SDG7-compliant projects, representing 29.5% of the total. Among Member States, the largest shares were mobilised by the UK (before Brexit) 16.9%, Sweden with 16.9%, France 14.6%, and Germany 12.5% (see Figure 1.18).

**EUR 4.25 billion private investments
were mobilised to SDG7 with the support
of EI&MS leveraging instruments**

Figure 1.17 Evolution of private finance mobilised by EI&MS to SDG7-compliant projects (2014-2023) ²⁸

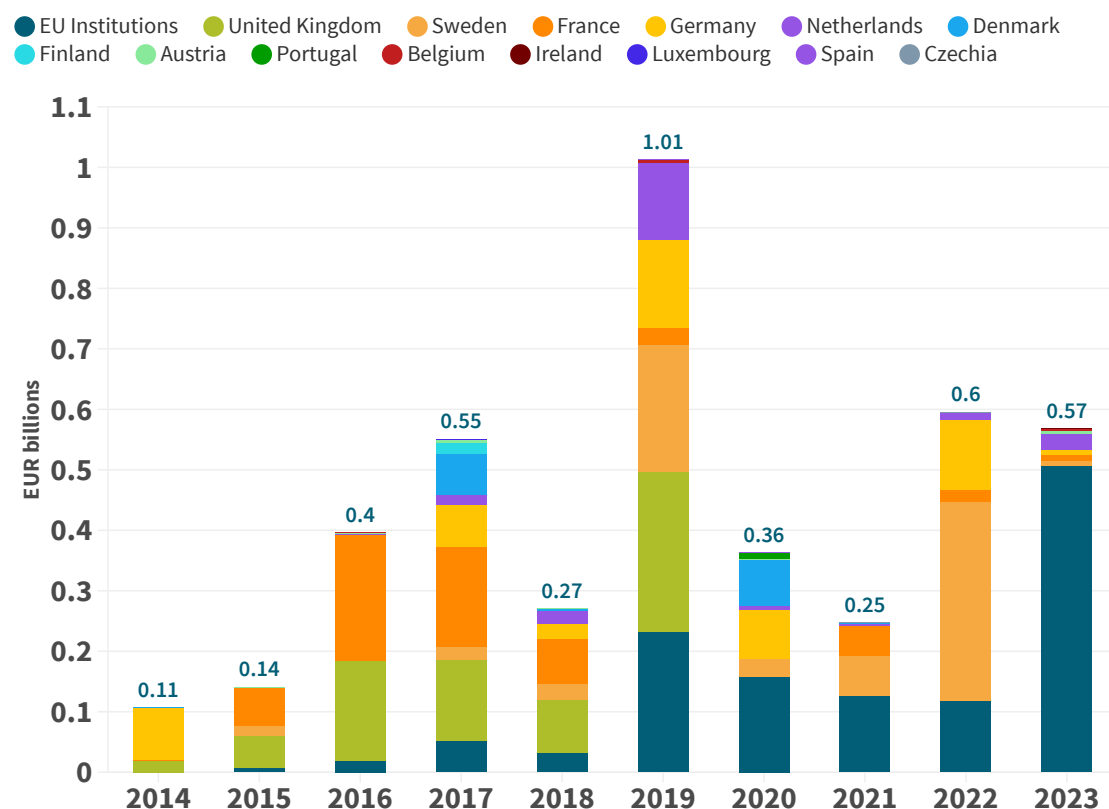


Figure 1.18 Total private finance mobilised by EI&MS to SDG7-compliant projects (2014-2023) ²⁹

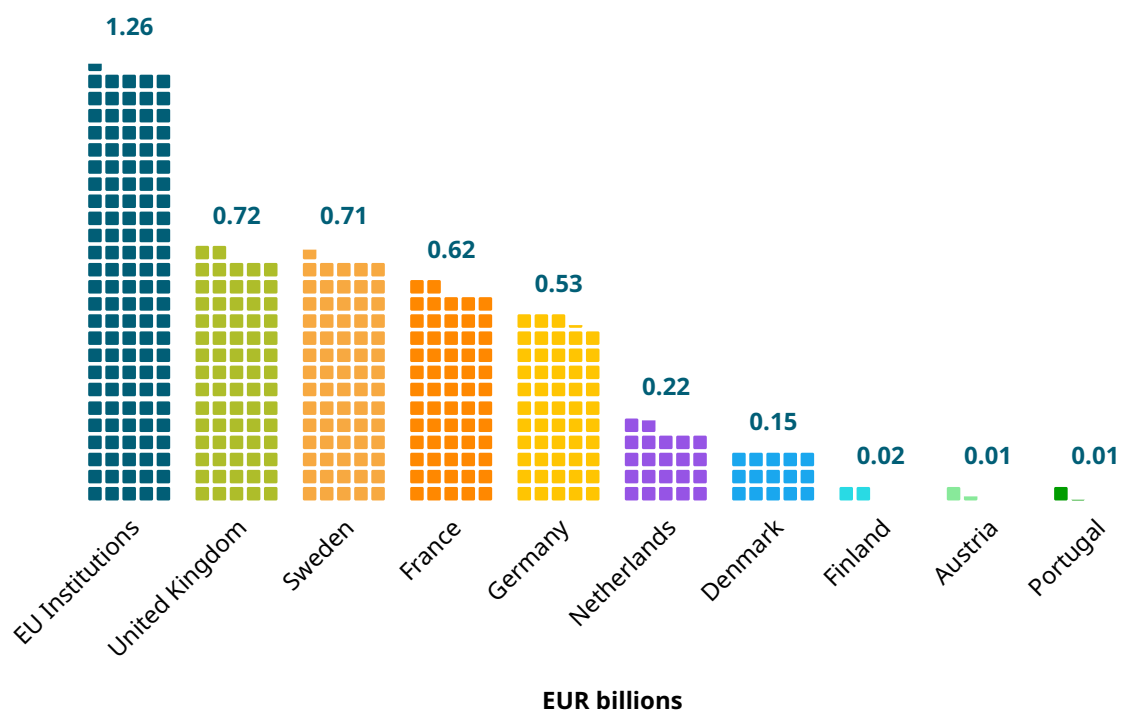
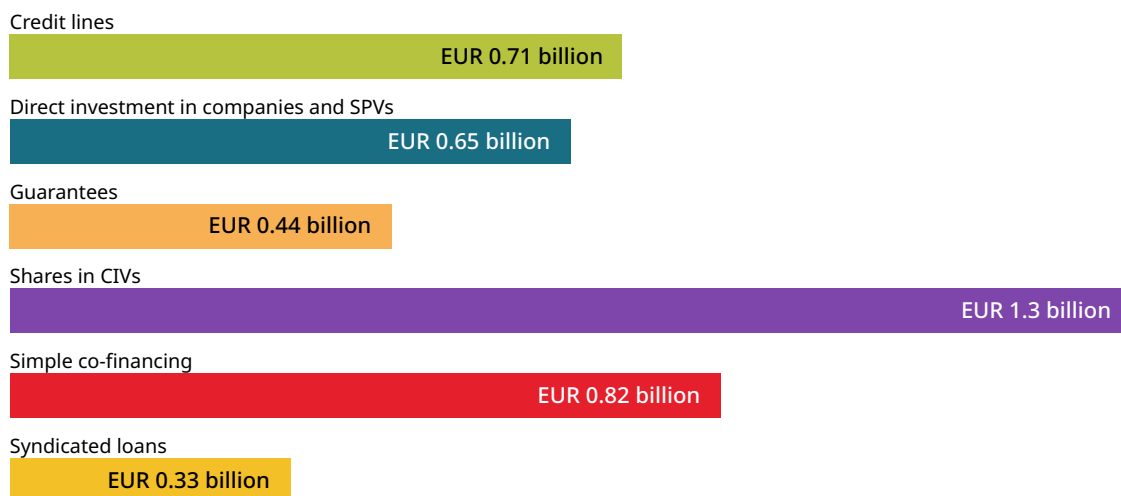


Figure 1.19 Total SDG7-compliant private finance mobilised by EI&MS, by leveraging mechanisms (2014-2023)



Six leveraging mechanisms are used to mobilise private investments (see Figure 1.19). The relative effectiveness of these instruments depends strongly on the type of risk being addressed and on the maturity of the underlying market.

- **Guarantees and risk-sharing instruments** are often well aligned with private lenders' needs in markets where credit risk, offtaker risk or political risk are key constraints, as they directly improve the risk-return profile of transactions without distorting pricing structures.
- **Credit lines** can be effective where domestic financial institutions have liquidity constraints but sufficient technical capacity.
- **Investments in Collective Investment Vehicles** (CIVs, more detail below) can be attractive for institutional investors seeking diversification and professional fund management, particularly in fragmented or early-stage markets.
- By contrast, **simple co-financing structures** may be more suited to mature markets where projects are already bankable but require balance-sheet participation from development institutions to reach financial close.

Shares in CIVs leveraged 31% of total mobilised private finance by EI&MS

The mobilisation data therefore illustrate how different instruments are deployed in response to varying market conditions, rather than demonstrating that one instrument is inherently more efficient than another.

Over the studied decade, the mix of instrument used by EI&MS donors to mobilise private finance has significantly changed and increased in diversity (see Figure 1.20).

Early in the period (2014-2017), credit lines were by far the most used instrument, but other instruments have since gained importance. The declining relative importance of credit lines may reflect structural characteristics of many target markets. In several African countries, domestic commercial banks are not primarily constrained by liquidity but by risk appetite, sector familiarity, regulatory constraints, or limited pipelines of bankable projects. In such contexts, additional credit lines alone may not be sufficient to stimulate lending to renewable energy or other SDG7 sectors, whereas risk-sharing instruments or fund-based approaches may better address perceived risks and transaction costs.

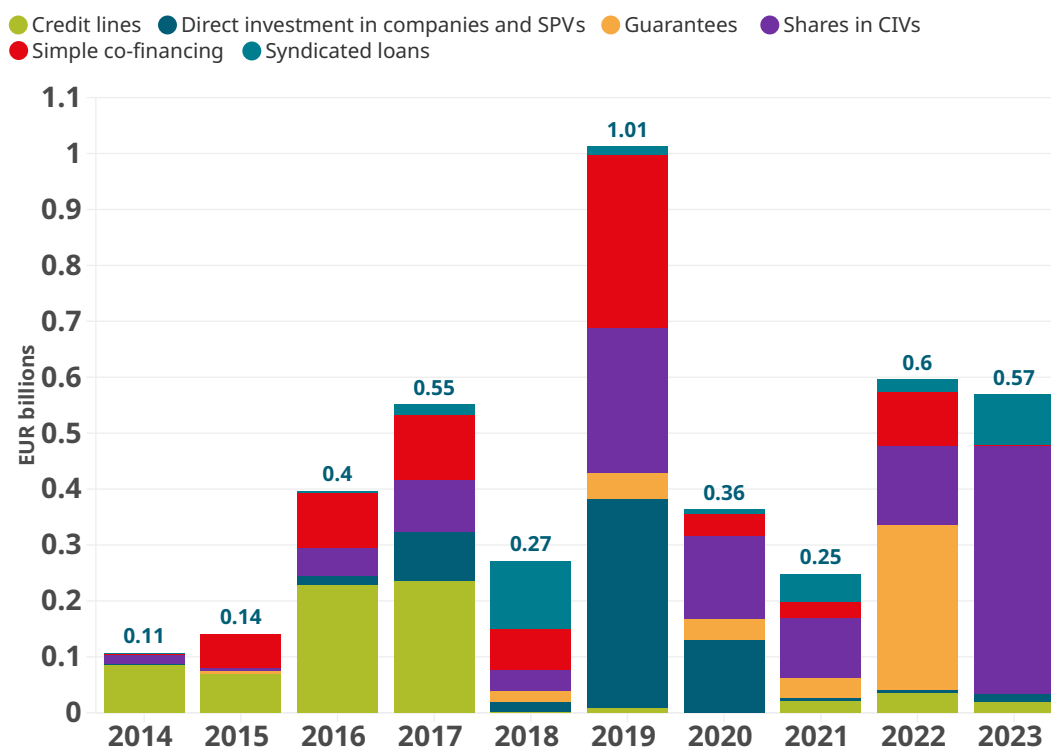
Shares in Collective Investment Vehicles (CIVs) have been increasingly used and have made the largest impact overall, mobilising EUR 1.3 billion in private finance over the period (30.6% of the total), and reaching a record high of EUR 441 million in 2023. European institutions, including EIB, account for almost all the amounts recorded for CIVs in 2023.

CIVs typically pool capital from multiple investors, such as development finance institutions, commercial banks, institutional investors and impact funds, into a managed structure that invests across a portfolio of projects overseen by a professional fund manager. This structure can reduce transaction costs, diversify risk across multiple assets and geographies, and provide access to specialised expertise, making them particularly suited to markets where individual project risks may deter standalone private investment. As fund-based mobilisation is recorded at the time of investment into the vehicle, annual volumes to CIVs reflect transactions to the instrument rather than underlying project activity.

At the same time, the relatively smaller share of guarantees within EI&MS mobilisation compared to global mobilisation patterns (see chapter 4) may reflect institutional mandates and accounting treatments.

Overall, this diversification suggests a more sophisticated approach to crowding-in private capital over time. Increasing and streamlining these leveraging instruments, in parallel to supporting transformative reforms in countries, should significantly raise private sector mobilisation in support to SDG7.

Figure 1.20 Evolution of SDG7-compliant private finance mobilised by EI&MS, by leveraging mechanisms (2014-2023)



1.7 | Conclusion

Over the past decade, the data reflects a sustained European effort in support of SDG7 in Africa, that has generated wide-ranging and lasting impacts.

Between 2014 and 2023, total commitments from EU institutions and EU Member States to SDG7-compliant projects reached EUR 20.67 billion, making them the largest source of public finance for SDG7 in Africa after multilateral institutions (see chapter 2) and the leading regional partner in supporting the continent's energy transition. Finance to non-SDG7 compliant projects only represents 7.5% of energy commitments in Africa, and has been decreasing in the recent years, demonstrating Europe's firm commitment towards sustainable energy access and clean energy development.

In terms of sectoral allocation, renewable energy generation projects have received the highest share of commitments, followed by transmission and distribution projects. Policy support and capacity-building initiatives constitute the third category, showing a marked increase in 2022 and 2023. This trend reflects Europe's integrated approach, combining investment in hard infrastructure with support to strengthen governance, regulatory frameworks, and the broader investment environment—acknowledging their critical role in ensuring long-term sustainability and attracting greater volumes of private capital. In contrast, energy efficiency and clean cooking initiatives have received relatively limited funding.

Commitments to LDCs represented 31% of overall SDG7-compliant commitments (excluding support through regional programmes), but these are the countries where the access deficits remain the highest. Progress toward SDG7 will therefore depend increasingly on directing a larger share of the future European financing to projects in LDCs.

With Official Development Assistance (including ODA loans, ODA grants, and ODA equity investments) accounting for 95% of SDG7-related commitments in Africa, Europe provides highly concessional support that is particularly valuable given the growing debt distress faced by many countries and the rapid increase in external debt burdens in recent years.

The EU is also a key actor in mobilising private sector investment, and has leveraged EUR 4.25 billion euros in private finance over the same period through a range of instruments, including shares in common investment vehicles and simple co-financing. EU institutions, in particular, have played an increasingly significant role in this mobilisation. To further increase private sector investments, efforts should be put on increasing and streamlining these instruments, in parallel to supporting reforms improving investment frameworks in the countries.

This long-term European engagement has enabled the development and implementation of strategic projects across the continent, many of which are highlighted in this report, each contributing incrementally to the realisation of SDG7 targets in Africa.

2.

International development finance for SDG7 in Africa

This chapter assesses the scale and composition of international development finance supporting SDG7 in Africa. Data presented in this chapter include public commitments from official donors and from private development sources (philanthropies), although this latter category represents only a small share of the recorded financial flows.

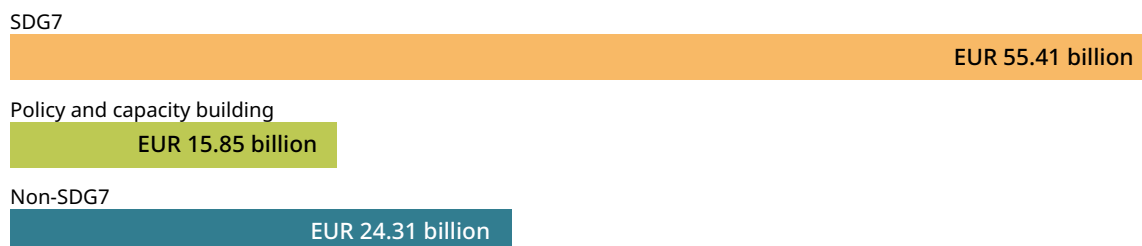
Figures presented in this chapter encompass the data presented in the first chapter, as European contributions are part of the global international development finance landscape. This allows to identify the relative weight of European support within this global landscape.

This chapter explores in particular the main sources and characteristics of international public finance over the 2014-2023 period, including the specific role of multilateral institutions.

All the data presented from sections 2.1 until 2.6 include exclude Chinese financing, which is presented separately in a dedicated section (2.7), as the country does not report its foreign aid flows in a systematic and transparent manner in line with OECD definition, unlike OECD-DAC donors.

2.1 | Overview of international development finance to energy

Figure 2.1 Total international development commitments to energy in Africa (2014-2023)

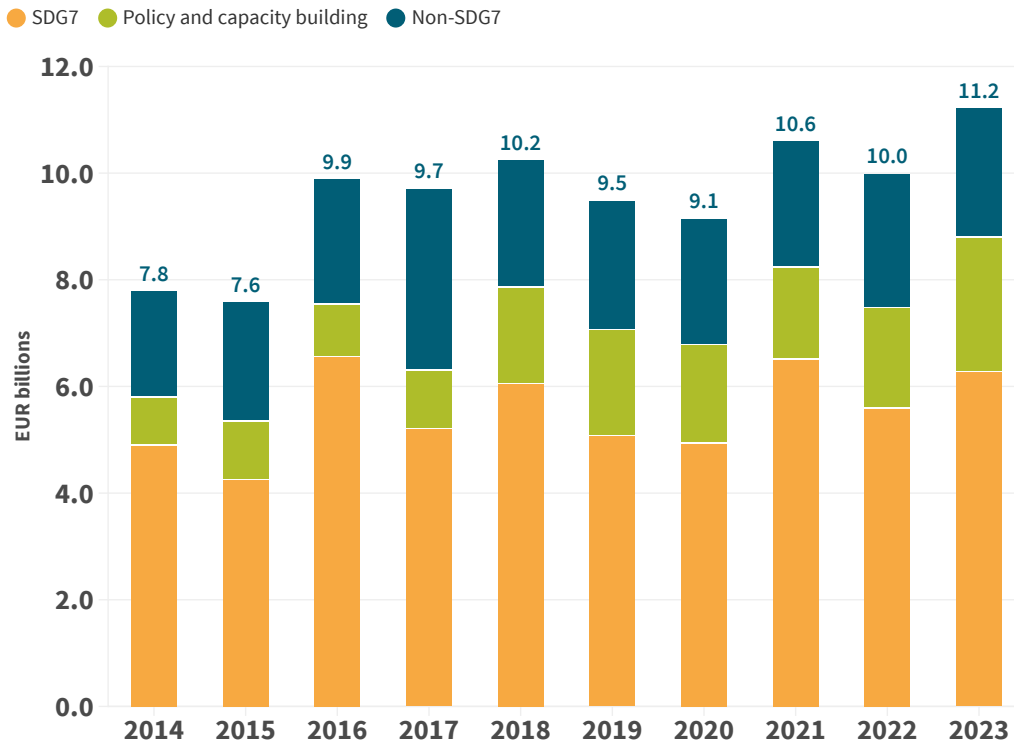


Over the past decade, international development commitments to energy-related projects in Africa have amounted to EUR 95.57 billion. Of this, EUR 55.41 billion (or 58%) targeted SDG7-aligned energy projects, and EUR 15.85 billion (16.5%) supported policy and capacity building initiatives (see Figure 2.1).

About EUR 24 billion, or around 25%, still flowed to non-SDG7 projects. Redirecting these resources could significantly accelerate universal access while safeguarding debt sustainability. In line with the approach already adopted by most EU Institutions and Member States (EI&MS), the wider international donor community should establish time-bound plans to phase out support for non-SDG7-aligned activities.

Over the decade, international development finance for SDG7-compliant projects totaled EUR 71 billion

Figure 2.2 Evolution of international development commitments to energy in Africa (2014-2023)



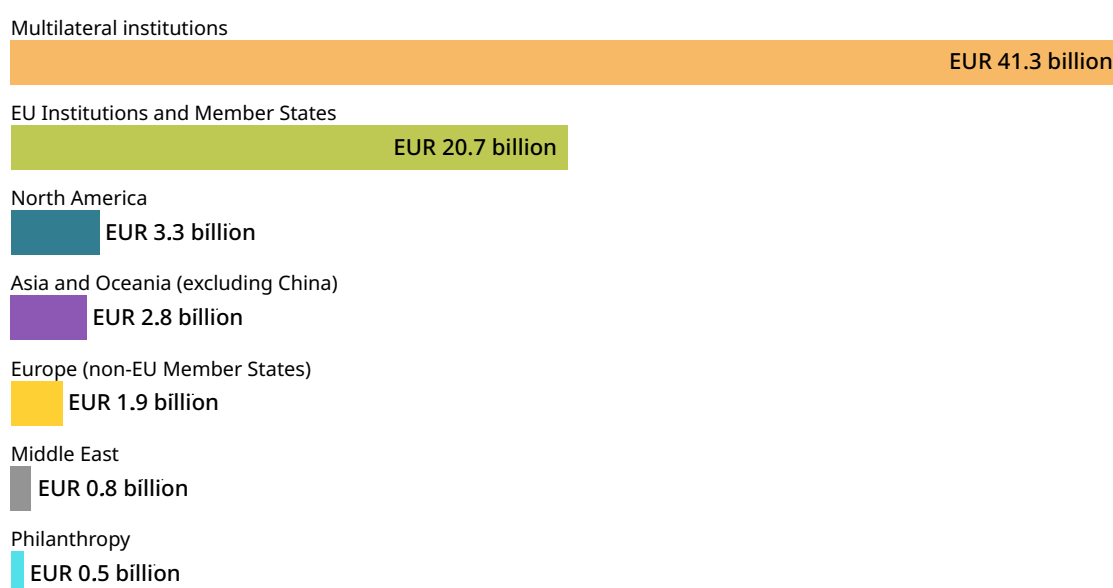
However, data over the decade show an increasing trend in SDG7-compliant commitments (both SDG7 and P&CB projects), reaching a peak in 2023 at EUR 8.8 billion in 2023 (see Figure 2.2). While commitments specifically targeting SDG7 have fluctuated, this increasing trend was driven by PC&CB commitments, reaching a record high in 2023 at EUR 2.5 billion.

2.2 | Sources of international development finance to SDG7

This chapter identifies the sources of development finance flowing to SDG7 in Africa, distinguishing between multilateral institutions, bilateral donors by geographical origin and philanthropic actors.

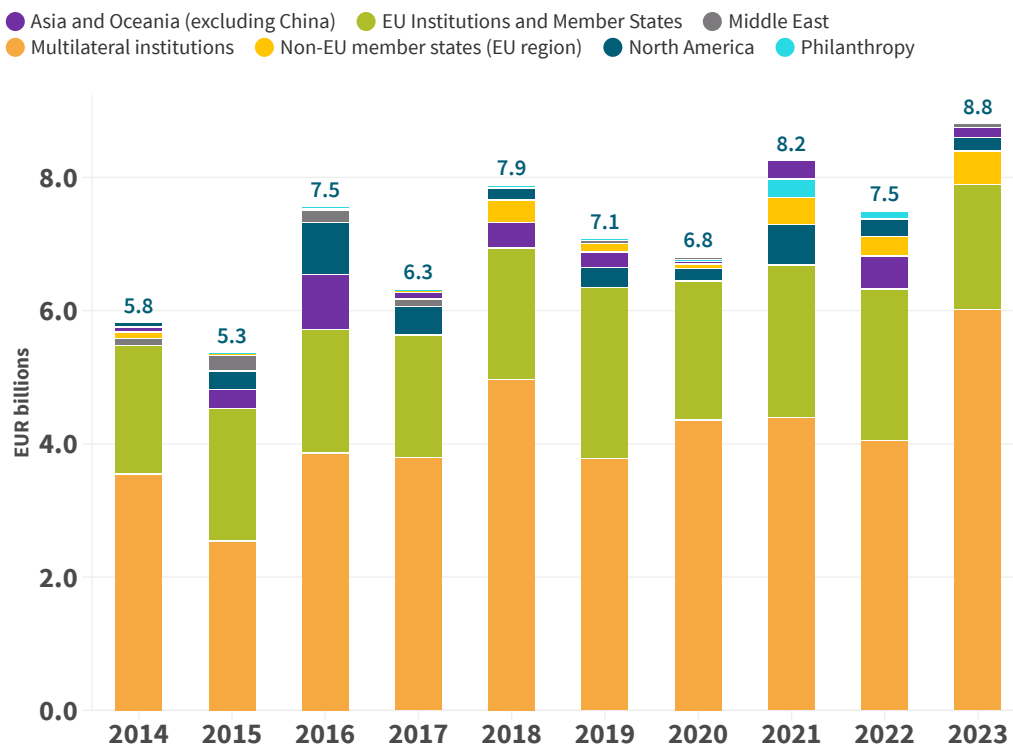
Multilateral development institutions have remained the largest source of international development finance to SDG7-compliant projects, accounting for EUR 41.3 billion or 58% of total commitments (see Figure 2.3). European Institutions and Member States (EI&MS) followed as the second-largest contributor, committing roughly half this amount (EUR 20.67 billion), still far exceeding contributions from North American donors (EUR 3.3 billion) and donors from Asia and Oceania - excluding China (EUR 2.8 billion). Philanthropy, the only non-public source of international development finance recorded in this chapter, accounts for EUR 0.5 billion.

Figure 2.3 Total SDG7-compliant international development commitments, by donor type (2014-2023)



Multilateral institutions' contributions to SDG7 peaked in 2023, exceeding EUR 6 billion and representing 68.4% of total SDG7 financing—the highest level recorded over the past decade in both absolute and relative terms (see Figure 2.4). This surge was driven primarily by major commitments from the World Bank (IBRD and IDA) and the Islamic Development Bank.

Figure 2.4 Evolution of SDG7-compliant international development commitments, by donor type (2014-2023)



Multilateral institutions and EI&MS are leading the financing of SDG7, providing 58% and 29% of commitments, respectively

It is important to note that the category multilateral institutions encompasses a diverse and heterogeneous group of organisations, each with distinct mandates and strategies, priorities regarding sustainable energy access, and risk appetites. In this report, multilateral institutions include multilateral development banks, climate funds, UN agencies and other multilateral providers (see methodology on AEEP's website for the full list).

Deep-dive into multilateral institutions finance to SDG7 in Africa

Among multilateral development banks (MDBs), the World Bank Group's IDA was the leading contributor to SDG7-compliant commitments in Africa in the past ten years, providing EUR 18 billion (See Figure 2.5.). Other significant MDB commitments in the same period included the African Development Bank (EUR 5.5 billion), the IBRD (EUR 4.9 billion), the International Finance Cooperation (EUR 2.5 billion), the Islamic Development Bank (EUR 2.3 billion), and the European Bank for Reconstruction and Development (EUR 1.3 billion).

Figure 2.5 SDG7-compliant commitments from top multilateral institutions (total for 2014-2023)



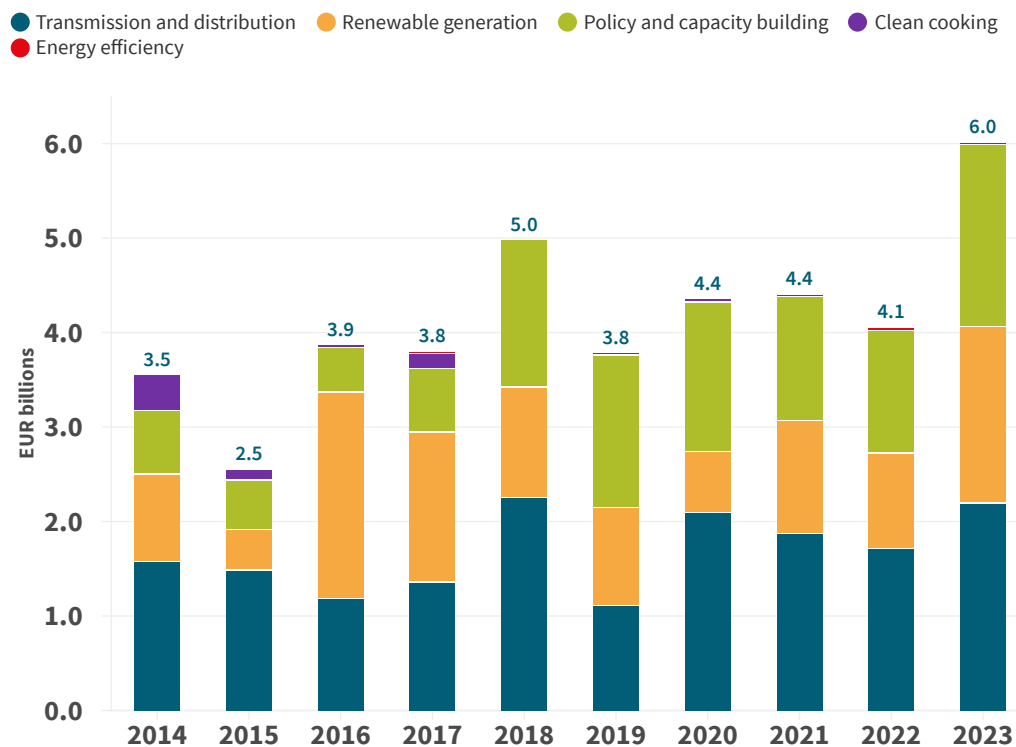
In terms of sectoral allocation, MDBs devoted the largest share of their commitments to transmission and distribution (T&D) projects, valued at EUR 16.9 billion and accounting for 41% of total financing (see Figure 2.6). This distinguishes their portfolio from broader international public finance, which continues to prioritise renewable generation.

The predominance of T&D reflects the capital-intensive nature of large infrastructure projects, which typically include MDB involvement. The focus is also consistent with the growing recognition that inadequate grid infrastructure is a key constraint on Africa's electricity systems on the integration of renewable energy sources. This raises the expectation that the MDBs' emphasis on transmission and distribution (T&D) will persist, or even intensify, in the coming years, particularly to support the substantial investment needs in transformative transmission infrastructure such as the ones highlighted in the Continental Power Systems Master Plan (See chapter 5.1).

Over the same period, commitments to renewable generation and policy and capacity building (P&CB) were almost equal, representing respectively EUR 12 billion (29%) and EUR 11.6 billion (28%) of MDB commitments.

Clean cooking projects saw limited momentum early in the decade, accounting for 10.5% of commitments in 2014 and just over 4% in 2015 and 2017, but have since attracted negligible funding. Energy efficiency has consistently remained the least-financed area, never exceeding 0.7% of total MDB commitments.

Figure 2.6 Evolution of SDG7-compliant commitments from multilateral institutions, by sector (2014-2023)



How finance flows through multilateral institutions

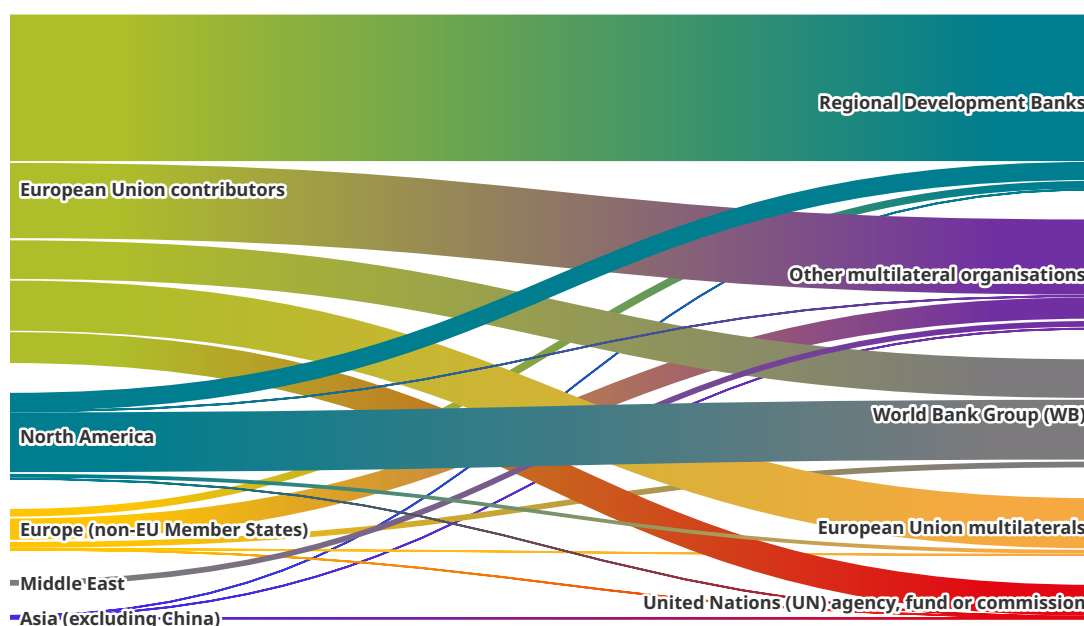
Multilateral institutions rely on contributions from their members, which include governments and, to a lesser extent, private-sector actors.

They receive financing through two main modalities:

1. Core contributions, which are pooled funds used to finance general programmes and operating costs; and
2. “Contributions through”, which are resources provided by donors via multilateral institutions to support specific projects on behalf of the initial donor.

The analysis presented in Figure 2.7 focuses on “contributions through”, tracing the origin of funds channelled to SDG7-compliant projects via multilateral institutions³⁰. Core contributions are excluded.

Figure 2.7 Finance channelled through multilateral institutions to SDG7-compliant sectors (2014-2023)



Between 2014 and 2023, European Union entities were by far the largest contributors of SDG7-compliant finance channelled through multilaterals, committing EUR 3.92 billion. This represents more than 71% of the total EUR 5.49 billion total delivered through multilateral institutions.

³⁰ In this analysis we use “EU contributors” and not EI&MS because EIB is on the receiving end (under the category European Union multilaterals)

EU contributors accounted for:

- over 89 %of SDG7-compliant funds channelled through EU-based multilaterals such as the European Investment Bank (EIB), the European Investment Fund (EIF), and the European Bank for Reconstruction and Development (EBRD);
- 84 %of contributions to regional development banks; and
- 91.2 % of those channelled through UN agencies and funds.

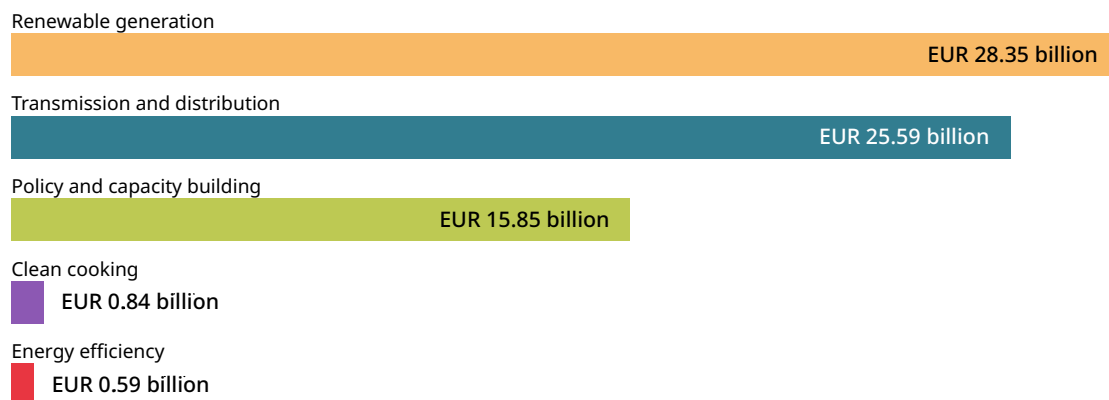
In contrast, within the World Bank Group, where the United States remains the leading shareholder, EU contributors represented just under 37% of such financing.

North American donors ranked second overall, contributing EUR 970 million through multilaterals to SDG7 projects.

Growing reliance on earmarked contributions, funds directed to specific thematic or regional priorities, has been a defining trend in multilateral financing. While earmarking has often increased in response to crises, a notable share has supported SDG7-compliant activities, underscoring donor interest in energy access and transition.

2.3 | Sectoral distribution of international development finance to SDG7

Figure 2.8 Total SDG7-compliant international development commitments, by sector (2014-2023)



Renewable generation projects have attracted the largest share of overall SDG7-compliant public finance over the past decade. International public institutions committed EUR 28.35 billion to this sector or 40% of the total. T&D followed with EUR 25.59 billion (or 36%), while Policy and Capacity Building (P&CB) accounted for EUR 15.85 billion (22%). Clean cooking and energy efficiency remained marginal, drawing only a small fraction of total financing (see Figure 2.8).

Renewable energy

Many of the largest renewable energy commitments originated from European institutions (See Chapter 1 for more detail). Among non-European actors, the most significant contributions include:

- A EUR 380 million ODA loan to Kenya's Olkaria V geothermal project provided by the Japanese International Co-operation Agency (JICA) in 2016.
- A EUR 327.65 million loan provided by the International Development Association (IDA) in 2021 to the Development Bank of Ethiopia (DBE), the Ministry of Water and Energy, and to Ethiopia Electric Utility to support the Access to Distributed Electricity and Lighting in Ethiopia (ADELE) project.



Data indicates that RE commitments have supported a broad mix of technologies, including geothermal, large hydro, utility-scale as well as distributed solar projects, without a clear preference for any single source.

Transmission and distribution

Over the past decade, World Bank institutions – the International Development Association (IDA) and International Bank for Reconstruction and Development (IBRD) – have been among the largest financiers of T&D projects, accounting for six of the ten largest commitments. The African Development Bank (AfDB), Millennium Challenge Corporation (MCC) and KfW also feature prominently. Examples include IDA's EUR 277 million commitments in 2018 to the Tanzania-Zambia interconnector. However, most major projects have been programmatic in nature, focusing on grid reinforcement and distribution networks improvements.

Policy and capacity building

The focus of P&CB commitments has evolved substantially over the period under study. In 2014, major commitments, by the Islamic Development Bank, AfDB and IDA, were directed toward administrative

and policy support for fossil-fuel management of gas-fired power plant developments in Egypt, Benin and Tanzania, a coal plant in Morocco and a proposed HFO plant in Djibouti. For instance, the IDA lent EUR 75 million to support Tanzania's second power and gas sector development policy operation. It aimed to help the country bridge the financial gap in its power sector, reduce the cost of power supply, promote private sector participation, and to improve the gas sector policy and institutional framework.

Most of these projects would not qualify as SDG7-compliant today due to their reliance on fossil fuels. The largest commitments of that period ranged from EUR 75 million to EUR 167 million. By 2023, priorities had changed entirely. The largest P&CB commitments targeted electrification and power sector reforms, including IDA's EUR 228 million loan to Ethiopia's electrification programme and the IBRD and IDA's combined EUR 694 million support for Nigeria's Power Sector Recovery Performance-Based Operation.

Clean cooking

In 2023, commitments to clean cooking-related projects totalled EUR 44.37 million. The largest was a 17.5 million ODA grant from the Norwegian Agency for Development Co-operation (Norad) to the Modern Cooking for Africa (MCFA) programme, managed by the Nordic Environment Finance Cooperation (Nefco). MCFA aims to stimulate private-sector investment in clean cooking markets across seven African countries by providing financial incentives for companies to distribute up to 739,000 modern and clean cooking solutions, benefitting an estimated 3.7 million people.

The USD 500 million (EUR 431 million) Clean Cooking Fund, managed through the WBG's ESMAP, began operations in January 2020. Its first project was the Energy Access Quality Improvement Project (EAQIP) to expand access to clean cooking to 500,000 Rwandan households – in the largest World Bank-financed clean cooking project in Africa to date. The CCF is a global initiative, with Sub-Saharan African countries such as Burundi, Ghana, Mozambique, Niger and Uganda high on its priority list.³¹

Energy efficiency

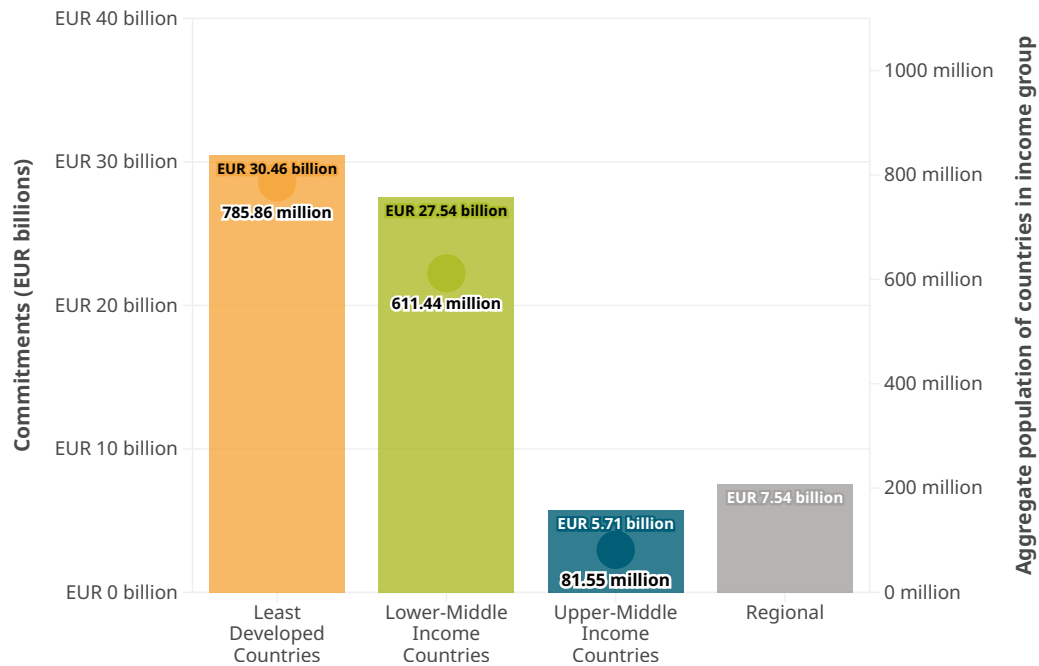
The largest commitments to energy efficiency projects in 2023 came from the EIB, KfW, and the EC. The EIB provided EUR 47.1 million in equity to a regional private-sector project and EUR 14.1 million as a loan to a private sector initiative in Egypt both classified as private sector instruments (PSIs). KfW committed a EUR 30 million ODA loan to the government of Morocco for a sustainable urban mobility project, while the European Commission committed a EUR 7.5 million grant to Algeria's government for its RE and energy efficiency programme.

Apart from these examples, 50 additional commitments were made in 2023, nearly all as ODA grants, underscoring the continued reliance on grant-mechanisms for energy efficiency initiatives.

³¹ Esmap programme description, <https://www.esmap.org/clean-cooking-fund>

2.4 | International development finance to SDG7 by recipient

Figure 2.9 Total SDG7-compliant international commitments, by country income group, and population in each income group (2014-2023)



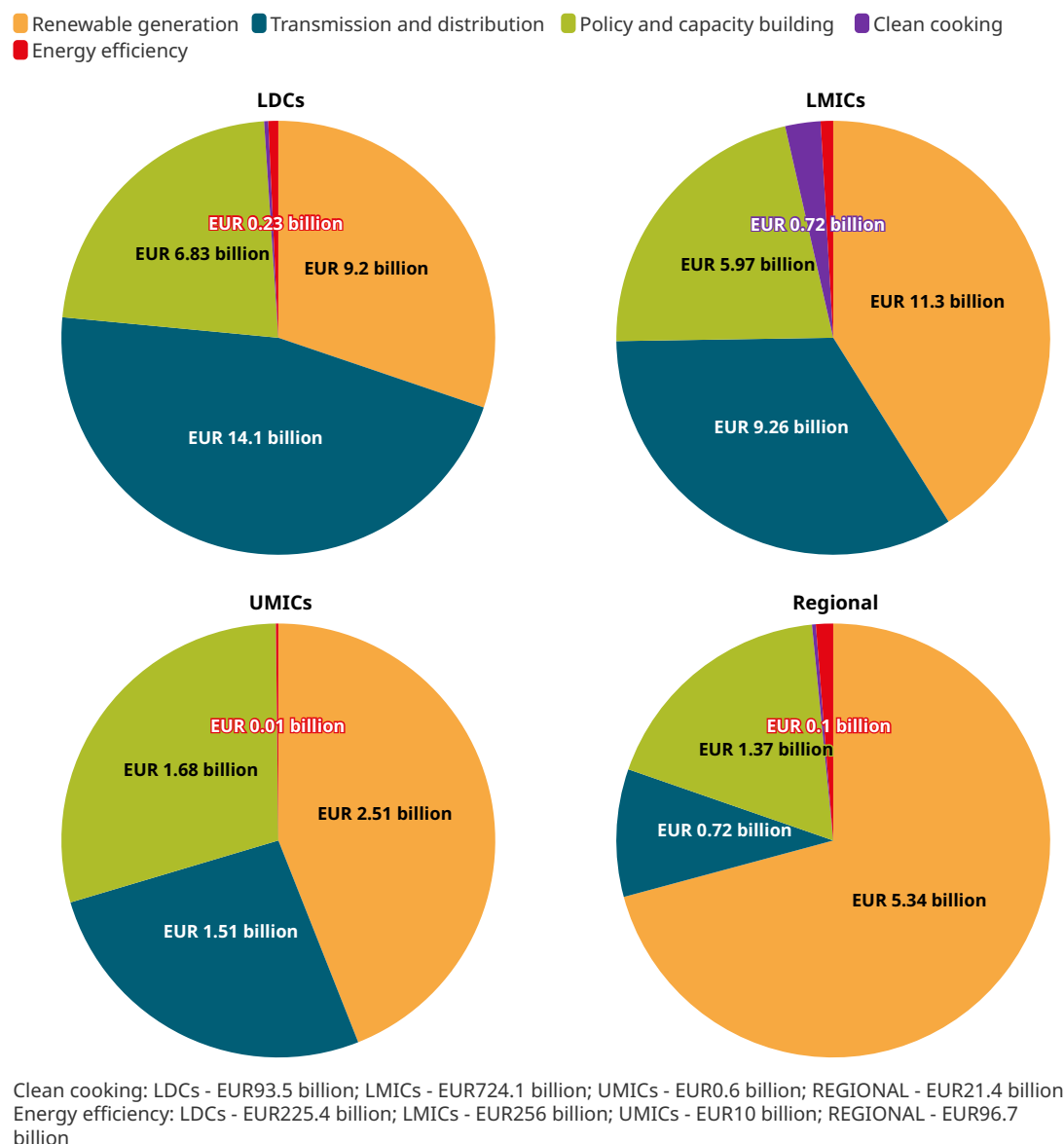
The distribution of international development commitments to SDG7 by income group roughly follows the population shares these country groupings entail (See Figure 2.9.).

Africa's Least Developed Countries (LDCs) account for 53% of the continent's population and received 43% of SDG7-compliant commitments, totalling EUR 30.5 billion. Lower Middle-Income Countries (LMICs) account for 41% of the region's population and attracted 39% of total commitments (EUR 27.5 billion). Upper-middle income countries (UMICs) received EUR 5.7 billion, or 8% of total commitments. The rest was committed to regional programmes covering several countries.

While LMICs and UMICs are within reach of universal access to electricity, with respectively 80% and 81% access rate, the financing needs for LDCs to reach universal access are way higher, with only 43% of access.

LDCs and LMICs received respectively 43% and 39% of commitments to SDG7

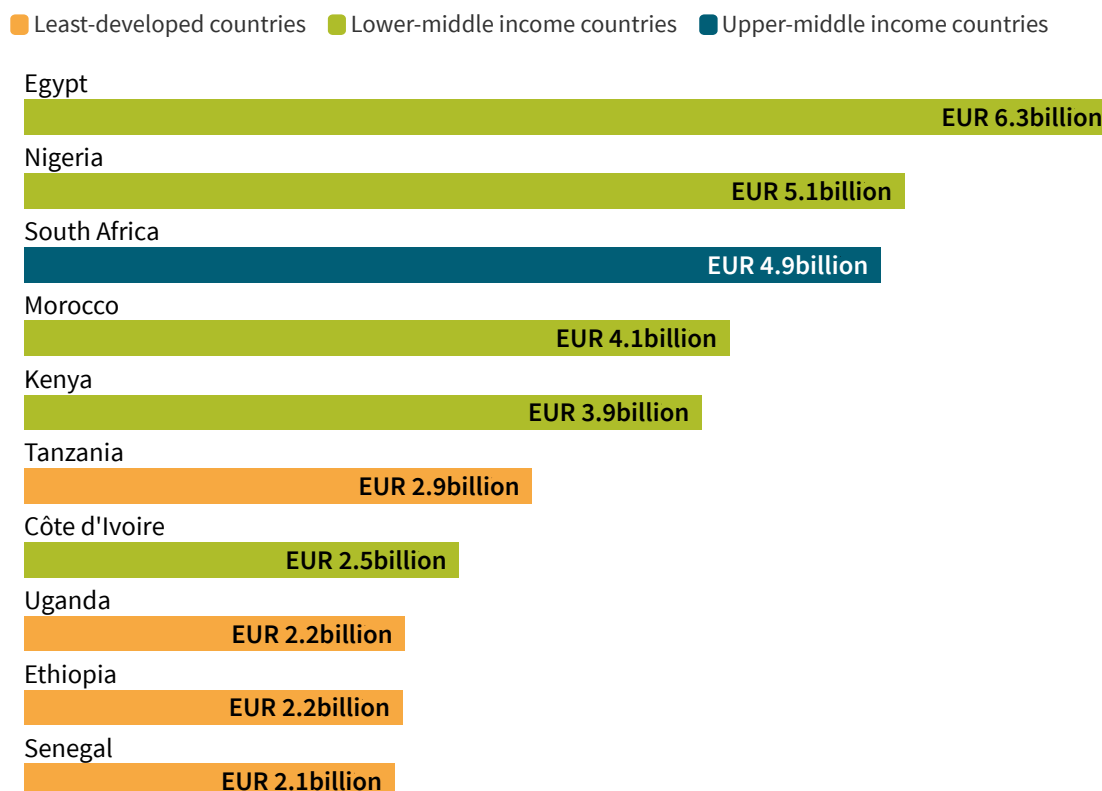
Figure 2.10 Sectoral distribution of SDG7-compliant international development commitments, per country income group (2014-2023)



The sectoral distribution of commitments between income groups shows some disparities. Commitments to LDCs have been directed more heavily toward transmission and distribution (T&D) projects than any other sector. This emphasis reflects the critical role of grid upgrades in advancing SDG7, particularly in LDCs where transmission and distribution infrastructure is typically less developed.

Renewable energy projects represented the first sectoral category in all the other income groups and for regional projects. Policy and capacity-building represented an equal share (about 22%) in LDCs and LMICs and a slightly higher share in UMICs (mostly due to South Africa's JETP).

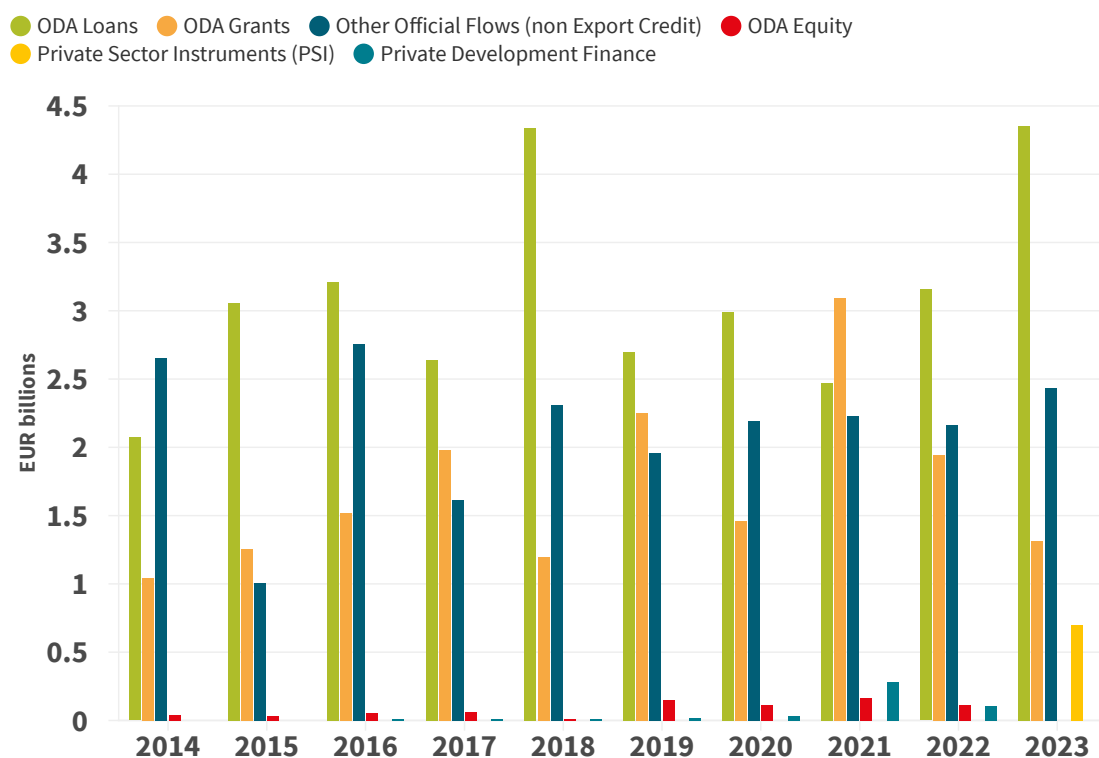
Figure 2.11 Top ten recipients of international development SDG7-compliant commitments (2014-2023)



When looking at individual countries (see Figure 2.11), Egypt, Nigeria and South Africa received the highest amounts of SDG7-compliant commitments from international development financiers. LDCs did not appear within the top five recipients of SDG7-compliant commitments over the decade, largely because a significant portion of financing flows to large-scale infrastructure projects, for which many LDCs lack the enabling conditions to participate effectively.

2.5 | International development finance to SDG7 by finance type

Figure 2.12 Evolution of international development SDG7-compliant commitments, by finance type (2014-2023)



Private development finance consists of philanthropic funding

As described in chapter 1.4, concessional finance, particularly ODA grants and highly concessional ODA loans, is critical for developing countries, especially those burdened by high debt. Official development assistance finance (ODA loans, ODA grants and ODA equity investments) accounted for 69% of total international public SDG7-compliant commitments. The rest was categorised as Other Official Flows (not meeting ODA criteria), Private development finance and, since 2023, as Private sector instrument (although both latter categories represent a small share of non-ODA finance).

A concerning trend is the continuous decline in ODA grants in the last three years, reaching in 2023 their lowest level since 2018. While total public SDG7-compliant commitments peaked in 2023 at EUR 8.1 billion, ODA grants represented only 16.2% of that amount (see Figure 2.12).

Conversely, ODA loans reached their highest level in 2023, amounting to EUR 4.35 billion, or 53.8% of total public SDG7-compliant commitments. Amounts committed via OOF, after fluctuating somewhat earlier in the decade, have remained steady since 2018, totalling EUR 2.43 billion in 2023.

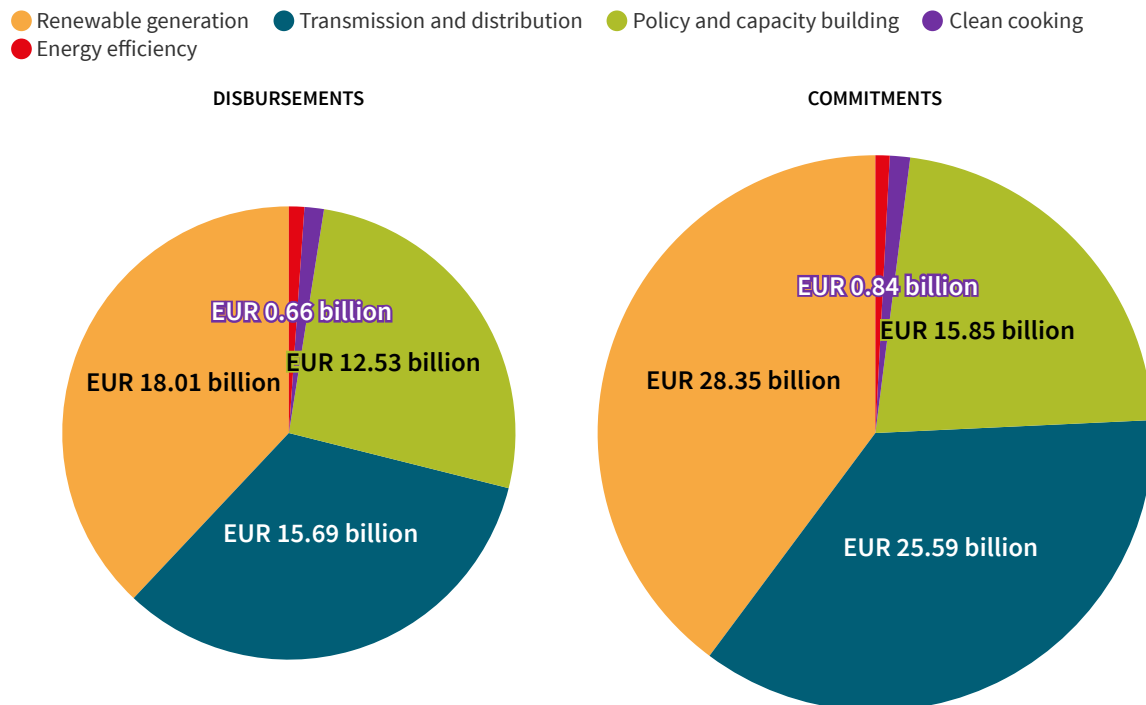
While 65% of international development finance to SDG7 is ODA, grants have declined in recent years



2.6 | International development finance disbursements to SDG7

Over the past decade, total SDG7-compliant disbursements, including policy and capacity building initiatives, amounted to EUR 47.42 billion, or about two-thirds of total commitments (see Figure 2.12). With only five years remaining until the 2030 target, ensuring higher disbursement rates will be critical.

Figure 2.13 Total SDG7-compliant disbursements and commitments from international development finance (2014-2023)

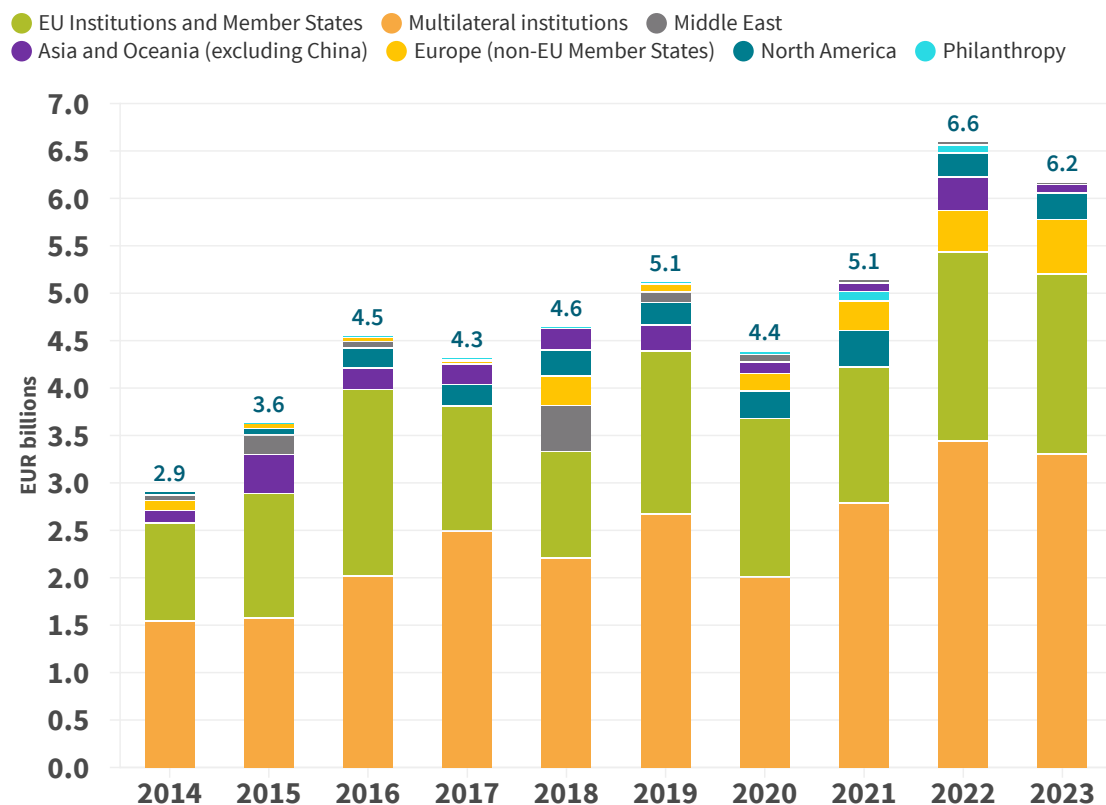


Clean cooking: DISBURSEMENTS - EUR 0.66 billion; COMMITMENTS - EUR 0.84 billion.
 Energy efficiency: DISBURSEMENTS - EUR 0.52 billion; COMMITMENTS - EUR 0.59 billion

It is therefore positive that SDG7-compliant disbursements have seen a consistent upward trend in the decade to 2023, driven mostly by a doubling of flows from multilateral institutions, and continued support from EI&MS. From EUR 2.9 billion in 2014, disbursements rose to EUR 6.2 billion in 2023, with a trend suggesting sustained momentum.

Disbursements from multilateral institutions and EI&MS accounted for the bulk of financing over the decade, representing more than 80% of total flows disbursed (against 87% of commitments).

Figure 2.14 Evolution of SDG7-compliant disbursements from international development finance, by donor (2014-2023)

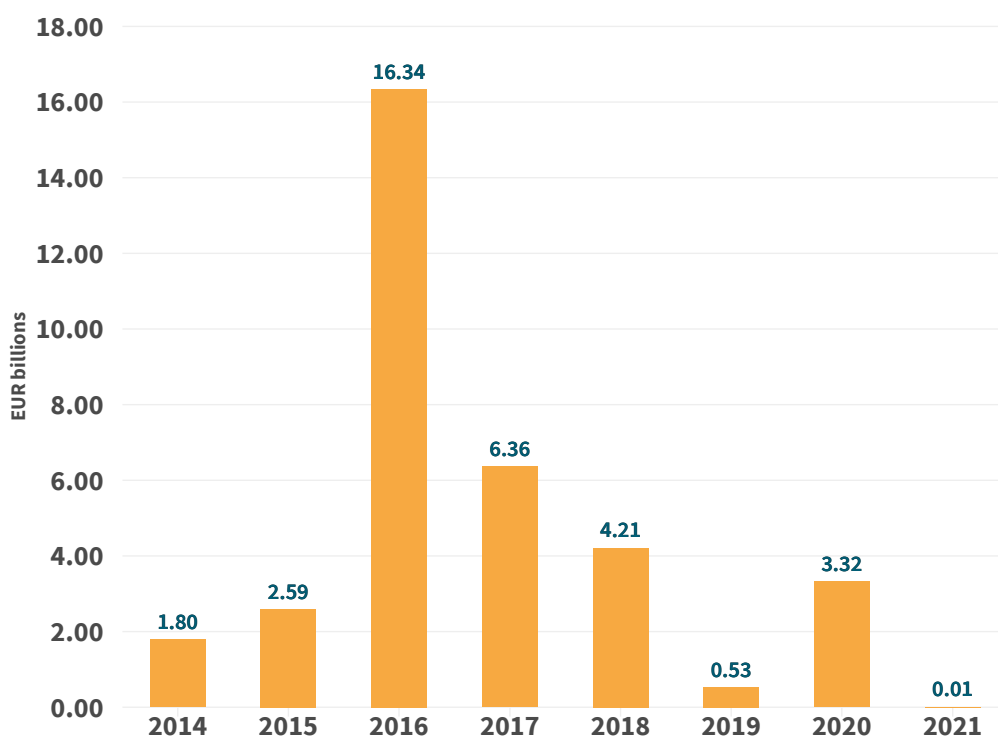


2.7 | Understanding Chinese finance to energy

Funding from The People's Republic of China is addressed separately in this report as the country does not report its foreign aid flows in a systematic and transparent manner in line with OECD definition, unlike OECD-DAC donors. Available data³² indicate that between 2014 and 2021 (the most recent year for which figures are available) China has played a major role in financing energy projects across Africa³³.

China committed EUR 39.9 billion to energy projects of all kinds in Africa. These figures include both SDG7-compliant and non-SDG7 compliant projects.

Figure 2.15 Evolution of Chinese commitments to energy in Africa, 2014-2021



China commitments fluctuated sharply over the period and peaked at EUR 16.3 billion in 2016, before falling to just EUR 10 million in 2021 (figure 2.15).

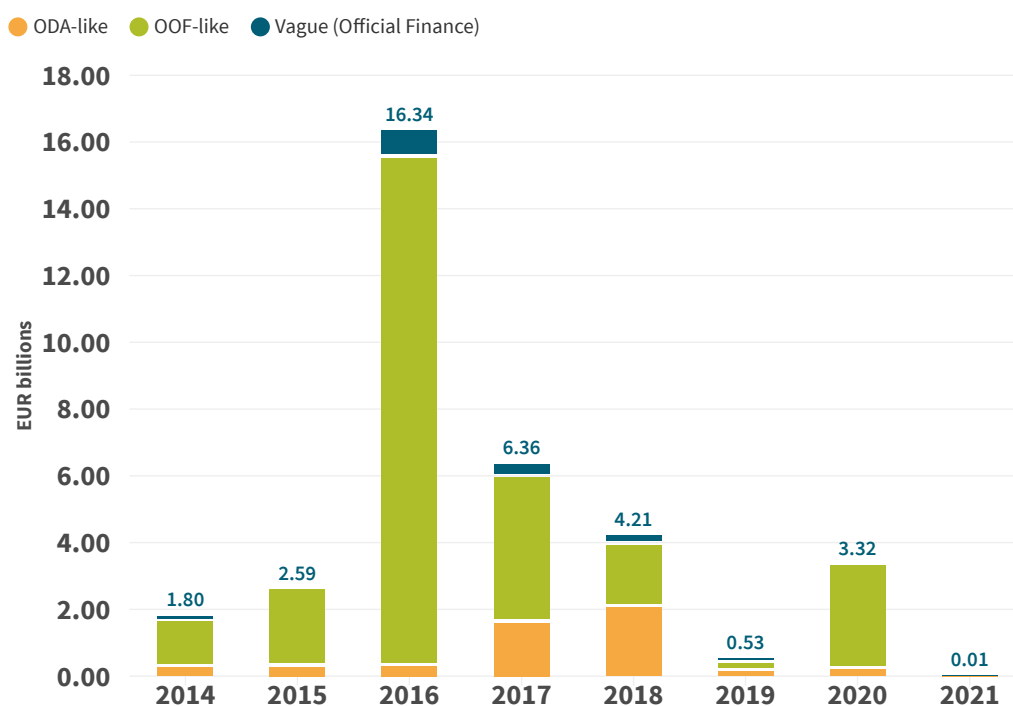
³² AidData, <https://www.aiddata.org/>

³³ Funding from The People's Republic of China is addressed separately in this report as the country doesn't report its foreign aid flows in a systematic and transparent manner in line with OECD definition, unlike OECD-DAC donors. Data also cannot identify SDG7-compliance.

Roughly one-quarter of these flows were classified as “ODA-like,” defined by AidData as “official-sector financing with a primary development objective and concessional terms”. However, this proportion has varied significantly, ranging from 50% of China’s EUR 4.2 billion in commitments in 2018, to just 2% of the EUR 16.3 billion recorded two year earlier (figure 2.16).

A larger share of Chinese energy finance in Africa has been categorised as “OOF-like”, indicating projects or activities that are supported by government agencies but may not necessarily meet all three ODA-like criteria. These flows have consistently accounted for almost two-thirds of Chinese financing of energy projects in Africa, dropping below 50% only in 2018 and 2019.

Figure 2.16 Evolution of Chinese commitments to energy in Africa, by flow type (2014-2021)



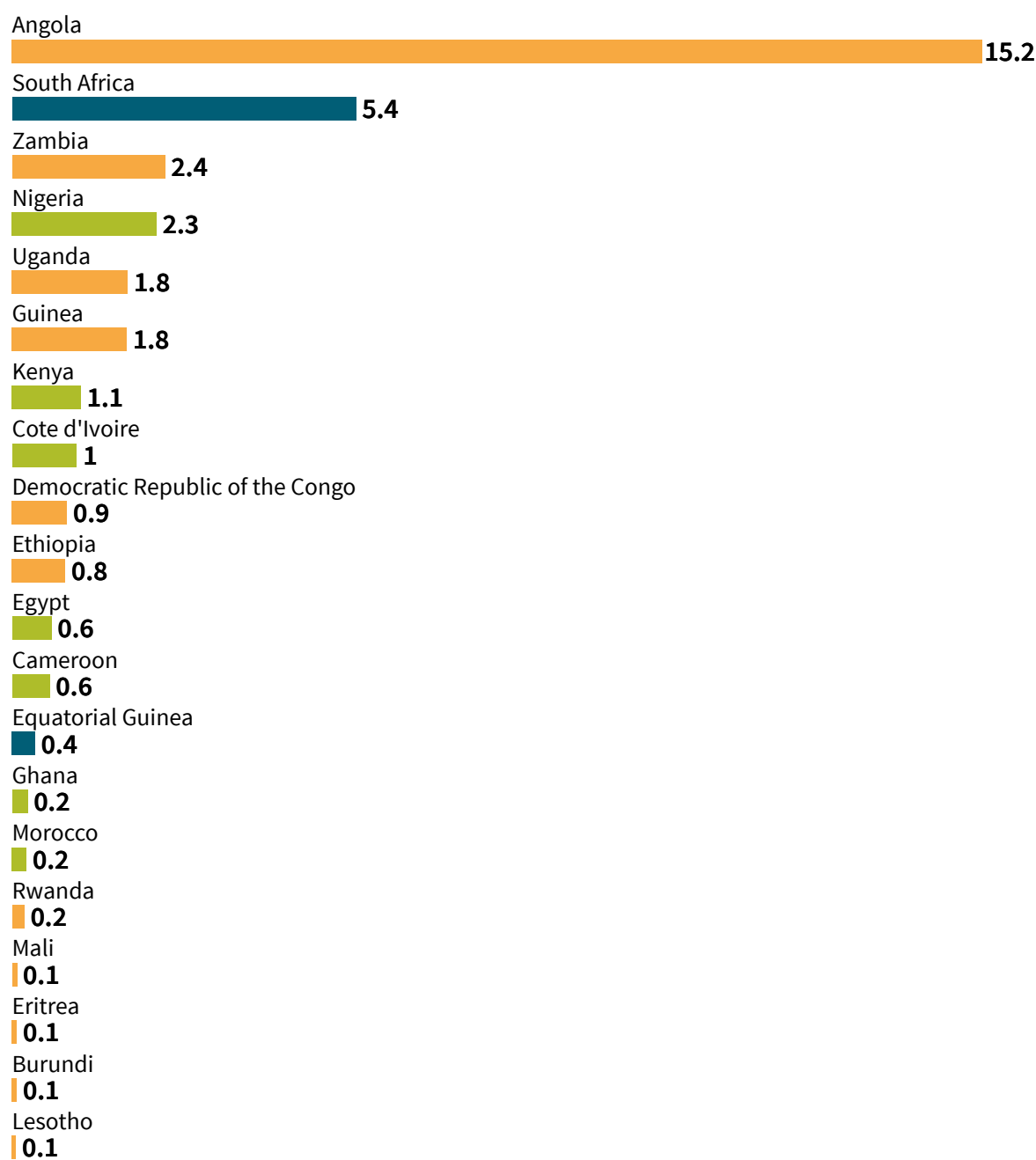
Source: AidData - Global Chinese Development Finance Database

China’s energy-related engagement in sub-Saharan Africa has been highly concentrated in a few countries, with a “long tail” of smaller commitments across much of the continent. Angola has received the largest share, accounting for 43.1% of commitments in the period, nearly three times the amount committed in South Africa, the largest recipient (figure 2.17).

Figure 2.17 Chinese commitments to energy in Africa, by recipient (2014-2021)

■ Least-developed countries
 ■ Lower-middle income countries
 ■ Upper-middle income countries and others

EUR billions



Source: AidData - Global Chinese Development Finance Database

- One of the biggest projects China is involved with in Angola is the 2,172MW Caculo Cabaça Hydroelectric power station. When eventually completed, the power station, about 200km southeast of Luanda, will be the largest in Angola. At present, only about 48% of the country's population 37.3 million have access to electricity.

Other countries on the continent have drawn less than 7% of China's energy commitments, and only Zambia, Nigeria, Uganda, Guinea, Kenya, and Cote d'Ivoire have drawn more than EUR 1 billion from 2014 to 2021.



2.8 | Conclusion

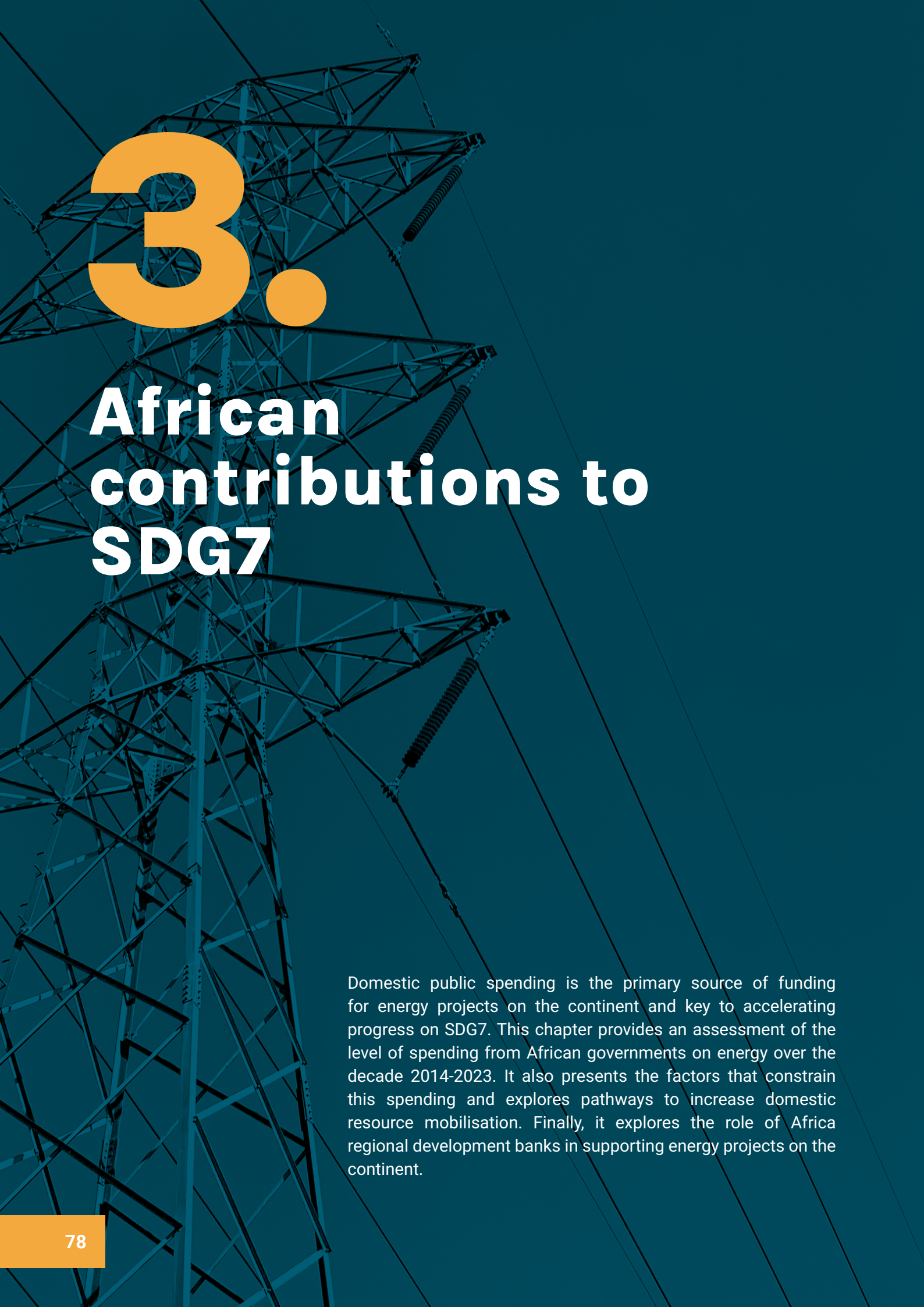
International donors have provided about EUR 71 billion commitments to SDG7-compliant projects over the 2014-2023 decade, representing 75% of overall commitments to energy. This source of funding has been decisive to driving progress toward universal access and clean energy development across the continent.

Multilateral development banks accounted for the largest share of this financing, reaching an all-time peak in 2023. European Institutions and Member States were the second largest contributors to SDG7 on the continent, and the leading regional partner (China excluded).

However, achieving the SDG7 targets by 2030 will require a more balanced allocation of resources across all segments of the energy sector. In particular, commitments to clean cooking and energy efficiency—both core SDG7 components—have declined in recent years. These areas are a significant part of Africa's energy landscape, but continue to receive disproportionately low levels of attention and funding.

Finally, not all commitments carry equal implications for debt sustainability. With the debt burdens in sub-Saharan Africa continuing to rise, it is concerning that ODA grants fell in 2023 to near-decade lows. In contrast, ODA loans peaked in 2023, accounting for 54% of total commitments. ODA-compliant commitments represented 70% of total international public commitments to SDG7. This trend raises the need to ensure that new financing remains both developmentally effective and financially sustainable for recipient countries.

In a context of growing global political and economic uncertainty, it is essential that donors and financiers—including multilateral development banks and bilateral aid institutions—sustain, and where possible, strengthen their commitments to Africa. Continued and well-targeted support will be critical to maintaining, and accelerating, the continent's progress toward universal access and a clean energy transition.



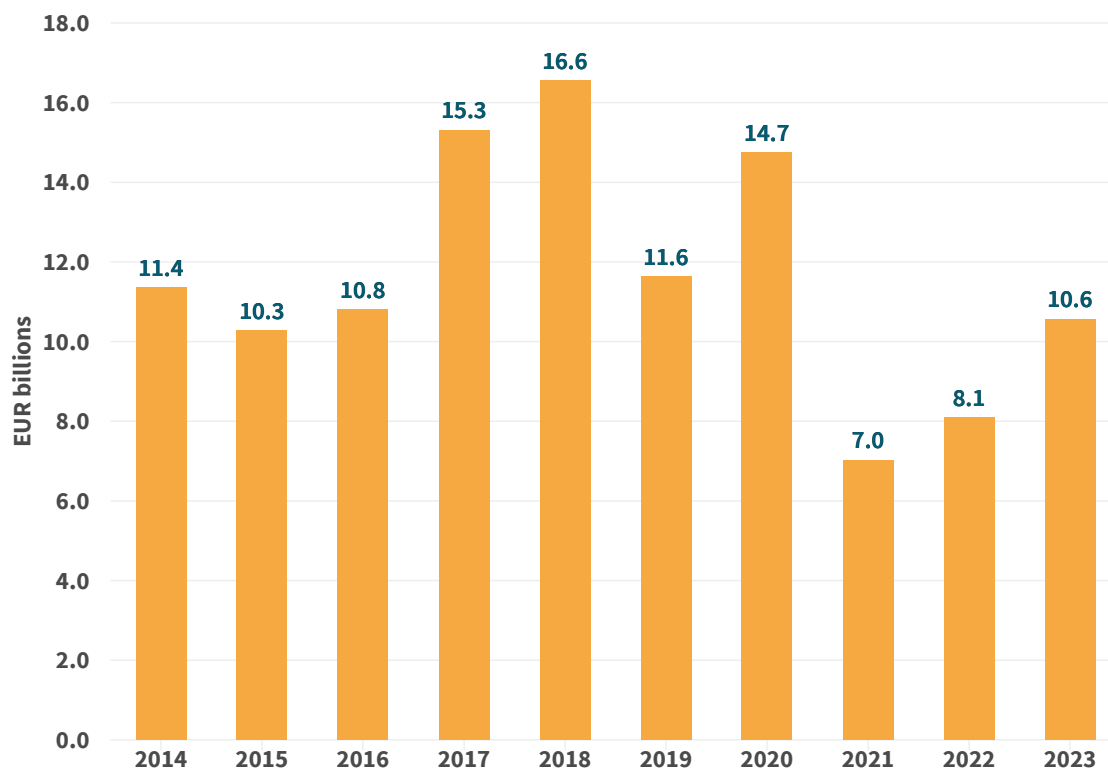
3.

African contributions to SDG7

Domestic public spending is the primary source of funding for energy projects on the continent and key to accelerating progress on SDG7. This chapter provides an assessment of the level of spending from African governments on energy over the decade 2014-2023. It also presents the factors that constrain this spending and explores pathways to increase domestic resource mobilisation. Finally, it explores the role of Africa regional development banks in supporting energy projects on the continent.

3.1 | African government spending on energy

Figure 3.1 Evolution of energy spending identified in African governments' budgets (2014-2023)



Source: AEEP, African National Government budgets

Analysis of government budget data shows that over the 2014-2023 period, African countries have spent about EUR 116.04 billion on energy (see Figure 3.1)– a figure which includes spending that is not SDG7-compliant.

With EUR 116 billion spent on energy, African governments are the primary source of funding for SDG7

African government spending declined sharply in 2021, and while it has increased annually since, it has not yet come back to previous levels. In 2023, total spending amounted to EUR 10.6 billion, below the average annual budget commitment of EUR 11.6 billion over the decade.

This strong decline in public investment in the energy sector in 2021 and 2022 was largely driven by rising government debt burdens across several countries, compounded by the economic repercussions of the Covid-19 pandemic and the global commodity price shocks following Russia's invasion of Ukraine in early 2022.

- Among the specific factors contributing to the rise in investment in 2023 was the Libyan Government of National Unity's allocation of an emergency budget of EUR 1.4 billion to its national power utility, General Electric Company of Libya (GECOL). The funds were directed towards the construction of new gas-fired power plants, the upgrade of existing units, and the expansion of transmission and distribution (T&D) networks. In addition, major government-led investment programmes were launched in Egypt, Tanzania, Angola and South Africa in 2023.

The figures presented in this chapter are primarily derived from analyses of the budgets of national ministries responsible for energy. While they offer a general indication of the overall trends in energy spending, a number of challenges remain in providing a complete and detailed picture (see box).

Box 4

Challenges in the analysis of government spending for SDG7

A consistent statistical analysis of government spending on energy across Africa remains challenging, as there is no harmonised framework for budget reporting and varying level of details provided in the publicly-available data.

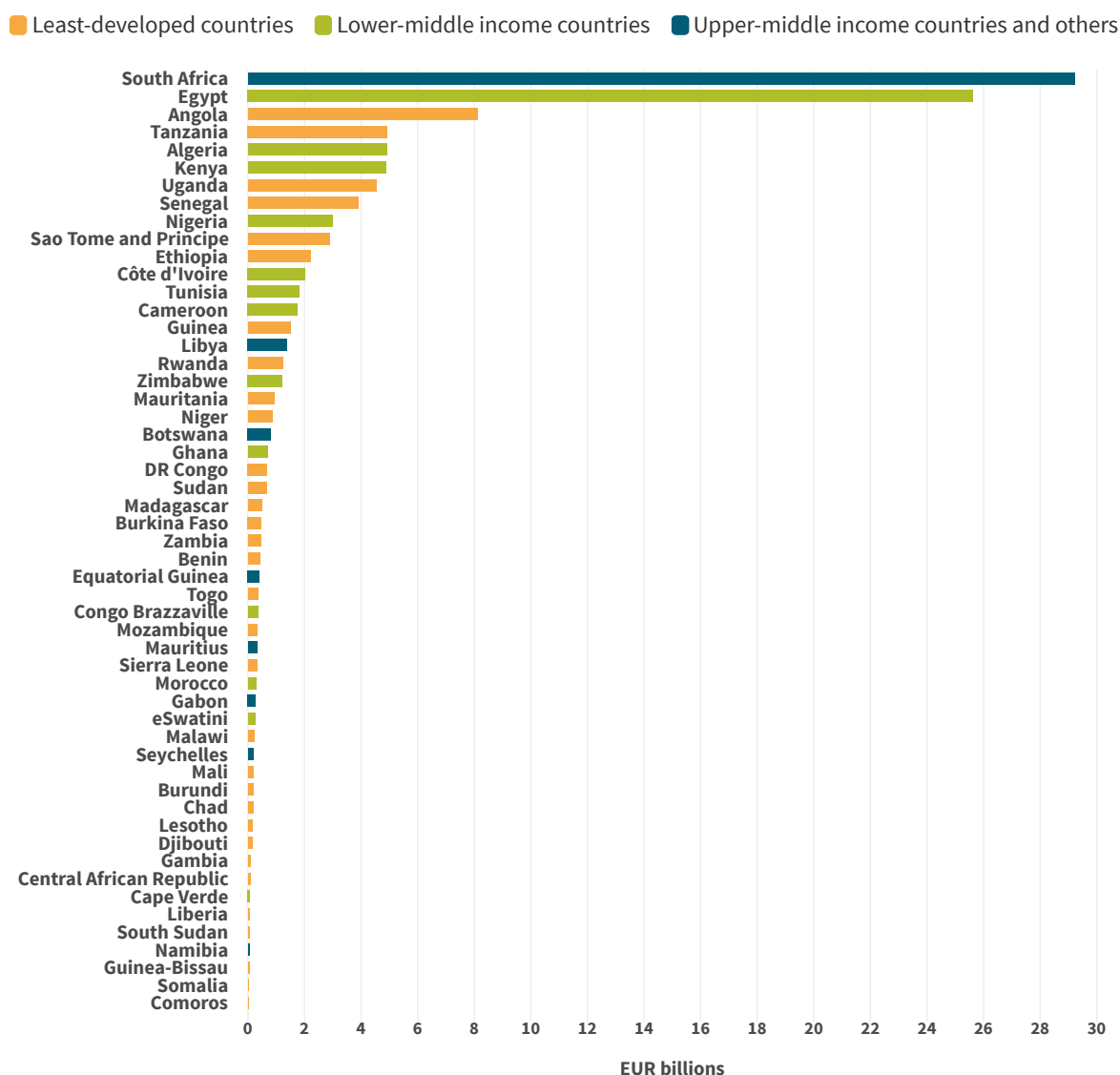
- Most governments have not yet adopted dedicated standards for monitoring and reporting on SDG7-related investment, and energy expenditures are rarely disaggregated in sub-sectors, complicating the identification of SDG7-compliant spending. As a result, the data presented in the graphs cover total energy spending and not SDG7-spending. Sub-sectoral analysis was possible for only 28 countries and is therefore presented in a separate graph.

- When budgets are only published at Ministry level, without further disaggregation, they may include non-energy expenditures where the ministries cover multiple sectors.
- Budget data include resources from both domestic revenues and from external sources, such as international development finance. As most budgets do not include sufficient information to distinguish international donor funding, data in this chapter partly overlap with data presented in chapters 1 and 2. It is important to note, however, that while external resources may sometimes represent a significant share of national energy budgets, they still reflect a country's effort when provided in the form of debt, as these funds are contracted by governments and must ultimately be repaid and serviced through national budgets over time.

In addition, spending from national utilities, which contribute significantly to infrastructure development in generation, transmission and distribution of electricity, are usually separate from national energy ministry budgets. This can also be the case for national energy agencies such as Rural Electrification Agencies. There is consequently a risk that their contributions to SDG7 could go unaccounted for.

Other factors are also likely to distort the picture. A key issue is the treatment of subsidies for domestic fuel and electricity prices, as no standard method exist for recording subsidies. In many cases, they are recorded differently across countries, either as direct budget transfers or as implicit support through foregone revenues by national oil companies and utilities. Such practices obscure the real fiscal burden of subsidies and their impact on investment in energy infrastructure and services.

An analysis per country income groups shows that the 33 Least-Developed Countries accounted for 31.6% of total budgetary spending (EUR 36.1 billion), while the 13 Lower Middle-Income Countries represented 40.3% (EUR 46.9 billion) and the 8 Upper-Middle Income countries accounted for 28.1% (EUR 32.7 billion).

Figure 3.2 African government spending on energy, per country (2014-2023)

Source: AEEP, African National Government Budgets • Budget data not accessed for Djibouti, Eritrea, Equatorial Guinea or Sudan. No previous year's data from Libya

Government budget spending on energy is unequally spread across the continent (see Figure 3.2.) with South Africa and Egypt spending by far the most on energy in absolute numbers. This finding is consistent with their position as two of the largest and most advanced economies on the continent. South Africa's state-owned power generation company Eskom has installed capacity of more than 53GW.³⁴ Egyptian Electricity Holding Company has installed capacity of more than 59GW.³⁵ The next two highest spending countries on energy over the period are Angola and Tanzania – both of which have carried out major installations of hydro-electric power in recent years. The fifth largest spending country is Algeria, where the state-owned utility Sonelgaz has capacity of more than 26GW, making it the third largest utility on the continent.³⁶

³⁴ Eskom Generation Division Fact Sheet, July 2024

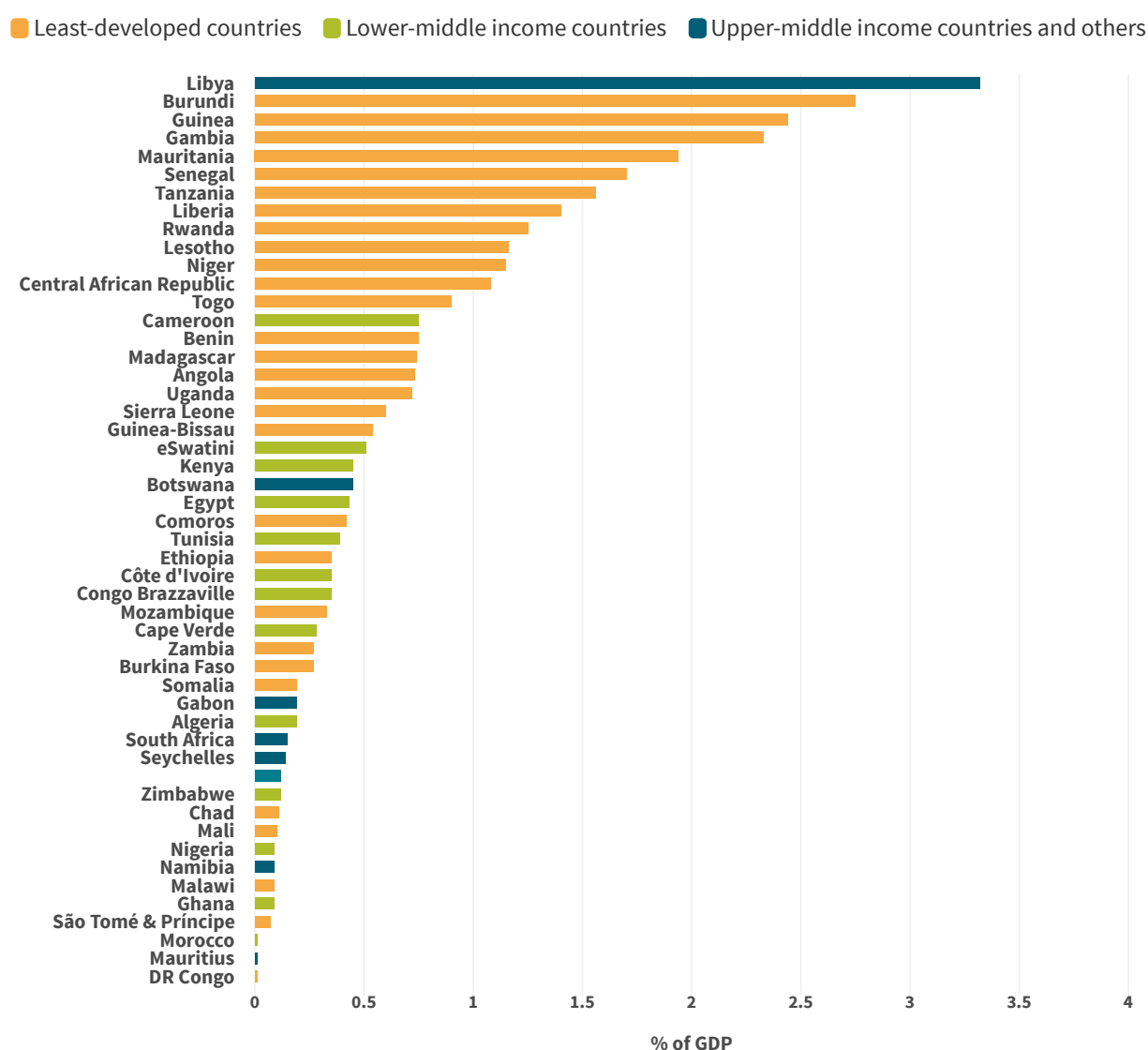
³⁵ Egyptian Electricity Holding Company 2023/24 annual report

³⁶ Sonelgaz key figures - 2024

These five top-spending countries together accounted for more than half of all spending (62.6%). By contrast, the 30 countries with the smallest budgets contributed only 6.2% of the total and amongst many LDCs, public investment in energy is negligible.

To better evaluate each country's effort, a comparison of budget spending on energy in 2023 against GDP for the same year is provided (figure 3.3). By this metric, many LDCs rank at the top, signalling higher spending relative to economy size in these countries.

Figure 3.3 African government spending on energy per country, relative to GDP (2014-2023)



Source: AEEP, African National Government Budgets, Note: No budget data obtained for Djibouti, Equatorial Guinea, Eritrea or Sudan and no GDP data for South Sudan. 2022 GDP data for Ethiopia. • Budget data not accessed for Djibouti, Eritrea, Equatorial Guinea or Sudan

Sectoral breakdown of African energy budgets

An indicative picture of government energy investment priorities can be derived from budget data where sectoral breakdown was available. This was the case for 28 countries. Even so, the methodology remains approximate. Some governments itemise expenditure in considerable detail³⁷, allowing for relatively precise allocations between SDG7-related and non-SDG7 activities. Others, however, report only a few aggregated items.

Despite these limitations, the analysis enables an approximate estimation of budget categories broadly aligned with SDG7 criteria (see figure 3.4).

The largest single funding destination within energy budgets is transmission and distribution (T&D), which attracted just over one-quarter (25.54%) of investment. Renewable energy (RE) attracted a further quarter (23.94%), and policy and capacity building 4.8% of investment.

Other categories of spending identified in the analysis were multi-programme investments covering more than one heading (23.36%) and non-specific generation (19.24%), which could include thermal power as well as RE.

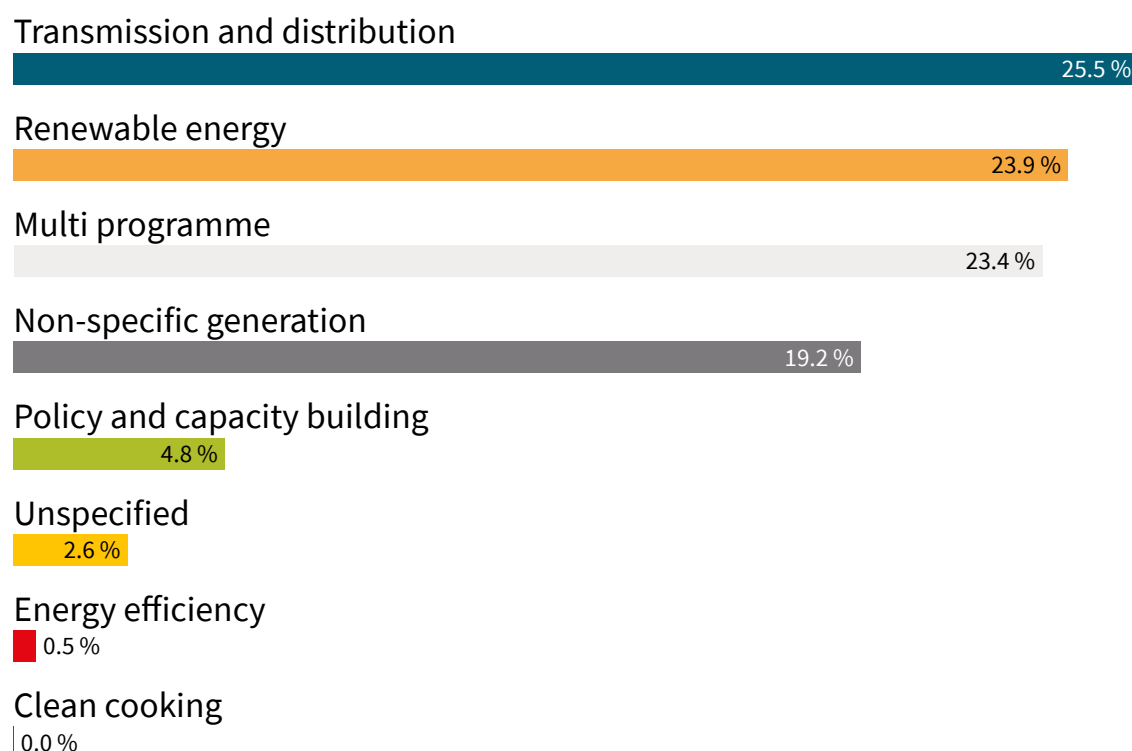
Even if the categories do not give a full picture of SDG7-compliance of these spendings, a substantial share of public investment can nonetheless be classified as SDG7-compliant. Moreover, non-compliant investments may still contribute to expanding energy access in the countries concerned.

The two areas receiving the least funding are energy efficiency and clean cooking. While the required budgets in these domains are relatively modest compared to those for T&D and RE, their potential return on investment is significant. This indicates potential for governments to allocate additional resources to these areas with significant impact.

Harmonised budget reporting frameworks would enhance the tracking of SDG7-compliant energy spending

³⁷ For instance, Nigeria's energy budget includes 463 individual lines.

Figure 3.4 Breakdown of government budget spending of 28 African countries in 2023



Clean cooking is below the threshold. Value is 0.004%.

How reforms contribute to advance SDG7

African governments are also contributing to advance SDG7 by implementing a series of policy and regulatory reforms aimed at strengthening the sector's governance and facilitating private sector participation across the different SDG7 sub-sectors.

The financial weakness of African utilities, some of which are technically insolvent, is one of the largest constraints limiting private investments and hindering financial sustainability in the energy sector. Reforms aimed at introducing cost-reflective tariffs and improving operational efficiency and performance of utilities are critical steps toward restoring their financial health.

In addition, establishing clear rules and permitting frameworks for private investors, implementing competitive and transparent tendering mechanism, and creating an independent regulatory authority are all contributing to creating a more attractive investment environment. Reforming fossil fuel subsidies can also support a more efficient, sustainable, and fiscally sound energy sector.

However, the depth and pace of these reforms vary across countries. Those that have signed Mission 300 compacts (see chapter 5.3 for more details) have now committed to fast-track key reforms to accelerate energy access.

3.2 | The African financial environment

Constraints to domestic investments

Many African countries have made significant efforts to strengthen fiscal capacity and mobilise domestic resources to fund development priorities such as health, education, infrastructure, industrialisation, and agriculture. According to the AfDB, total government revenues, including tax and non-tax income but excluding grants, increased by almost 40%, from USD 435 billion in 2015 to USD 604 billion in 2022, and are projected to reach around USD 626 billion by 2025.³⁸ However, when measured in relation to GDP, Africa's revenue performance has declined since 2012 and remains below all other regions of the world, except for South Asia³⁹.

One main reason for this poor performance is limited fiscal revenues. Many African countries continue to operate with tax bases well below international averages and the continent saw steady decline in tax revenues from 16.1% of GDP in 2010 to 14.2% in 2021. Africa's average tax to GDP ratio has remained below the 15% benchmark considered necessary for sustainable SDG financing since 2015⁴⁰. There are, however, many discrepancies at country level, reflecting heterogeneous country situations.

Governments also face growing expenditure pressures. High debt levels leading to high debt servicing costs, combined with inflation, and persistent structural weaknesses strain fiscal balances. The extent to which debt constrains already limited public resources is striking: according to the IEA, debt-servicing costs in 2025 are expected to account for 85% of energy investments in Africa, rising sharply from just 25% in 2015⁴¹.

In addition, rapid population growth further amplifies spending needs for public services and infrastructure. Africa's population share of the global total has increased from 9% in 1950, to 13% by 2000 and is projected to reach 26% by 2050 and 38% by 2100, further intensifying the need for reliable domestic finance to support energy access and sustainable development.

As a consequence, Africa is experiencing a resource gap - the difference between total spending and domestic revenues—of 23.6% according to the AfDB's African Economic Outlook 2025. While this gap has been financed through external borrowing, it has significantly exacerbated debt vulnerabilities across the region.

Furthermore, in an increasingly complex macroeconomic environment, access to international capital remains difficult and volatile. As an example, Eurobond issuance by African borrowers continues to oscillate, reflecting often negative market perceptions. To address this issue, a continental credit

³⁸ Adamon Mukasa and Anthony Simpasa, 'Make Domestic Resource Mobilization Work for Africa's Structural Transformation', African Development Bank Group, August 2024. Accessed at <https://www.afdb.org/en/news-and-events/make-domestic-resource-mobilization-work-africas-structural-transformation-73243>

³⁹ Africa Economic Outlook, 2015, AfDB

⁴⁰ See Raul Felix Junquera-Varela and Bernard Haven, 'Getting to 15 percent: addressing the largest tax gaps', World Bank Blogs, 18 December 2018. Accessed at <https://blogs.worldbank.org/en/governance/getting-15-percent-addressing-largest-tax-gaps>

⁴¹ IEA, World Energy Investment 2025 report.

rating agency has been launched and is expected to be operationalised in 2026, but will not alone transform investor confidence. Broader reforms to the global financial architecture – such as major reforms to the IMF, UN and other multilateral bodies – may help but progress will be gradual. Increasing focus and efforts should therefore be put on harnessing domestic opportunities.

Mobilising domestic resources for energy and SDG7

Meeting Africa's ambitious energy targets hinges on the continent's ability to mobilise sufficient financial resources.

The African Economic Outlook (AEO) 2025 estimates that, with appropriate reforms and greater efficiency, African economies could mobilise an additional USD 1.43 trillion in domestic resources from tax and non-tax revenues⁴², including from natural and human capital. Africa holds around 30% of global mineral reserves and could capture over 10% of projected global revenues from key green minerals by 2030. Its young population, with a median age of 19, offers a demographic dividend that could add USD 47 billion to GDP through higher workforce participation.

Pension funds represent an expanding source of long-term finance. African pension fund assets are calculated to have grown from USD 420 billion in 2019 to more than USD 1 trillion in 2024⁴³. However they are mostly invested in traditional asset classes. Tackling barriers that are currently preventing pension funds to invest in infrastructure and sustainable energy investment should be a priority to unlock this important source of capital. AUDA-NEPAD's 5% Agenda is a campaign that aims to do just that, and has seen traction with the emergence of actors such as the Africa Social Security Association which intends to establish a fund for infrastructure project financing.

An additional source of domestic capital are remittances from the diaspora. Their volumes surpass FDI and ODA in Africa, but a large share of the transfers is informal due partly to transfer costs. By reducing transfer costs, annual formal remittances could reach USD500 billion by 2035⁴⁴.

Expanding the use of local currency financing offers another opportunity. Countries with deeper capital markets – including South Africa, Morocco and Egypt – have demonstrated how deep local liquidity pools can support independent power producers (IPPs) and reduce foreign exchange risk and hedging issues. South Africa's experience illustrates this potential: its convertible currency has enabled long-term financing of solar, wind, and battery storage projects under the national IPP programme.

A range of market solutions are required to unlock private money for SDG7-compliant projects. A lack of secondary markets for project equity and debt, and for exits by private equity and other investors, remains a major hindrance to commercial investment. As one renewable energy developer noted: "Secondary markets, refinancing options and more flexible contract terms are urgently needed to draw in private investors. It is unrealistic to lock people into 30-year [power purchase agreements] PPAs when they want to invest and move on to new projects."⁴⁵

⁴² AEO 2025 accessed at <https://www.afdb.org/en/knowledge/publications/african-economic-outlook#prld=342696>

⁴³ AEO 2025, p101

⁴⁴ AAO 2025, p 105

⁴⁵ International renewables developer speaking in June 2025.

African stock market listings for local developers and energy suppliers would also bring domestic investors into SDG7-compliant markets, along with the foreign capital that could be attracted to 'emerging market' investments. A few companies, such as Taqa Maroc in Casablanca and several South African firms, are already listed, but broader participation will be necessary as markets mature. The mobilisation of transformational levels of domestic financial resources will require governments to implement sweeping reforms, including curbing illicit financial flows and corruption, tackling profit-shifting and improving sovereign risk-assessment. With the rigorous application of such measures AfDB estimates that Africa could retain more than enough capital to close the financing gap for accelerating structural transformation.⁴⁶

The benefits of regional integration

The African Free Trade Area (AfCFTA) is one the flagship projects of the AU's Agenda 2063. The aim is to create one single liberalised market for goods and services to boost intra-African trade and improve Africa's position in the global market. The African Development Bank (AfDB) estimates that AfCFTA's full implementation could increase exports by USD 560 billion and boost continental income by USD 450 billion by 2035. Parts of these gains could be directed towards the energy sector development.

Regional power pools and the upcoming African Single Electricity Market (AfSEM) provide platforms for shared infrastructure and cross-border trade, making large projects more viable. The goal is to facilitate electricity trade, promote shared generation or transmission infrastructure, and enhance regulatory harmonisation, thus improving access, cost, reliability, and use of renewables across borders. Such "regional integration of the energy sector could save African countries USD40 billion in capital spending."⁴⁷



⁴⁶ AEO 2025, p67.

⁴⁷ McKinsey Report Brighter Africa, 2015, https://www.mckinsey.com/~media/mckinsey/dotcom/client_service/epng/pdfs/brighter_africa-the_growth_potential_of_the_sub-saharan_electricity_sector.pdf, quoted by World Bank, <https://www.worldbank.org/en/results/2025/02/06/powering-africa-the-transformational-impact-of-regional-energy-projects-in-west-africa>.

3.3 | The increasing role of African regional development banks

Over the past decade the main Africa-based regional development banks (RDBs) have substantially increased their lending to the energy sector, responding to the continent's need for a just energy transition and greater access to electricity.

While differences in reporting standards prevent the calculation of a consolidated figure for total energy lending, let alone SDG7, all major institutions have recorded significant increases in commitments.

Each RDB operates within distinct geographical and financial parameters, but they collectively provide critical Africa-based capital for SDG7-related investments:

- The Eastern and Southern Africa Trade and Development Bank (TDB) focuses on distributed generation, including solar home systems (SHS) and clean cooking.
- The West African Development Bank (BOAD) finances utility-scale solar PV and thermal generation projects and provides liquidity and balance sheet support to utilities.
- The Development Bank of Southern Africa (DBSA) concentrates on utility-scale renewable IPPs in South Africa and has also financed solar and hydroelectric plants. Its lending to other countries has been focused on solar projects in Angola and Zambia.
- The African Export-Import Bank (Afreximbank), with the region's largest balance sheet, has expanded its energy portfolio considerably, supporting both hydroelectric projects and, to a lesser extent, oil and gas operations.

Together, these institutions form a core pillar of the African energy financing architecture, supporting a wide range of projects necessary to increase electricity access across the continent.

Their proximity to markets, ability to participate across the capital structure, and growing use of local currency or quasi local currency solutions allow them to co arrange blended transactions with multilaterals and Team Europe.

3.4 | Conclusion

Data collected from government budgets indicate that African governments have dedicated EUR 116 billion to their energy sectors between 2014 and 2023⁴⁸. However, levels of spending are unevenly distributed across the continent. Some countries, such as South Africa and Egypt, have been able to commit substantial resources to energy investments, including in some major transformative projects, while in many others, especially amongst the LDCs, public investment in energy is very constrained. However, when this spending is compared to economy sizes, many LDCs are dedicating a higher share of their GDP to energy.

An analysis of a subset of national budgets from 28 African countries shows that most public spending was directed towards grid infrastructure and power generation. In contrast, clean cooking and energy efficiency received only minimal allocations, even though modest increases in these areas could yield substantial benefits.

However, due to current heterogeneous reporting frameworks of national budgets, this analysis shows limited robustness and does not provide a clear identification of SDG7-related spending. To improve accuracy and transparency, harmonised reporting frameworks and dedicated standards for tracking SDG7 investments should be adopted. This would enable more detailed, comparable, and transparent reporting on energy-related budget allocations.

African governments are also contributing to advance SDG7 by implementing a series of policy and regulatory reforms aimed at strengthening the sector's governance and facilitating private sector participation. However, the depth and pace of these reforms vary across countries. Those that have signed Mission 300 compacts have now committed to fast-track key reforms to accelerate energy access.

Many African countries experience weak revenue performance and limited fiscal space. To bridge the continent's resource gap - the difference between total spending and domestic revenues - several pathways have been explored. These include combating illicit flows, enhancing tax mobilisation, and leveraging institutional capital, particularly pension funds, which represent a growing pool of long-term savings that could be channelled into infrastructure and sustainable energy investments. In addition, harnessing revenues from abundant mineral resources, accelerating regional integration, and deepening local capital markets wherever possible would further strengthen countries' capacity to mobilise domestic finance for energy development.

In addition, several African regional development banks have increased their operations in the energy sector and constitute a new important source of funding.

⁴⁸ This figure includes external sources of funding provided by international donors, and therefore partly overlaps with figures provided under chapter 1 and 2.

While domestic resources can and should be increased, scaling them up to the level and pace required to meet the continent's energy needs will take time. External resources will continue to play an important complementary role, including support from development finance institutions and philanthropies, and private investments.

4.

Mobilised private finance to SDG7 in Africa

Private sector finance is increasingly recognised as being a key source of funding for achieving SDG7, particularly as public and concessional resources face growing constraints. Mobilised private finance refers to private capital mobilised by leveraging instruments provided by multilateral and bilateral actors, as reported under OECD methodology for attributing private finance to official interventions⁴⁹.

This chapter assesses the level of private investments that were mobilised to SDG7 in Africa through a range of leveraging mechanisms. It does not capture private investments occurring independently of such instruments or outside internationally supported transactions. It explores the types of risk-sharing and blended-finance instruments and their origin, as well as the destination of mobilised private investments.

Global Macroeconomic Conditions during the Reporting Period

The mobilisation of private finance to SDG7 projects over the 2014–2023 period took place against a highly volatile global macroeconomic backdrop. Trends in private investment volumes must therefore be interpreted in light of broader financial conditions.

Between 2014 and 2019, global interest rates remained historically low, liquidity was abundant, and institutional investors expanded allocations to infrastructure and emerging markets. During this period, blended finance structures and renewable energy platforms benefited from strong capital flows.

The onset of the COVID-19 pandemic in 2020 triggered a sharp contraction in cross-border investment flows. Although global liquidity expanded in advanced economies due to monetary stimulus, risk aversion increased markedly, particularly toward emerging and frontier markets. Project delays, supply chain disruptions, and currency volatility affected infrastructure transactions across Africa.

From 2022 onwards, tightening global monetary policy in response to inflation led to significantly higher interest rates in advanced economies. This increased the cost of capital globally and reduced the relative attractiveness of higher-risk emerging market investments. At the same time, several African countries experienced elevated sovereign risk premiums, exchange rate depreciation, and reduced fiscal space, further affecting investor confidence and project bankability.

Energy markets also experienced extraordinary volatility following Russia's invasion of Ukraine in 2022. While high global energy prices improved the commercial attractiveness of certain renewable investments, they also increased macroeconomic pressures on importing countries and contributed to inflationary dynamics.

These macroeconomic shifts influenced both the appetite and the cost of private capital available for SDG7-aligned projects. Fluctuations in mobilised private finance volumes over the reporting period therefore reflect not only the effectiveness of leveraging instruments, but also broader financial conditions shaping investor risk perception, liquidity, and portfolio allocation decisions.

4.1 Overview of mobilised private finance to energy

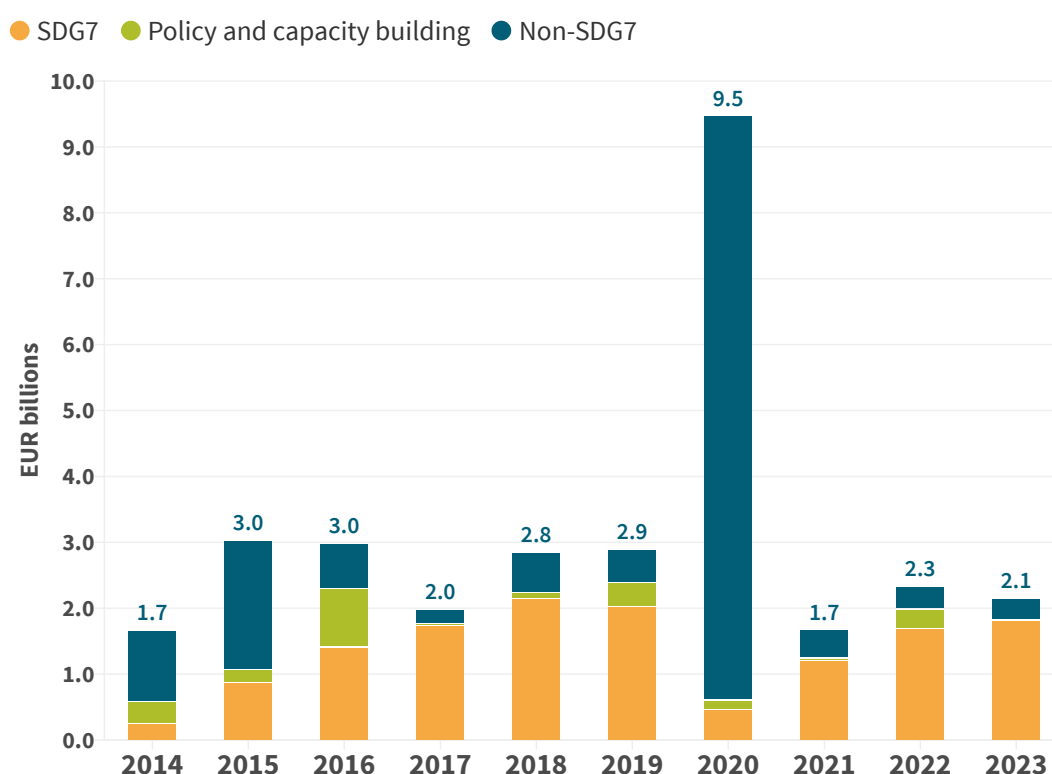
Figure 4.1 Total mobilised private sector finance for energy in Africa (2014-2023)



Between 2014 and 2023, private finance mobilised for energy in Africa amounted to EUR 30.9 billion. Of this total, EUR 13.6 billion supported SDG7-aligned projects, while EUR 2.43 billion was directed to policy and capacity-building initiatives (see Figure 4.1). Together, these SDG7-compliant investments totalled EUR 16.03 billion, representing just over half (52%) of all mobilised private finance, with the remainder channelled to non-SDG7 energy projects.

Of the EUR 16.03 billion mobilised for SDG7-compliant projects by all international public financiers, EUR 4.25 billion was associated with EI&MS interventions (see Section 1.6).

Figure 4.2 Evolution of mobilised private sector finance to energy in Africa, 2014-2023 (EUR billions)



Over the decade, EUR 16.03 billion in private finance was mobilised for projects aligned with SDG7

Mobilised private finance for SDG7 saw a strong decline the first year of the Covid-19 pandemic in 2020 and is slowly recovering. In 2023, mobilised private finance reached EUR 1.83 billion. Across the period, mobilised private finance was driven by project specific spikes rather than a stable upward trend. Out of the EUR 14.88 billion private finance that was mobilised to fossil fuel-related and other non-SDG7 projects, EUR 8.85 billion or 59.5% was mobilised in 2020 alone.

- Although project-level data are not publicly disclosed, the sharp rise in non-SDG7 financing in 2020 is assumed to be largely driven by the Mozambique Area 1 liquefied natural gas development. Area 1 is one of the largest natural gas discoveries in recent years, with TotalEnergies as project sponsor. Financial close was reached in 2020, securing a EUR 17.25 billion financing envelope - the largest project finance package in Africa at the time. The African Development Bank contributed a senior loan of EUR 339.3 million, as part of a global syndication, which included eight export credit agencies (ECAs) and 19 commercial bank facilities. An important amount of this financing, but not all, is reflected in the mobilised private finance figure, as OECD mobilisation reporting attributes only the portion of private finance considered “directly” mobilised by official interventions rather than the full financing envelope of the project.

Even excluding volatile non-SDG7 flows, SDG7 mobilised private finance is not presenting a strong growth trend over the period. In the context of high expectations for the success of blended finance, and the hoped-for use of relatively limited amounts of public money to crowd in much more private investment, more needs to be done to overcome barriers in the sector to lift private volumes. Addressing structural barriers such as offtaker creditworthiness, foreign exchange risk and regulatory uncertainty remains central to scaling private participation.

4.2 | SDG7-compliant mobilised private finance by sector

Figure 4.3 Total SDG7-compliant mobilised private finance, by sector (2014-2023)



Renewable generation received EUR 12.17 billion, or about 76 % of mobilised private finance for SDG7. Energy policy accounted for 15% and distribution for just under 9%⁵⁰.

Opportunities for private investment in SDG7 compliant projects in Africa are expanding as countries implement legislative and regulatory reforms to address urgent capacity, reliability, and fiscal constraints. Market opening works best where reform signals are credible and where offtake risk and foreign exchange risk are explicitly managed.

- South Africa depicts accurately the pace at which private participation can scale after regulatory change. Facing a multi-year crisis at the state-owned utility Eskom accompanied by severe levels of load-shedding, the government decided to raise the cap on private generation without a licence in 2021 and remove it completely in 2022. By 2024, the regulator had registered hundreds of private projects with a total of 4.2GW of capacity, mostly renewable and therefore aligned with SDG7. In early 2025, new corporate power purchase agreements and trader aggregation deals continued to reach signature, demonstrating the role of merchant and wheeling models for industrial offtakers.
- Another area of the continent where private investment in renewable power is gaining momentum is the Copperbelt region of Zambia and Democratic Republic of Congo (DRC). Here the demand is driven almost entirely by the electricity needs of mining companies who are unable to rely on grid supply. New cross border interconnections within the Southern Africa Power Pool (SAPP) and prospective wheeling of Angolan hydropower are creating bankable offtake routes for private developers. In Zambia, about 1.2 GW of grid connected solar are targeting commercial operation by 2028. Copperbelt Energy Corporation, a privately owned utility with its own network, expects to commission the 136 MWp second phase of the Itimpi plant and is advancing a 140 MW greenfield wind project. The company plans to raise about EUR 432 million for new independent power projects and potentially independent transmission projects after a EUR 173 million raise in 2023.

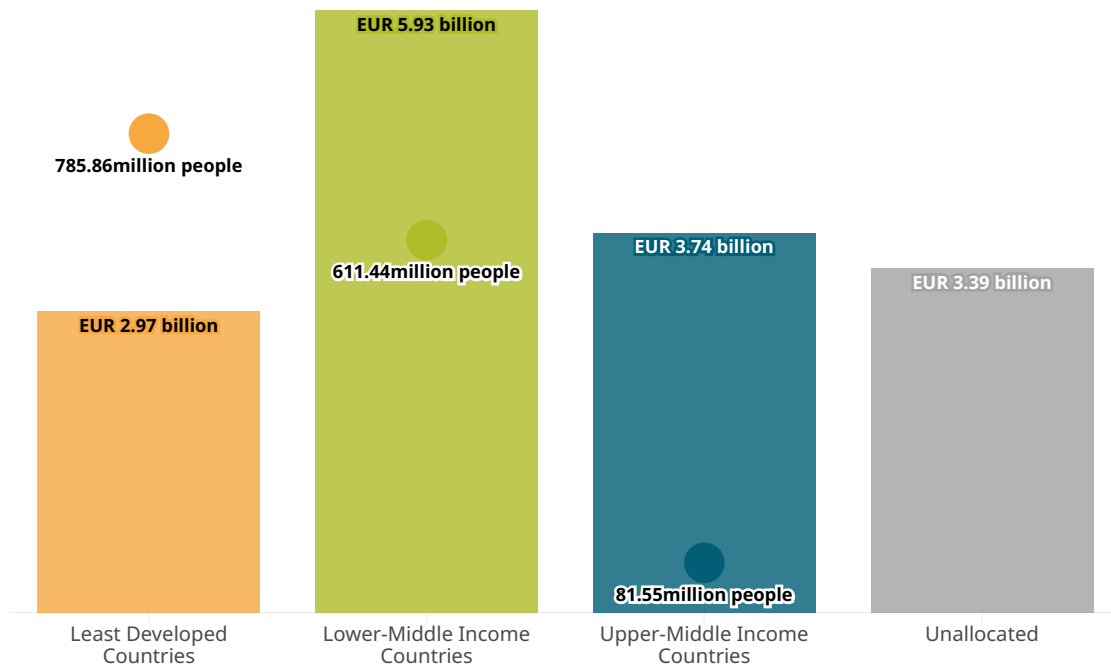
⁵⁰ Sub-sector categories in the OECD database for mobilised private investments are not the same as in the OECD DAC CRS database.

- In May 2025, state-owned Zambian Electricity Supply Company (Zesco) subsidiary Kariba North Bank Extension Power Corporation reached financial close on a 100MW solar PV plant at Chisamba in Central province. Local bank Stanbic Zambia was sole lender providing EUR 61.75 million of debt finance. So, while the equity support for the project is from the Zambian parastatal and could thus be classified as an African national government investment, the debt finance is from the local private sector. Lusaka-headquartered energy trader GreenCo signed a 13-year power purchase agreement (PPA) with the project company. The power will be supplied to mining and metals company First Quantum Minerals (FQM).



4.3 | SDG7-compliant mobilised private finance by recipient

Figure 4.4 Total mobilised SDG7-compliant private finance, per recipient income group, and population in the income-groups (2014-2023)



Over the past decade, LMICs received the major share (37%) of mobilised private investments for SDG7-compliant projects with EUR 5.93 billion. Those countries represent 41% of the continent's population and have an average electricity access rate of 80%.

While representing the largest population group with the highest financing needs, Least Developed Countries (LDCs) attracted only 18.5% of mobilised private investments over the decade. In contrast, Upper-Middle Income Countries attracted 23% of mobilised private investments, despite accounting for just over 5% of the continent's population.

This disparity highlights how higher perceived risks and weaker market fundamentals associated with lower-income countries continue to constrain private investment flows. Moreover, it is evident that in these markets, few transactions would have reached financial close without the use of blended finance or risk-sharing instruments, underscoring the critical role of donor-supported mechanisms in attracting private capital to where it is most needed—but least likely to flow without support.

4.4 | Instruments for mobilising SDG7-compliant private finance

International public financiers use six main instruments to mobilise private finance for SDG7 (see chapter 1.6 for more details on the instruments):

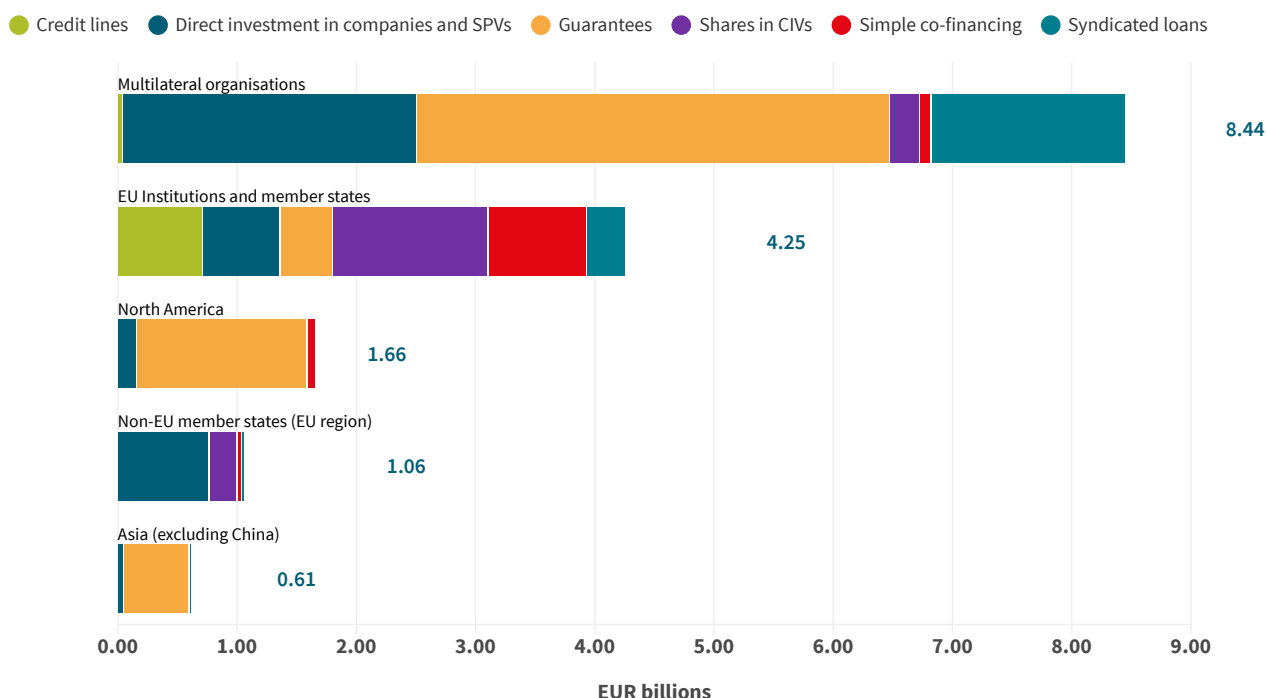
- Credit lines
- Direct investment in companies and SPVs
- Guarantees
- Shares in CIVs
- Simple co-financing
- Syndicated loans

Of these, the provision of guarantees has been the most widely used instrument, resulting in EUR 6.4 billion of private investment or 40% of the total. Notably, guarantees often record comparatively high mobilisation volumes under OECD attribution rules because they are specifically designed to improve the risk-return profile for private co-financiers without requiring proportional public capital outlay; this may explain some of the drive to provide guarantees in an effort to reach policy targets that use OECD attribution rules.

The second instrument was direct investment in companies and special purpose vehicles which mobilised about EUR 4.1 billion (or 25%). Syndicated loans, simple co-financing and credit lines respectively mobilised EUR 2billion, EUR 1 billion and EUR 750 million private investments.

**Guarantees leveraged 40% of total
mobilised private finance to SDG7**

Figure 4.5 Financial instruments used to mobilise SDG7-compliant private finance, by donor (2014-2023)



Multilateral instruments have mobilised the highest amount of private investments to SDG7-compliant projects (EUR 8.44 billion), followed by EI&MS (4.25 billion).

There are regional disparities in the choice of instruments. While guarantees have been by far the most used by multilateral organisations (47% of private investments mobilised through this instrument), North American (87%) and Asia donors (90%), EI&MS and non-EU European donors have a more balanced use of instruments. This difference may reflect variations in institutional mandates, accounting treatment of risk exposure, and the structure of EU-level facilities, where certain guarantees are deployed through implementing partners and may be recorded differently in mobilisation statistics.

EI&MS have led the use of shares in collective investment vehicles (CIVs) as a financial instrument to mobilise SDG7-compliant private finance, associated with EUR 2.5 billion of private investment and about two thirds of the total use of this instrument. The growing share of collective vehicles suggests greater investor comfort with diversified risk pools, but guarantees remain essential in lower income markets where foreign exchange and offtake risks dominate. EI&MS have also by far implemented the most credit lines (95% of private investment mobilised through this instrument).

4.5 | Conclusion

Private investments to SDG7-compliant projects mobilised through leveraging instruments reached EUR 16.03 billion over the 2014-2023 decade. This blended approach, supported by a variety of instruments provided by the international donors, is critical to drive private investments where it is most needed, including in riskier and less mature environments.

Over the period, private investments to SDG7-compliant projects were strongly affected by the pandemic and still haven't recovered their pre-pandemic levels. Sustaining and increasing them constitutes a challenge.

As the report has shown, private investments will be critical to bridge the SDG7 finance gap and accelerate progress towards universal access and clean energy. The track record shows that when policy signals are credible and market access is real, private capital responds quickly. The most effective accelerators have combined market opening with bankable offtake frameworks, credible tariff paths, and targeted use of guarantees and local currency tools. Drawing on both the mobilisation trends observed in the data and broader evidence from energy market reform experiences across the continent, several priority actions emerge to scale mobilised private finance in line with SDG7:

1. Prioritise reforms that enable open access, wheeling, and fair competition for corporate power purchase agreements.
2. Use guarantees and insurance to address offtake risk, currency convertibility, and transfer risk, while avoiding over reliance that displaces commercial lending.
3. Expand local currency lending and hedging so that tariff affordability is not undermined by exchange rate shocks.
4. Increase the use of outcome linked budget support where disbursements are tied to connections, reliability, and loss reduction.
5. Deepen domestic institutional investor participation through rated project bonds and pooled vehicles with strong governance.

5.

Key initiatives shaping progress on SDG7 in Africa

To tackle the slow progress on energy access and accelerate clean energy development on the continent, Africa and its international partners are implementing an array of continent-wide transformative initiatives.

The Africa Union has developed a set of key initiatives guiding long-term energy planning, reforms and market rules, and infrastructure finance. Continental planning is guided by the Continental Power Systems Master Plan (CMP), market integration by the African Single Electricity Market (AfSEM), and efficiency by the African Energy Efficiency Strategy (AfEES).

Team Europe, through the Africa-EU Green Energy Initiative (AEGEI), provides infrastructure financing, risk sharing, and technical assistance to increase clean energy access, in support to these African frameworks. The Mission 300 initiative focusses on sector reforms and accelerated investments for electrification in a number of countries on the continent, especially those with the most unelectrified populations.

This chapter reviews these main initiatives and their contribution to SDG7 in Africa. It identifies their complementarities and highlights the importance of coordination to maximise results.

5.1 | African Union Initiatives

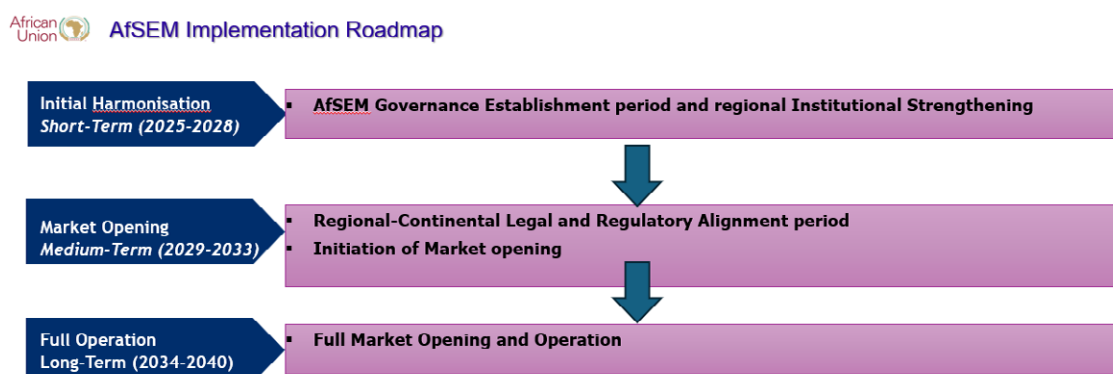
Three continental initiatives developed by the African Union are currently shaping Africa's energy landscape: the African Single Electricity Market (AfSEM), the Continental Power Systems Master Plan (CMP) for electricity generation and transmission, and the African Energy Efficiency Strategy and Action Plan (AfeES). AfSEM, with its component CMP, is a flagship initiative of the AU Agenda 2063 and constitutes a continent-wide framework for an integrated and harmonised energy market that will support energy access, energy security and sustainable growth.

The African Single Electricity Market

The African Single Electricity Market (AfSEM) is a policy framework for the realisation of an integrated continental-wide electricity market in Africa. This single market is designed to develop through progressive strengthening and integration of the regional electricity markets. Its approach is to establish a harmonised regulatory framework for intra-Power Pool electricity trade, paving way to inter-Power Pool trade. AfSEM's strategic objectives include i) developing regional and continental electricity markets, ii) improving the operational efficiency and performance of electricity supply, iii) creating stable, transparent and predictable environments to attract investment, and iv) enhancing standards, market and renewable energy frameworks.

Once fully integrated, the AfSEM will constitute the largest single electricity market in the world, serving the 55 countries of Africa with a population predicted to hit 1.5 billion by 2030.

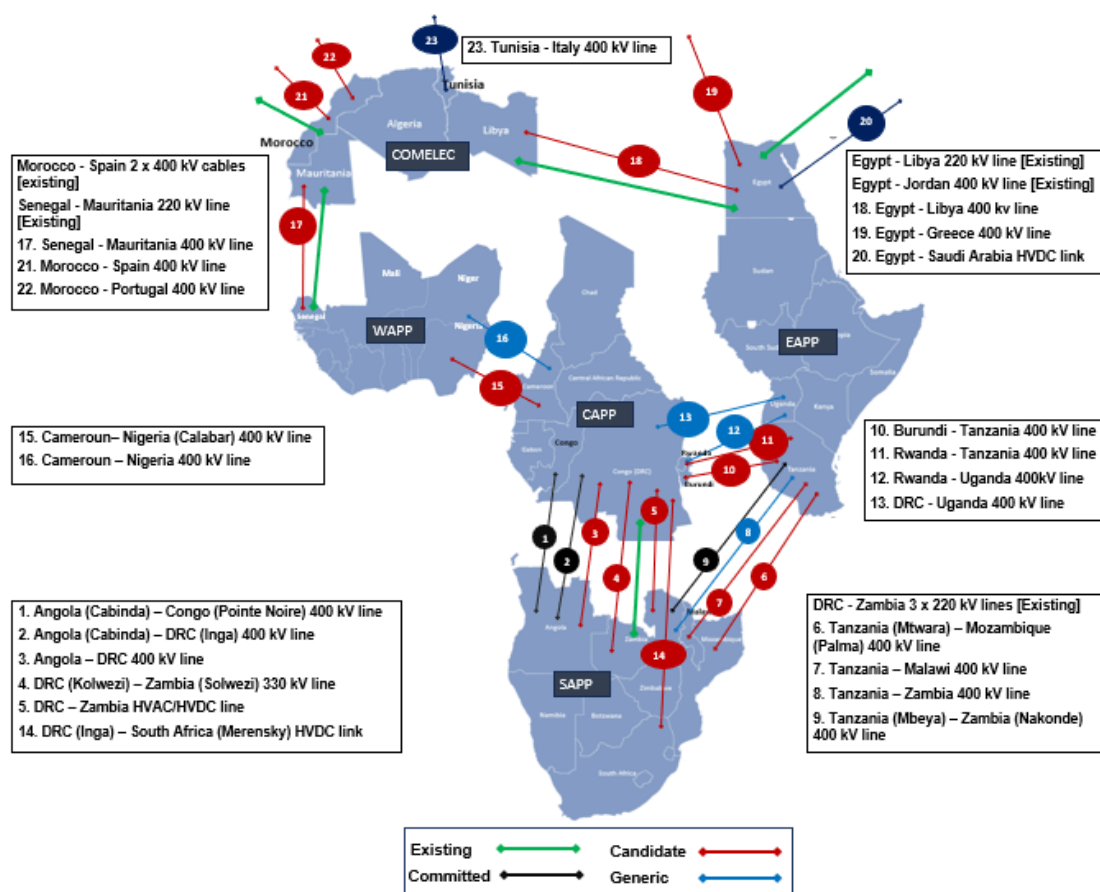
The implementation of AfSEM will be achieved in three phases, namely (i) Initial Harmonisation, (ii) Market Opening, and (iii) Full Operation, with the roadmap as shown below:



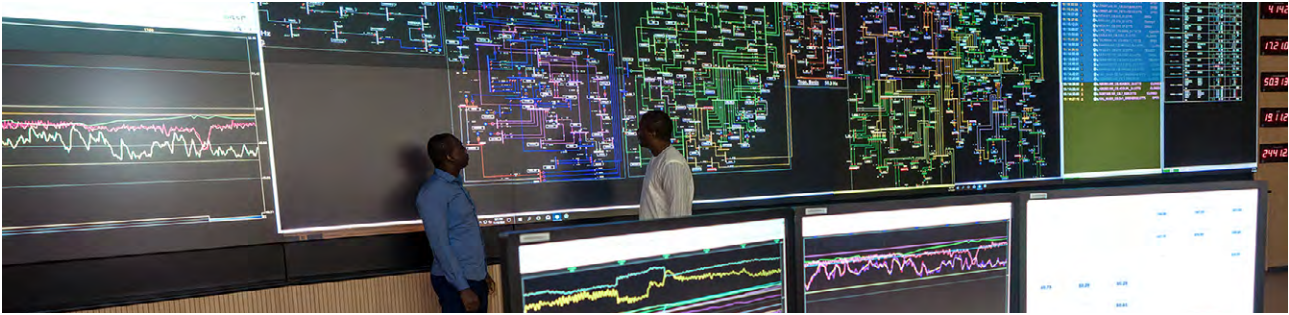
The Continental Power Systems Master Plan

The realisation of AfSEM will only be possible if the supporting infrastructure is in place to allow energy trading. Led by AUDA-NEPAD, CMP outlines a collaborative approach to develop the generation and transmission infrastructure needed for continent-wide electricity market integration under the AfSEM – realising “one grid for one market.”. Its guidelines are guided by two overarching goals: achieving universal energy access as set out in SDG7, and promoting sustainable economic development in line with AU Agenda 2063.

The specific objectives of the CMP include the identification of priority power generation projects to meet the demand of the continent by 2040, and the establishment of a continental transmission system that will interconnect the regional transmission networks (CAPP, COMELEC, EAPP, SAPP and WAPP) (see map below).



A baseline study of power markets and institutional landscape was carried out under CMP Phase I, leading to scoping for CMP Phase II, which entailed identification of common planning tools and methodologies, demand projections and modelling scenarios. This was achieved using the first-ever Africa-wide demand modelling using established, consistent methodologies. In 2023, CMP entered its current Phase III, which is focussing on undertaking project preparation and resources mobilisation for investments in CMP priority projects, developing regional power masterplans for the



power pools in anticipation of the next CMP update in 2028, and capacity building to prepare power pools to operate interconnected electricity markets.

CMP's studies show that leveraging the continent's diversity of energy sources, weather conditions, and time zones should let such a network meet demand across all of Africa even under peak loading conditions. But, according to AUDA-NEPAD, an accelerated level of investment and growth in capacity, guided by a structured planning approach that will utilise both on- and off-grid options (including mini-grids) will be needed to meet the goal of universal access by 2030.

The African Energy Efficiency Strategy and Action Plan

The African Energy Efficiency Strategy and Action Plan (AfEES) aims to increase the role of energy efficiency in the continent's production, seeking a 50% increase in productivity by 2050. Led by the African Energy Commission (AFREC), AfEES addresses energy efficiency in a holistic approach and contains energy efficiency action plans for the following six key sectors:

- a. Industrial sector
- b. Electricity Supply Industry
- c. Appliances and Devices including clean cooking solutions
- d. Buildings
- e. Transportation
- f. Agriculture

The course laid out by the AfEES is to accelerate the adoption of energy efficiency paradigms across all sectors of the African economy by facilitating the adoption of energy-efficient technologies and practices and enabling trade and investment in energy-efficient projects and ventures. AfEES was adopted by the AU ministerial Specialised Technical Committee on Transport and Energy in December 2024.

5.2 | The Africa-EU Green Energy Initiative

The Africa-EU Green Energy Initiative (AEGEI)⁵¹ is a Team Europe Initiative designed to leverage European efforts to support investments in clean energy and energy access in Africa. It represents EU's coherent and long-term framework for SDG7-compliant finance in Africa. AEGEI is part of the European Global Gateway Strategy and the Africa -Europe Investment Package.

AEGEI's objectives are:

- To increase access to affordable, reliable and sustainable energy services for people and businesses,
- To increase generation of renewable and sustainable energy
- To increase energy efficiency

AEGEI's specific targets are to bring at least 50GW of additional renewable energy capacity into service by 2030, and to provide more than 100 million people access to affordable, sustainable electricity supply.

Led by the European Commission, the initiative is supported by 12 EU Member States (Austria, Belgium, Denmark, Finland, France, Germany, Greece, Italy, Netherlands, Portugal, Spain and Sweden) and their respective development finance institutions, as well as the European Investment Bank (EIB) and the European Bank for Reconstruction and Development (EBRD) and the EU private sector.

The initiative was launched at the AU-EU Summit in February 2022. At COP28, more than EUR 20 billion Euros were pledged for the 2021-2027 period, including EUR 3.4 billion in grants from the European Union. This initial amount will likely increase, as a result of the Scaling up RE campaign⁵² launched by European Commission President Ursula von der Leyen and South African President Cyril Ramaphosa in November 2024. EUR 15.5 billion have been pledged to clean energy development in Africa⁵³, but the share that will fall under AEGEI is still to be communicated.

Delivery combines funding and technical assistance for both "hard" infrastructure projects and "soft" policy and capacity-building programs, in addition to risk-sharing and other instruments to mobilise private sector investments. The focus is on renewable generation, transmission and distribution reinforcement, distributed solutions for access, and clean cooking.

⁵¹ [EU-Africa energy cooperation](#)

⁵² [Scaling up Renewables in Africa campaign](#)

⁵³ [Europe leads pledging effort in campaign mobilising €15.5 billion for clean energy in Africa](#)

AEGEI addresses Africa's energy needs and cooperates with African institutions on three levels:

- At **continental level**, the initiative supports and aligns with AU initiatives including the Continental Master Plan, the African Single Electricity Market, and the African Energy Efficiency Strategy, in cooperation with AU institutions (AU Commission, AUDA-NEPAD, AFREC).
- At **regional level**, the initiative implements a pipeline of projects with regional importance such as interconnectors, in cooperation with RECs, Power Pools and other regional institutions.
- At **national level**, the initiative implements a pipeline of projects stemming from renewable generation capacity, internal transmission, distribution and rural electrification in cooperation with Ministries, regulators, utilities and any relevant national institutions.

Box 6

AEGEI at Continental level: The Continental Energy Programme in Africa (CEPA) and ENGAGE – Accelerating the Energy Transition in Africa

Two complementary programmes illustrate AEGEI's action at continental level.

The EU-funded **Continental Energy Programme in Africa (CEPA)** builds on the longstanding AU-EU cooperation to advance cross-border electricity market operations, transmission network development, and energy efficiency, by providing direct support to the aforementioned AU initiatives – AfSEM, CMP and AfEES.

More specifically, CEPA supports the establishment of the enabling policy and regulatory frameworks needed for operationalising AfSEM, together with institutional capacity building. CEPA also supports long-term planning activities, including the update of Regional Master Plans, and provides technical assistance for prefeasibility studies on priority CMP projects.

For AfEES, CEPA assists the development of National Energy Efficiency Strategies and Action Plans (NEESAPs) and Energy Performance in Buildings (EPB) guidelines in four pilot countries. Once deemed fit-for-purpose, those plans will serve as models for a rollout to other countries across the continent. EU's support to these three key initiatives began in 2017, and the CEPA represents now the third phase of this support.

In parallel, the **Germany-funded ENGAGE- Accelerating the Energy Transition in Africa** programme aims to improve regulatory frameworks and build institutional capacity at pan-African and regional level to accelerate investments toward access to clean energy and renewable capacity expansion. This is achieved through: 1) capacity building to AUC and AUDA-NEPAD and enhanced institutional coordination to strengthen continental leadership of CMP and AfSEM, 2) support to the development of regional power markets in the Eastern Africa Power Pool (EAPP) and the Southern African Power Pool (SAPP), including support to the establishment of bankable renewable energy project pipelines, and 3) facilitation of strategic cooperation between Europe and Africa.

ENGAGE and CEPA are complementary as both for example support the implementation of AfSEM and CMP. More specifically, ENGAGE enhances institutional capacity to translate the enabling instruments developed through CEPA into cross-border electricity trade and converts the preliminary technical studies under CEPA into bankable pipelines.

The two programmes were launched jointly at the 2nd Africa Climate Summit in Addis Ababa in September 2025.

Box 7

AEGEI at Regional level: The Zambia-Tanzania-Kenya Interconnector

The Zambia-Tanzania-Kenya (ZTK) Interconnector is a regional project that combines funding for transmission infrastructure with support for technical

assistance and capacity-building. The EU will provide EUR 30 million in grants, including EUR 25 million for transmission lines and substations, and EUR 5 million for TA and project management. ZTK will link the Eastern Africa Power Pool (EAPP) and the Southern African Power Pool (SAPP), to create one of Africa's largest markets for electricity services, and an important step towards the achievement of CMP and AfSEM. The goal is to increase ties between regions, enhance development, bolster power security, and create more robust conditions for electricity trade.

At present countries like Angola and Tanzania are unable to trade surplus electricity in their respective power pools. Unlocking power flows to where it is needed would not only provide relief from outages – and the economic costs they carry with them – but it would also create new revenue streams for countries with a surplus of power.

Box 8

AEGEI at National level: Cameroon's Kikot-Mbebe and Nachtigal Hydropower Projects

The planned 500 MW Kikot-Mbebe hydropower plant (HPP) and the already operating 420 MW Nachtigal HPP have and will continue to benefit from a range of European funding sources which demonstrate AEGEI's impact at a national level.

The Kikot-Mbebe plant will be developed under a joint venture between Électricité de France (EDF) and the Government of Cameroon and is expected to be commissioned by 2030. The project builds on the success of Nachtigal which was also developed under a PPP framework and was the biggest project financed hydropower plant ever to have been built in Africa.

The project costs exceed EUR 1 billion - 24% financed by a consortium of shareholders and 76% financed by a broad group of international and local financiers, with a significant part coming from European DFIs under the aegis of AEGEI.

5.3 | Mission 300

Mission 300 is an initiative led by the World Bank and the African Development Bank and supported by a number of stakeholders, aiming to deliver electricity access to 300 million people in Africa by 2030. It was launched in April 2024 by AfDB and the World Bank on the sidelines of the World Bank Spring meetings. At the Mission 300 Africa Energy Summit in January 2025 in Dar Es Salaam, initial pledges of more than EUR 43 billion were made from several partners.

The initiative aims to accelerate access in many African countries through National Energy Compacts. In January 2025, a first cohort of twelve countries launched their compacts, followed in September and October 2025 by a second cohort of eighteen countries.

Compacts define country-specific access targets and link them with necessary policy reforms, utility and tariff measures and other permitting reforms that governments commit to implement. Those are presented under 5 pillars: 1) last mile access, 2) capacity expansion and cost reduction, 3) regional integration and power trade, 4) private sector participation, and 5) financially viable and operationally competent utilities.

Compacts also include estimations of funding needs from public and private sectors. It serves as a basis for international partners to provide guarantees, co-lending, technical assistance, and results-based grants and for the private sector to invest in priority projects.

In the 30 compacts signed so far, the signatories have estimated that their plans will need EUR 217 billion of financing in the next five years.⁵⁴ Roughly half is expected from private sources, which will only materialise if a set of reforms is implemented and where contractual payment risk is addressed, and offtake frameworks are credible. This is much more than the private sector has ever committed to SDG7-compliant projects in Africa.

Even if fully achieved, Mission 300 alone cannot close Africa's electricity access gap. With 565 million people lacking electricity in 2023 and the population expected to grow by 246 million by 2030, its impact—though transformative—will only partially reduce the total number of people without access. Mission 300's key achievements however already reside in the recognition and willingness of signatories to undertake important enabling reforms and the provision of a common framework for aligning and coordinating support from international partners and private investors. Momentum around this initiative is growing and it is being supported by a wide range of stakeholders.

5.4 | Working towards cooperation and alignment

Accelerating Africa's progress toward SDG7 will require not only substantial investments in infrastructure, capacity building, and regulatory harmonisation, but also stronger alignment and coordination across the diverse set of initiatives and projects operating in the SDG7 space.

The recent emergence of numerous initiatives and projects contributing to SDG7 is an encouraging sign of growing momentum. Given the vast scale of financing needs, there is ample space for all actors to contribute meaningfully and for the initiatives not to overlap.

The initiatives and frameworks highlighted in this chapter form a coherent ecosystem capable of delivering tangible progress on SDG7, establishing a stable chain that links planning, reforms and regulation, and finance. The Continental Power Systems Master Plan (CMP) identifies least-cost cross-border and national investments in the generation and transmission infrastructure. The African Single Electricity Market (AfSEM) provides the rulebook governing electricity trade and offtake. The African Energy Efficiency Strategy (AfEES) lowers system costs through performance standards and programmes that reduce losses and improve end-use efficiency. The Africa-EU Energy Initiative (AEEI) contributes finance, risk mitigation, and technical assistance aligned with these AU frameworks. Mission 300 concentrates resources on reform-ready countries and the development of bankable project pipelines for accelerating electrification in Africa. Other existing and future initiatives complement this ecosystem.

For this integrated approach to succeed, partnership roles must be clearly defined. African Union institutions set the overarching goals and policy frameworks. African Union Member States lead on the establishment of legal and regulatory frameworks and on improving utility performance. European institutions and Member States, and other DFIs, provide concessional capital, risk-mitigation instruments, and technical expertise. Private developers and lenders invest their resources where bankable pipelines and enabling frameworks are in place.

The effectiveness of this approach will be when projects advance more rapidly from commitment to first disbursement and from first disbursement to execution and commissioning, with transparent tracking of slippage and corrective action. The ultimate measure of success will be a stronger regional grid infrastructure, increased generation capacity and verifiable improvements in access to electricity and clean cooking as per the SDG7 targets.

Strong alignment, enhanced coordination and clear definition of roles are key to increase efficiency of SDG7 initiatives

6.

From funding to impact - Progress and pathways to SDG7 in Africa

The levels of funding described in this report have contributed to advancing SDG7 across the African continent. Assessing actual progress against the SDG7 indicators allows us to determine whether current trajectories align with the 2030 targets and to identify remaining funding gaps. This chapter highlights areas where substantial investment increases will be required, and outlines pathways to achieve SDG7.

6.1 | Overview of overall funding to energy and SDG7 in Africa

This report has provided a detailed overview of the financing landscape for SDG7 and, where SDG7 compliance could not be determined, for the broader energy sector. Between 2014 and 2023:

- a. International development finance institutions committed EUR 71 billion to SDG7-compliant projects, including EUR 20.67 billion from European Institutions and Member States.
- b. Mobilised private finance to SDG7 amounted to EUR 16.03 billion⁵⁵.
- c. African governments spent EUR 116.04 billion on the energy sector⁵⁶.
- d. China provided EUR 39.9 billion in energy investments⁵⁷.

The following section will assess how SDG7 indicators progressed as a result of these financing levels.



⁵⁵ Mobilised private finance refers to private capital mobilised by leveraging instruments provided by bilateral and multilateral developments actors. Private investment that occurs without such instruments, is not captured in these data.⁵⁰ Sub-sector categories in the OECD database for mobilised private investments are not the same as in the OECD DAC CRS database.

⁵⁶ this figure includes parts of finance provided by international public institutions under point a.) and as described in chapters 1 and 2.

⁵⁷ Data only available for the 2014-2021 period.

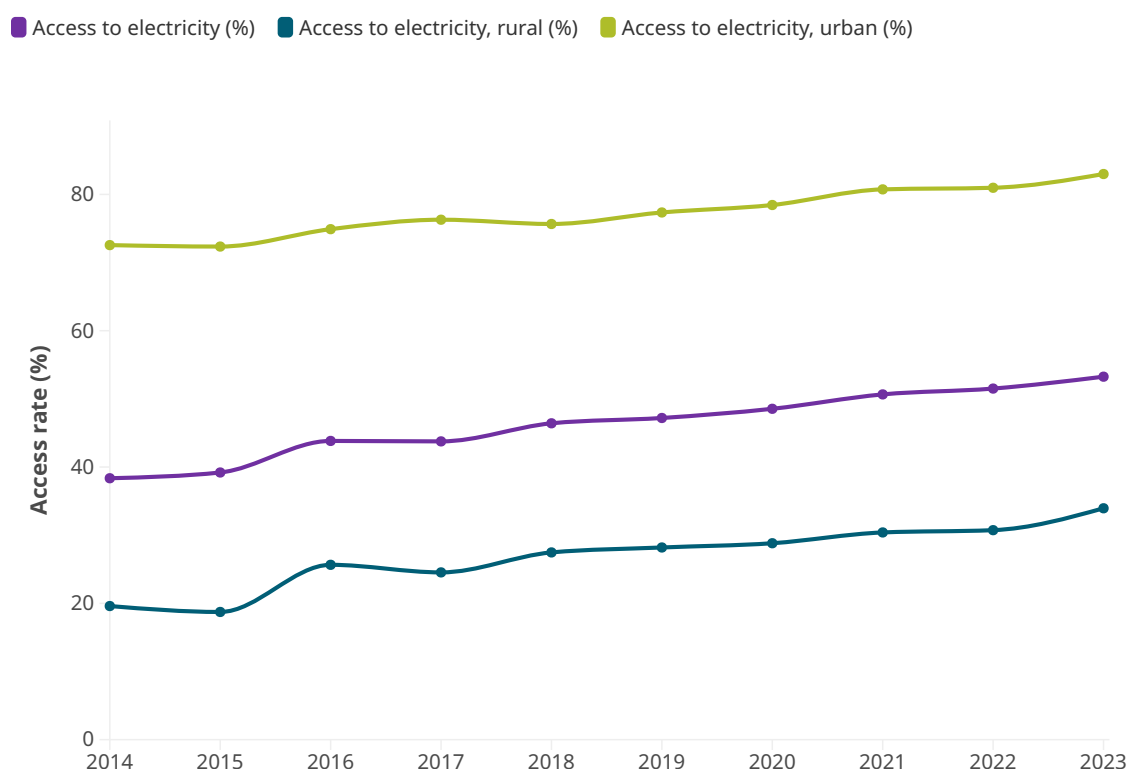
6.2 | Progress towards SDG7

This section presents the latest data on the three main target areas of SDG7 - energy access, renewable energy and energy efficiency -, reviewing the progress of corresponding indicators and highlighting trends and gaps in the delivery of affordable, reliable, sustainable, and modern energy across Africa.

Universal access to electricity (SDG7.1.1)

Over the decade 2014-2023, the rate of access to electricity shows continued progress in Sub-Saharan Africa, rising from 38% in 2014 to 53% in 2023 (see Figure 6.1). The current rate of progress, however, is too slow to reach the target of universal access by 2030.

Figure 6.1 Rate of access to electricity in Sub-Saharan Africa (2014-2023)



Source: World Bank World Development Indicators - Last Updated: 03/24/2025

Indeed, progress has only slowly outpaced population growth on the continent. As a consequence, the number of people without access to electricity has remained largely unchanged (see Figure 6.2).

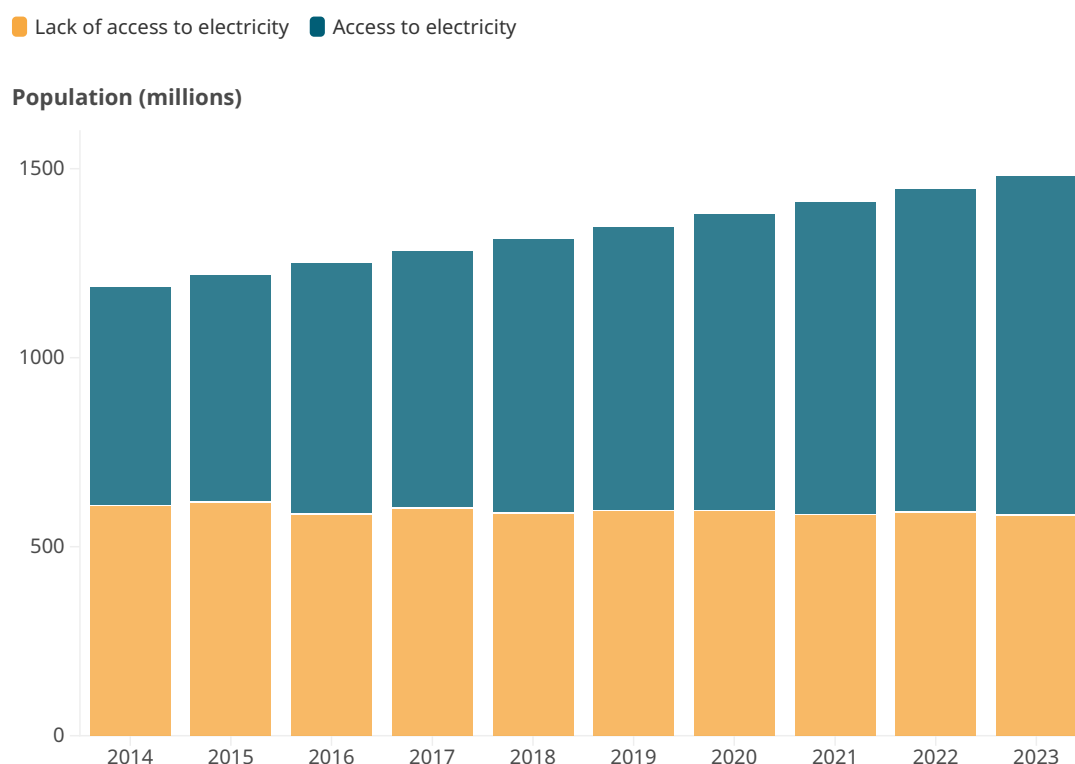
In 2023, around 35 million people gained access to electricity, yet the population increased by 30 million, reducing the net access gap by just 5 million—from 570 million in 2022 to 565 million.

As a consequence, while other regions of the world have significantly reduced their access gaps, Sub-Saharan Africa accounts today for 85% of the world's population without electricity access⁵⁸. In 2023, 18 of the top 20 countries with the largest access deficits were in Sub-Saharan Africa. The access deficits in Nigeria (86.6 million), Democratic Republic of Congo (79.6 million) and Ethiopia (56.4 million) accounted for more than one-third of the global population without electricity.

In addition, rural areas remain the most underserved, with an average rate of electricity reaching only 31.6% in Sub-Saharan Africa compared to 82% for urban areas.⁵⁹

In response to this persistent shortfall, electrification strategies are evolving. While investments in large-scale power plants and national grid expansion are still an important approach to electrification, we have seen a growing importance of decentralised and smaller scale solutions. The annual Tracking SDG 7 Progress Report 2025 observes that in 2020-22 decentralised energy solutions provided 55% of new connections in Sub-Saharan Africa, “proving resilient to macroeconomic challenges, as more than 50 million off-grid solar products were sold in both 2022 and 2023”.

Figure 6.2 Population with and without access to electricity in Africa (2014-2023)



Source: Tracking SDG7 - SDG 7.1.1 Electrification Dataset, World Bank World Development Indicators

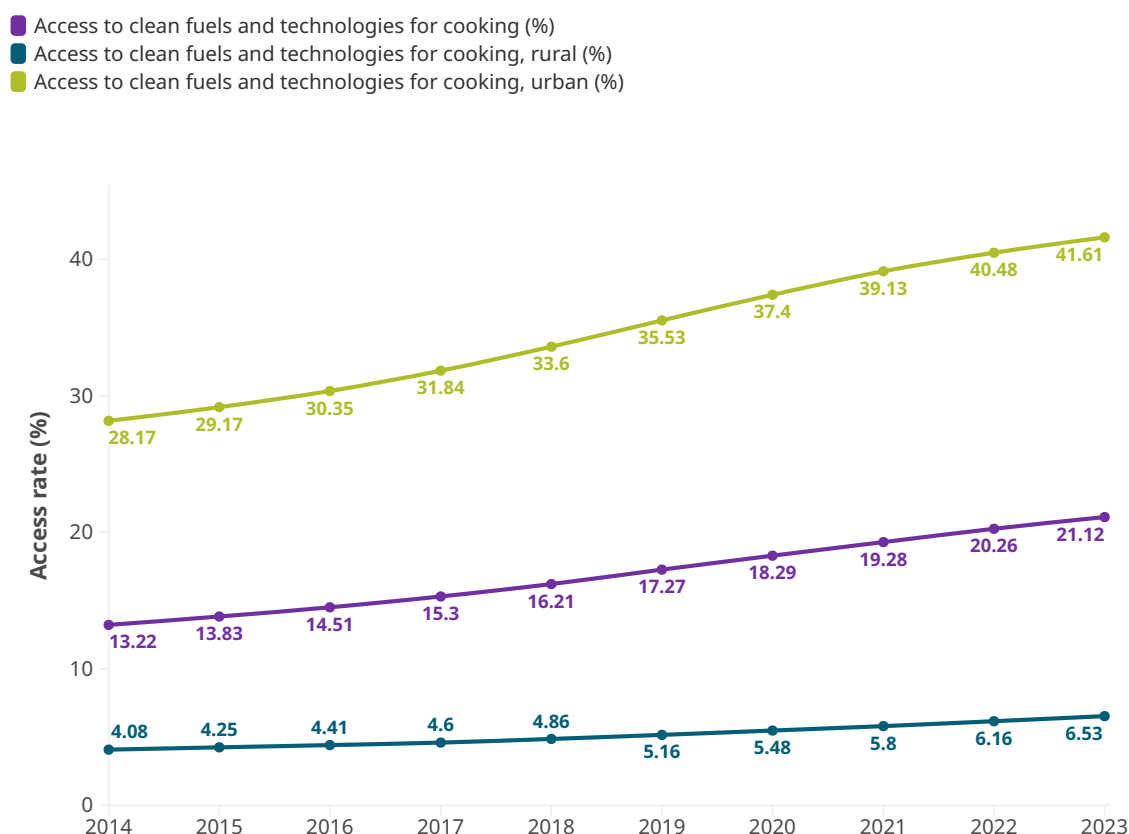
⁵⁸ Tracking SDG 7: The Energy Progress Report 2025, Executive Summary, International Bank for Reconstruction and Development (World Bank), Washington, DC, 2025.

⁵⁹ Tracking SDG 7, *ibid.*

Clean fuels and technologies for cooking (SDG 7.1.2)

The second indicator for Target 7.1 focuses on the proportion of the population that relies primarily on clean fuels and technologies for cooking⁶⁰. In this area, progress has been very slow in Africa. In Sub-Saharan Africa, the rate of access only rose from 13% in 2014 to 21% in 2023.

Figure 6.3 Rate of access to clean fuels and technology in Sub Sahara Africa (2014-2023)

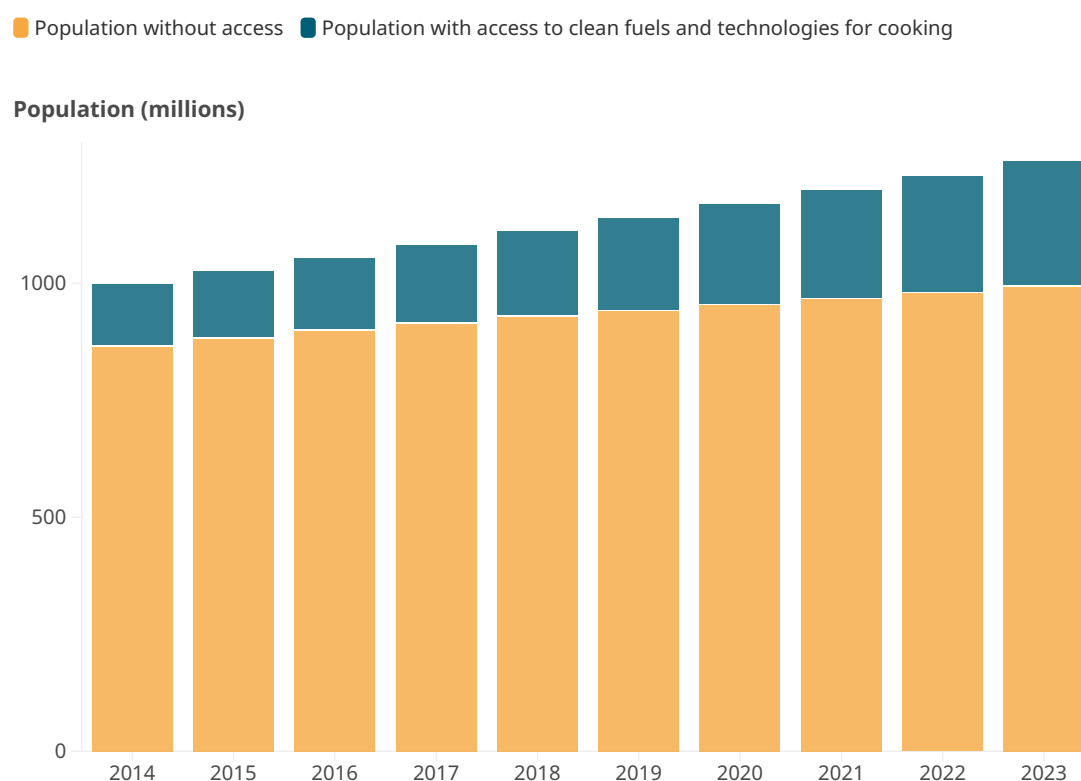


Source: World Bank World Development Indicators - Last Updated: 03/24/2025

In 2023, an estimated 955 million people still lack access to clean cooking in Sub-Saharan Africa. It is now the only region where the absolute number of people without access continues to grow, as progress on clean cooking continues to be outpaced by rapid population growth. The number of people without clean cooking is still rising by roughly 14 million people per year.

⁶⁰ Clean cooking fuels and technologies include electric stoves, liquid petroleum gas (LPG), natural gas, biogas, solar energy and alcohol.

Figure 6.4 Population with and without access to clean cooking fuels and technology in sub-Saharan Africa (2014-2023)



Source: World Bank World Development Indicators - Last Updated: 03/24/2025

Similarly to electricity access, there is a wide disparity between urban and rural populations. While 41.7% of the urban population has access to clean cooking fuels, the same is true for only 8.5% of rural populations⁶¹, despite decades of attention to this issue.

In addition to being an unacceptable SDG7 deficit, this situation represents a major health issue. The World Health Organisation (WHO) has estimated that household air pollution was linked to an estimated 2.9 million deaths in 2021, of whom more than 329,000 were children aged under five.⁶²

Clean cooking requires stronger direct national leadership, complemented by grants and results-based mechanisms. Some countries have introduced policies to promote clean fuels and technologies, but much more is needed, which makes the efforts to raise international and local investment by pioneer private-sector clean-cooking specialists especially welcome.

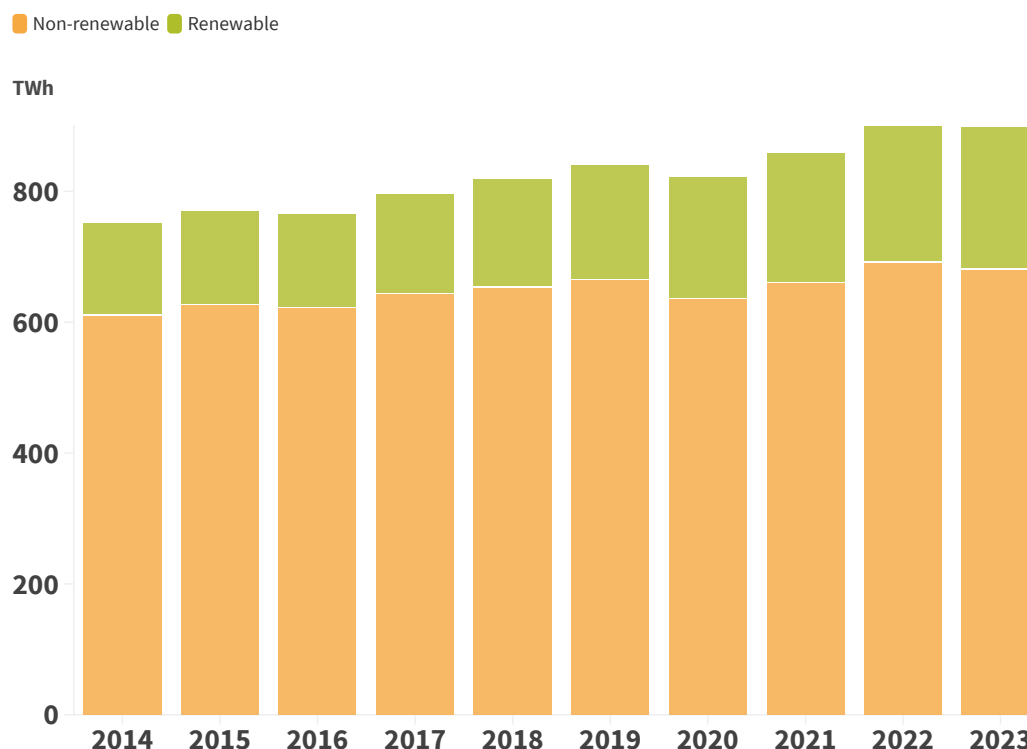
⁶¹ World Development Indicators, updated 3/24/2025, World Bank

⁶² Household Energy Database, Global Health Observatory, World Health Organisation (WHO), Geneva.
<https://www.who.int/data/gho/data/themes/air-pollution/who-household-energy-db>

Increasing the share of renewable energy (SDG7.2)

Target 7.2 seeks to substantially increase the proportion of renewable energy in the global energy mix; it is measured by the share of renewables as a portion of total final energy consumption. In this report, we will assess progress on renewable electricity.

Figure 6.5 Renewable and non-renewable energy generation in Africa (TWh)



Source: Irena Renewable Energy Statistics 2025

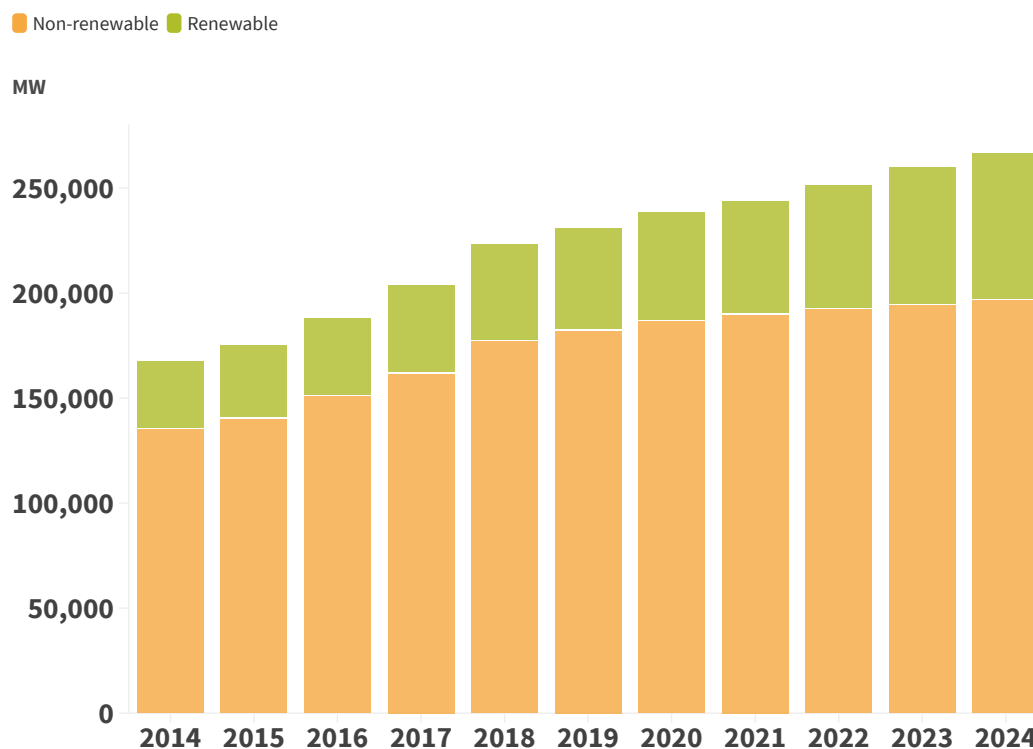
In Africa, renewable generation has risen slowly but steadily since 2014, although it has recently hit a plateau. In 2023, renewable energy sources accounted for 33% of installed capacity in Africa or 65.2GW, and generation reached 216 TWh.

However, despite extremely favourable conditions for both solar and wind power generation, as well as abundant potential for geothermal and hydropower, new renewable energy capacity installation in Africa has lagged other regions of the world.

According to the IEA, between 2018 and 2023 low-emissions sources of electricity grew by rates varying from just under 40% to over 100% in India, Korea, Indonesia, China and Australia. The only African country where low emissions electricity sources grew more than 20% was South Africa.⁶³

Major constraints to accelerating the development of new renewable generation and raising the renewable share remain on the grid side. Transmission and distribution congestion and limited system services restrict the absorption of variable renewables.

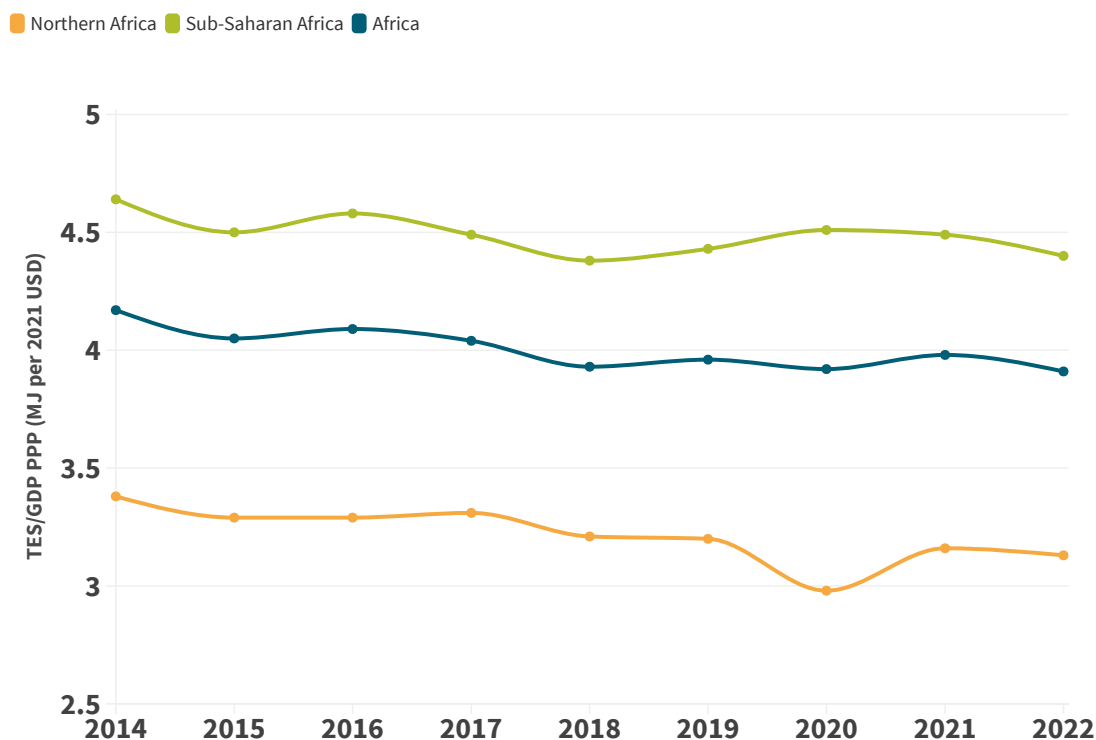
Figure 6.6 Renewable and non-renewable installed capacity in Africa (MW)



Source: Irena Renewable Energy Statistics 2025

Increasing energy efficiency (SDG7.3)

Under Target 7.3, SDG7 seeks to double the global rate of improvement in energy efficiency, as measured by energy intensity, which is the amount of energy necessary to produce a given unit of economic output (GDP). In this context, lower energy intensity indicates higher efficiency.

Figure 6.7 Energy intensity in Africa (TES/GDP)

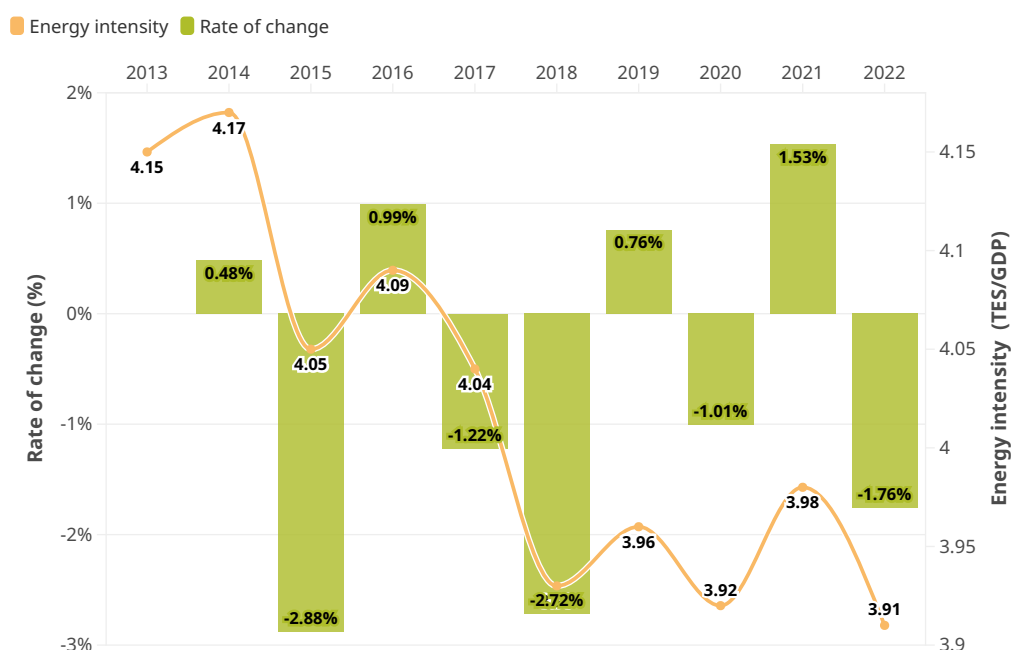
Source: IEA (2024), World Energy Balances; Energy Balances, UN Statistics Division (2024)

Energy intensity in Africa reduced by 6.25% from 4.17 TES/GDP (MJ per 2021 USD PPP) in 2014 to 3.91 TES/GDP in 2022⁶⁴. It is important to note that there are important differences at country level, reflecting economic structure (e.g. proportion of services versus manufacturing), trade balance and climate.

While this data reflects an improvement in energy efficiency, it has been however very slow, with an average annual improvement rate of only 0.65%.

Additionally, investments in efficient buildings, transportation and industrial systems and appliances, play a significant role in driving energy efficiency progress.

⁶⁴ The IEA's most recent data on energy intensity for Africa (IEA (2024), World Energy Balances) is measured in MJ per 2021 USD (TES/GDP PPP). These figures vary from those produced in the third edition of this report which were based on 2022 data which used MJ per 2017 USD PPP.

Figure 6.8 Energy intensity (TES/ GDP) and rate of change in Africa (%)

Source: IEA (2024), World Energy Balances & Energy Balances 2022, United Nations, New York, 2024. • 2024 energy intensity is measured in MJ per 2021 USD PPP (2022 data was in MJ per 2017 USD PPP)

Box 9

AFREC's report on Africa Sustainable Development Goal 7

In January 2026, the Africa Energy Commission (AFREC) published its first continental report assessing progress on all Sustainable Development Goal 7 (SDG7) indicators in Africa⁶⁵. The report marks a significant milestone as the first Africa-owned and Africa-led assessment of SDG7 progress, based on official data provided directly by African Union (AU) Member States.

This initiative reflects a strong commitment to strengthening African data systems, enhancing ownership of the continent's development agenda, and ensuring that progress is measured using nationally validated information. By relying solely on data submitted by AU Member States, the report reinforces transparency, credibility, and regional accountability in tracking universal access to affordable, reliable, sustainable, and modern energy.

The January 2026 publication is the first in what is intended to become a regular reporting series, with the objective of providing continuous, up-to-date monitoring of Africa's advancement toward achieving SDG7 targets.

⁶⁵ [Africa-SDG7.pdf](#)

An insufficient pace for 2030

Looking back over the decade 2014–2023, there has been notable progress toward SDG7 goals in Africa. However, the pace remains too slow to meet the 2030 target. The situation is particularly critical in the area of clean cooking, where the absolute number of people without access to clean cooking fuels and technologies continues to rise. Electricity access is progressing, but only marginally faster than population growth. Renewable energy capacity is expanding on the continent, yet still falls far short of the continent's vast potential and its rapidly growing demand. Progress on energy efficiency has been limited and uneven.

With only five years remaining until 2030, the current trajectories indicate universal access to energy will probably not be achieved in time. This analysis of SDG7 indicators underscores that efforts across all fronts must not only be sustained but significantly scaled up to achieve universal access.

Although progress can still be accelerated in the years leading up to 2030, it is increasingly recognised that universal access to energy may not be fully achieved by that date, but rather at a later stage. For example, IEA's new scenario Accelerating Clean Cooking and Electricity Services Scenario (ACCESS) for Africa considers 2035 and 2040 as realistic timelines to reach universal access to electricity and clean cooking respectively in Africa.



6.3 | The road to SDG7 – Africa and Europe moving forward together

Understanding SDG7 financing needs

The level of progress achieved on SDG7 demonstrates that higher financing levels will be needed compared to amounts that have been flowing historically to energy and to SDG7 in Africa. Following are some estimations illustrating future needs for SDG7 and further energy development on the continent:

- Under the IEA's ACCESS scenario, achieving universal access to clean cooking in Sub-Saharan Africa would require USD 37 billion between 2024 and 2040, or roughly USD 2.2 billion annually⁶⁶. For electricity, under the same scenario, universal access in Africa requires USD 150 billion between 2026 and 2035⁶⁷, or USD 15 billion annually. Converted to Euro, both would require around EUR 15 billion investment per year.
- Another illustration of the scale of needs can be drawn from the estimated finance requirements in the 30 Mission 300 national compacts (covering infrastructure for electricity access, clean cooking, transmission and regional interconnections, capacity building and blended finance for private sector mobilisation). Together, they amount to EUR 90 billion in private and EUR 95 billion in public finance until 2030, or respectively EUR 21 billion and EUR 22 billion annually.
- Transforming and advancing Africa's energy sector goes beyond SDG7. Realising the AU's Continental Power System Master Plan (CMP) for example requires USD 1.3 trillion until 2040, or EUR 73 billion/year. Accelerating investments towards these targets is essential not only for universal access but also to reach Africa's industrialisation and growth ambitions under Agenda 2063.

By comparison, combined SDG7-compliant public and mobilised private finance over the 2014-2023 decade averaged only EUR 8.83 billion /year, while African spending on energy (over all sectors including non-SDG7, and including finance provided by international institutions) reached EUR 11.6/ year. These figures highlight the substantial financing gap that must be closed to achieve both SDG7 and Africa's broader energy and development objectives.

Additionally, according to BNEF Africa only attracted close to **1.8%** of global RE investment over the decade despite sufficient liquidity for the sector. Average annual investments in renewable energy in Africa accounted for only EUR 7 billion in Africa against EUR 372 billion globally⁶⁸ between 2014 and 2023.

These figures demonstrate that overall funding and investments flowing to Africa on SDG7 need to be dramatically increased.

⁶⁶ *Universal Access to Clean Cooking in Africa*, IEA, 2025

⁶⁷ *Financing Electricity Access in Africa*, IEA, 2025

⁶⁸ *Africa Power Transition Factbook 2024*, BloombergNEF

Targeting priority needs and high-impact measures

While international public finance, including from European Institutions and European Member States (EI&MS), has played a critical role in supporting progress to date, it is expected to come under increasing pressure in the years ahead. If increasing overall efforts may prove challenging, current efforts should at least be sustained and focused where they are most needed and most impactful. In parallel, private finance and domestic resources must be mobilised more extensively and more effectively bridge the remaining gap.

To advance SDG7 faster, the following elements should be prioritised:

- 1) **Each year of under-execution increases the annual effort required in the remaining period.** While many pledges and announcements have been made in recent years, converting these into firm commitments should be a priority for donors. In addition, donors and recipients should work together to accelerate the translation of commitments into disbursements; improving the execution rate of projects is equally essential.
- 2) **The report has identified two sectors that remain dramatically underfunded—clean cooking and energy efficiency.** Substantially increasing funding from AU Member States as well as from European and international partners in these areas could deliver significant impact. Clean cooking requires urgent attention given its critical social, health, and gender dimensions, while energy efficiency represents a high-impact “low-hanging fruit,” offering rapid and cost-effective improvements across the energy system.
- 3) European and international partners should **preserve grant windows** for Least-Developed countries and ensure scarce **concessional resources** are prioritised for access-first operations in electricity and clean cooking, in order to safeguard affordability and ensure last-mile access in non-commercially viable contexts
- 4) To **unlock private capital** at scale in SDG7 compliant sectors in Africa, a series of high-impact measures should be taken:
 - **AU Member States should prioritise reforms and market rules easing private investments.** This includes strengthening the credibility and creditworthiness of utilities as offtakers, ensuring open access to networks, establishing clear permitting rules and timely processes.
 - **European and international partners need to expand the use of risk-sharing and blended-finance instruments.** These include guarantees and insurances, and local currency instruments, essential and to manage foreign exchange and offtake risks and to maintain affordability. These instruments should be designed to address specific market gaps while avoiding the crowding-out of viable private solutions.

- **Aligning these measures is essential to maximise impact.** Guarantees and blended finance are most effective when contractual and payment risk is addressed upstream (through policy-based operations, payment discipline, or tariff trajectories) and pipeline quality depends on credible offtake frameworks and timely permits.
- 5) While spending by many AU Member States is currently constrained, the growing pressure on international development finance makes it increasingly important to **mobilise additional domestic resources**. With support from European and international partners, countries can pursue several pathways to strengthen domestic financing for energy.
- These include combating illicit financial flows, enhancing tax mobilisation, and leveraging institutional capital—particularly pension funds, which represent a growing pool of long-term savings that could be channelled into infrastructure and sustainable energy investments.
 - In addition, harnessing revenues from abundant mineral resources, accelerating regional integration, and deepening local capital markets wherever possible would further strengthen countries' capacity to mobilise domestic finance for energy development.⁶⁹
- 6) A number of **transformative projects and initiatives** such as AEGEI and Mission 300⁷⁰ are currently underway, including key ones supported by Europe, and have the potential to significantly accelerate progress on the continent. Ensuring strong alignment and coordination between all stakeholders involved as well as fast-tracking implementation is critical.
- 7) **African Continental frameworks** such as CMP and AfSEM⁷¹ are in place to organise delivery at scale. These initiatives create a structure in which national reforms and investment programmes can move more quickly from preparation to financial close and commissioning. European and international support should be embedded in these frameworks to maximise impact and delivery.
- 8) To improve accuracy and transparency, AU Member States should adopt **harmonised reporting frameworks** and dedicated standards for tracking SDG7 investments—similar to those used by the OECD. This would enable more detailed, comparable, and transparent reporting on energy-related budget allocations and help identify existing gaps, allowing governments to better target and reorient domestic resources toward priority needs.

⁶⁹ AEEP's policy brief on Mobilising domestic resources in Africa to advance SDG7 further explores pathways to unlock domestic finance

⁷⁰ See chapter 5 for more details on these initiatives

⁷¹ See chapter 5 for more details on these initiatives

9) Finally, looking more in detail into the four dimensions of SDG7, the following measures could catalyse progress:

- To accelerate the pace of change in **electricity access**, Team Europe and the broader international financial community are encouraged to intensify their focus on Sub-Saharan Africa, particularly in LDCs with the largest access deficits. A practical pathway combines grid expansion with mini-grids and stand-alone systems, backed by differentiated regulation and permitting rules, clear offtake arrangements, predictable connection processes, and stronger operations and maintenance so that new connections translate into reliable service.
- Significantly scaling access to **clean cooking fuels and technologies** will require results-based grants and working-capital lines for suppliers, quality standards, local manufacturing, and consumer affordability measures. European instruments should explicitly target these bottlenecks in close coordination with government programmes. These efforts should be focussed in priority in rural areas in Sub-Saharan Africa, where access deficits are the highest.
- To accelerate the development of **renewable capacity** on the continent, priority actions for African governments and European partners should focus on modern grid codes and grid management procedures, targeted transmission and distribution grids reinforcement, flexible resources such as storage, and ancillary services. These measures are essential to address bottlenecks linked with increasing integration of variable electricity in power systems at least-cost. Additionally, well prepared project pipelines, competitive procurement, open access to networks, and bankable power purchase agreements are crucial to drive private investments in renewable energy projects.
- To accelerate **energy efficiency** improvement, African governments, with the support of partners, should target in priority the establishment of performance standards in buildings and appliances, retrofit programmes in public facilities, targeted industrial upgrades, loss-reduction efforts in electricity distribution and utility led demand side management. Much more attention should be brought to energy efficiency as rapid gains can be achieved leading to freeing capacity on the grid and reducing electricity bills, both important factors to stimulate the economy.

Conclusions

The fourth edition of the report on European Financial Flows to SDG7 in Africa provides an analysis of one decade of data (2014-2023) on the financing landscape of SDG7 on the continent.

Data shows that Europe's role remains key in advancing SDG7 on the African continent with a sustained effort that has supported a wide range of projects. With EUR 20.67 billion committed to SDG7 over the decade, European Union institutions and member states (EI&MS) are the largest source of public finance for SDG7 in Africa after multilateral institutions and the leading regional partner in supporting the continent's energy transition.

EI&MS have directed the great majority of their energy commitments to SDG7 objectives over the decade, with an important contribution to renewable capacity and to transmission and distribution, and a rising share for policy and capacity building. Disbursements have strengthened in recent years, which is an important signal that commitments are translating into spending. With 95% of SDG7-compliant commitments categorised as ODA, EI&MS are leading providers of concessional finance.

This support from EI&MS is part of a global effort provided by multilateral and bilateral development institutions around the globe. This international public support remains a cornerstone for SDG7 delivery. Multilateral institutions have had the greatest impact over the decade to 2023, with slow but steady growth in commitments and support directed primarily to transmission and distribution infrastructure. However, the structure of the support is changing with a significant decrease in grants and an increase in loans.

African Union Member States continue to play a decisive role through budget allocations – EUR 116 billion have been allocated to the energy sector over the decade - and through the implementation of reforms aimed at strengthening the sector's governance and facilitating private sector participation. This spending is however constrained by high debt burden and weak revenue performance, limiting the ability of AU MS to match the needs of the sector. Efforts should be directed towards increasing domestic resource mobilisation, with the support of European and International partners.

Private capital responds to credible rules and to risk perception. Mobilised private finance only reached EUR 16.03 billion over the decade, and investment levels were strongly affected in the Covid-19 pandemic years. Private investments are the strongest where governments have created open access to networks, put in place bankable offtake arrangements, and ensured that permits and land processes are predictable. Risk sharing and blended finance instruments provided by international donors have supported transactions in a growing number of markets. The record suggests that where these conditions align, projects can move quickly from concept to implementation.

Continental and regional frameworks are in place in Africa to organise delivery at scale. The Continental Power Systems Master Plan identifies least cost investments across borders and within countries. The African Single Electricity Market provides a pathway to compatible rules for trade and offtake. The African Energy Efficiency Strategy adds an economy wide lens that can lower system costs and improve reliability. Together, these initiatives create a structure in which national reforms and investment programmes can move more quickly from preparation to financial close and commissioning.

The Africa EU Green Energy Initiative (AEGEI) aligns European grants, loans, guarantees, and technical assistance with African frameworks. Programmes funded under AEGEI such as CEPA and ENGAGE are helping to translate African continental priorities into improved regulatory frameworks and bankable pipelines at regional and national level. Coordination and alignment between initiatives will improve effectiveness and bringing finance, risk sharing, and technical support together with tenders and transactions will maximise impact.

Looking back over the decade 2014–2023, the financing flows described in the report have supported notable progress toward SDG7 in Africa. However, the pace remains too slow to meet the 2030 target. The situation is particularly critical in the area of clean cooking, where the absolute number of people without access to clean cooking fuels and technologies continues to rise. Electricity access is progressing, but only marginally faster than population growth. Renewable energy capacity is expanding on the continent, yet still falls far short of the continent's vast potential and its rapidly growing demand. Progress on energy efficiency has been limited and uneven.

This means that while finance has supported important improvements on SDG7 in Africa, it remains below the level needed to meet the region's ambitions. The International Energy Agency estimates that annual investment for universal access would need to be several times larger than recent averages of combined public and mobilised private flows. Each year of under execution raises the effort required in the years that follow. This argues for a practical focus on converting commitments into disbursements and on ensuring that projects are grid absorbed on time and at cost.

While international public finance, including EI&MS, has played a critical role in supporting progress to date, it is expected to come under increasing pressure in the years ahead. However, current efforts should be sustained and focused where they are most needed. In parallel, private finance and domestic resources must be mobilised more extensively and more effectively bridge the remaining gap.

The policy implications are clear. Grant and concessional resources must target least-developed countries and last-mile access. Regulatory reforms, credible offtake frameworks, and expanded risk-sharing instruments are needed to unlock private investment. Mobilisation of domestic capital should be strengthened through improved tax mobilisation, institutional capital from pension fund, and revenues from mineral resources. Strong coordination and alignment around ongoing transformative initiatives and continental frameworks like CMP and AfSEM will accelerate project delivery. Across the four SDG7 indicators, progress requires tailored measures: integrated electrification strategies, targeted financing instruments for clean cooking support, improved grid conditions for renewable energy deployment, and prioritised energy efficiency actions offering rapid, cost-effective gains.

If these elements are pursued consistently by African governments, by Team Europe, by multilateral institutions, and by private investors, the continent can move onto a more credible trajectory. The purpose is not only to accelerate progress within the current SDG framework, but to establish a foundation that will carry into the next phase of Africa's energy development. The measure of success will be projects delivered, power supplied, and households and enterprises served.

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