



**6th EU-Africa Business Forum**  
27 November 2017 – Abidjan, Palais de la Culture



**Summary Report:**

# **Investing in Sustainable Energy and Infrastructure**

**6<sup>th</sup> EU-Africa Business Forum**  
**Abidjan, Cote D'Ivoire**

## ***Enabling and Leveraging Investments in Sustainable Energy in Africa***

### **Introduction**

The African Union Commission (AUC) and the European Commission (EC) convened a high level panel discussion event on 27<sup>th</sup> November 2017 on the side lines of the 6<sup>th</sup> EU-Africa Business Forum (EABF) in Abidjan, Cote d'Ivoire. The objective of the event was to set the stage for dialogue between public and private sector on the current trends and priorities for investing in sustainable energy in Africa with a view to building a strong commitment for accelerated private sector investments to improve energy access in Africa.

### **Opening**

The event opened with keynote speeches by Mr. Stefano Manservigi, the Director General, European Commission, Directorate General for International Cooperation and Development and the AUC Commissioner for Infrastructure and Energy, H.E Dr Amani Abou-Zeid.

In his keynote speech, Mr. Stefano Manservigi observed that energy is a profitable business that can be attractive to private sector. The role that EU can play is to encourage the creation of conducive investment environment by supporting policy and regulatory reforms. He observed that the EU has useful tools to support private sector investment in energy sector including financing instruments as well as the EU External Investment Plan (EIP). He noted that critical work in transmission and generation is required in the African energy sector and the EU is committed to working with Africa to close that gap given that lack of energy in Africa suppresses GDP growth by 2%. In line with the theme of the AU-EU Summit, Mr. Manservigi emphasized that the youth are the main protagonists for the present and the future and they offer Africa a great opportunity if provided with the right environment. He, however, cautioned that the energy access problem in Africa is compounded by high population growth and called for a greater sense of urgency.

On her part, H.E, Dr. Amani Abou-Zeid, who spoke on behalf of the AUC, observed that important global and continental commitments had been reached since the last AU-EU Summit in 2014. Key among them being the UN Agenda 2030, AU Agenda 2063 and the Paris Agreement. She noted that these commitments form an important global consensus with a strong focus on sustainable development, of which energy is a critical component. Dr. Abou-Zeid cited these important milestones as giving renewed momentum to the long term cooperation framework between Africa and Europe, under the Joint Africa-EU Strategy (JAES) spearheaded by the Africa-EU Energy Partnership (AEEP) in the case of the energy sector cooperation. She noted that low energy access in Africa constitutes a large market and opportunity for investment that requires the concerted efforts of both the public and private sectors. She further underscored the important role of decentralised systems to meet the target of universal energy access by 2030.

### **Panel Discussion on “How to enable and leverage investments in sustainable energy in Africa”**

The panel discussion session was moderated by Mr. Felice Zaccheo, Head of Unit, Sustainable Energy and Climate Change, DG for International Cooperation and Development, European Commission. The panellists included:

- Hon. Dr. Cheick Taliby Sylla, Minister of Energy and Hydraulics of Guinea
- Mr. Luca Cosentino, Executive Vice President, ENI
- Mr. Amadou Hott, Vice-President, Power, Energy, Climate and Green Growth, African Development bank (AfDB)

- Mr. Andrew Alli, President/CEO, Africa FC
- Ms. Astria Fataki, Founder, Energy Generation and representing the youth perspective.

The moderator guided the panelists to give different perspectives on the topic by responding to a series of questions. This was followed by questions fielded by the participants to the panelists. The key questions centred around the following aspects:

**i) Where do financial institutions see the potential and what role do they see themselves playing?**

The AfDB gave an overview of its initiative, the New Deal on Africa, which targets universal energy access in Africa by 2025. Similarly, financial institutions can come up with suitable instruments to support energy projects especially small projects, off-grid solutions and energy access projects that entail productive use, which in the past have struggled to secure funding. Further, financial institutions can work with governments to support energy utilities in Africa to become financially viable in order to attract Independent Power Producers (IPPs) for which the institutions can negotiate debt financing.

**ii) What is the role of the public sector?**

Noting that energy is at the core of other investments, the public sector is key for creating the right investment climate through laws and policies, fiscal incentives, etc. In addition, the public sector can play the role of facilitating capacity building, spearheading regional integration and supporting regional projects which are key ingredients for building regional markets. It is the responsibility of the public sector to make the necessary political decisions to implement reforms in order to make their utilities bankable and gradually move towards cost reflective tariffs.

**iii) How can private sector play a role in the energy sector in Africa and how can the EIP facilitate them?**

Since the sector still has many unbankable projects compared to the available funds, building capacity to prepare projects to a level of bankability is critical for unlocking investments by private sector. The EIP can support to stimulate large deployment of many projects, both large and small including off-grid options. The EIP can also support private sector to mitigate against local currency risks. Having standardised instruments such as PPA templates can help reduce transaction time and cost.

**iv) How can the participation of African youth in the energy sector be stimulated?**

It is important that African youth participate in the energy transition. Some youth are already participating but much more is needed. In order to increase their participation, there is need to invest in the human capital so that the youth form part of technological capacity as well as participate in leadership and decision making. Part of the capacity building should be in entrepreneurship with incubation programmes that give the youth opportunities to try out new ideas without fearing to fail. Giving the youth an opportunity to try, will lead to increased investments and participation by youth in the energy sector. In addition, promoting Research and Development (R&D) in local production will open up opportunities for manufacturing energy components in the continent and thereby create much needed jobs for the youth.

**Session wrap-up**

The event concluded with remarks from Ms. Megan Richards, Director, Energy Policy, DG Energy, European Commission. She noted that the energy sector has a huge potential for job creation for the youth. However, a stable robust reliable regulatory framework is needed to attract the necessary investments that will translate that potential into real jobs.

## ***AEEP 10th Anniversary Celebration Event***

### **Introduction**

The Africa-EU Energy Partnership (AEEP), which was established in 2007 under the Joint Africa-EU Strategy (JAES), convened an event to mark its 10<sup>th</sup> anniversary on 27<sup>th</sup> November 2017 on the side-lines of the 6<sup>th</sup> EU-Africa Business Forum (EABF) in Abidjan, Cote d'Ivoire. The objective of the event was to showcase a decade of contribution to energy development and to celebrate its achievements. The event also served as a platform to release the latest AEEP Status Report (2017-2018) on the achievement of its political targets, and to give an indication of foreseen activities of the AEEP in its next phase.

### **Opening**

The event was opened with a keynote speech by Mr. Stefano Manservigi, the Director General, European Commission, DG for International Cooperation and Development. The opening remarks for the AUC were given by Mr. Cheikh Bedda, Director for Infrastructure and Energy. The opening statements were preceded by a short video showcasing the achievements of AEEP and featuring statements of Mr. Manservigi and H.E Dr. Amani Abou-Zeid, the AUC Commissioner for Infrastructure and Energy.

In his keynote speech, Mr. Stefano Manservigi described the AEEP as a platform for strategic partnership with policy initiators bringing together different kinds of stakeholders in an inclusive approach to share knowledge and set targets on what they want to achieve in transforming the energy sector in the two continents and globally. He hailed the event as a good opportunity to look back at the contribution of AEEP over the last ten years and chart the way for its future. Regarding the future, the DG called for a collaborative approach to implement what AEEP has given rise to and expressed the need for a close collaboration with the Africa Renewable Energy Initiative (AREI). Going forward, he urged the AEEP to continue its facilitative role in the JAES processes, facilitate knowledge sharing and strengthen its work Mapping of energy initiatives and Monitoring achievements of set targets.

On his part, Mr. Cheikh Bedda noted that over the last 10 years, AEEP has made significant contributions to the global discussions on energy. He observed that today there is a good focus on Africa, and it is therefore, up to two partners, AU and EU, to seize the opportunity of the moment to forge ahead into the future. The activities of AEEP have raised consciousness and many African countries are developing policy and regulatory frameworks to create an environment conducive to the private sector engagement. The director noted that private sector is now engaged at all levels, including small and medium enterprises, which is a very promising field especially in Africa where mini-grids are playing a significant role. Going forward, Mr. Bedda called for an even stronger partnership in order to meet the growing demand for modern energy services including in the remote rural areas in Africa.

### **African and EU Perspectives**

Two Steering Group Co-Chairs, Common Market for Eastern and Southern Africa (COMESA), for the African side and Italy, for the European side, gave their perspectives on the AEEP's achievements over the last ten years.

H.E Mr Sindiso Ndema Ngwenya, Secretary General of COMESA, gave African perspective. He noted that AEEP has the three key ingredients necessary for growth: knowledge, learning and innovation, which have helped it achieve so much over the last decade. He opined that going forward, AEEP should be the platform through which AU and EU collaborate with initiatives from other regions e.g Power Africa.

The EU perspective was given by Amb. Sergio Mercuri, Minister Plenipotentiary, Foreign Affairs and International Cooperation, Italy. He hailed the achievements of AEEP and observed its significant contribution to global energy discussions. He proposed that AU and EU, through the AEEP, should come up with a common position for the review of SDG 7 in Hong Kong in February 2018.

### **Update on Mapping of Energy Initiatives**

Dr. Daniel Schroth, SEforAll Africa Hub Coordinator, and Advisor to the African Development Bank Vice President gave an update on the ongoing work of the second phase of Mapping of Energy Initiatives in Africa. He noted that AEEP's leadership to take stock of initiatives in Africa has contributed immensely to the coordination work in the continent as important policy conclusions were drawn from the Mapping of Energy Initiatives in Africa. Ongoing work on the 2<sup>nd</sup> phase of the mapping exercise will update the database of initiatives and develop an interactive portal thereby making the outcome dynamic rather than a one-off exercise. Dr. Schroth stressed that mapping of initiatives is not an end in itself but should facilitate active coordination of initiatives leading to concrete actions.

### **Witness Statements**

The event hosted a panel discussion of a sample of persons representing multi-sectoral stakeholders that have interacted with AEEP. The discussants gave feedback of their experiences with AEEP and suggestions on the future work of AEEP. The discussants included:

- Mr. Abel Tella, Director General, Association of Power Utilities Africa (APUA)
- Ms. Chiezda Mazaiwana, Campaign Manager, Power for All, Practical Action Zimbabwe
- Prof. Emanuela Colombo, Rector's Delegate to Cooperation and Development, Politecnico di Milano
- Prof. Izael Da Silva, Deputy Vice Chancellor Academic Affairs, Strathmore University, Kenya
- Dr. Barakat Faragalla Ahmed, Senior Economist, Department of Africa's Affairs and Nile Basin, Ministry of Electricity and Renewable Energy, representing Egypt – a Co-Chair of AEEP

The witnesses gave positive feedback on their interactions with AEEP and highlighted the impacts of those interactions on their organisations and on energy developments in general.

Mr. Tella narrated how AEEP helped APUA to undertake a capacity needs assessment that led to APUA accessing critical funding for capacity development among APUA's member utilities, which is still ongoing. He hailed AEEP's contribution to the development of human capital in Africa. Noting that the Future of Europe is inseparable to that of Africa, he recommended continuation of such concrete activities by AEEP going forward. Dr. Faragalla commended the work of AEEP over the last ten years and look forward to the next ten years of even greater achievements.

Ms. Mazaiwana appreciated AEEP's multi stakeholder approach in tackling energy access that enabled Practical Action to bring the voice of civil society, youth and women to the deliberations on crucial energy issues and to have their perspectives considered in shaping policy direction. Practical Action's wish for the future is for AEEP to further contribute to the youth to take on a greater role in the energy revolution and to see women empowered through energy access.

Prof. Colombo commended AEEP for promoting the role of academia and demonstrating a strong commitment to youth which is an investment in human capital. She expressed the desire for AEEP in future to continue promoting the role of academia in order to transform energy development from business-as-usual to business-unusual. In future, AEEP should enhance human capital development across all energy value chains. In addition, the AEEP should maintain its inclusive approach of facilitating dialogue among government, private sector, civil society and academia. Prof Da Silva noted that AEEP had contributed to linking the north and south in research and opined that in future AEEP should continue to play this role of facilitating knowledge development and sharing.

### **Status Report 2017**

The launch of the Status Report 2017-2018 formed part of the AEEP's 10<sup>th</sup> anniversary celebrations. The report outlines the status of the achievements of the AEEP 2020 political targets. Highlights of the report were presented by Ms. Khilna Dodhia, Director of Kenergy Renewables Advisory which was contracted by AEEP together with Cross-Border Information consulting to collect and analyse information on the status of achievement of the targets.

The report reveals a dramatic rise of renewable energy generation with solar and wind capacity outpacing projections. Considerable effort to increase electricity access has resulted in 544m Africans with access up from 307m in 2010 and is forecast to rise to over 650m by 2020. However, figures of Africans with access to non-solid cooking fuel remain low. Furthermore, population increase means there is much to do if Africa is to achieve the AEEP's target of 50% access by 2020.

Financial support for energy from Africa and Europe has grown with the average annual investment of \$5.4bn from African governments while EU commitments reached \$10.5bn in 2014-16. The report also demonstrated that AEEP has been a strong advocate for increased stakeholder and regional coordination. The report highlights the need for alternative indicators to measure energy sector transformation and energy's contribution to development in the context of UN Agenda 2030. This is informed by the fact that access to secure, affordable and sustainable energy underpins the achievement of all SDG goals. Job creation, gender and climate change mitigation are key challenges to address and for which energy has a direct contribution.

### **Launch of Success Stories Booklet**

The AEEP's 10<sup>th</sup> anniversary celebrations concluded with the launch of the success stories booklet entitled "10 Years of Successful Cooperation: The Africa-EU Energy Partnership". The launch was presided over by Mr. Felice Zaccheo, Head of Unit, Sustainable Energy and Climate Change - Directorate General for International Cooperation and Development (DEVCO), European Commission. He highlighted AEEP's contributions over the last ten years in supporting regional momentum, engaging private sector and shaping international debates. He concluded by outlining AEEP's role in addressing future challenges through:

- Private sector engagement;
- Supporting joint initiatives;
- Facilitating information and knowledge exchange; and
- Mapping and monitoring.