



**2<sup>ND</sup> WORKSHOP ON REGIONAL ACTIVITIES FOR  
INCREASED ACCESS TO ENERGY IN SUB-  
SAHARAN AFRICA, DAKAR, SENEGAL**

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May 2008

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## ANNEX

## 1. INTRODUCTION

This workshop was organised by the Partnership Dialogue Facility (PDF), an instrument developed by a number of EU member states and the European Commission in the context of the European Union Energy Initiative (EUEI) that was launched in Johannesburg in 2002. The programme manager of the EUEI PDF opened the workshop and welcomed the participants. He explained the overall objective of the EUEI PDF that is supporting the development of policies and strategies for the promotion of access to energy at national and regional level. He explained further that these are mostly based on dialogue within and between partner countries, their regional organisations, EU member states and the European Commission. Moreover, he emphasised the need for national and regional energy access policies to increase access to energy services in Africa that is essential for poverty reduction and the achievement of the Millennium Development Goals (MDGs) .

**The objective of the workshop was to learn from recent experiences of regional organisations in the development and implementation of energy access strategies, and to identify opportunities for cooperation.**

The workshop was attended by representatives from African Regional Organisations (ROs) like CEMAC, EAC, ECOWAS, SADC, and UEMOA with particular interest and involvement in this subject, selected African Union, European Union and donor representatives as well as officials from ministries of energy, energy experts and representatives of international development organisations. In order to encourage open discussion and candid exchange, the workshop was held under Chatham House Rule of confidentiality and anonymity, so the names of individual speakers are not mentioned.

This paper summarises the proceedings of the workshop and is structured as follows: Section 2 presents the implementation of energy access strategies by the ROs. Section 3 presents the Africa-EU Energy Partnership. Section 4 discusses the results of the working groups. Section 5 summarises the key conclusions and recommendations that emerged from the workshop.

## **2. IMPLEMENTATION OF ENERGY ACCESS STRATEGIES BY THE REGIONAL ORGANISATIONS**

### **2.1 East African Community (EAC)**

The energy officer from the East African Community (EAC) Secretariat started his presentation with a brief introduction of the EAC, the vision, mission and its structure. It was mentioned that the EAC includes the five Partner States of Burundi, Kenya, Rwanda, Tanzania and Uganda. The vision of the EAC is to have a prosperous, competitive, secure and politically united East Africa. The mission is to widen and deepen economic, political, social and cultural integration in order to improve the quality of life of the people of East Africa through increased competitiveness, value added production, trade and investment.

The EAC comprises three organs - The East African Legislative Assembly (EALA), East African Court of Justice (EACJ) and East African Community Secretariat. The decision making within the community is through consensus with the highest organ being the summit of heads of state, then the council of ministers and the sectoral council that makes decision for the various sectors including the sectoral council of energy. In January 2005, the EAC launched the customs union with the aim of achieving zero tariff within the region as well as a common market by January 2010. The region is expected to have a monetary union with a single currency with the ultimate aim of becoming a political federation. As a result several studies have been initiated to achieve the goals of the region. The following subsection presents the EAC strategy for scaling up access to modern energy services.

#### **2.1.1 Strategy for Scaling Up Access to Modern Energy Services**

The strategy that was prepared with support from EUEI PDF, GTZ and UNDP seeks to engage EAC Partner States in an ambitious initiative to scale up access to modern energy services to support the achievement of the MDG and poverty reduction. The strategy aims at developing MDG-based energy access investments in the framework of High Impact Low Cost Scalable (HILCS) options. Implementation of the strategy will be at the national and regional levels through clear results driven processes.

### 2.1.2 Targets Set for the Strategy

Four targets are set for the strategy: (1) access to modern cooking practices for 50% of traditional biomass users; (2) access to reliable electricity for all urban and peri-urban poor; (3) access to modern energy services for all schools, clinics, hospitals and community centres; and (4) access to mechanical power within the community for productive use and heating for all communities. In order to show the percentage of access gap yet to be covered, each target of the strategy is matched to the relevant MDGs as shown in Table 1. As indicated in the table, the access gaps yet to be covered for targets 1 and 2 are 70% and 60% respectively. For targets 3 and 4, only 10% of current data have been covered for each target. Given that each target contributes to the achievement of specific MDGs, it is emphasised that without access to energy services the attainment of the MDGs can be difficult.

**Table 1: Access Gap Per Target**

Target	Gap	MDG
1. Access to modern cooking practices for 50% of traditional biomass users	70%	3,5,7
2. Access to reliable modern energy services for all urban and peri-urban poor	60%	1,4,5,6
3. Access to modern energy for all schools, clinics, hospitals and community centres	90%	1 - 6
4. Access to mechanical power within the community for heating and productive use	90%	1 - 6

### 2.1.3 Target Strategies and Costs of Implementation

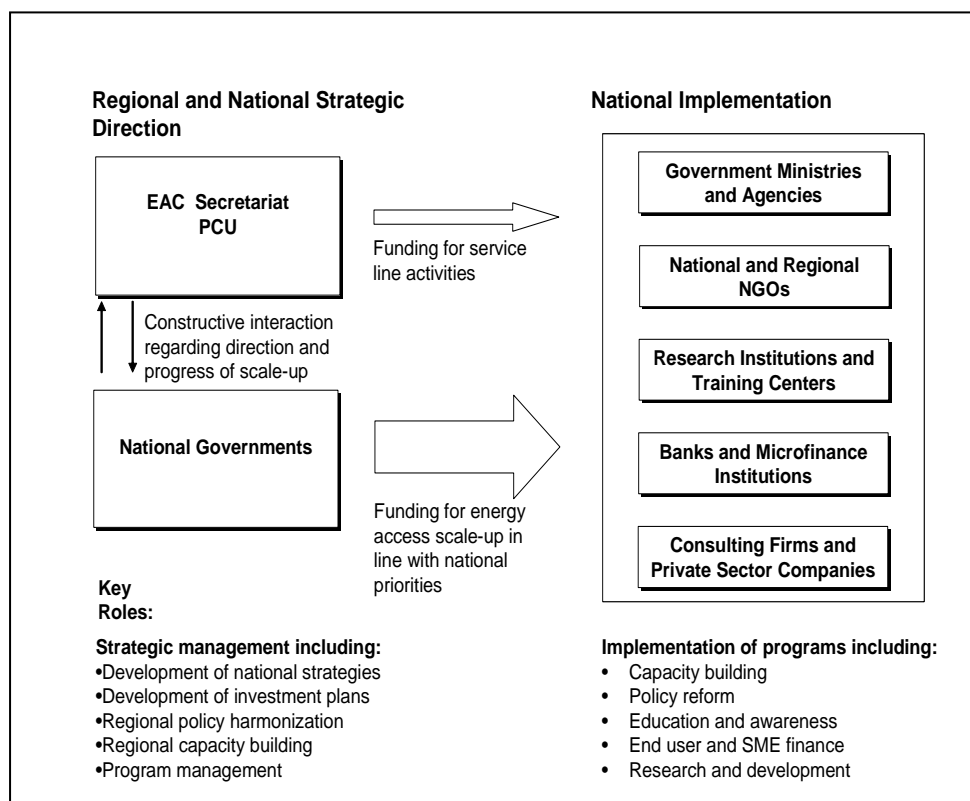
The strategies identified under each target is outlined in Table 2. The estimated cost of implementing the entire strategy is about USD 2.7 billion. Preparatory activities during the first two years are estimated to cost USD 5.41 million, and programme support, loan guarantees and regional funding required to support capital expenditure is USD 556 million.

**Table 2: Strategies Identified Under the Targets**

<p><u>Target 1:</u></p> <ul style="list-style-type: none"> <li>- initiate programmes to increase end-user demand for modern cooking practices,</li> <li>- scale up manufacture and marketing of ICS,</li> <li>- develop channels for reaching nomadic and conflict-affected areas,</li> <li>- develop environmentally sustainable municipal biomass management programmes.</li> </ul> <p><u>Target 2:</u></p> <ul style="list-style-type: none"> <li>- introduce utility-led financing and cost reduction programmes for new connections</li> <li>- innovate suitable programmes for slum connections</li> </ul> <p><u>Targets 3 and 4:</u></p> <ul style="list-style-type: none"> <li>- promote micro-hydro development</li> <li>- accelerate rural electrification programmes</li> <li>- introduce viable business models to provide energy services e.g community driven approaches</li> <li>- National budget provisions for electrification of schools, clinics and hospitals</li> </ul>
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### **2.1.4 Implementation Framework**

Key areas identified as crucial to the success of the strategy are: (1) mainstream access to basic energy service; (2) undertake comprehensive analysis of energy policies; (3) remove barriers to expansion of access to modern energy services; and (4) build national capacity to support the private sector and local communities to enhance energy service delivery. In order to effectively implement the strategy, four service lines have been identified to facilitate implementation and trigger scaled-up investments in energy access. They include policy harmonisation, capacity building of public and private sectors, formulation of support formulas (e.g. soft loans, grants etc), strategic coordination and project management. Figure 1 provides an overview of the implementation framework. Within the framework, a Project Coordination Unit (PCU) at the EAC Secretariat is proposed with the specific aim to coordinate regional and national activities during the first two years of implementation and beyond. At the national level focal points are established at the energy ministries to coordinate national level activities and this is supported by multi-sectoral working groups in each of the Partner States.



**Figure 1: Overview of the Implementation Framework**

### 2.1.5 Achievements and Challenges

Within the last 3-5 years, a consultancy team comprising national representatives from each EAC partner state was appointed to: develop programmes and activities for the two-year preparation stage; set out the operational modalities and functions of the PCU; and develop funding proposal to mobilise technical and financial support. The achievements so far include the compilation of baseline energy access information for each partner state and completion of SWOT analysis for each EAC partner state. Multi-sector working groups have also been established and national workplans have been developed through a consultative process including validation workshop. A regional workshop has also been organised to further refine the workplans.

Given the findings of the SWOT and baseline analyses, the workplan focused on mainstreaming energy access into national development planning and budgeting, developing pro-poor energy policies and regulatory framework, strengthening national capacity to deliver energy services for the poor, and identifying high potential business models. These four areas

are consistent with the four service lines identified in the strategy. Guided by logframe analysis the workplan developed activities under the four focal areas proposed for each target. Each partner state also identified activities to be covered at the regional level. All activities identified as regional (such as policy harmonisation, harmonisation of standards and codes and cross-cutting issues) were consolidated into regional workplan during the regional workshop.

The other aspect of the strategy, which is supported by EUEI PDF is the donor mapping exercise. This exercise seeks to assess current funding and commitments for the strategy, identify funding gaps, identify and consult funding organizations (development banks, donor consortiums, private sector etc) and match potential donors to aspects of the strategy that they are most likely to support. The donor mapping exercise also seeks to develop a donor map to address the issues of donor harmonisation concerns.

Despite the stated achievements, several challenges have emerged from both the SWOT and baseline analyses. They include inadequate elaboration and operationalisation of the legal and institutional frameworks, limited integrated resource planning, lack of adequate and updated data and information, limited technical and institutional capacity, limited private sector participation, inadequate or inappropriate financing mechanisms for the promotion of energy services and end-user financing, underdeveloped market for modern energy services.

## **2.2 Economic Community of West African States (ECOWAS)/Union Economique et Monetaire Ouest Africaine (UEMOA).**

### **2.2.1 Background**

The third presenter from Economic Community Of West African States (ECOWAS) focused his presentation on the Regional Energy Access Agency, which ECOWAS and UEMOA have been working on with support from EUEI PDF. The presenter started with the energy challenge they are facing. Providing a brief background, the presenter stated that the ECOWAS subregion covers an area of 5 million m<sup>2</sup> with a population of about 262 million people of which about 60% are living in the rural areas. The region ranks very poorly in relation to other continents of the world on energy access and economic development. Only

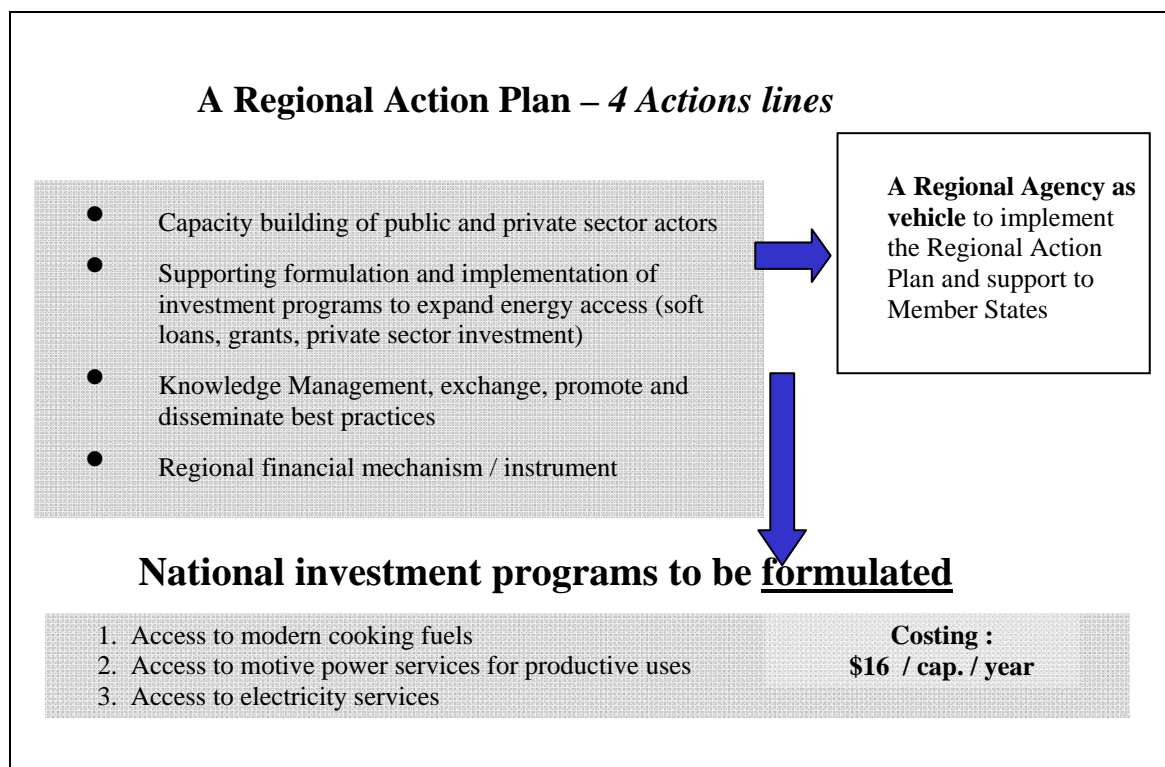
20% of the population has access to modern energy services. Biomass accounts for more than 80% of total energy consumption. Access rates to electricity and LPG are 25% and 5% respectively. The lack of access to modern energy therefore imposes significant productivity constraints on the rural poor. However, it is understood that enabling growth and the achievement of the MDGs require increased access to energy services.

### **2.2.2 The Energy Access Programme**

In view of the foregoing background, ECOWAS and UEMOA embarked on a regional policy and through a consultative framework a policy document was developed in 2005. The main target set by the policy document was to ensure that by 2015 at least half of the population living in rural and sub-urban areas will have: (1) 100% of the total populations or 325 million people, will have access to improved cooking fuel; (2) at least 60% of people living in rural areas will reside in localities with access to motive power to boost economic activities and access to modern community services; and (3) 66% of the population, or 214 million people, will individually have access to electricity supply.

### **2.2.3 Regional Action Plan and Major Milestone**

The regional policy document has various action plans at both the regional and national levels. At the regional level four action lines have been identified to include capacity building, support to formulation and implementation of investment programme, knowledge management and regional financial mechanism or instruments. In order to focus on all these activities, the presenter emphasised that there is the need to create a dedicated agency – a Regional Energy Agency. That agency will focus on getting all these activities to support the Member States to formulate their national investment programmes for the implementation of the following three programmes: (1) access to modern cooking fuels; (2) access to motive power for productive services; and (3) access to electricity services. Figure 2 illustrates the Regional Action Plan of the Energy Access Programme (EAP).



**Figure 2: The Energy Access Programme (EAP) Regional Action Plan**

The White paper for regional policy that was adopted by the heads of state of ECOWAS/UEMOA in January 2006 in Niamey established a regional institutional framework called the national and regional multisectoral committees (NMCs/RMCs). The RMCs seek to coordinate the activities of the NMCs formed in the Member States. The multisectoral committees cut across the various sectors of the economy including health, education, agriculture, water and sanitation, energy etc. In the development of the energy plan as a national effort, the energy requirements of the various sectoral areas have been incorporated into the regional workplan. Fund mobilisation was started to launch the preparatory activities. In this regard, about two years ago in Dakar, a common methodological framework was adopted to carry out the needs assessment and investment programmes and to provide support for the multisectoral committees, particularly Niger, Senegal, Mali, Burkina Faso. The presenter noted that through the necessary support, Burkina Faso has been able to complete their national investment programme. Niger has completed their needs assessment and are drafting their national investment programme. Senegal has completed some part of the national investment programme and some parts are yet to be

done. Mali is lost midway. Ghana came out their strategic national energy plan (SNEP), which is said to be pursued. Fund mobilisation is being carried out in Ghana.

ECOWAS also carried out some advocacy work to expand adequate funding offer within the region, including mainstreaming energy into the national Poverty Reduction Strategy Paper (PRSP). During this process It was realised that at the national level most Member States did not incorporate energy as a major national priority, so mobilising funding for energy activities have been a headache. But, for the past two years, the ECOWAS was able to raise awareness through the NMCs. At the last meeting in Berlin, the EU expressed satisfaction that at least eight countries in the region have adequately included energy as a major component in their PRSPs and these countries are likely to attract more EU support for energy projects and this is very encouraging.

#### **2.2.4 Achievements and Challenges**

Currently, there is the political commitment to promote access to energy services to respond to national development challenges and reach the MDGs. There is also a shared understanding and vision among ECOWAS/UEMOA and Member States. A common methodological framework is adopted to support main-streaming of energy access issues into national policies, promote convergence PRSP and MDG processes, and support formulation of MDG based investment programs. Furthermore, there is a framework for collaboration and coordination at regional and national level.

The presenter also said that ECOWAS/UEMOA have completed a feasibility study on Regional Agency on Access to Energy Services. The Agency will provide leadership and coordination in the implementation of the ECOWAS/ UEMOA regional plan of action for increasing access to energy services through funds mobilization, policy and capacity development and knowledge management and communications. In November 2007, the Energy Agency report was adopted by the meeting of Energy Ministers in Lome, Togo. Council regulation has been passed the establishment of a Dedicated Unit within the ECOWAS Commission to carry out white paper implementation and preparatory activities towards the establishment of the Energy Agency. The operation of the Unit is supposed to commence from 1st May 2008 and hopefully complete the establishment of the Agency. Technical Expertise on the white paper implementation presently with UNDP in Dakar will

be relocated to the Unit. The UNDP has been informed accordingly and the concerned staff are being prepared to move and join the ECOWAS commission in Abuja, Nigeria.

### **2.2.5 Regional Centre for Renewable Energy and Energy Efficiency**

The presenter was pleased to announce that the ECOWAS Commission has received a proposal from the Government of Austria to support ECOWAS set-up a Regional Centre for Renewable Energy and Energy Efficiency. The president of ECOWAS is very fascinated about this idea and hence supportive of it. Consequently, he has given the Commission a target to operationalise the Centre within 12 months and has also expressed his commitment to the establishment of the Centre within the stated period. Drawing on the fact that ECOWAS has not done much in the area of renewable energy and energy efficiency due to lack of staff and other factors, and therefore there is the need to commit some resources for this purpose. The presenter also reported that according to the President the next summit of the authority of the heads of state and government of ECOWAS slated for January 2009 will adopt a supplementary act to establish the Centre.

It is intended that The Centre will focus on the following activity areas:

- Research and development of Renewable Energy and Energy efficiency technologies
- Develop policy and regulatory frameworks to promote the use of Renewable Energy and Energy efficiency technologies in the sub-region
- Disseminate and promote the use of appropriate renewable energy and Energy efficiency Technologies to reduce deforestation, desertification and emission of Green House Gases.
- Develop Pilot renewable energy and energy efficiency projects and Support Member States in the replication of successfully pilot Projects
- Embark on a public awareness and sensitisation programmes with the view to inculcate consciousness in energy conservation and environmental protection among citizens of ECOWAS Member States.
- Create a platform for knowledge exchange and sharing of experiences among Member States and develop capacity building and training programmes for Member States in the field of Renewable Energy, Energy Efficiency and Demand Side Management.
- Develop regional Appliance Efficiency Standards and equipment labelling

- Conduct periodic Energy Audit and recommend measures for improvement in efficient energy usage and other related activities
- Promote local production of Renewable Energy and Energy Efficiency equipment.

### **2.3 Communauté Economique et Monétaire de l’Afrique Centrale (CEMAC)**

The fourth presenter from the **CEMAC** mentioned that CEMAC is made up of six countries, namely Cameroon, Central Africa Republic, Congo, Gabon, Equatorial Guinea and Chad. CEMAC was officially constituted on 25<sup>th</sup> June 1999 in Malabo, Equatorial Guinea. It is an organization with four united but autonomous institutions: The Economic Union of Central Africa (UEAC); The Monetary Union of Central Africa (UMAC); The Court Justice of the Community (CJC); The Parliament of the Community.

#### **2.3.1 Statutory Objectives and Clauses of the Treaty**

The treaty confers with the Community the crucial mission to promote harmonious development of Member States within the framework of the economic and monetary unions. In each of the two areas, Member States wish to extend the simple cooperation condition which already exists between them to a union status which could complete the economic and monetary integration process. Sections 4 and 5 of Articles 31 and 41 of the agreement governing the Economic Union of Central Africa define explicitly common actions to undertake in the energy and environment sectors.

#### **2.3.2 Energy Sector**

The CEMAC regional program is made up of two projects. The first project is the Energy Information System (SIE-CEMAC) in collaboration with the Energy and Environment Institute for French speaking countries (IEPF). The project sought to: (1) specify from ongoing experiences in other African countries, practical modalities for putting in place energy information systems at national and regional level within CEMAC; (2) draw up an inventory of energy and energy balances data available in member states of CEMAC; (3) draw up terms of references for studying the implementation of the Energy Information System (SIE-CEMAC). The second project is the sustainable energy initiative for rural and peri-urban development in the CEMAC region.

### **Status of Rural Infrastructure on Energy**

According to the presenter, among the CEMAC Member States only Cameroon has developed rural electrification. An important part of this development was achieved through the Single Wire Earth Return (SWER) technology, which has low investment cost. Gabon has three embryonic projects of rural electrification. Congo has just initiated some rural electrification in the Bouenza region. Apart from those that use hydro-power, electrification with diesel plants is utilized but mostly limited to urban areas. However, due to a rise in the price of crude oil and difficulty in access, the running of diesel plants is very challenging. Household electrification rates (both urban and rural) compiled from utilities' statistic indicate the following: 1-2% in Central Africa Republic and Chad; 12% in Congo and Equatorial Guinea; 16% in Cameroon; and 57% in Gabon.

### **Energy Action Plan of CEMAC**

#### **1. Support in planning the electricity sector**

The fundamental action consists of capacity building at national level (training and provision of equipment) with the focus of implementing or strengthening national rural electrification plans.

#### **2. Coordinated development of hydroelectricity**

This action includes series of studies for every basin, for sites of strategic interests for the CEMAC region. It also includes drawing up regional policy for the development of electricity.

#### **3. Promotion of biomass residues/waste from agro processing industry**

This part will consist of building the capacity of executives from enterprises on the techniques of cogeneration, elaboration and implementation of action plan from statistical data, and preparation of coherent investment plan in the energy sector.

#### **4. Zonal promotion of rural energy services**

This constituent will strive to prove the operational feasibility of promoting energy services in a limited territory. The expected results will depend on availability of funds for the project, for developing pilot projects in given sectors and in every country.

#### **5. Intensive peri-urban electrification projects**

From this constituent, the CEMAC energy action plan has sized test projects drawn from field study examples. The test project in peri-urban zone is to group 155 households under the same transformer with monthly charges of 2000 to 2500 cfa franc.

#### **6. Promotion of solar photovoltaic energy**

This constituent consists of carrying out transversal action per themes where stakeholders could share their experiences through network, with a focal point in one of the three countries with the highest solar radiation (Chad, Northern Cameroon, Central Africa Republic). All aspects will be experimented, particularly for social infrastructure, domestic and commercial use as well as PV enterprises.

#### **7. Optimization of domestic combustibles market**

Through experts managers of some rigorous selected projects, this part aims at establishing concrete implementation programs after consulting entrepreneurs, NGOs, managers of domestic combustibles market optimization projects. The case of establishing a pole in the region located in South N'djamena and already targeted by projects in Tchad is to be considered. They integrate the double approach of promoting LPG and reforestation.

#### **8. Oil consultation**

Through this component and with the oil price hike, series of studies will be carried out on: the problem of refining and distribution; the issue of substituting fuels; and the opportunity of exchange in oil and gas extraction (to progressively get a better regularization of contracts and the creation of value-added products through a CEMAC oil club.

#### **9. Energy charter-Energy code**

This constituent aims at drawing up an Energy Charter for a regional energy policy which commits Member States to develop a CEMAC code for national energy comprising, particularly some aspects of hydro, solar, hydrocarbons, etc.

#### **10. Watchdog of energy access**

Discussion for perpetuating the process is held;

Cost of the action plan is 236 million Euros (2007-2012)

### **ACP-EU Facility for Energy**

CEMAC has submitted a proposal to the ACP-EU facility for energy in the component infrastructure for improving access to energy services and improving socio-economic conditions of the rural poor. Maximum cost is 10 million Euros and the eligible actions are the energy action plans 1, 2, and 5 (refer above).

### **Expected Results**

CEMAC commission acts through the sub-regional steering committee in order to: (1) give impetus and ensure CEMAC and the financial partners that deadlines for studies and for implementations are respected; (2) create internal technical capacities to lead each action according to a pertinent critical path and to contribute to the field activity; (3) manage actions directly or through supervision, according to cases. Transmit financial statements to financial donors and copied to CEMAC; (4) give account to CEMAC on the progress of activities and to prepare any progress reports; (5) constitute the embryo of the watchdog for energy access; and (6) aid CEMAC to seek funding. Operational committee is already created and two national teams - planning team and connection team have been established.

### **Cooperation with the European Union**

Following the selection of the proposal, a funding contract for peri-urban electrification in CEMAC countries has been signed on 7<sup>th</sup> January 2008 between the commission of CEMAC and the European Union. The commission of CEMAC was selected as the implementing body of the energy action plan of CEMAC by decision N° 13/06-UEAC-171-CM-14 of 11<sup>th</sup> March 2006. The European Community funds the project to the tune of 50% of eligible costs of the Energy facility ACP-EU.

### **Implementation Plan and Strategy**

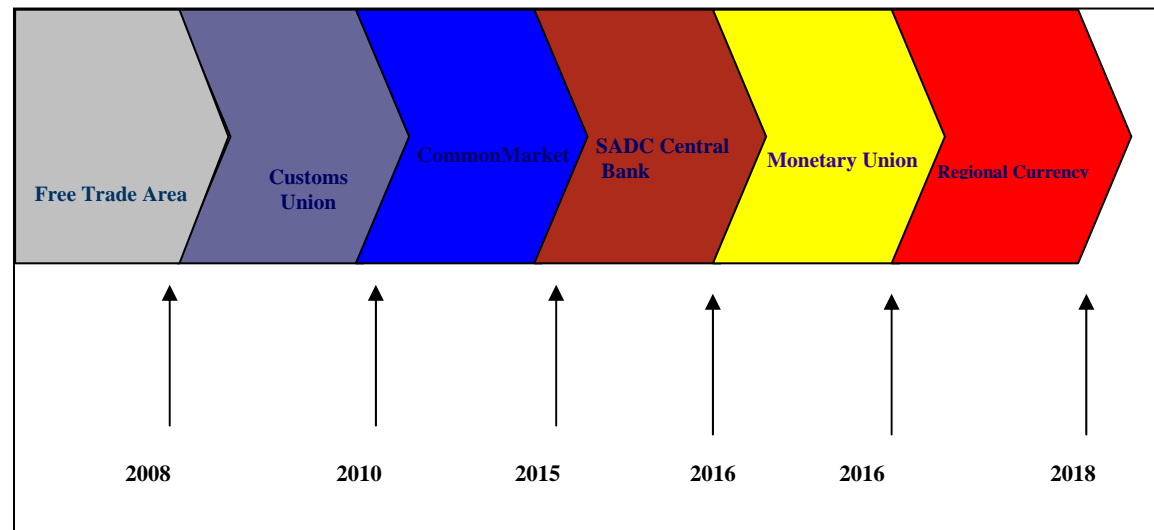
The activities of the pilot project of intensive peri-urban electrification are based on three principal components: (1) setting up CFE/CEMAC to pilot the project in its implementation phase; (2) implementation of the test projects for electricity connection in peri-urban zone; and (3) planning of the development of electrical network, comprising the incremental demand side management of peri-urban zone by using hydro-electricity. The strategy of implementation comprises: the dosage of the driving effect of pilot connections and leverage of investment subsidies according to local economic realities and mutual willpower of regional solidarity; the breaking of planning methods of distribution networks resulting from

paradigm change and allowing compensation of discriminatory effects of extension restricted by a minimum threshold demand; and a dynamic management of the demand.

## 2.4 Southern Africa Development Community (SADC)

### 2.4.1 Background

The presenter from the Southern Africa Development Community (SADC) summarised the vision of SADC as a reputable, efficient and responsive enabler of regional integration and sustainable development with an integration timeline (calendar) as shown in Figure 3. According to the presenter SADCs calendar is described as rather ambitious. By end of 2008, SADC wants to achieve a free trade area and discussion with the appropriate department of trade and investment indicate that they are still on track and can achieve free trade this year. In year 2010, SADC would have a customs union as well as a monetary union by the year 2018. It is realised that infrastructure (such as energy and transport) is an integral part of the proposed regional integration timeline.

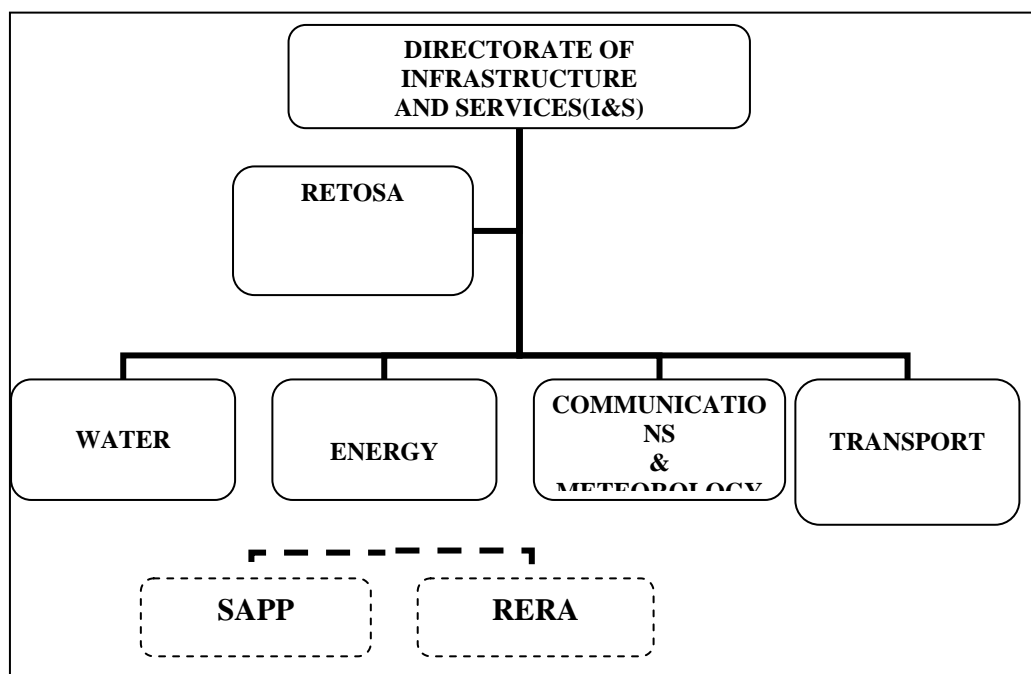


**Figure 3: SADC Regional Integration Timeline**

### Mission of the Directorate for Infrastructure and Services (DIS)

The mission of the DIS is to facilitate, through strategic expertise, the provision of sufficient, integrated and efficient infrastructure and related services to support regional integration and

poverty eradication. Energy, water, communications and meteorology, transport and the regional body that deals with tourism (RETOSA) are all placed under the DIS. Figure 4 demonstrates the organisational chart of the DIS.



**Figure 4: Directorate of Infrastructure and Services (Organ. Chart)**

### **Heads of State and Governments Action on Infrastructure**

To emphasise the need for infrastructure, the heads of state and governments of the Member States and the President met in Zambia in August 2007. The meeting appreciated the link between regional economic integration and infrastructure, agreed on the minimum targets. Members also discussed issues regarding the minimum infrastructure requirements for customs union and common market, the current state of regional infrastructure, the current regional investment gaps, and the proposed SADC strategy to accelerate regional infrastructure development.

### **2.4.2 Regional Indicative Strategic Development Plan (RISDP) and Objective of the Energy Sector**

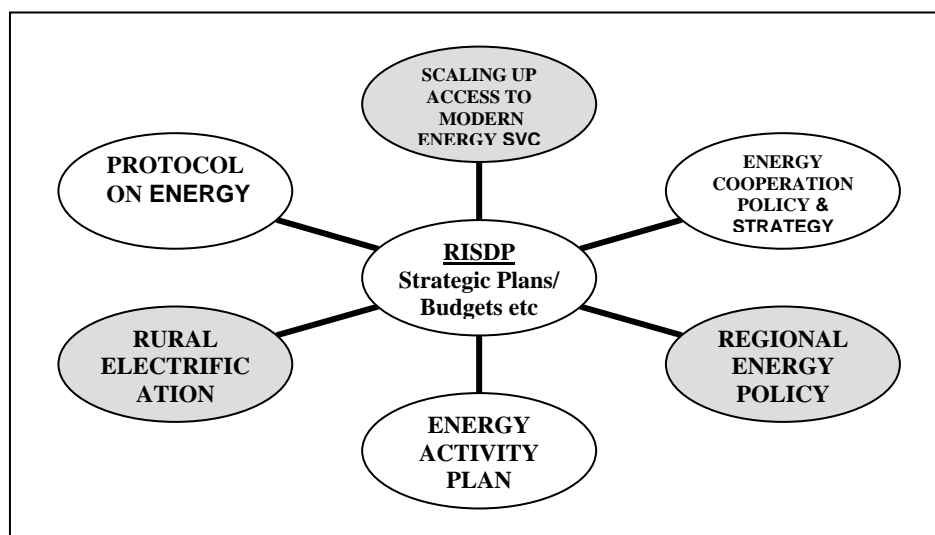
This is a tool being used in the SADC Secretariat as a strategic plan for SADC programmes and activities. It is the strategic document that is being used in the SADC Secretariat. It

provides a comprehensive view of SADC economic and social development policies and priorities over the next fifteen years. The overall objective of the energy sector is to ensure the availability of sufficient, reliable, least cost energy services that will assist in the attainment of economic efficiency and the eradication of poverty whilst ensuring the environmentally sustainable use of energy resources. All programmes and projects of SADC aim to achieve this objective.

### **2.4.3 Energy Sector Instruments: Achievements and Challenges**

Apart from the RISDP that is being used as the main instrument for SADCs programmes, the Protocol on Energy is the document, which forms the legal basis for cooperation in the energy sector by the Member States. There is the Energy Cooperation Policy and Strategy, which identifies the five areas of cooperation that needs to be achieved including energy trade, information exchange etc. There is also the Energy Activity Plan, which outlines the programmes that need to be undertaken in order to achieve the overall objective. The current Energy Activity Plan was from 2000 to 2005. This Plan was not fully implemented. Currently the Plan is being reviewed and efforts are being made to get a new plan up to 2010. The instruments indicated in white background in Figure 5 are being reviewed.

The presenter emphasised that the instruments in grey background: Rural Electrification; Regional Energy Policy; and Scaling up Access to Energy Services are considered very important to SADC, but are not available at the regional level. It is noted that Member States are undertaking rural electrification projects at the national levels and these have great impacts on the power supply capacity because the rural electrification programmes are not moving in tandem with the power generation capacity within SADC. It is realised that it is very important for SADC to have a Regional Energy Policy (white paper) to direct and provide a regional framework in addition to the various national energy policies of the Member States. Finally, Scaling-up Access to Modern Energy Services is emerging in SADC and it is realised that access to energy services contribute to the agenda for poverty reduction. SADC is making efforts to procure these three instruments.



**Figure 5: Energy Sector Instruments**

#### **2.4.4 SADC Energy Protocol**

The SADC energy protocol was signed at Maseru in August 1996 and came into force in 1997. It has the following principles: energy for economic growth; poverty eradication; improve standards of living; collective self reliance; gender balance; cost sharing; environmental sustainability; conducive environment for private sector; and harmonisation of policies and strategies.

#### **2.4.5 Energy Priorities**

SADC's energy priority is to overcome the diminishing installed surplus capacity and strengthen the operations of the Energy Division. SADC is making the effort to deepen the integration process through the implementation of the Energy Protocol and the Energy Activity Plan. It is also providing guidance to the Southern Africa Power Pool (SAPP) on the implementation of the RISDP and the SAPP Plan. Currently three countries are not yet connected to the power pool, namely Malawi, Tanzania and DR Congo.

SADC facilitates through the Regional Electricity Regulatory Association (RERA) to establish a conducive environment for investment in the power sector through the creation of national electricity regulatory authorities in the SADC Member States. Furthermore, SADC facilitates and coordinates the establishment of regional stakeholder associations in the areas

of petroleum, coal and natural gas, new and renewable energy sources. From time to time, SADC undertakes joint programming of projects with international and continental bodies dealing with energy issues e.g. the African Energy Commission, the World Energy Council, the Africa Energy Information Forum, UN, etc. And finally undertake resource mobilization in partnership with potential ICPs and the private sector investors. Norway, which is the lead partner supports the energy thematic group (established in 2006) by linking the SADC Secretariat with potential donors and ICPs in the energy sector.

#### **2.4.6 Energy Programmes, Projects and Other Developments**

Current energy programmes running include the transmission expansion plans under the SAPP, which has a Pool Plan they are trying to implement. The Western Corridor Project (WESTCOR) is a new project, which links five countries together and the SADC Regional Energy Planning Network (REPN), which was an information exchange network. This was initially supported by the Belgium government, but came to an end in 2006. It was however agreed by the energy ministers that the programme should be revived and sustained. SADC has a Programme for Biomass Energy Conservation in the region (ProBec), which is supported by GTZ, EU and the Dutch government. SADC has received a new EU contribution aimed at getting more Member States on PROBEC. Currently it is being implemented in 8 of the 14 countries. Under the new EU funding, 3-4 countries are being reached out.

Additionally, SADC is looking at Biofuels Initiatives because it is generating new excitement. Other programmes include the Regional Petroleum and Gas Association (REPGA) and the SADC Biofuels task force, which is a parallel initiative supported by the UK government to build the capacity of the Secretariat to look at issues on Biofuels. The other development is the revived Energy Ministers Meeting, which was held in April 2007. In order to look at ways of solving power-related issues in the SADC region, an emergency meeting of the Ministerial Task Force (MTF) on energy was organised on 21 February 2008. Key recommendation of the MTF are outlined below.

### **2.4.6 SADC Power Challenge**

The SADC region is experiencing a supply deficit exacerbated by the following:

- economic growth of more than 5% in most of the SADC member countries
- new mining companies being established in the SADC region in the last few years.
- most utilities not viable - cost of new generation 5-8 USc/kWh *vis a vis* average selling price of 3-4 USc/kWh.
- inadequate investments in the energy sector
- lack of generation and transmission infrastructure over the last 20-years.
- rural electrification programmes have partly contributed to the increased consumption and demand.

#### **Way Forward**

The way forward for SADC, is to:

- address the current diminishing generation capacity
- explore further use of RE for power generation
- improve joint planning, financing and implementation of infrastructure
- establish ring fenced project implementation team for infrastructure projects
- forge closer cooperation and linkages with the AU, NEPAD and the Regional Organisations (ROs)
- strengthen capacity in the energy sector – Programme Officer in Place
- assist Member States to speed up internal processes of establishing electricity regulators
- explore possibility of a sector wide regional energy regulatory association
- collaborate with the Utilities to initiate demand side management
- explore other generation technologies.

#### **National Initiatives**

At the national level, there are a lot of projects being implemented including rural electrification projects, donor funded renewable energy projects with much focus on stand alone solar photovoltaic systems. But, attention should also be focused on the development and promotion of other cost-effective renewable energy sources for increasing access to energy services for underserved communities. There are also a lot of cookstove programmes

being implemented in some of the countries. Lastly there are energy funds in Malawi, South Africa for the promotion of energy access.

## **2.5 Common Market for Eastern and Southern Africa (COMESA)**

### **2.5.1 Background**

The presenter from COMESA could not participate in the workshop and therefore his paper was presented by the programme manager of the EUEI PDF. The presenter gave a brief summary of COMESA's energy activities. He mentioned that COMESA is a trade organisation comprising of 19 countries with diverse cultural and social backgrounds. COMESA emerged as a result of the Lagos Plan of Action (1980) and the Abuja Treaty (1991), which define the road map towards the building of the African Economic Community (AEC). Today, it is considered to be one of the building blocks of the AEC.

COMESA focuses on trade and will launch a new programme to build a common market and intends to establish a customs union by the end of 2008. The customs union will lead the region to the creation of a Common Market and a number of market-oriented programmes. COMESA has also been promoting regional trade and capacity building. They also engage in the development of harmonised standards. The main activities of the Secretariat include policy and regulatory harmonisation, trade facilitation, development of regional energy infrastructure, capacity building and cooperation with other regional organisations (SADC, EAC etc)

### **2.5.2 COMESA's Energy Programme**

The COMESA Secretariat is facilitating the establishment of the energy programme in agreement with the COMESA Treaty. The energy programme seeks to develop a collaboration in the development of energy resources among member states with the aim of securing supplies of energy to the region at affordable prices. Towards this end, a study was carried out on the status of energy in the COMESA region. The study has identified that energy policy and regulatory harmonisation, development of regional energy infrastructure, joint procurement of petroleum products and trade in electricity should be the main priority focus areas that the regional energy programme should address.



### **2.5.3 Policy and Regulatory Harmonisation**

One interesting thing in the area of energy policy that is done by COMESA is that they develop Model Energy Policy Framework. These are guidelines which are used by the Member States to develop their own energy policy under a harmonised framework. The Model Energy Policy Framework provides outline of contents, ensures security of supply, supply, demand and cross-cutting issues and serves as a framework with flexibility for national adaptation. The COMESA Secretariat is also facilitating the creation of a Regional Association of Energy Regulators. Under this association issues concerning legislation, regulation, capacity building and promotion of interconnections and regulation of energy trade would be dealt with.

### **2.5.4 Standards to Facilitate Energy Trade**

In terms of standards they have done quite a lot already. These include standards for electrical supply and appliances and standards for petroleum products with the intention that this will beef up free trade in energy products.

### **3. AFRICA-EU ENERGY PARTNERSHIP**

#### **3.1 Background**

The presentation on the Africa-EU Energy Partnership was jointly done by representatives of the AU Commission and the European Commission. In October 2006 in Brazzaville, Congo, the AU-EU Troika meeting suggested a comprehensive energy partnership between AU and EU within the long-term framework for structured political dialogue and cooperation. Towards this end, a number of paths or directions were proposed: strategic European Energy Review (SEER) with strong external dimension, which includes the importance of integrating energy in development cooperation; joint presidency discussed in the Commission's Background Paper in Berlin, Maputo and Accra meetings in March 2007; Council conclusions in May 2007 support the Energy Partnership and outline the key elements; Agreement with AU Commission in June 2007 on the key elements; and adoption of the Energy Partnership as part of the AU-EU strategic partnership.

The overall objective of the partnership is to: (1) develop an effective Africa-EU dialogue on energy access and energy security for both continents; (2) achieve improved access to reliable, secure, affordable, climate friendly and sustainable energy services; and (3) achieve increased European and African investments in energy infrastructure in Africa, including promotion of renewable energy and energy efficiency.

##### **3.1.1 Actors and Finance**

The following actors are identified to play key roles in the partnership:

- AU Commission / NEPAD, African States, ROs, AFREC and other African Energy Institutions
- European Commission, EU Member States
- Private Sector (companies & utilities), AfDB, EIB, IFIs, energy centres, civil society
- African local authorities

Possible sources of finance include the following :

- Integrated framework of EU financing instruments
- Contributions from African states, the AfDB, etc.

- Private sector investment

### **3.2 Integrated Framework of EU Instruments Behind the Energy Partnership**

The main elements of the EU instrument behind the energy partnership include:

- Infrastructure Partnership and Trust Fund: continental and inter-regional scale
- Regional Indicative Programmes of the 10th EDF (COM funds)
- National Indicative Programmes of the 10th EDF (COM funds)
- Energy Facility (COM and, possibly, MS) funds: local scale

Other resources to support the partnership include:

- DCI Thematic Programme (ENTRP)
  - Capacity for management of energy resources ('COOPENER II')
  - Contribution to the Extractive Industries Transparency Initiative
  - Contribution to the Global Gas Flaring Reduction Initiative (GGFRI), also in Africa
  - Global Energy Efficiency and Renewable Energy Fund (GEEREF)
- Africa-EU Partnership on Climate Change
- Bilateral programmes and other initiatives of MS, including the EUEI Partnership Dialogue Initiative (PDF)

### **3.3 Energy Facility**

#### **3.3.1 Energy Facility (1) - Regional Projects**

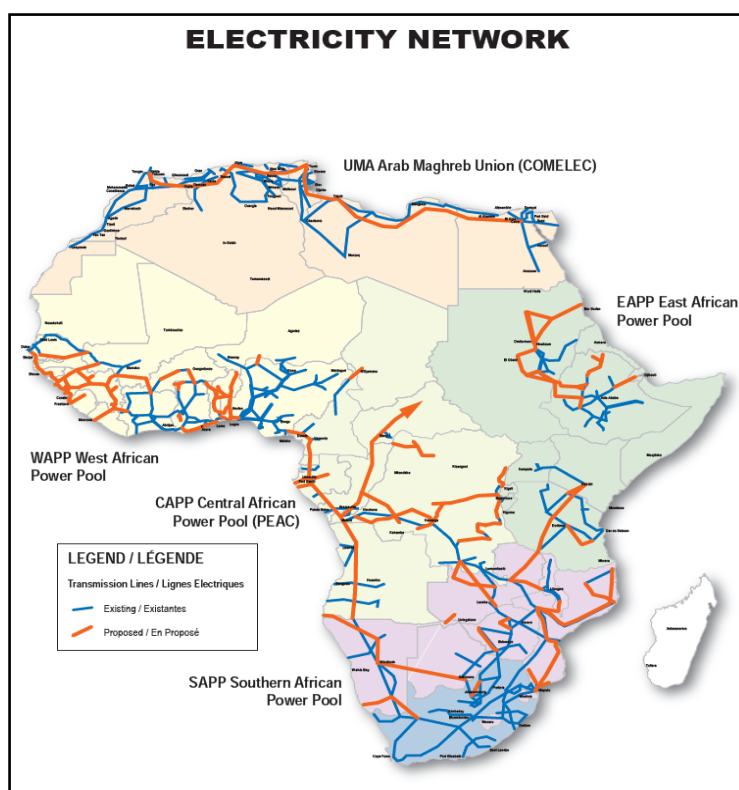
Examples of regional projects being carried out under the energy facility (I) include:

- 1. Liberia (with WAPP)** - installation of power supply in Liberia to provide energy also in Ivory Coast.
- 2. CEMAC** - contribute to the regional action plan on energy access:
  - intensive peri-urban electrification
  - planning of the energy sector
  - coordinated development of hydro power

**3. UEMOA** – involvement in the implementation of Information Systems, to: (i) strengthen the capacity of the Energy Ministries for decision making; and (ii) contribute to the strategic multi-country planning at the regional level.

### 3.3.2 Energy Facility (II) – Outside the Call for Proposal

The programme focuses on strengthening the African Forum for Utility Regulators (AFUR) and the power pools, namely the East African Power Pool (EAPP), Central African Power Pool (CAPP), Southern African Power Pool (SAPP), and West African Power Pool (WAPP). Figure 6 is a map of Africa showing the infrastructural partnership among the Power Pools. Other instruments include studies and strategic planning, creation of cross-border framework, undertaking of new initiatives on transfer of know-how and capacity building. With regard to the AFUR, the following issues and areas are of key concern: study of power markets; training for regulators on economic issues and quality of services.



**Figure 6: Electricity Network – Power Pools**

## 4. EMERGING ISSUES AND WORKING GROUP DISCUSSIONS

### 4.1 Emerging Issues

At the end of the various presentations, issues centering on targets, capacity development, learning across the ROs, subsidies on electricity tariffs and the linkage between energy access and other programmes (power pools, nuclear energy etc.) emerged for discussion.

- *The issue of targets, capacity development and linkages:* It was understood that due to the link between access to energy services and the Millennium Development Goals (MDGs), all the ROs have basically the same targets.
- *On capacity development:* it was admitted that the ROs are facing capacity constraints, but are also being assisted by the specific agencies such as SAPP, WAPP etc. For example WAPP employs about 12 professionals who are being paid by the utilities because they derive some benefits from them. Such specialised agencies are there to minimise capacity constraints. Capacity development should be related to targets and should focus on various stakeholders. EACs strategy for capacity development is to train the private sector, NGOs, local contractors, financiers, consumers etc to render specific energy services. It was also pointed out that, there is the lack of a *working model of capacity development* at both national and regional levels and this should be a source of concern.
- *On the issue of learning from each other:* it was mentioned that ECOWAS and other ROs are interested to learn the Model Energy Policy Framework from COMESA. Again, the SADC approach in which Southern Africa Development Bank is working with SADC is of keen interest. ECOWAS intends to set up a project development unit and this will be based in the bank to facilitate the development of bankable projects.
- *The issue of subsidies:* It was noted that some countries are subsidising tariffs on electricity. For example, in the CEMAC region, Gabon has a pricing system in which electricity is subsidised for the poor. Within the energy plan of actions of CEMAC, it is planned to reverse the trend of electricity subsidies. One of the alternative actions is that by removing subsidies consumption will be reduced. In this regard, there is the need to have a reasonable price difference between market energy price and political energy price. The discussion on tariffs and subsidies revealed a range of opinions, with some insisting on the need for lifeline tariffs for low consumption levels for the

poorest, though this clearly needs to be balanced by the need to avoid subsidising higher income groups.

## 4.2 English Speaking Working Group

From the discussion held within this working group, the respective roles of the Regional Organisations (ROs) at the regional and national levels are listed in Table 3.

**Table 3: Roles at the Regional and National levels for Increasing Energy Access**

<u>Regional level</u>	<u>National level</u>
<ul style="list-style-type: none"> <li>▪ Development of regional markets &amp; projects</li> <li>▪ Complementary activities</li> <li>▪ Mobilise additional funds</li> <li>▪ Agenda setting including peer pressure at the national level</li> <li>▪ Monitoring and evaluation of projects</li> <li>▪ Identification &amp; information on best practices</li> <li>▪ information exchange</li> <li>▪ Facilitation and joint planning</li> <li>▪ Share of resources</li> </ul>	<ul style="list-style-type: none"> <li>▪ Key role in implementation of projects</li> <li>▪ Creation of the enabling environment for investment including tariffs setting and the establishment of relevant policies and regulatory frameworks</li> <li>▪ Contribution to regional activities</li> <li>▪ Establishment of Multi-sectoral working groups including the ministry of finance</li> </ul>

The working group also agreed that the role of ROs in the implementation of the Energy Partnership include:

- Prioritization of regional projects to be funded with EU support
- Bundling national markets to attract EU investment
- Acting as an interface between Member States and AU
- Facilitating identification of issues as well as challenges to be addressed at the national level.

A question was posed regarding Enabling environments for investment and how these could be developed to include investment frameworks, harmonisation of policies, strategies and legal frameworks and need for policy models as in COMESA. It was felt that doing this

could help to integrate markets more at the regional level and continental levels. With reference to the COMESA model it was suggested that a possible option for Africa in the long term could be based on a model of regional integration policy development in Europe where directives are given at the EU level and implemented at the national levels.

Implementation at the regional level is an issue because most implementation is at the national level so the regional level needs to focus more on evaluation and synthesis. Regional level has more to do with facilitation, as opposed to implementation, and it is important to highlight this wherever possible. One view was to agree on implementation at the national level, facilitation at regional level and coordination at the continental.

### **4.3 French Speaking Working Group**

With regard to the possible role of the ROs in the implementation of the Africa-EU Energy Partnership, the group identified the following 5 major items:

- Appropriation –better implementation, better follow up and sensitization for ownership;
- Adoption and adaptation of the partnership with the view to developing energy policies and strategies for scaling up the energy market.;
- Coordination of activities in governance and also qualitative approach;
- Serving as facilitator for a wide range of actors including national institutions, special categories of consumers and the private sector; and
- Undertake monitoring and evaluation of the partnership through the development of indicators since the partnership must be realised through implementation of projects and programmes

The group also came up with the following as the respective roles of ROs at the regional and national levels for increasing energy access:

- National level is the operational level, where organisations have the duty to develop legislations and where they can relate more specifically to implementation issues at national level, and this involves conceptualisation of plans and implementation strategies.
- Regional level has no territory to execute projects and therefore there is more activity at the conceptual level with the development of larger-scale projects and definition of major policy orientations building on the concepts developed at national level.

#### **4.4 Synthesis of Issues Raised in Working Groups**

There were some discussions in the two working groups on the following issues:

- Possible role of Regional Organisations in the implementation of the Energy Partnership.
- Respective roles at regional and national levels for increasing energy access
- Achievements / implementation by the ROs since Berlin.

It was agreed in both working groups, that:

- The ROs should serve as facilitators for a wide range of actors, namely, national institutions, special categories of consumers and the private sector.
- The ROs should play critical roles in the implementation and review of the partnership with the view to developing energy policies and strategies for bundling national energy markets to attract European investment for efficient provision of infrastructure and services.
- Regional level is for coordination, joint planning, conceptualisation of plans and strategies, and sharing of lessons across countries while the national level being the operational level should focus on implementation with adequate attention to creating the enabling environments a wide range of actors to implement projects.
- The AU should act as a coordinator between the different regions to ensure that experiences are shared across regions and projects and policies are in harmony with continental priorities.

## 5. CONCLUSIONS AND RECOMMENDATIONS

The workshop discussed a number of issues that emerged from the recent experiences of the ROs and the Africa-EU Energy Partnership in the development and implementation of energy access strategies. Drawing from the presentations some underlying themes and challenges common to all the ROs emerged and were discussed to identify opportunities for future cooperation. Some key conclusions drawn from the workshop include the following:

- Most of the participants agreed that the ROs are doing well. The ROs have succeeded in increasing donor interest and are attracting donor support. However, a lot needs to be achieved. There is the need for self organisation, capacity building and effective coordination of programmes. The ROs are to ensure that national level strategies and action plans are effectively implemented; and
- Scaling-up access to modern energy has been successful in several countries. Nevertheless, there are some pressing challenges including power shortages, increasing price of fuel, etc. The various countries of the ROs are not at the same level in terms of access to energy services. Some countries are pursuing implementation of energy access projects and programs with a sense of urgency while others are not. Finally, the importance of exchange of experiences among the ROs was highlighted.

### Key Recommendations

From the perspective of the workshop participants, the following recommendations are made:

1. The capacity of the ROs' Secretariats or Commissions to coordinate energy activities needs to be increased in all cases if they are to play the necessary role in promoting energy access in their Member States;
2. There is the need for the EU to accelerate the support for projects on regional infrastructure networks and services in Africa (one estimate was that about US\$ 20 Billion/year will be needed to finance infrastructure projects in Africa);
3. There is the need for proper preparation of bankable projects for financing with what is happening in ECOWAS where a project development unit is established in a regional bank being an example that other regions could emulate;
4. The Model Energy Policy Framework developed by COMESA, which provides guidelines for energy policies at national level, should be considered by the other ROs as a way of speeding up the creation of favourable energy policy environments in the regions; and

5. A 3rd Workshop on Regional Activities for Increased Energy Access in SSA, which ECOWAS has proposed to host in Abuja, Nigeria, should be organised at the end of this year in line with requests made by the workshop participants.

## Annex



Partnership Dialogue Facility (EUEI PDF)

### Draft Agenda

## 2<sup>nd</sup> Workshop on Regional Activities for Increased Access to Energy in Sub-Saharan Africa on April 15, 2008 in Dakar, Senegal

*Venue: Dakar, Senegal. Le Meridien President Hotel*

#### ***Objective of the workshop:***

***To learn from recent experiences of Regional Organisations in the development and implementation of energy access strategies, and to identify opportunities for cooperation***

- 08:30 - 09:00 Registration
- 09:00 - 09:30 Welcome note and introduction to the workshop purpose and programme  
*Ray Holland, EUEI PDF*  
*Moderator: Abeeku Brew-Hammond, KNUST-Ghana*
- 09:30 - 09:50 Implementation of the EAC-Energy Access Strategy  
*Peter Kinuthia, EAC*
- 09:50 - 10:10 SADC's ongoing and planned energy access activities  
*Odala Matupa, SADC*
- 10:10 - 10:40 Discussion on EAC & SADC
- 10:40 - 10:55 Coffee Break
- 10:55 - 11:15 Implementation of the ECOWAS/UEMOA White Paper on Energy Access and plans for the Regional Agency for Energy Access  
*Mahama Kappiah, ECOWAS*
- 11:15 - 11:35 Implementation of the CEMAC Energy Access Action Plan including the successful proposal on peri-urban electrification to the ACP-EU Energy Facility  
*Pierre Yete, CEMAC*
- 11:35 - 12:05 Discussion on *ECOWAS & CEMAC*
- 12:05 - 12:20 COMESA's energy programme with discussion  
*Seif-Elnasr Mohamedein, COMESA*
- 12:25 - 12:45 Discussion on roles of Regional Organisations (Ros) in increasing energy access

- 12:45 - 14:00 Lunch
- 14:00 - 14:30 Presentation on the Africa-EU Energy Partnership  
*Philippe Niyongabo, African Union Commission*  
*Rainer Hakala, EUEI Secretariat, European Commission*
- 14:30 - 14:50 Questions and discussion on the Energy Partnership
- 14:50 - 16:20 Working Groups
- Possible role of ROs in the implementation of the Energy Partnership
  - Respective roles at regional and national level for increasing energy access
  - Achievements/ implementation by ROs since the EUEI PDF Workshop in Berlin
- 16:20 - 16:30 Coffee Break
- 16:30 - 17:30 Presentation of the results of the working groups followed by discussion
- 17:30 - 18:30 Wrap-up of workshop outcomes
- 19:00 Reception

## List of Participants

	<b>Name</b>	<b>First name</b>	<b>Organisation</b>
1	Moderator: Brew-Hammond	Abeeku	KNUST-Ghana
2	Assistant: Obeng	George	KNUST-Ghana
3	Bacela	Pascoal	FEMA
4	Coche	Laurent	UNDP
5	Dabiré	Dabayornibé	ECOWAS
6	Hakala	Rainer	EUEI Secretariat
7	Hancock	David	GTZ ProBEC
8	Holland	Ray	EUEI PDF
9	Huepfl	Rudolph	Austrian Development Agency
10	Kappiah	Mahama	ECOWAS
11	Kinuthia	Peter	EAC
12	Konate	Ibrahima	UEMOA
13	Mackenzie	Gordon	GNESD
14	Matupa	Odala	SADC
15	Mayer-Tasch	Lucius	EUEI PDF
16	Monga	Pradeep	UNIDO
17	Nhacale	Laura	FEMA
18	Niyongabo	Philippe	African Union Commission
19	Nork	Celia	EUEI PDF
20	Otieno	David	GTZ
21	Ulvila	Ismo	EU delegation Senegal
22	Yete	Pierre	CEMAC