



High-Level Meeting of the Africa-EU Energy Partnership Bulletin

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SUMMARY OF THE FIRST HIGH-LEVEL MEETING OF THE AFRICA-EU ENERGY PARTNERSHIP (AEEP): 14-15 SEPTEMBER 2010

The first High-Level Meeting (HLM) of the Africa-EU Energy Partnership (AEEP) took place on 14-15 September 2010, in Vienna, Austria, to discuss energy access, energy security and renewable energy. The meeting was co-organized by the: African Union (AU) Commission; European Commission (EC); Federal Ministry for European and International Affairs, Austria; Federal Ministry for Economic Cooperation and Development (BMZ), Germany; and Government of Mauritius. The HLM of the AEEP brought together over 300 participants, including ministers, ambassadors and other high-level decision-makers from 21 European and 23 African countries, and commissioners from the AU and the EU, as well as academics, business leaders and members of civil society from across Africa and Europe.

On Tuesday, the AEEP meeting began with opening statements, followed by a panel discussion on political targets for energy access, security and renewables in 2020. Participants then heard three keynote addresses and convened in three panel discussions addressing: the future of the AEEP; the role of technology; and politics and markets. High-level participants also: endorsed the HLM Declaration and the AEEP Road Map, outlining the AEEP's 2011-2013 programme of work; and launched the Africa-EU Renewable Energy Cooperation Programme (RECP), aimed at enhancing industrial and business cooperation in the energy sector between the two continents. On Wednesday, Kandeh K. Yumkella, Director-General, United Nations Industrial Development Organization (UNIDO), delivered a keynote address. This was followed by an extensive, interactive debate on scaling-up access to modern energy services in Africa. Closing remarks were delivered by Irene Freudenschuss-Reichl, Director-General for Development Cooperation, Federal Ministry for European and International Affairs, Austria.

Main themes during the HLM included: the need to recognize energy as one of the keys to achieving the Millennium Development Goals (MDGs); the role of public and private sector finance and new financial instruments; the importance of a stable energy supply for economic and industrial development; the need for capacity building and knowledge creation on the potential of renewables; the role of policies and institutions in shaping stable and conducive investment environments; and the special attention needed to supply energy to the poor.

A BRIEF HISTORY OF RENEWABLE ENERGY RELATING TO AFRICA AND EUROPE

Renewable energy is emerging as a fundamental requirement for addressing the challenges posed not only by climate change, but also by economic growth. It is also viewed as an essential foundation for meeting the needs of the rural poor. With an estimated 1.6 billion people still lacking access to electricity, decentralized renewable energy production will enable more people to gain access.

There has therefore been an emerging focus in the international dialogue regarding renewables on the need to scale-up sustainable and renewable energy both regionally and globally. Since the UN Conference on Environment and Development in 1992 in Rio de Janeiro, Brazil, various UN organizations and agencies have been active on this issue, and numerous international conferences and forums have been held.

Most recently, the International Renewable Energy Agency (IRENA) was created in January 2009, and ratified into existence as an international organization in July 2010. IRENA's objectives are to provide an international institutional framework to consolidate policy efforts and facilitate information sharing to catalyze the transition toward a renewables-based society.

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Finally, in both Africa and the European Union (EU), significant efforts have been made to increasingly incorporate renewable energies into regional energy and development policies. Below is a short list of the most relevant policies and events relating to renewables usage in, and between, the two continents.

G8 AND RENEWABLE ENERGY: In July 2000, the Group of Eight (G8) leading industrialized countries established the Renewable Energy Task Force to identify actions to promote a change in the supply, distribution and use of renewable energy in developing countries. In 2001, the Task Force concluded that renewable energy resources can sharply reduce local, regional and global environmental impacts, as well as energy security risks. It suggested that concerted action be undertaken by the G8, other countries, the private sector and international financial institutions to implement its recommendations. At the Gleneagles Summit in July 2005, the G8 issued a joint statement in which world leaders announced a global dialogue on climate change, clean energy and sustainable development. In 2009, the International Partnership for Energy Efficiency Cooperation (IPEEC) was signed.

WSSD: The World Summit on Sustainable Development (WSSD) convened in August-September 2002, in Johannesburg, South Africa. WSSD participants adopted the Johannesburg Plan of Implementation (JPOI), which addresses renewable energy in several of its chapters. Regarding sustainable consumption and production patterns (Chapter III), governments agreed to substantially increase the global share of renewable energy sources, with the aim of raising the contribution renewable energy makes to total energy supply “with a sense of urgency.” The JPOI also addresses renewable energy issues in text on poverty eradication (Chapter II), small island developing States (Chapter VII) and Africa (Chapter VIII).

EUEI: Established at the WSSD, the EU Energy Initiative for Poverty Eradication and Sustainable Development (EUEI) exists as part of the EU-ACP (Africa, Caribbean and Pacific) Energy Facility. It will disperse EUR 420 million for the promotion of modern, affordable and sustainable energy services in rural and peri-urban areas by 2013.

AEEP: The Africa-EU Energy Partnership (AEEP) was launched in Lisbon, Portugal, in December 2007, during the second Africa-EU Summit. The Africa-EU Joint Strategy and Action Plan was established, creating a framework for structured political dialogue and cooperation on four broad areas of joint strategic importance: peace and security; governance and human rights; trade and regional integration; and key development issues. The AEEP is one of eight strategic partnerships that emerged from the Africa-EU Joint Strategy and Action Plan, and currently focuses on three key areas: energy access; energy security; and renewable energy.

EU RENEWABLE ENERGY DIRECTIVE: Adopted in April of 2009, the EU Renewable Energy Directive commits EU Member States to ensure that 20% of their energy comes from renewable sources by 2020, in efforts to improve energy security and competitiveness, and to combat climate change. Its aim is to maintain the EU’s global leadership in renewable energy technologies. However, it states that the EU will undoubtedly be required to import some of this capacity, and, as a result, inter-regional renewable energy projects between Africa and the EU have begun to take shape.

PIDA: The Programme for Infrastructure Development in Africa (PIDA), developed by the African Union Commission, the New Partnership for Africa’s Development (NEPAD) Secretariat and the African Development Bank, came into existence in July of 2010. PIDA aims to improve access to integrated regional and continental infrastructure networks, and has a program to identify priority renewable energy projects for investment.

REPORT OF THE MEETING

WELCOME AND OFFICIAL OPENING

On Tuesday, 14 September, Michael Spindelegger, Federal Minister for European and International Affairs, Austria, welcomed participants on behalf of the co-chairs: Elham M.A. Ibrahim, African Union (AU) Commissioner for Infrastructure and Energy; Günther Oettinger, EU Commissioner for Energy; Andris Piebalgs, EU Commissioner for Development; Devanand Virahsawmy, Minister of Environment and Sustainable Development, Mauritius; and Gudrun Kopp Parliamentary State Secretary, German Federal Ministry for Economic Cooperation and Development (BMZ). Spindelegger declared that energy development is a precondition for economic development and social progress, as well as important for meeting the challenges of global security, climate change and the MDGs. He said the time has come to transition to more sustainable energy systems that support development in developing countries, can supply energy to nine billion people by 2050, and function within green economies. Emphasizing that Europe is already facing the consequences of climate change in the form of increasing energy imports, he suggested that European cooperation with Africa on renewables is also an issue of energy security.

Devanand Virahsawmy, Minister of Environment and Sustainable Development, Mauritius, called for a lasting strategic partnership on reliable solutions for energy challenges. Stressing the lack of access to modern energy systems in many African countries, he said regional or continental approaches, rather than local approaches, are needed to help to reduce costs and guarantee a sustainable



Devanand Virahsawmy, Minister of Environment and Sustainable Development, Mauritius



Michael Spindelegger, Federal Minister for European and International Affairs, Austria, welcoming AEEP participants on behalf of the co-chairs



L-R: Michael Spindelegger, Federal Minister for European and International Affairs, Austria; Elham M.A. Ibrahim, AU Commissioner for Infrastructure and Energy; Günther Oettinger, EU Commissioner for Energy; and Teneng Mba Jaithe, Deputy Minister for Petroleum and Mineral Resources, the Gambia

energy supply. Virahsawmy emphasized that economic and energy integration must help improve allocation of financial resources, and that the AEEP's focus should be on innovative financial and institutional schemes, and creating synergies.

SHAPING THE FUTURE - POLITICAL TARGETS FOR ENERGY ACCESS, ENERGY SECURITY AND RENEWABLE ENERGY IN 2020

Suggesting that "partnership" is the key word of the conference, Christoph Leitl, President, Austrian Federal Economic Chamber, conveyed a "message from the private sector" to participants. He stressed that governments must bring actors together and formulate clear targets, and that companies can help to realize these targets through contributing know-how and capacity. Stating that many projects in Africa are ripe to be implemented, highlighting hydropower, geothermal, biomass, solar and wind energy projects, he invited participants to discuss concrete project ideas.

Günther Oettinger, European Commissioner for Energy, emphasized the importance of the AEEP in achieving the MDGs. He said that the AEEP offers Africa a chance to develop differently than Europe did, and that the AEEP Road Map identifies key policy gaps and areas to promote action through clear political targets. He said stable energy services are essential to economic progress, and that Africa has a wealth of natural resources, which must be mixed with the proper know-how to produce win-win solutions to meet its energy needs. Oettinger then highlighted the EU Renewable Energy Directive's effects externally, such as the DESERTEC solar initiative, and said it has spurred other renewable initiatives across Africa as well.

Elham M.A. Ibrahim, AU Commissioner for Infrastructure and Energy, noted that innovative financing mechanisms and institutions are needed to realize the goal of bringing modern energy services to an additional 100 million Africans by 2020. She said that the AEEP must work in synergy with other programs and partnerships.

KEYNOTE ADDRESSES: FACING THE FUTURE - AN ENERGIZING PARTNERSHIP

In his keynote address, Simon D'Ujanga, State Minister for Energy and Mineral Development, Uganda, highlighted that, although the AEEP targets represent an enormous challenge, the MDGs cannot be achieved without meeting

them. He noted, however, that the goal of 10,000 megawatts (MW) of hydropower represents only 3.3% of the continent's potential and should be increased. He also said that natural gas flaring is incomprehensible on a continent where energy is so desperately needed. D'Ujanga then highlighted his country's progress on energy, noting that, currently, in 2010, just under 10 percent of Uganda is electrified, compared to only 1 percent in 2001. He then outlined Uganda's Renewable Energy Policy, explaining that feed-in tariffs have helped create a predictable business environment, and that providing draft power purchase agreements for small projects has helped reduce transaction costs. He closed by noting the importance of regional integration in addressing undersupply emergencies, and bringing about a more reliable and less expensive power supply.

Stating that energy access is key to development, Gudrun Kopp, Parliamentary State Secretary, BMZ, Germany, said that the AEEP efforts on improving energy access have made an important contribution to realizing the strengthened cooperation called for in the 2007 EU-Africa Lisbon Strategy. She suggested that, although current energy situations are very different in Africa and the EU, future challenges will nevertheless be similar, highlighting climate change, energy security and the dependence on fossil fuels. She said possible solutions can be used by both, pointing to diversification of energy sources, cross border energy networks, massive expansion of renewable energies and enhancing energy efficiency.

In his keynote speech, Dammipi Noupokou, Minister of Mines and Energy, Togo, said electricity has become a primordial factor for national economies, and that improved energy access can contribute to reducing poverty and achieving the MDGs. He emphasized that providing energy is a political task, and called on governments to play a stronger role without rejecting public-private partnerships (PPPs), which need clearly set rules to succeed. Noting that Africa has sufficient resources for energy production but that these are not adequately distributed, he called for stronger cooperation between countries. He shared experiences from the West African Power Pool, which set up an energy network with an independent operator.

In the ensuing discussion, numerous African participants expressed concern that many of the AEEP's targets seem too low. One European participant noted that the targets and Road Map should have been more explicitly related to the MDGs. He also commented that the HLM Declaration lacks transparency and clarity on financing facilities and institutions, and that there should be a distinction between financing facilities for Northern and Sub-Saharan African countries. Many African participants also requested that efforts be stepped-up, urging that increased talk must be translated into increased action. A North African participant noted that energy exploration and exploitation policies, especially liability and contingency policies, must be reevaluated in light of the



recent BP oil spill, and that multinational corporations need to improve their corporate social responsibility in order for the AEEP's objectives to be achieved.

ENDORSEMENT OF THE HLM DECLARATION AND THE AEEP ROAD MAP

Participants then endorsed the HLM Declaration and the AEEP Road Map. The Declaration commits partners to achieving, *inter alia*, the following targets by 2020:

- bringing access to modern and sustainable energy services to at least an additional 100 million Africans;
- increasing electricity interconnections both within Africa and between Africa and the EU;
- doubling the use of natural gas use in Africa, and exports to the EU; and
- building 10,000 MW of new hydropower facilities, at least 5,000 MW of wind power capacity, and 500 MW of all forms of solar energy capacity, as well as tripling the capacity of other renewables.

The endorsement of the HLM Declaration also formally launched the Africa-EU Renewable Energy Cooperation Programme (RECP), which, by 2020, aims to, *inter alia*:

- strengthen the renewable energy industry and markets in Africa;
- assist in developing and implementing renewable energy policies and measures to enable increased investment in Africa; and
- promote market-oriented renewable energy research, education and technology transfer.

The AEEP Road Map specifies the aims of the AEEP's future work, in line with the HLM Declaration and the RECP, and is a "living document" that is meant to be updated over time.

RENEWABLE ENERGY IN AFRICA - FROM VAST POTENTIAL TO A RELIABLE ENERGY SOURCE?

Tumi Makgabo, independent consultant, moderated these panel discussions.

CHALLENGES AHEAD: LAUNCH OF THE AFRICA-EU RENEWABLE ENERGY COOPERATION PROGRAMME (RECP) – A LONG-TERM (POLITICAL) COMMITMENT: Andris Piebalgs, European Commissioner for Development, lamented that, while agreement exists on the importance of energy access, development is slow on the ground. He said determined and coordinated action is needed to exploit sustainable sources quickly before fossil energies are introduced to meet rising energy demand. He said that, although Africa possesses vast untapped energy resources, these are not accessible to remote areas and, therefore, both



independent, small-scale renewables as well as large, grid-connected plants must be pursued. Piebalgs said development funding could catalyze the mobilization of private funds, suggesting instruments such as loan-grant blending and risk-sharing facilities, and supportive actions, such as research, capacity building and technical training. Noting that the EU has already mainstreamed energy efficiency and renewable energies in its own policies, he said the challenge is now to mainstream sustainable energy into development planning, and stressed the need to ensure that this would entail real benefits at the local and community level.

Kiraitu Murungi, Minister of Energy, Kenya, highlighted technical and financial challenges in developing renewables, such as the high cost of solar panels, knowledge gaps on wind energy potential, and exploration risks of geothermal energy. He presented government initiatives to meet these challenges, such as a public geothermal development company, and capacity building and training programmes for engineers.

Responding to questions from participants, Piebalgs noted that energy development is often a top-down process, and that government intervention is needed in Africa more than elsewhere to overcome bottlenecks. Supported by Murungi, he emphasized the role of governments in providing financing and security for long-term and large-scale investments, which are beyond the capacity of the private sector.

Murungi then announced that France and Kenya have formed the Paris Nairobi Initiative for access to renewable energies and invited interested parties to attend its launch on 18 November 2010.

DEVELOPMENT OPTIONS: TECHNOLOGICAL SOLUTIONS – FROM XS TO XXL?: Olivier Ngororabanga, Project Manager, Rural Energy Promotion (REPro), Rwanda, discussed lessons learned from a micro-hydropower PPPs, which produces an average of 52,022 kWh/month and benefits 1,813 people. He found that the preconditions for investment in this case included: government support; entrepreneurial spirit; project development capacity; and availability of bank loans. Challenges included: high investment costs; high loan costs from local banks; limited engineering capacity for studies, design and commissioning of equipment; high import costs associated with small quantities of necessary technologies; and lack of former private companies to learn from.

Max Schön, member of the Supervisory Board, DESERTEC Foundation, and President, Club of Rome, Germany, talked about DESERTEC, a consortium supporting development of a range of renewable energy projects in the world's deserts. He said that within six hours, the sun delivers as much energy to the world's deserts as is globally consumed in a year, and that it is now possible to transport energy from these regions over 1,000 km with only a 3% loss. He said DESERTEC is an initiative bringing together industry, civil society, academia and politicians. He stated that in order for the AEEP's aspirations to become a reality, drastic increases in education of young renewable energy experts is imperative.

Joining the group for a panel discussion, Alemayehu Tegenum, Minister of Mines and Energy, Ethiopia, said that his country is currently developing 10,000 MW of energy to be used regionally. Also joining the discussion, Gilbert Tshiongo Tshibinkubula wa Tumba, Minister of Energy, Democratic Republic of the Congo, said that despite massive domestic efforts to increase energy production to give access to 75 percent of the population by 2025, his country does not have the resources and current aid is insufficient to achieve this goal.

1st High Level Meeting of the Africa-EU Energy Partnership

September 2010, Vienna, Austria



Panel discussion on “Technological Solutions - From XS to XXL.” L-R: Tumi Makgabo, moderator; Gilbert Tshiongo Tshibinkubula wa Tumba, Minister of Energy, DRC; Alemayehu Tegenu, Minister of Mines and Energy, Ethiopia; Olivier Ngororabanga, Project Manager, REPro, Rwanda; and Max Schoen, Club of Rome Germany/DESERTEC.

Schön noted that only two years ago, the German government had expressed no interest in DESERTEC and the initiative was forced to search for private support despite the fact that it began in Germany. He also noted that while Morocco had no renewables planning two years ago, today plans for radical increases are underway. He underscored that Morocco and other developing countries are now moving much faster than Europeans. He said that this new constellation of actors and new actor structures demand new ideas and strategies on how to achieve renewable energy goals. Ngororabanga said that overcoming the first-mover challenges for small-scale energy is related to two factors, which give investors and participants faith that the project will be long term and worth investing in: adequate financial support; and possessing the necessary management skills.

MAKING IT HAPPEN: POLITICS AND THE MARKET – TAILORING THE FRAMEWORK FOR IMPLEMENTATION: Elizabeth Dipuo Peters, Minister of Energy, South Africa, said 75 percent of her country’s people have access to energy, but reaching the remaining 25 percent presents significant hurdles, as they reside in hard-to-reach rural areas or informal settlements. She indicated her country is putting special emphasis on improving energy efficiency, representing the lowest of the low-hanging fruit. She noted that South African President Jacob Zuma has demanded that 30 percent of new energy investments be in independent power producers.

Kurt Lonsway, Division Manager, Environment and Climate Change, African Development Bank (AfDB), spoke about numerous AfDB energy investment programmes in the Climate Investment Funds, the Global Environmental Facility and CleanDev, among others. He said these include concessional and non-concessional financing and technical assistance, and that AfDB projects are intended to be scalable, with future funding expected to come from private sources after the project’s potential is initially illustrated.

Jean-Yves Grosclaude, Director of the Technical Department, French Development Agency (AFD), spoke about renewables and energy efficiency in Kenya. He said the AFD

assisted in gathering USD 30 million for projects in these areas by bringing interested banks together to provide financing. He noted, however, that as this money is being dispersed, it is apparent that small and medium enterprise (SME) borrowers are not only interested in loans, but capacity building as well. He said technical assistance must take into account regional and state demands, and then adapt to them. Grosclaude concluded by pointing out that finding financing is often not the problem, but finding shared definitions and shared visions, is.

Responding to participants’ comments, Dipuo Peters said that “electricity is the oxygen of socioeconomic development,” and the major stumbling block for Africa is the prohibitively high cost of technologies that could enable wider energy access. On home-grown solutions, she spoke about landfill gas and a new concentrated solar initiative, but, again, said that costs are prohibitive.

Lonsway described the soon to be implemented Sustainable Energy Fund for Africa, which will aim to combat the high transaction costs that inhibit small-scale projects from getting off the ground. Grosclaude said first and foremost, the goal of the AFD is to create jobs.

REFLECTIONS FROM HEADS OF DELEGATION FROM AEEP COUNTRIES

Jean-Louis Borloo, Minister for Ecology, Energy, Sustainable Development and Sea, France, noted energy’s cross-cutting nature. He stated that debates on the environment, development and climate change all address the subject of energy, and that the gap between rich and poor cannot be closed without addressing energy access. He called for ensuring that emerging sources of financing stemming from the 15th session of the Conference of the Parties to the United Nations Framework Convention on Climate Change (UNFCCC COP 15), which took place in Copenhagen, Denmark, in December 2009, are used for issues such as energy and deforestation. He emphasized that innovative financing is needed to ensure that processes like REDD



Jean-Louis Borloo, Minister for Ecology, Energy, Sustainable Development and Sea, France

(reducing emissions from deforestation and forest degradation) move forward. Calling for affordable energy access for all, he stressed that energy is not merely the business of energy companies, but the business of international solidarity as well.

Suggesting that African countries are among the richest in renewable energy potential, Hungary expressed support for the Great Green Wall Project and the Green

Sahara Project. Morocco pointed to the importance of regional cooperation and innovative financing to meet rising energy demands in African countries due to population growth.

Chad called for a stronger focus on using energy to reduce poverty, saying the abundant availability of renewable energies in his country that remain unexploited should be seen as a great opportunity. The Democratic Republic of the Congo called for clear financial commitments by European countries and certainty on what the steps forward will be.

Emphasizing that the greatest challenge to sustainable economic development is insecure energy access and supply, Malawi said Africa needs to move faster on increasing per capita clean energy consumption. Benin stressed the importance of adequate energy at affordable costs for creating jobs and reducing poverty, and said the conference should be used to reach out for project cofinancing. Portugal welcomed the AEEP as an opportunity for sharing experiences.

Sierra Leone lamented that the HLM Declaration does not address the issue of equity. He called for positive discrimination in favor of the least developed countries, which face greater power deficiency challenges than other developing countries.

Libya said significant work is required in the short term to achieve objectives outlined in the declaration, but that the targets for energy access are very conservative given the current number of people lacking access to energy.

TUESDAY'S CLOSING REMARKS

In his closing remarks, Aboubakari Baba-Moussa, Director for Infrastructure and Energy, AU Commission, thanked participants and summarized the day's exchange of ideas. He highlighted, *inter alia*: commitment to strengthening cooperation on energy issues; the importance of the RECP for the AEEP; the importance of technology transfer for renewable energy realization in Africa; and the desire on the part of some participants that the AEEP develop a set of innovative finance mechanisms for renewable energies. He announced a conference of African energy ministers to be held in Maputo, Mozambique, 1-5 November 2010, which will launch the first Energy Week in Africa and assess the HLM Declaration.



Kandeh K. Yumkella, Director-General, UNIDO

WEDNESDAY'S OPENING SESSION

On Wednesday, 15 September, Kandeh K. Yumkella, UNIDO Director-General, delivered the keynote address. Presenting the findings of the UN Secretary-General's High-Level Energy and Climate Change Advisory Group, Yumkella emphasized that enhancing energy supplies to meet basic needs is crucial but not enough, as focusing on the installation of solar panels "will only shine poverty" on Africa. He said it is crucial to enhance energy capacity to increase production and growth, and noted that energy shortages are a main barrier to industrial development. He said companies face huge costs in organizing their own energy supplies, and blackouts are ruinous to the food industry.

Addressing the lack of investor interest in some countries Yumkella stressed the importance of enhancing the number of project proposals from governments, and urged EU countries to offer support in capacity building and designing and implementing demonstration projects. He called for using the vast energy resources available in many African countries to diversify economies and create stable growth and wealth production, highlighting the energy needs for commercializing agriculture to achieve food security. In closing, he urged participants not to focus on barriers and problems in Africa, but to ask how the continent can "ride the new green energy wave" and participate in energy innovation that could lead to the next industrial revolution.

Emmanuel Buah, Deputy Minister of Energy, Ghana, pointed to his country's improving energy access and his government's aim of reaching 100% of the population by 2020. He highlighted a new energy bill, aimed at making renewables competitive and attracting private sector investments, and a green energy fund to be implemented with bi- and multilateral partners. Buah emphasized the role of regional integration for energy development and expressed hope that the AEEP can help to meet many of the challenges that African countries face.



Emmanuel Buah, Deputy Minister of Energy, Ghana

Ali Ahmed Osman, State Minister of Petroleum, Sudan, spoke about his country's achievements with conventional and non-conventional energy sources. He said that, in strengthening cooperation between African and EU countries, it is crucial to, *inter alia*: formulate tangible policies; enhance capacity building and training; intensify technology transfer; encourage local companies to engage in the area of renewable energies; share experiences between African countries; and mobilize financial resources.

ACCESS TO ENERGY - HOW TO REACH ANOTHER 100 MILLION PEOPLE? A MODERATED DEBATE

This debate included introductory statements on each topic, followed by comments from participants. Each round began with a statement or question from moderator Ilona Eichhorn, independent consultant, to elicit reactions from participants.

WHAT IS MORE IMPORTANT TO PRIORITIZE: URBAN OR RURAL ELECTRIFICATION? Mahama Kappiah, Executive Director, ECOWAS Regional Centre for Renewable Energy and Energy Efficiency (ECREEE), suggested that the success of the mobile phone industry in Africa, which began in cities and spiraled outwards, should be used as an example for electrification.

Nebojsa Nakicenovic, Professor of Energy Economics, Vienna University of Technology, and Deputy Director of the International Institute for Applied Systems Analysis (IIASA), argued for prioritizing rural electrification, saying millions of lives could be saved by halting the use of indoor biomass-fueled stoves.

In the ensuing discussion, one African participant said that if more urgency were given to rural electrification, many disparities would be alleviated, especially between urban and rural populations, and between women and men. Another African participant said favoring urban electrification ignores the effects energy poverty has on the rural exodus, which exacerbates urban poverty and other urbanization problems. Another participant recalled that Africa remains a rural continent and electrification needs to begin there.

A number of African participants stressed that both urban and rural electrification must be given equal attention. A North African representative noted that electrification does not play as significant a role in urbanization as some had indicated, stating that people migrate to find work and electricity must go to productive areas first.

One European participant noted that maps, tools and detailed demographic information are needed before large-scale electrification can take off, and that assistance should be given in that regard. Two African participants noted that general information in these areas already exists in their countries.

Kappiah summarized by saying both rural and urban electrification must be given priority. He said that investments of USD 10 billion per year, not much considering how much governments currently spend on energy subsidies, could build up about 60,000 MW capacity in the coming two decades.

THE POOREST OF THE POOR "PROBLEM": Robert van der Plas, Director, Marchéage et Gestion de l'Environnement (MARGE), asked participants for ideas on how to improve the provision of energy to the poorest segments of society, emphasizing that the debate should not be about biomass, but about electrification, which often excludes the poor. He said it was his belief that only by changing modes of thinking is it possible to bring modern energy services to the poorest households, because adding them to existing grids is not normally an option.

During the discussion, one European participant stressed that the poorest need assistance in earning more income, and energy service provision should be organized around this goal. Kappiah said that the poorest pay the most per kilowatt, and addressing this injustice must be a priority. One participant shared an example from Ghana where latrines were used to both improve sanitation and electrify a village using biogas.

Another European participant said that rural areas should be reframed as markets to become attractive for private investors. An African representative said subsidies cannot be the answer because governments do not have money for them. A European participant responded that even if access is there, the poorest cannot pay for it without assistance. Two African participants then cited examples where electrification has catalyzed wealth production for the poorest of the poor. Van der Plas closed the session by noting the divisions that remain on the issue.

WHO SHOULD BE THE DRIVER: PUBLIC OR PRIVATE ACTORS?: Albert Butare, CEO, Fatracs, and former Minister of State for Energy, Rwanda, lamented the



Albert Butare, CEO, Fatracs, and former Minister of State for Energy, Rwanda

long, protracted bureaucratic problems private companies both face, and initiate themselves, when attempting large-scale infrastructure projects.

Franz Marré, Head of Division for Water, Energy and Urban Development, BMZ, Germany, underscored that SMEs, not multinational corporations, will likely drive growth. He stressed the need for clear rules and roles within societies and economies, including for government as well, so they know

when to step back.

One European participant from the private sector said that companies need to feel safe in order to invest, and that governments must work with the private sector to better understand what they have to offer one another.

An African participant agreed, but warned that governments should avoid the temptation of getting into production themselves. Another African representative recalled 10 years of

negotiations over a dam project between his government and a private company, after which the government lost faith in the private sector to assist in developing infrastructure. One North African participant commented that PPPs must be considered as well.

One European participant declared that companies need to adapt their technologies to the situation in African countries, and should see this as a chance for innovation. Another European private sector participant said governments must stop thinking about profit as bad, stating that the private sector needs profits for good reasons such as repairs, upgrading and expansion. An African participant then asked for assistance in forming reference cost information, in order to provide clarity on the cost of business for prospective investors, and for governmental understanding of what types of subsidies are needed and when they should be removed.

Butare closed by saying that, because time is of the essence, governments should take the initiative and make large initial investments in public projects today, and, in the interim



Franz Marré, Head of Division for Water, Energy and Urban Development, BMZ, Germany



AU and EU Commissioners with ministers from Africa and the European Union

improve the environment for private investment with the long-term goal of private take-over. Merré added that more private, commercial style thinking is needed in the public sector.

On sustainable performance contracts, Guido Glania, Secretary General, Alliance for Rural Electrification, noted that most governments provide incentives for setting up energy installations but do not address the continued operation. He called for “smart subsidies” that incentivize the energy supply over many years. One African participant added that sustainability of the energy supply can be enhanced through local capacity building, especially in remote areas.

HOW CAN WE GET MORE BANKABLE PROJECTS?

Philippe Niyongabo, Head of Energy Division, Department of Infrastructure and Energy, AU Commission, suggested that sufficient bankable projects exist to achieve the objective of energy access for an additional 100 million Africans by 2020. He called for closing gaps between the number of projects needed and those available now through partnerships, expertise, appropriate taxes and financial mechanisms.

In the ensuing discussion, one African participant suggested that so called “bankable projects” in many cases are rather “wish lists,” adding that appropriate financial analysis is crucial but would not be delivered by the private sector. Another lamented that many bankable projects in Africa fail to gain finance due to “arrogant preconditions” on the finance side. One participant from an intergovernmental organization lamented the absence of an assessment of the required energy mix within countries in the debate, saying that governments should produce such information as they are responsible for taking decisions as well.

Summarizing the discussion, Niyongabo noted that some participants felt that not enough bankable projects exist while others disagreed. He suggested that governments build capacity to be in a better position to negotiate with the private sector.

Summarizing the access to energy debate as a whole, Butare noted that participants’ emotional engagement illustrated their passion for their countries’ welfare. He highlighted participants’ calls for, *inter alia*: investing in urban settings as economic centers and rural areas to improve socioeconomic development and living standards; and governments to take the lead on high-level investments before incorporating the private sector by introducing more favorable investment environments.

CONCLUDING REMARKS

Emphasizing that the AEEP HLM was the first ministerial meeting of any of the eight African-European partnerships agreed upon in Lisbon in 2007, Irene Freudenschuss-Reichl, Director-General for Development Cooperation, Federal Ministry for European and International Affairs, Austria, thanked participants for making it a “resounding success” and closed the meeting at 12:55 pm.



Irene Freudenschuss-Reichl, Director-General for Development Cooperation, Federal Ministry for European and International Affairs, Austria

UPCOMING MEETINGS

Millennium Development Goals Summit: The UN General Assembly made the decision to convene a high-level plenary meeting on accelerating progress to achieve all the Millennium Development Goals (MDGs) by 2015, taking into account progress made through a review of successes, best practices, lessons learned, obstacles and opportunities, and leading to concrete strategies for action. **dates:** 20-22 September 2010 **venue:** United Nations Headquarters **location:** New York, United States of America **www:** <http://www.un.org/en/mdg/summit2010/>

Major Economies Forum on Energy and Climate: The Forum on Energy and Climate will be held at the level of leaders' representatives. It will continue dialogue among major developed and developing economies to make progress in meeting the climate change and clean energy challenge, and to advance the exploration of concrete initiatives and joint ventures that increase the supply of clean energy while cutting greenhouse gas emissions. **dates:** 20-21 September 2010 **location:** New York (New York), United States of America **www:** <http://www.state.gov/r/pa/prs/ps/2010/09/147130.htm>

International Energy Efficiency Forum and Workshop on Investments in Energy Efficiency and Renewable Energy Projects: The Forum will combine an assessment of energy efficiency (EE) and renewable energy (RE) policy and legislative frameworks with the analysis of international best practices, focusing on ways and means of financing EE and RE investments. **dates:** 28-30 September 2010 **location:** Astana, Kazakhstan **contact:** National Organizing Committee **fax:** (7-7172) 740 800 **e-mail:** reg@mced6.org **www:** http://www.unece.org/energy/se/docs/eneff_AstanaEEForum_Sept10.html

AWG-KP 14 and AWG-LCA 12: The fourteenth session of the *Ad Hoc* Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol (AWG-KP 14) and the twelfth session of the *Ad Hoc* Working Group on Long-term Cooperative Action under the Convention (AWG-LCA 12) will convene to continue their work. **dates:** 4-9 October 2010 **location:** Tianjin, China **contact:** UNFCCC Secretariat **phone:** +49-228-815-1000 **fax:** +49-228-815-1999 **email:** secretariat@unfccc.int **www:** <http://unfccc.int>

Seventh African Development Forum on Climate Change and Development: The overall objective of this Forum is to raise awareness and mobilize effective commitment and actions on the part of stakeholders and partners at all levels to effectively mainstream climate change concerns into development policies, strategies, programmes and practices in Africa. **dates:** 10-15 October 2010 **location:** Addis Ababa, Ethiopia **contact:** Isatou Gaye **phone:** +251-11 544 3089 **fax:** +251-11 551 4416 **e-mail:** igaye@uneca.org **www:** <http://www.uneca.org/adfvii/>

UNECE Group of Experts on Global Energy Efficiency 21: This meeting will be held in the framework of the project Financing Energy Efficiency Investments for Climate Change Mitigation, which seeks to promote the formation of a market for energy efficiency in 12 Eastern European, South-eastern European and Central Asian countries to reduce greenhouse gas emissions. **dates:** 18-19 October 2010 **location:** Geneva, Switzerland **www:** http://www.unece.org/energy/se/eneff_gee21.html

Delhi International Renewable Energy Conference (DIREC): This will be the fourth global ministerial-level conference on renewable energy and will consist of a ministerial meeting, business-to-business and business-to-government meetings, side events and a trade show and exhibition. **dates:** 27-29 October 2010 **location:** New Delhi, India **contact:** Rajneesh Khattar, DIREC Secretariat **phone:** +91-98717-26762 **fax:** +91-11-4279-5098/99 **email:** rajneeshk@eigroup.in **www:** <http://direc2010.gov.in>

Climate Investment Funds (CIF) Trust Fund Committee and Subcommittee Meetings: This World Bank sponsored meeting will take place in Washington, DC. **dates:** 8-12 November 2010 **location:** Washington, DC **contact:** CIF Administrative Unit **phone:** +1-202-458-1801 **email:** CIFAdminUnit@worldbank.org **www:** http://www.climateinvestmentfunds.org/cif/november_mtg_2010

Sixteenth Conference of the Parties to the UNFCCC and Sixth Meeting of the Parties to the Kyoto Protocol: The 33rd meetings of the SBI and SBSTA will also take place concurrently. **dates:** 29 November to 10 December 2010 **location:** Cancún, Mexico **contact:** UNFCCC Secretariat **phone:** +49-228-815-1000 **fax:** +49-228-815-1999 **email:** secretariat@unfccc.int **www:** <http://unfccc.int>



The AEEP co-chairs with ministers from Africa and the European Union