

April 2021
Africa-EU Energy Partnership

Rapporteur's Summary: EU-Africa Business Forum (EABF) 2021

EABF HIGH LEVEL GREEN TALK ON ACCELERATING THE EU- AFRICA PARTNERSHIP FOR GREEN ENERGY TRANSITION IN AFRICA AND DIGITAL MARKET PLACE FOR GREEN ENERGY TRANSITION

Investing in sustainable energy is fundamental for human and economic development, as envisioned in both the AU Agenda 2063 and the European Green Deal, and as set out in the UN 2030 Agenda for Sustainable Development and its seventeen Sustainable Development Goals. It also underpins the UN Paris Agreement on Climate Change.

In pursuance of these objectives and in the continuance of fourteen years of formal, political partnership between the continents including in the field of energy, prominent representatives from the public and private sector in Africa and Europe convened on 16 April, 2021 for the EU-Africa Business Forum High-Level Green Talk on *Accelerating the EU-Africa Partnership for Green Energy Transition in Africa*. The online event concluded the series of multi-stakeholder Green Talks, initiated by the Portuguese Presidency of the European Council, followed by a Digital Marketplace on 20 and 21 April and culminating in the High-Level EU-Africa Green Investment Forum on 23 April, 2021. This framed the dialogue event within a wider discussion on a green and just transition in Africa. Political actors fruitfully exchanged views with the private sector in order to bridge the energy access gap on the continent. Hosted by the European Commission, the African Union Commission and the Portuguese Presidency of the European Council, and co-organised with the support of the European Investment Bank (EIB), the African Development Bank (AfDB), the Africa-EU Energy Partnership (AEEP) and Friends of Europe, the live-streamed event drew on the work of the Africa Europe Foundation's Strategy Group on Energy and occurred in the lead-up to the launch of the Africa-EU Green Energy Initiative as the two continents prepare for the sixth AU-EU Summit. A total of 2,350 participants from 114 countries registered and [engaged in the conversation](#) via the event's live chat.

KEY MESSAGES OF THE EABF HIGH-LEVEL GREEN TALK:

- The common destinies of Africa and Europe were acknowledged, as was the well-established and successful political and energy partnership between the continents that can help intensify future collaboration
- While recognising the many existing initiatives to boost the green energy transition in Africa, participants highlighted throughout the session the need for close cooperation between stakeholders to achieve big-scale impact and avoid fragmentation. This would require forging strong partnerships at bi-continental and intra-continental level with the private sector, development finance institutions, civil society, academia and authorities. Such partnerships would be essential for raising ambitions to address the formidable challenges of energy poverty, climate change, COVID recovery and the urgency of achieving the Sustainable Development Goals;

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- There is a broad alignment amongst stakeholders on the need to focus on three main modalities to unlock investments and spur the green energy transition:
 - Innovative and de-risking financial instruments
 - Technical assistance and capacity building to enhance regulatory frameworks and encourage energy sector reform
 - Policy dialogue to boost the investment environment

The key is to ensure that these modalities are used in a concerted rather than fragmented manner.
- There is a crucial need for bankable electricity distribution solutions to tackle affordability and access constraints in the poorest and most underserved areas. De-risking instruments, such as the EU-supported ElectriFI, can play a key role in this regard by providing risk capital that would allow projects to get off the ground and become bankable to commercial investors.
- Such de-risking instruments (which already exist in a large number today) must be complemented by appropriate regulatory and policy frameworks to create a conducive environment for private investments
- It is of fundamental importance to address the clean cooking issue, bearing in mind that 900 million people lack access to clean cooking facilities, with severe consequences in terms of indoor air pollution and deforestation.
- The harmonisation and integration of electricity markets on the African continent is crucial to boost efficiency gains. The ongoing collaboration between the African Union Commission and the EU to harmonise the regulatory framework of the electricity market in Africa is a key example on this endeavour. The forthcoming 6th AU-EU Summit represents a key opportunity to formally update and recalibrate collective Africa-EU ambitions towards a sustainable energy future.

PRÉCIS OF INTERVENTIONS AND DISCUSSION

The EABF High-Level Green Talk on *Accelerating the EU-Africa Partnership for Green Energy Transition in Africa* commenced with a welcome from **Tamsin Rose**, Senior Fellow at the Africa Europe Foundation. This was followed by **opening remarks** by **Mr Frans Timmermans**, European Commission Executive Vice-President for the European Green Deal, European Commission, and by **Dr Amani Abou-Zeid**, Commissioner for Infrastructure and Energy, African Union Commission. Both speakers placed - from their unique perspectives - the entire discussion firmly within the nexus of energy-climate and of energy-human-wellbeing, recalling the imperatives of the Paris Agreement and the Sustainable Development Goals. This led to a shared sense of great urgency. Mr Timmermans alluded to the need to act decisively now to avoid armed conflict over food and water in a generation, and Dr Abou-Zeid underlined that climate change could make the devastation of COVID-19 seem like child's play. Both suggested that decisive action can unlock great African advances in human well-being through increased access to sustainable energy services. Mr Timmermans added that this is an ethical and social justice imperative. Dr Abou-Zeid concurred, stressing that the energy poor are real people, family members, brothers and sisters, and that nobody should be left behind. The value of partnership was underlined by both speakers. Mr Timmermans said that the fate of the two continents are joined, even if starting positions may differ. Dr Abou-Zeid pointed to the value of the Africa-EU Partnership and welcomed the opportunity to accelerate it for a green transition. She further underlined the key role of the private sector, the need for natural gas as an African transition fuel in some regions and reported that the African energy transition was already bedded down with the energy ministers of AU Member States. Mr Timmermans shared the EC's hopes for the **Green Energy Initiative** as the vehicle which will carry the continental partnership into a new phase and assured that the EU is ready to put very significant resources behind these ambitions.

Two insightful roundtable discussions then followed, chaired and moderated by **Dr Kandeh Yumkella**, former United Nations Under Secretary General and co-chair of the Strategy Group on Energy under the custodianship of the Africa Europe Foundation. By way of introduction he remarked on the challenge emerging from the opening remarks of the two prior speakers: 600 million Africans without access to sustainable energy services and 900 million without access to clean cooking. Dr Yumkella framed this as a significant business opportunity that would be enhanced by the expected population growth of another billion Africans by 2050. Moving to the esteemed panellists from the public and private sector, he prompted each on a topic of their particular expertise.

Opening the first panel and contextualising the broader discussion to follow, Mr **Francesco La Camera**, Director General, International Renewable Energy Agency (IRENA) underlined the need for an accelerated energy transition to achieve the essential international climate and sustainability goals. Pertaining to Africa, he highlighted that we now have the renewable technologies - the challenge is to implement with the necessary speed. To increase generation capacity he suggested three critical steps: moving past technology discussions towards discussions about equitable human development for economic and social development; evolving energy markets beyond national boundaries (as Africa is starting to do and we begin to see in the context of green hydrogen); and securing private investments through suitable policy environments. He highlighted IRENA's willingness to support African regional power pools in the use of its energy outlook modelling tools.

Mr **Koen Doens**, Director General, International Partnerships, European Commission, emphasised the combined political/economic dimension essential for progress. He stressed climate change as a political imperative also in Africa that would be best advanced by a global and collective mobilisation supporting renewables in Africa. He shared the moderator's conviction that a significant business opportunity is implicit in the African energy transition and drew a link to the African Continental Free Trade Area and industrial development. He reiterated the significant funding of 30 million EUR that the EU would make available in grant funding, particularly towards sub-Saharan Africa where a substantial amount will be allocated to sustainable energy and inclusive partnerships for youth and women.

Bringing deep personal knowledge of policy developments in Africa to the discussion, Mr **Atef Marzouk**, Acting Director of the Department of Infrastructure and Energy, Africa Union Commission, stressed the long history of collaboration between Africa and Europe, noting that the Africa-EU Energy Partnership has been active since 2007 and has enabled the regular definition and implementation of shared priorities. At present, such priorities include the Africa Single Electricity Market and the Continental Power System Masterplan. Mr Marzouk mentioned the AUC's willingness to contribute towards the success of the nascent Green Energy Initiative.

The final two panellists represented the private sector. Mr **Salvatore Bernabei**, CEO, Enel Green Power, picked up on a question raised by Mr La Camera when he pointed out that there is no reason to wait with the African energy transition. He showed that the level of investment required to achieve SDG7 in Africa was of the same order of magnitude as some COVID recovery stimulus packages and infrastructure plans in the OECD. In his opinion, appropriate regulatory frameworks and instruments for de-risking projects will greatly speed up progress and pointed towards the integrated solutions being advocated by the private sector for Africa. Ms **Hela Cheikhrouhou**, CEO, Nithio Holdings, agreed that the private sector has to play a most important role in Sub-Saharan Africa. She highlighted that the number of bankable energy projects is a prominent weak link. She flagged energy end users as being a key life-line for energy distributors, urged the maximisation of digital solutions and lauded the contributions of blended finance and de-risking instruments, such as those the EU has already deployed.

This brought the first panel to a close. An open question from the audience was how resources could be shared across Africa and Europe to ensure the continents work together towards an equitable future.

The second panel included perspectives from the continental development finance institutions. Mr **Ambroise Fayolle**, Vice-President, European Investment Bank (EIB), pointed to the irony and urgency that Africa is set to suffer most from climate change but contributes the least to it. He reminded the audience that the EU is a global leader in renewables and is well positioned to work with Africa. The EIB stands ready to combine technical expertise and financial strength to work with African partners, deploy appropriate financing instruments and crowd in other investments. Dr **Kevin Kanina Kariuki**, his African counterpart and Vice-President, Power, Energy, Climate and Green Growth, African Development Bank (AfDB), picked up on this and agreed that collaboration can underpin this work. His recommendation was to focus on transformative projects and to integrate national and regional power planning processes. This reinforced contributions made by the first panel.

The second panel was opened by Mr **Tarik Hamane**, Executive Director and Head of Development, MASEN, who related the genuinely hope-inspiring story of Morocco's success. In 1996, only 16% of the rural population had access to electricity. Innovative solutions drawing on the active participation of all parties raised this to 98% by 2016. These successes are now being replicated in other African countries, with Morocco spearheading a number of partnerships with other African countries.

The final two respondents discussed thermal and off-grid/distributed energy needs. Dr **Linda Davis**, CEO, Giraffe Bioenergy, stressed the health and human wellbeing importance of clean cooking solutions in Africa, pointing out the dire health effects of the unsustainable status quo. She not only highlighted the urgency of action but also the need for scale and that we should not decouple the energy access and clean cooking debates. Mr **David Lecoque**, CEO of the Alliance for Rural Electrification (ARE), concentrated on the enablers for business investments in the energy sector in Africa, including distribution systems. His view was that the most promising avenues towards meeting 2030 SDG targets are leadership, innovation, cooperation and money. He specifically stressed that stable political and regulatory frameworks are key and urged governments to define the rules of the game but let the private sector work freely within them.

A Q&A involving event participants was then curated by the moderator. Amongst the most important messages was the reiteration that de-risking projects remains essential and that capacity development with project developers is needed. Mr La Camera ended the discussion by stressing once more that clean energy is the future, and that this shared vision and purpose should consistently guide decisions and action by policy makers and investors – in Europe and Africa and beyond.

The event was brought to a close by Mr **Augusto Santos Silva**, Minister of State and Foreign Affairs of Portugal, on behalf of the Presidency of the European Council. His address pointed to the opportunity to evolve the existing continental partnership to meet the challenges of the day. He shared the conviction that a fair and inclusive post-pandemic recovery is key for everyone and that green investments are an opportunity for social and economic development, including jobs and economic diversification. He also stressed the potential of energising local value chains, energy efficiency and increasing productivity. He expressed the hope that the next AU-EU summit will see the green transition prominently on the agenda and concluded by repeating the motto of the Portuguese Presidency: "Time to deliver".