



United Nations
Economic Commission for Africa

ACCELERATING AFRICAN ENERGY PRIORITIES

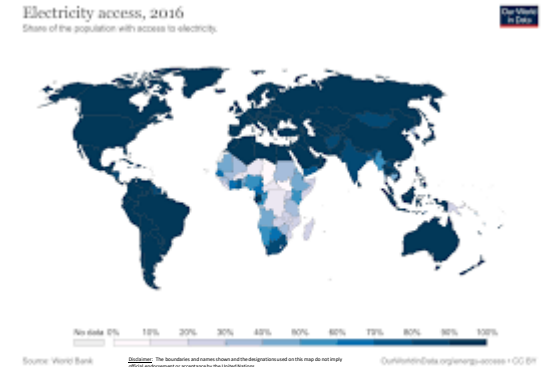
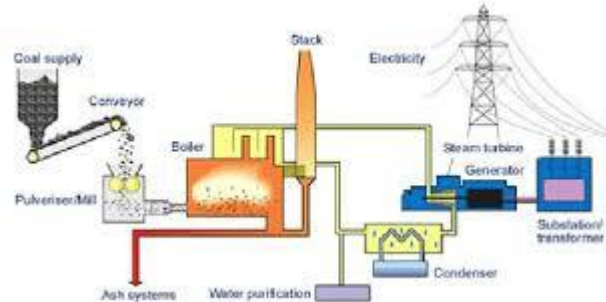
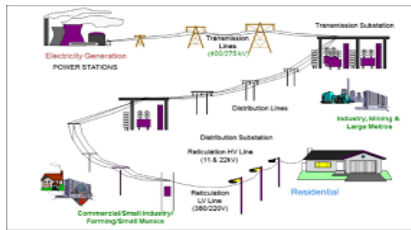
Jean-Paul Adam, Director, Technology, Climate Change and
Natural Resources, UNECA



IdeastoAction

www.uneca.org

AFRICA NOT ON TRACK TO MEET SDG7 TARGETS- WHY?



Limited electricity supply

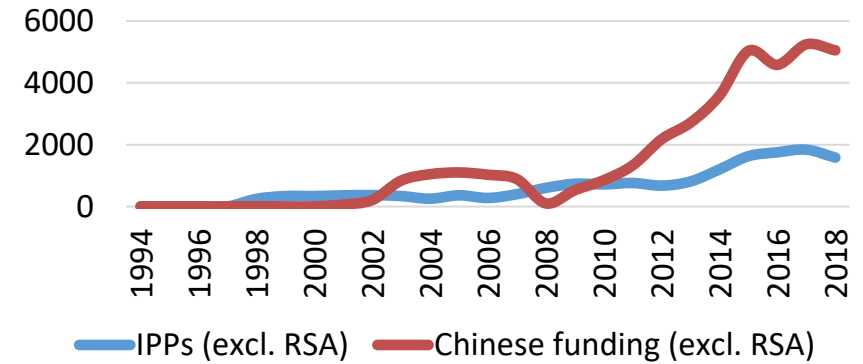
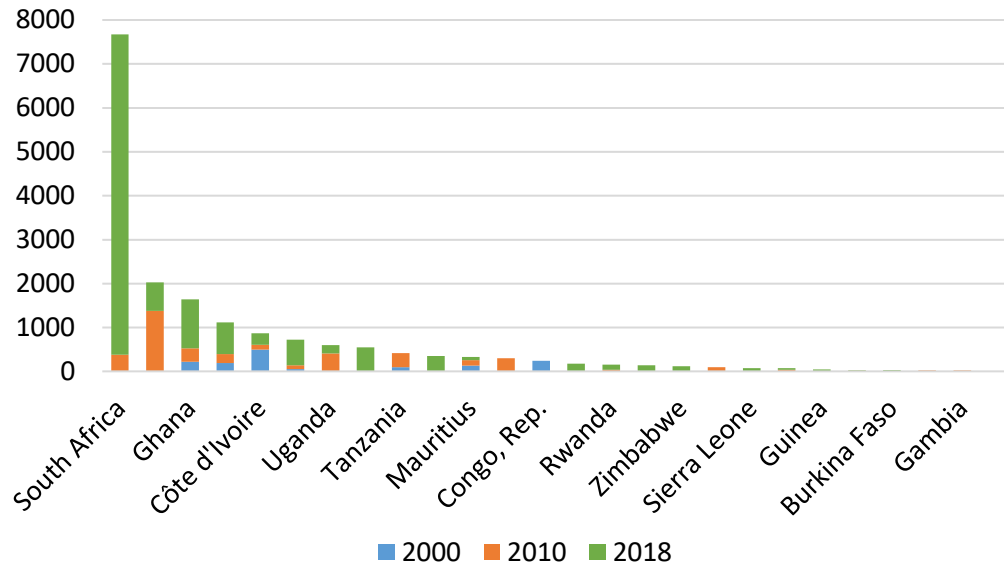
Biomass dominated energy economy esp. in rural areas

- 24 countries have electricity access rates of less than 50%
- Liberia, Malawi, Central African Republic, Burundi, and South Sudan have stagnated or reversed in electricity access
- Nigeria, the Democratic Republic of Congo and Ethiopia have the biggest electricity access deficits

<https://www.iea.org/reports/tracking-sdg7-the-energy-progress-report-2021>



GROWING BUT INSUFFICIENT PRIVATE SECTOR INVESTMENT IN ELECTRICITY GENERATION, TRANSMISSION AND DISTRIBUTION



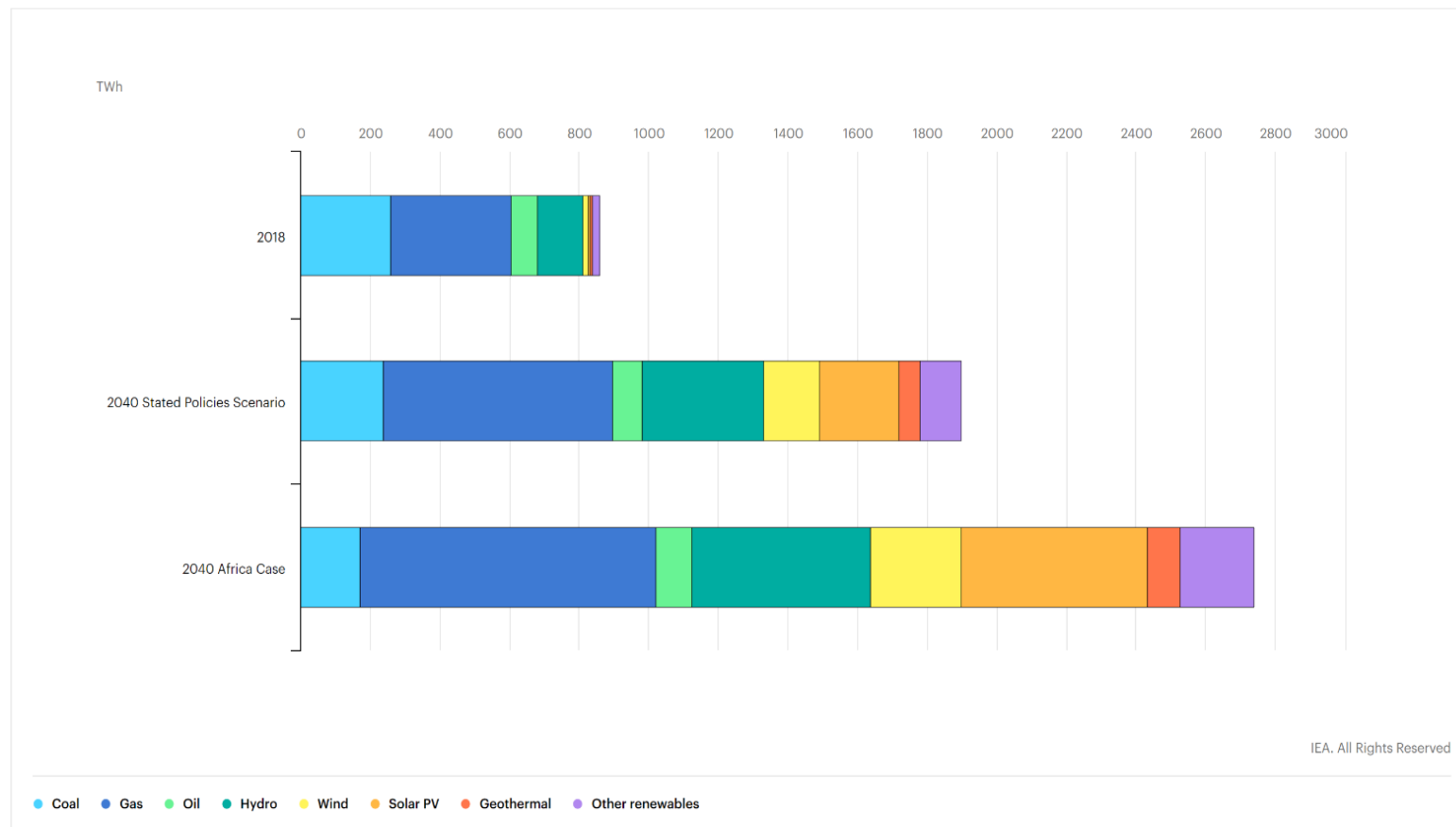
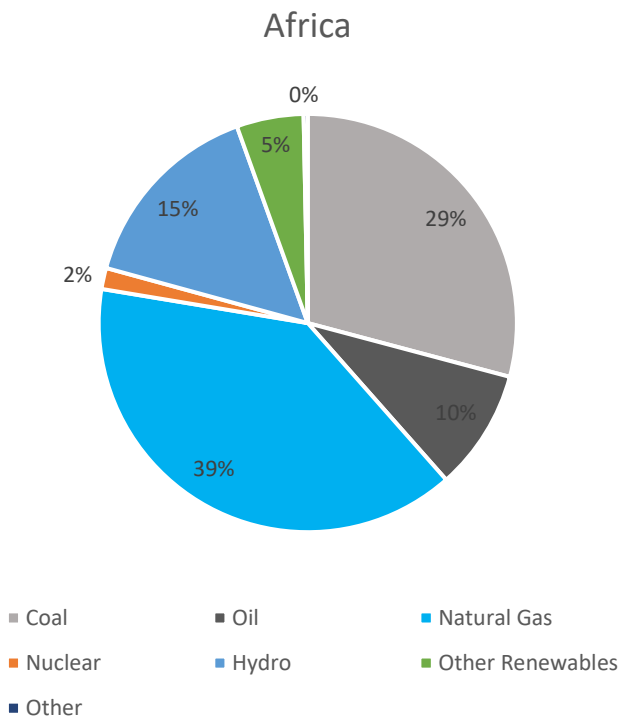
Source: <https://www.sciencedirect.com/science/article/abs/pii/S030142151730308> 7

- Most IPP capacity has been added since 2011
- This reflects policy shifts in power sector reforms particularly electricity generation
- Growing investments but still small vs world average

The IPPs & Chinese funds are now the fastest growing sources of power investments (in US\$ Million – 5 year rolling average, excl RSA)

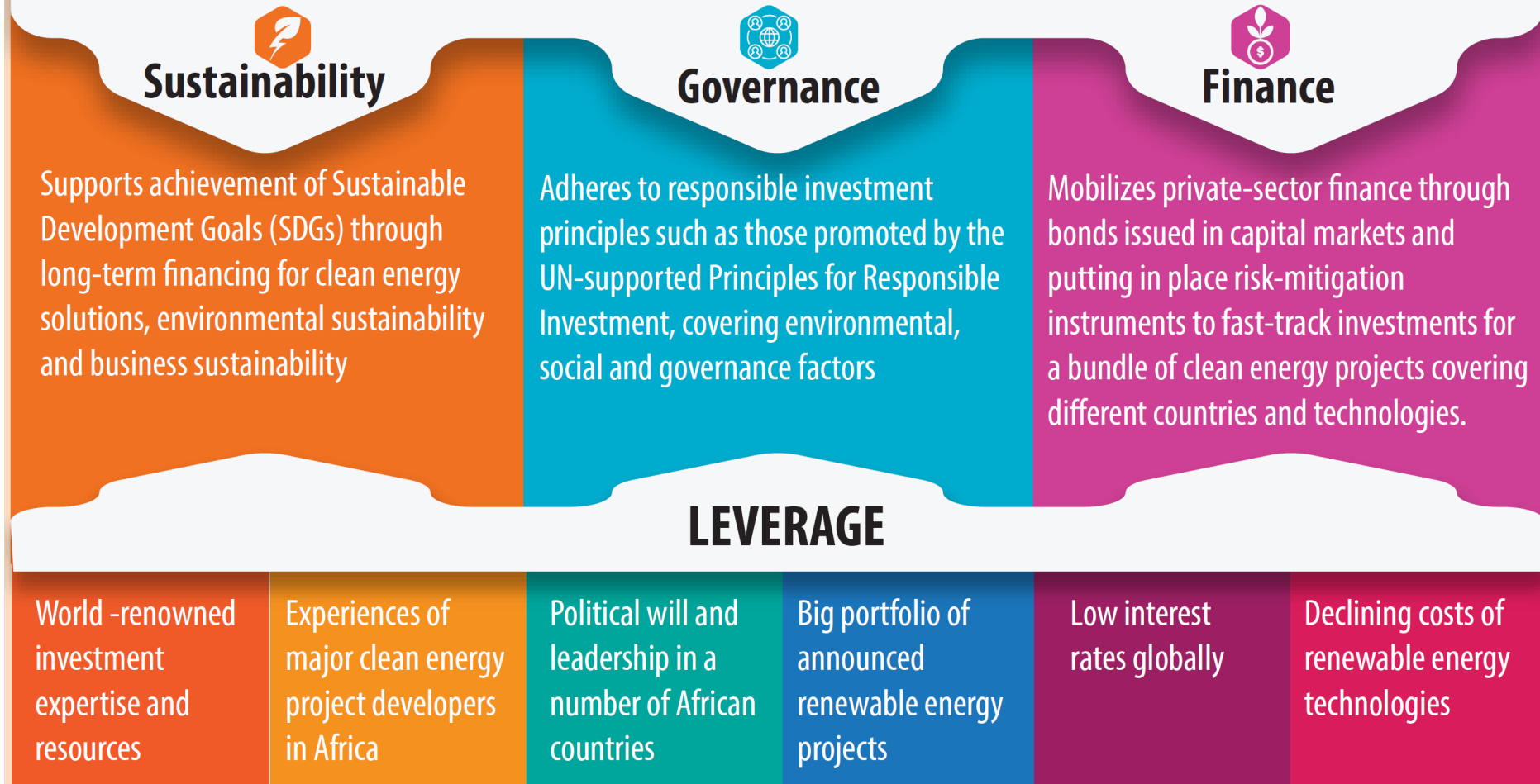


IN AFRICA, NATURAL GAS IS PART OF THE JUST TRANSITION WHILE UPSCALING RENEWABLES



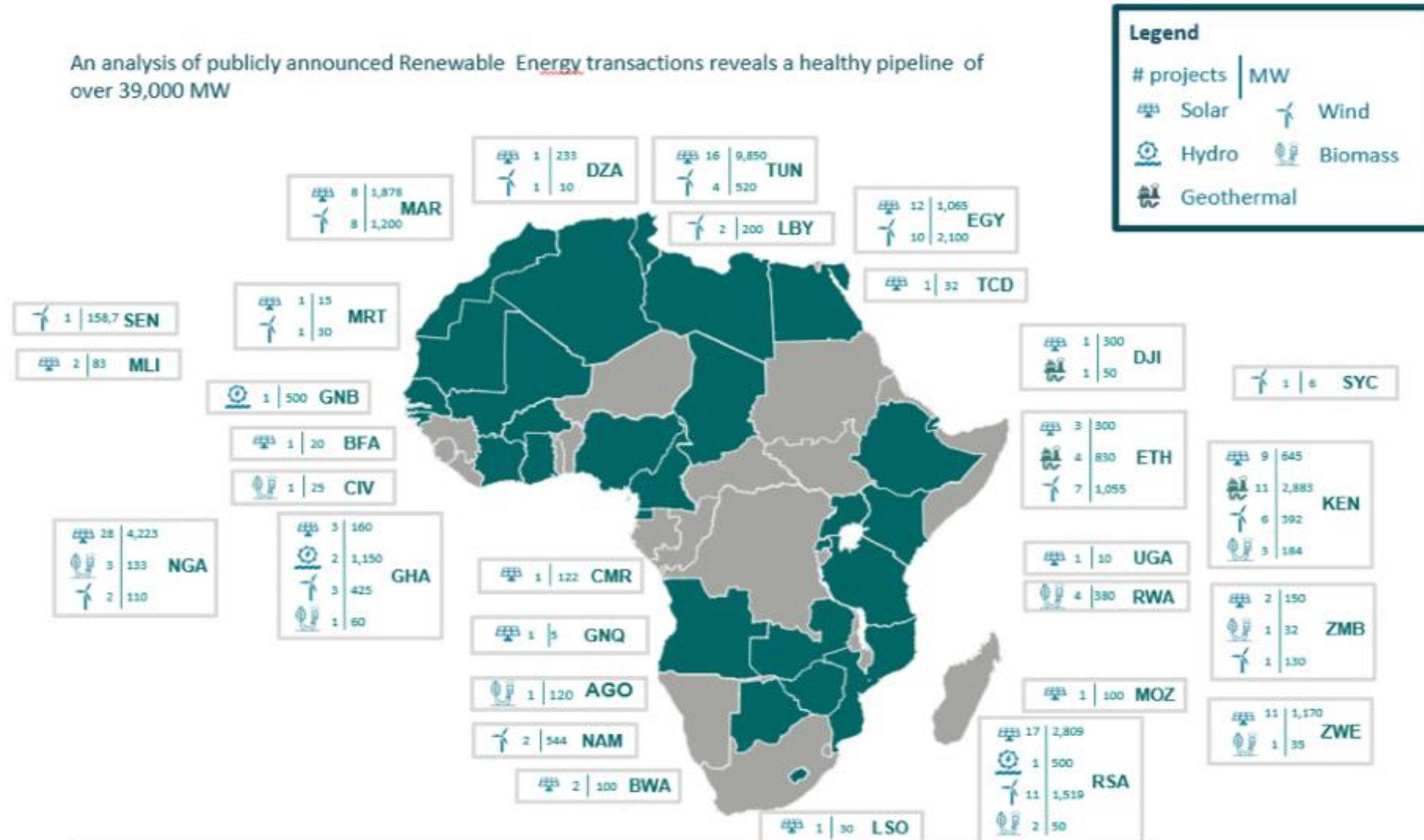
ECA'S SDG7 INITIATIVE

The initiative is a mechanism built on three pillars - sustainability, governance and finance – to bring together countries, financiers and developers of clean energy projects to align interests and combine scale and speed to fast-track financing from the private sector for deployment of clean energy in Africa.



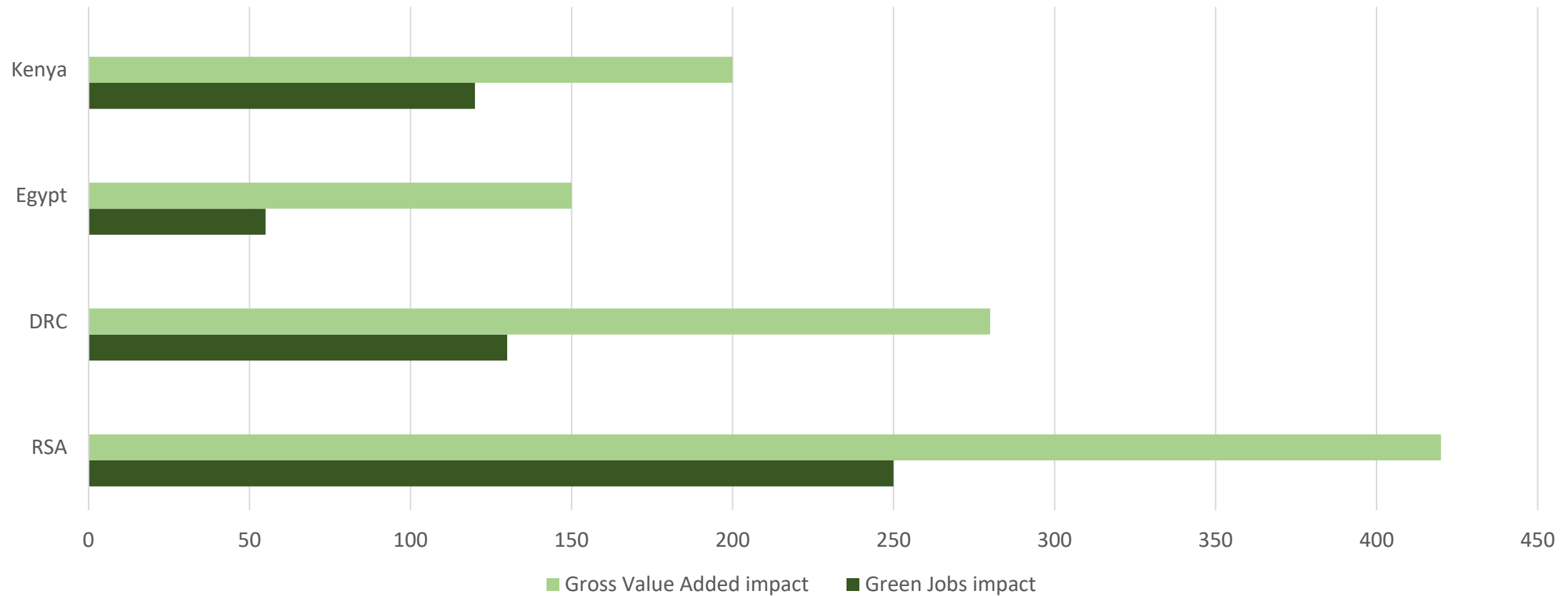
THE OPPORTUNITY: 39,000 MW OF ALREADY ANNOUNCED RENEWABLE TRANSACTIONS IN AFRICA- NEED FOR FRONT LOADED AND AFFORDABLE FINANCE

An analysis of publicly announced Renewable Energy transactions reveals a healthy pipeline of over 39,000 MW



BUILDING LIVELIHOODS: RETURN ON INVESTMENT IN TERMS OF JOBS AND GROSS VALUE ADDED IN GREEN SECTORS (BUILT AROUND ENERGY) OUTPERFORMS TRADITIONAL FOSSIL FUEL BASED INVESTMENTS

IMPACT OF GREEN INVESTMENTS RELATIVE TO TRADITIONAL FOSSIL FUEL BASED SPENDING



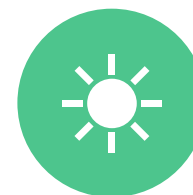
Immediate actions



Countries must provide an enabling environment for crowding-in private sector investments in electricity sector



De-risking of investments in renewables in Africa. (Partial Guarantees, blending, strengthening of market based mechanisms such as 'repo' market facility)



Countries should provide incentives and mechanisms to increase the share of renewable energy in the power systems (e.g., feed-in-tariffs, auctions/bidding, self-generation, debt/equity, energy targets, etc.)



Introduce natural gas as a transitional fuel to replace coal and facilitate full deployment of renewables



To strengthen the Member States' data pooling systems such as NSOs, electricity generating agencies and regulatory institutions to enable accurate analyses of the energy





Ideas
to
Action