

CONTRIBUTION TO THE COMMISSIONER'S PRESS CONFERENCE ON ENERGY JANUARY 2017

I. Introduction

The African Union Commission is strongly committed to achieving Africa's vision of regional integration, economic development and transformation, social and human development as well as being a peaceful and secure continent for all Africans. The Department of Infrastructure and Energy in particular strongly focuses on ensuring the development of robust, resilient and long-lasting economic transformation of the continent through the promotion of infrastructure and energy development on the continent, at the continental, regional, national and local levels. For Africa the biggest priorities in the infrastructure sector is the development of the energy, transport and ICT sectors, which we believe will facilitate trade, economic cooperation and regional integration amongst our Member States. In the energy sector, we also have a special focus on rural electrification, which we believe will enhance and accelerate rural development and improve the livelihoods of those who need energy the most in these areas, especially women.

The AUC together with its continental, regional and international partners, namely, the NEPAD Planning and Coordinating Agency (NPCA), the African Development Bank (AfDB), the United Nations Economic Commission for Africa (UNECA), the Regional Economic Communities (RECs) and the European Union (EU), amongst others, are committed to the development of infrastructure on the continent, specifically in the Energy, Transport and ICT sectors. The Agenda 2063 of the African Union clearly set out roadmaps and strategies for infrastructure development in the coming decades.

II. Achievements in Energy

The AUC's work on energy and infrastructure concentrates solely on leveraging financial and technical support for Member States to improve energy access as well as ensuring energy security through the development of renewable and conventional energy systems as well as facilitating regional and continental clean power generation and transmission projects; and, developing guidelines and policies to accelerate energy transitions.

Some of the activities implemented in 2016 were around the following programs and initiatives:

- Geothermal Risk Mitigation Facility (GRMF);
- Bio-energy Policy and Strategy Framework;
- Harmonised Regulatory Frameworks for the Electricity Markets in Africa; and
- Africa Renewable Energy Initiative (AREI)

1. Geothermal Risk Mitigation Facility (GRMF)

- The Department of Infrastructure and Energy serves as the Regional Coordination Unit of the GRMF programme since its launch in 2012. The programme aims to develop Geothermal energy in Eastern Africa by providing grants to both public and private developers for surface studies and drilling projects. The programme has had final support from several of our Partners including 20M Euros from BMZ, 30M Euros from the EU-Africa Infrastructure Trust Fund and 47M British Pounds from DFID;
- The GRMF programme has had three (3) successful Application rounds since its launch and we are currently in the process of finalizing the Fourth Application Round;
- There are currently about 28 projects in the pipeline with grants awarded totaling about USD 58 M;
- We are also in the process of setting up a Centre for Excellence in Geothermal Energy in order to build and improve the Technical Capacity of our Member States in Geothermal energy development.

2. Bio-energy Policy and Strategy Framework

- In the implementation of the road map and action plan of the Bioenergy Policy Framework and Guidelines which was adopted by African Energy Ministers in 2012, the AUC in collaboration with UNECA and the NPCA have already achieved significant milestones in promoting bioenergy development in Africa. Some of these include:
- Commissioned and carried out seven (7) country case studies - Ethiopia, Kenya, Rwanda, Mauritius, South Africa, Burkina Faso and Cameroon - on Biofuels for Transport and Households in 2014;
- Organised six (6) "Regional Capacity Building and Training Workshops on Biofuels Development for Transport and Household Sectors" for African countries from 2014 - 2015. The main objectives of the series of Workshops are to strengthen the capacities of African countries to promote the use of biofuels for sustainable energy access and poverty reduction.
- Organised a continental "Workshop on Bioenergy Projects Development and Packaging" for African countries from 26 - 28 October, 2016 in Addis Ababa, Ethiopia. The main objectives of this Workshop are to: (1) enhance the capacity of African Member States to develop bankable bioenergy projects; (2) provide a platform for African bioenergy project developers to interact with project financiers; and (3) exchange information and best practices related to bioenergy businesses.

3. Harmonised Regulatory Frameworks for the Electricity Markets in Africa

- This programme was developed by the AUC to facilitate the creation of an African energy market, enhance private sector participation in the energy sector and mobilise the huge financial and technical resources required to provide modern

energy access to all Africans as stipulated in the Agenda 2063 of the African Union Commission (AUC).

- The AUC in collaboration with the EU has developed a **Strategy Document** and **Action plans** on "Harmonisation of Regulatory Framework for the Electricity Market in Africa". The main purpose of this Strategy and its Action Plans is to identify and detail the various interventions that will support the policy and legislative instruments and the measures to be taken at the national, regional and continental levels in ensuring the development of regional electricity markets on the continent.
- For example, the Action Plan also identified five (5) key pillars at the national, regional and continental levels, around which the regulatory harmonization process will revolve including:
 - Creating a robust Economic Regulatory Framework;
 - Establishing a solid Technical Regulatory Framework;
 - Creating an Enabling Electricity Market;
 - Enhancing Renewable Energy Framework;
 - Establishing the norms, standards and frameworks for energy efficiency.
- The Strategy Document and Action Plans will be presented to African Energy Ministers at the upcoming STC meeting in March 2017.
- The AUC intends to create a Facility to coordinate and implement the recommendations from the Action Plans in the next three (3) years.

4. The Africa Renewable Energy Initiative (AREI).

- The Africa Renewable Energy Initiative (AREI) was launched by African Heads of State and Government at COP21, in Paris (France), on 01 December 2015. The AREI is a transformative, Africa-owned and directed effort to harness the continent's huge renewable energy potential for universal energy access and sustainable development on the continent.
- The AREI has received considerable attention internationally, including a commitment of USD 10 billion in financial support for its first phase, which aims to deliver at least 10 GW of new and additional renewable energy by 2020, and least 300 GW renewable energy by 2030 – more than doubling existing energy generation capacity on the continent.
- The AU decision (Assembly/AU/Dec.609 (XXVII)) in Kigali, Rwanda in July 2016 mandated the AUC and AfDB to lead the implementation of this Initiative. The AU Decision also mandated H.E. Alpha Condé, President of the Republic of Guinea, and Coordinator of Renewable Energies in Africa to ensure the operationalization of AREI and to report to the next Ordinary Session of the Assembly in January 2017.
- In the implementation of this Initiative, the AUC and other co-leaders have already selected the Board of Directors for governing the AREI. The composition of the Board includes Five Heads of State and Government from Africa.
- The AUC in consultation with other co-leaders of AREI are to agree on the selection criteria and initiate the selection of regional representatives and the two non-African Heads of State.

- The inaugural meeting of the AREI Board of Directors will take place during this Summit, and we expect a Decision by the Heads of State and Government to accelerate our efforts in operationalising this Initiative.
- In addition, the African Union Commission is already carrying out awareness creation campaigns to mobilize Member States to actively participate in the implementation of the Initiative.
- For example, we have already organised stakeholders' Meeting in Addis Ababa, New York, Marrakech and Abu Dhabi where we have briefed African Energy Ministers and Ambassadors on the implementation status of the Initiative and also how we can coordinate our efforts.