Global Energy Crisis and Security: Opportunities to Accelerate African Single Electricity Market (AfSEM) and Continental Power System Masterplan (CMP)

A High-Level Event on the Margins of COP27

Sharm El-Sheikh, Egypt

Date: 15th November 2022
Time: 16:00 to 17:00 GMT+2

co-organised by
1. BACKGROUND AND CONTEXT

1.1 Context

Access to affordable clean energy in Africa remains one of Africa’s biggest challenges. Africa still has a large share of the population (approximately 600 million) mainly within the Sub-Saharan Africa region that is still living without a reliable supply of electricity and (about 900 million) lack access to affordable modern cooking fuels. Even before the COVID-19 pandemic and the Russia-Ukraine conflict, one of the key barriers to energy security in Africa is the absence of large markets that will enable economies of scale for investments.

The goal of energy security can best be realized with effective energy planning and the development of continental and regional energy infrastructure under a harmonized energy policy and regulatory and institutional framework. This led to the formulation of the Africa Single Electricity Market (AfSEM) and the Continental Power System Masterplan (CMP).

In this context, the African Union Commission (AUC) in collaboration with the African Union Development Agency (AUDA-NEPAD), the African Development Bank (AfDB), the African Energy Commission (AFREC), and the European Commission (EC) is organising an event on the margins of COP27 taking place in Sharm El-Sheikh, the Arab Republic of Egypt to discuss the methodology and garner support to accelerate the operationalisation of AfSEM and CMP for universal energy access and energy security in Africa.

1.2. Background

The task for the development of the “Harmonized Regulatory Framework for the Electricity Market in Africa”, was launched by the AUC in 2015, supported by the European Union (EU). The Strategy and Action Plan for establishing the Electricity Market in Africa were developed and adopted by the Executive Council of the African Union (AU) during the 29th AU Summit in July 2017.

Furthermore, the Ministers’ Meeting of the Second Ordinary Session of the Specialized Technical Committee on Transport, Transcontinental and Interregional Infrastructure, Energy and Tourism (STC-TTIET) held in Cairo, Egypt, from 16th to 17th April 2019, requested the AUC in collaboration with all relevant Pan African Continental and Regional Institutions to operationalize the Electricity Market in Africa and further requested AUDA-NEPAD in consultation with AUC, AfDB and UNECA to develop the Continental Transmission Network Master Plan based on the power pools strategic plans.

Launched in June 2021, AfSEM has been designed to bring greater energy security, sustainability, and competitiveness to the AU Member States. The progressive implementation of AfSEM and its full operationalisation by 2040 will make it the largest single electricity market in the world covering 55 countries and serving more than 1.3 billion people.
Implementation of AfSEM will significantly depend on a continent-wide electricity grid infrastructure that links generation resources to electricity demand centres through adequate transmission capacity. It is in this context that the CMP is simultaneously being developed as the ‘blueprint’ of the AfSEM central pillar for solving Africa’s energy challenge.

The European Union (EU) through the Technical Assistance Facility (TAF) for Sustainable Energy has been instrumental in the design and development of these two important AU energy initiatives, working in close cooperation with the AUC Department of Infrastructure and Energy (AUC-DIE) and AUDA-NEPAD.

2. Objectives of the Event

• The event will bring together African energy development stakeholders, and continental and international partners to explore and discuss the best ways to accelerate the formulation, implementation and operationalisation of AfSEM and CMP.

• The platform will provide an opportunity to exchange knowledge, experiences, best practices and information among energy stakeholders for attracting additional partnerships to provide technical and financial resources for the two initiatives.

• The event will create a platform to garner political support and advocacy for AfSEM and CMP at the highest level possible as well as enhance ownership of the initiatives by the AU Member States.

3. Key Messages

• Collaborative agreement on modalities for promoting, visualizing, and attracting partnership.

• Collective pledge toward securing technical, strategic and financial resources to accelerate the implementation of the two initiatives to achieve the needed energy security in the continent.

• To come up with a communique supporting the implementation of both AfSEM and CMP

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<tr>
<th>Time</th>
<th>Session Description</th>
<th>Participants</th>
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<td>16:00</td>
<td>Opening remarks</td>
<td>H.E. Dr Amani Abou-Zeid; AU Commissioner for Infrastructure and Energy</td>
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<td>H.E. Ms Kadri Simson; The EU Commissioner for Energy</td>
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<td>16:20</td>
<td>Presentation – AfSEM and CMP Videos</td>
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<td>16:25</td>
<td>Round table discussion</td>
<td>Guiding Questions:</td>
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<td>1. Why integrated electricity networks and harmonised markets can help build resilience?</td>
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<td>2. What are the needed modalities for the AU Member States to enhance ownership of the AfSEM and the CMP?</td>
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<td>3. How could the Development Finance institutions support the implementation of these projects?</td>
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<td>16:50</td>
<td>Q&amp;A from the participants to the panellists</td>
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<td>Closing remarks by H.E. Nardos Bekele-Thomas; CEO of AUDA NEPAD</td>
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