

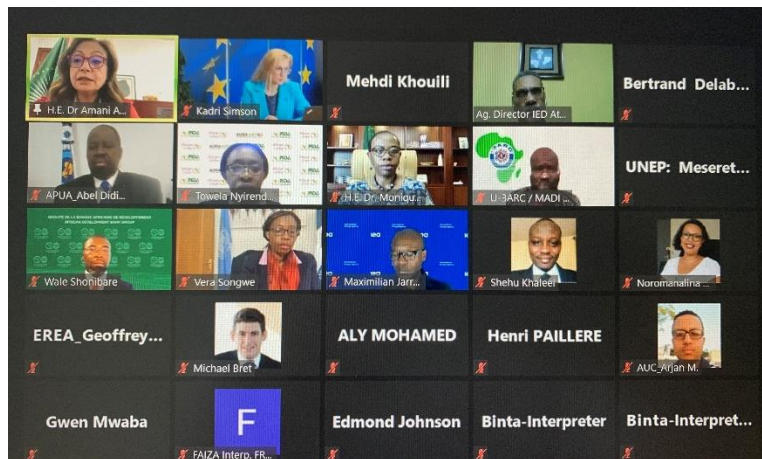
DIRECTORATE OF INFORMATION & COMMUNICATION

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African Union Launches World’s Largest Single Electricity Market (AFSEM)



Addis Ababa, Ethiopia, 4th June 2021- The African Union officially launched the African Single Electricity Market (AfSEM), the world’s largest continent-wide energy trading program meant to interconnect all 55 African Union Member States through efficient, affordable, and sustainable electricity market. The event took place on 3rd of June 2021.

Held virtually due to the ongoing Covid-19 pandemic, the launching ceremony was attended by high profile officials of the African Union Commission (AUC) including H.E. Dr. Monique Nsanzabaganwa the Deputy Chairperson and H.E. Dr. Amani Abou-Zeid Infrastructure and Energy Commissioner, dignitaries from the 55-Member States, representatives of AU Specialized Institutions, Regional Economic Communities (RECs) and their institutions as well as development partners and the media, among others. The European Union, which supported the AU in designing AfSEM was represented by the EU Commissioner for Energy, H.E. Mrs. Kadri Simson.

Before heralding the official launch of the AfSEM on behalf of H.E. Moussa Faki Mahamat Chairperson of the AUC, Deputy Chairperson H.E. Dr. Monique Nsanzabaganwa said the event marks an important milestone reached after a long, challenging, and crucial journey that started in 2015.

The Deputy Chairperson called on the AU Member States to integrate AfSEM into their national development plans for a higher rate of success in its implementation and operationalization. “It is important that the AU Member States take ownership in the development and implementation of these continental initiatives. This is necessary to ensure access to reliable energy services, as well as providing the necessary policy and financial instruments for one Continental Electricity market, and One continental interconnection grid at all levels.”

She seized the opportunity to acknowledge the development partners who have been supporting the initiative from its inception. “My special gratitude goes to the European Union whose technical and financial support have made this great achievement possible, and to other development partners; your continuous support to AU Continental initiatives and many other Regional and National programs within Africa are highly appreciated.”

The African Union Commissioner for Infrastructure and Energy H.E. Dr. Amani Abou-Zeid highlighted that the African Single Electricity Market (AfSEM) is a timely response to bridge the electricity gap in Africa by optimizing the continent’s abundant renewable energy sources towards achieving 100 percent access to electricity in the continent by 2030 in line with the AU Agenda 2063 and the UN Sustainable Development Goal Number 7.

“AfSEM is yet another milestone to advancing our continent's integration agenda. Well interconnected and efficient national, regional, and continental electricity markets will further human development, enhance economic prospects of the continent leveraging the African Continental Free Trade Area (AfCFTA), underpinning productive transformation, industrialization, digitalization and job creation and that is what AfSEM is meant fo,” underscored Commissioner Abou-Zeid.

The Commissioner emphasized the need to put in place robust electricity policy reforms to attract substantial investments to realize the full potential of AfSEM. “AfSEM holds a bright future for all Africans. As the implementation of the AfSEM starts today, a challenging work lies ahead of us to realize its aspirations and deliver our promises to the African people. Thus, it needs to be supported strategically, technically, and financially. Ever since the conception of this great initiative, the prospects have been promising and the potential is enormous.”

The implementation of the AfSEM will be supported by a Continental Power System Masterplan currently being developed by the African Union Development Agency (AUDA-NEPAD), to harmonize regulatory frameworks across various regions. Representing the Chief Executive Officer of AUDA-NEPAD Dr. Ibrahim Mayaki, Economic Integration Division Head with the Agency, Dr.Towela Jere said the launching of AfSEM came at the right time when Africa is determined to eradicate energy poverty. “AfSEM will be the largest interconnected electricity grid as well as the largest intraregional power trading system in the world expected to enhance the economic prospects of Africa”.

On behalf of the Vice President of the African Development Bank Dr. Kevin Kariuki, Director of Energy Financial Solutions, Policy and Regulation with the Bank Mr. Wale Shonibare, stated that AfSEM provides a great opportunity to better coordinate the approach towards Africa’s transition to green sustainable growth.

The European Union under its Technical Assistance Facility (EU TAF) supported the preparation of the AfSEM policy paper, roadmap and governing structure. Speaking at the launching ceremony EU’s Commissioner for Energy H.E. Mrs. Kadri Simson congratulated the African Union for the important breakthrough achieved to address the electricity demands of over 1.3 billion Africans. Commissioner Simson reaffirmed the EU’s commitment to continue supporting the AfSEM in its next phases of implementation.

The implementation of AfSEM will immediately begin after the launching ceremony with the first phase of AfSEM envisaged to be achieved by 2023, reaching full operationalization by 2040.

About the Africa Single Electricity Market (AfSEM)

The Africa Single Electricity Market (AfSEM) is one of those targeted interventions aimed to facilitate sustainable development of the African electricity sector through the integrated continental electricity market based on the 2019 AfCFTA Agreement. The goal is to give African households, businesses, and industries more secure, sustainable, reliable, competitive, and affordable energy.

The journey to create AfSEM at the continental level started in 2015 in cooperation with the EU through the AU program on Harmonisation of Regulatory Frameworks for the Electricity Market in Africa. In addition to a series of products over the five years, the AfSEM Policy Paper, the Roadmap, and the governance structure were prepared by a team of EU-TAF Experts coordinated by the Department of Infrastructure and Energy, validated by RECs, Power Pools, and other Pan African Energy Institutions and adopted by the AU Head of States at the 34th AU-Summit in February 2021.

AfSEM is designed to bring greater energy security, sustainability, and competitiveness to the Africa Union Member States, it will be the largest single electricity market in the world covering 55-member states serving a population of over 1.3 billion, AfSEM will be the most cost-efficient response for strong growth of electricity demand in Africa, most essential tool to use the full potential of the continent's Renewable Energy Sources, and an effective accelerator to 100% access of electricity in the continent.

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