AFRICAN UNION

الاتحاد الأفريقي

UNION AFRICAINE

UNIÃO AFRICANA

P. O. Box 3243, Addis Ababa, ETHIOPIA Tel.: (251-11) 5525849 Fax: (251-11) 5525855
Website: www.au.int

Opening Remarks of Her Excellency the Commissioner for Infrastructure and Energy

Dr. Amani Abou-Zeid

Africa, a key player in the energy transition

AUC-IEA High Level Forum on Financing Energy Transition in Africa

Sharm-El-Sheikh, Egypt
09 November 2022

Venue: Africa Pavilion

- **Honourable Ministers;**
- **Executive Director of the International Energy Agency;**
- **Distinguished Guests;**
- **Ladies and Gentlemen:**

1. I am greatly honoured to welcome you to this year's AUC-IEA Ministerial Forum. What better place to host it than at COP27 here in the Africa Pavilion? This is the fourth annual Ministerial Forum to be organised by the AUC and IEA since 2019 after our two organisations signed an MOU in 2018 to cement their long-standing collaboration.

2. The objective of AUC-IEA series of Ministerial Fora is to provide a platform for ministers from AU and IEA member countries to discuss important energy topics at the global and regional levels with a view to shaping their energy future through relevant policies and strategies. This year's forum will focus on the role of Africa as a key player in the energy transition and how this transition can be adequately financed to close the energy access gap while meeting our climate agenda.

3. Today's discussions will benefit from the analysis of the Africa Energy Outlook 2022, which I had the privilege of launching with my brother Fatih Birol in Paris in June this year. The Africa Energy Outlook 2022 was developed with the participation of energy experts from the AUC and explores pathways for achieving Africa's development goals, universal access and implementing its Nationally Determined Contributions (NDCs).

4. The second aspect of today's deliberations is the issue of financing energy access and just energy transition in Africa. You will recall, Honourable Ministers, that in June this year the AU Specialised Technical Committee responsible for transport and energy adopted the African Common Position on Energy Access and Transition, which was later endorsed by the AU Executive Council in July. The African Common Position identifies financing as a critical pillar for achieving Africa's ambitions of developing its energy sector along a low carbon

and climate resilient pathway. Despite its enormous energy needs and opportunities, Africa is only accessing 3% of climate finance leaving an annual financing gap of US$ 90 billion for its energy access and transition goals. It is our expectation that today's AUC-IEA Ministerial Forum will be an open and honest discussion asking the hard questions of why Africa is not receiving the needed financial resources to transform its energy sector. As policymakers, there is need to send a strong signal for changing the status quo. All stakeholders should demonstrate the willingness to make the required policy adjustments that will unlock the flow of financing for energy access and energy transition in Africa.

- **Excellencies;**
- **Ladies and Gentlemen:**

5. The global context within which these discussions and indeed the entire COP27 is taking place must be acknowledged. The energy crisis in Europe and globally caused by the Russia-Ukraine crisis has brought to the fore the importance of energy security through the diversification of energy sources and energy markets. Africa is well positioned to provide important solutions to the global energy crisis given its strategic geographic location and abundant energy resources, which can create a diversified energy mix that is ideal for energy security. However, it is critically important that the issue of energy poverty in Africa is addressed by accelerating investments in energy access.

6. On its part, Africa is taking the necessary steps towards addressing energy access and transition and enhancing energy security through elaborate regional and continental plans. The Africa Single Electricity Market (AfSEM) was launched in June last year to create a continental electricity market that harnesses the energy resources from different regions to optimally meet the electricity needs of the continent by facilitating the coordination of regional markets to enable electricity trade across different regions. This continental initiative is

complemented by the ongoing work to develop a Continental Power System Masterplan (CMP) which will identify the physical infrastructure required to operationalise the continental market.

7. These and other initiatives designed to meet the objectives of the AU Agenda 2063 aspirations, require huge financial resources. Looked at in a different way, they provide opportunities for investments. We, therefore, need to broaden our discussions to see how private capital can be used to close these gaps.

- **Excellencies;**
- **Ladies and Gentlemen:**

8. Let us use this forum to explore how the energy crisis in the prevailing geopolitical environment can be converted into opportunities to shape Africa's energy future, capitalise on its competitive advantage to play a greater role in the global energy market while ensuring that Africa's needs for energy access are given highest priority. For this to happen, there is need to address the question of attracting higher flows of financing into Africa.

9. With these few remarks I thank you for your kind attention and wish you fruitful deliberations

Thank you