

SUSTAINABLE ENERGY FOR ALL

Energy powers opportunity. It transforms lives, economies, & our planet.

The African Energy Leaders Group (AELG)

WHY AN AFRICAN ENERGY LEADERS GROUP?

Energy powers development. Yet the International Energy Agency estimates some 625 million people across sub-Saharan Africa -- more than two thirds of the total population -- have no access to electricity, and that number is rising. Even greater numbers depend on inefficient, hazardous fuels such as wood or charcoal to cook or heat their homes.

Where modern energy services are available, they are often expensive, patchy and inadequate. Without reliable power, businesses are handicapped and economic growth is squeezed. Education and healthcare suffer. Stable, accessible and affordable energy is fundamental to Africa's economic transformation in the 21st century.

Africa has generous energy resources, both in fossil fuels and in renewables such as solar, wind, geothermal and hydroelectric power, but massive investment is needed to realise that potential. The African Development Bank (AfDB) estimates that funding of around \$42 billion a year will be required to meet Africa's energy demand by 2040, including an increase in private-sector financing of up to 10 times current levels.

Governments and business must pull together, and fresh approaches will be vital.

WHAT IS THE AELG?

The AELG is a working group of African political and economic leaders at the highest level, who are pooling their complementary skills to build momentum for a new vision and new solutions to the energy challenge.

Participants share a common commitment to leveraging the continent's rich energy resources for the benefit of its people and its wider economy. Guaranteeing access to reliable, affordable energy services for all Africans by 2030 is a key goal, in line with the targets of UN Secretary-General Ban Ki-moon's Sustainable Energy for All initiative (SE4ALL).

Efforts will focus in particular on two key areas: innovative public-private partnerships (PPPs), and the creation of integrated and commercially viable regional power pools.

Improving energy infrastructure on a regional basis makes it possible to create large, competitive markets in place of small, inefficient ones, and to reap major savings on electricity production costs. Regional power pools are already being developed in West, Eastern and Southern Africa to create cross-border grids, but to fulfil their potential they need more impetus and more money.

Political leaders in the group are committed to deep power sector reforms that can attract both domestic and foreign private capital, not only to produce and distribute energy but to generate added value through related industries such as plastics, fertilisers or liquid petroleum gas. Top businessmen will help to mobilise that investment.



The AELG's core aims are therefore:

- to place energy issues high on the agenda for Africa's economic advance;
- to develop facilities and infrastructure that guarantee universal access to reliable, affordable energy services and efficient appliances by 2030;
- to scale up investments in energy projects and programmes under the regional power pools and the AfDB's Programme for Infrastructure Development in Africa;
- to accelerate research, development and deployment of technological innovations to transform energy access over the long term; and
- to foster energy sector reforms to encourage private-sector participation and entrepreneurship, and enhance economic gains through the value chain.

WHO IS INVOLVED?

Two regional AELG sub-groups are currently being formed, in West Africa and Eastern Africa.

Each regional AELG sub-group will be composed of heads of state and CEOs of major corporations that have a direct interest in energy issues, either as big power-sector investors or major power users. It will also include representatives of relevant regional organisations and development banks, as well as civil society.

The Presidents of Nigeria, Côte d'Ivoire and Ghana have committed themselves to the West African Energy Leaders Group, and other political leaders are expected to join them. Private-sector members include leading entrepreneurs Aliko Dangote and Tony Elumelu.

The initiative has been endorsed by the United Nations Development Programme (UNDP), the Economic Community of West African States (ECOWAS), African Development Bank President Donald Kaberuka and the African Union's Commissioner for Infrastructure and Energy, Dr Elham Ibrahim.

More private-sector than public-sector members are foreseen, to ensure that discussions remain focused on driving investment and measuring tangible progress through key performance indicators.

The work of the AELG will be supported by SE4ALL's Global Facilitation Team and Africa Regional Hub (hosted at the AfDB), and by SE4ALL's focal point in West Africa, the ECOWAS Centre for Renewable Energy and Energy Efficiency (ECREEE).

WHAT DOES THAT MEAN IN REAL TERMS?

The potential practical benefits of these actions are vast. In West Africa alone, for example, the AELG can work with oil companies to develop the business model of the West African gas pipeline and push for an extension to Guinea and Burkina Faso while connecting Benin, Togo, Liberia and Sierra Leone (some of which have announced new oil and gas finds).

Gas that is currently being flared off as a waste product could be tapped to produce 750 billion kilowatt hours of power.

Ghana, which currently has an installed capacity of 3,000 megawatts, could supply surplus power to Nigeria, which has only 4,000 megawatts of installed capacity but demand for more than 40,000 megawatts. Guinea could feed the regional power pool from its Souapiti hydropower project.

With enough reliable energy, Liberia could add value to its vast iron ore deposits by making steel, while Côte d'Ivoire and Ghana could transform their dominance in raw cocoa and coffee production into a competitive advantage in higher-value chocolate and related goods.

Similar opportunities await elsewhere in the continent. The AELG will work to make them a reality.

What will the AELG do?

The AELG's concrete action points include:

- advocating high-level commitment by African political leaders to increase access to clean, reliable, affordable energy, and positioning this as a pivotal development goal;
- pushing for sound national energy policies that are conducive to a common sub-regional energy strategy, promoting the integration of energy markets and economies of scale;
- facilitating cross-border energy trade, including the promotion of joint energy infrastructure development projects;
- collaborating on efforts to reduce the cost of electricity and enhance reliability of supply, to support the competitiveness of the industrial/manufacturing sectors;
- minimising/eliminating the flaring of natural gas from oil wells by promoting value-added uses for the gas, as fuel for electric power generation or as a raw material for manufacturing fertilizer, LPG and plastic products;
- promoting the financial viability and creditworthiness of state-owned power utilities;
- advocating the development of SE4ALL Action Agendas and Investment Prospectuses to drive practical action and investment;
- promoting renewable energy, especially high-impact resources such as hydroelectric and geothermal power;
- mobilising sub-regional development and encouraging commercial banks to support energy investments, especially in projects with a regional integration dimension; and
- supporting capacity building to develop and share skills.



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