

WEC

7th ANNUAL AFRICA ENERGY INDABA

From vision to reality – unlocking Africa's
energy potential

Johannesburg, South Africa

Marie-José Nadeau

17/02/2015

9:00 – 9:20 a.m.

Your Excellencies, colleague speakers, distinguished guests:

It's a pleasure to be here in Johannesburg again and to see so many friends and acquaintances from within the World Energy Council and from outside.

This year, we celebrate the World Energy Council's Year for Africa that aims to highlight the continent's vast energy potential and explore ways of unlocking it for the benefit of the African population. WEC's Year for Africa also aims to highlight the need for sustainable energy policies and explore ways of achieving them.

We start today with the African Energy Indaba and conclude in October with our annual Executive Assembly in Addis Ababa that this year will include an African Energy Ministerial Summit and a World Energy Leaders Summit.

We will convene the region's energy leaders to the Ethiopian capital for three days of intensive discussions on the future of energy in Africa, in the light of growing demand and increasing challenges posed by critical issues such as energy access, energy security and climate change.

Africa is a core region for World Energy Council and is one of its more vibrant constituencies. In all, we have 22 member committees who play an active role in the life of the organization, participate in its work, and attend its meetings.

As an institution that represents over 3,000 different organizations – governments, energy producers, consumers, NGOs and academia– WEC has a voice that can be heard at global fora such as the United Nations and, on a daily basis, in media outlets throughout the world.

More than anything, we give a voice to our individual members who are united in a belief that energy brings with it benefits and that it needs to be used in a sustainable manner.

WEC's voice is also Africa's voice. The World Energy Council does not represent any single constituency but speaks in a single voice on behalf of all its members.

So, just as we promote the free trade in energy and goods used to produce energy, which generally benefits those in the developed world, so do we also promote universal energy access and the search for strategies for the elimination of energy poverty.

So what is the WEC's message from its African members?

Each year, we survey our members on a wide range of issues that impact on energy. We collate the results of this survey in an annual publication called the World Energy Issues Monitor, the most recent edition of which was published just last month. It provides a unique snapshot of the views of people in each region and allows us to compare the unique concerns of different geographies.

In so far as Africa is concerned, the World Energy Issues Monitor reveals that Africa's message is not what many outside Africa would expect. Even though African energy leaders are deeply concerned about the challenge posed by energy access and energy poverty, they are equally anxious about mainstream issues such as access to capital, the effects of climate change and the potential for large-scale hydroelectric projects.

Overall, the message we are hearing from Africa is more positive than you would imagine. One of the main conclusions that one can draw from this year's Issues Monitor in the region is that Africa's economy is successfully weathering the global recession, and is taking tentative steps towards a more sustained growth.

At the time of the survey, the top critical uncertainties were volatility in energy and commodity markets, energy subsidies and capital markets. In recent months, energy prices might have come down, improving affordability, but so have commodity prices, negatively impacting on many African economies.

Above all, African leaders realize that recourse to the capital market is becoming increasingly crucial to finance urgent and growing needs of infrastructure projects. This is a key theme of this year's World Energy Trilemma report that I will discuss shortly.

Other key issues identified by African leaders as pressing issues include large-scale hydro and extreme weather risks. Africa has always displayed its strong inclination for large-scale hydro, but there is still much to do – only 7% of the potential is developed.

Bold actions, sound public policies and an effective business environment are all required in order to finally allow the sustainable development of these infrastructures.

The immediate interest of Africans, with regard to climate change, is rather focusing on its visible disastrous consequences including extreme weather events, instead of uncertain and complex global climate negotiations.

Issues that have gained increased prominence since the previous year include greater belief in the role of renewable energy in the energy mix and a greater recognition of the importance of energy efficiency.

The importance of emerging players such as China are recognized, as the China – Africa partnership grows over the years and begins to bear fruit for both sides.

The World Energy Issues Monitor also identifies increased interest in Africa from outside the continent. In particular, the report sees the US is showing growing interest in Africa just as the Obama administration scales up its *Power Africa Initiative* and endorses a series of public-private-partnership (PPP) deals to boost trade and investment.

Ladies and Gentlemen:

Whether it is large-scale hydro in Congo, natural gas in Tanzania and Mozambique, wind power in Kenya or oil in Uganda, Africa offers enormous opportunities in energy.

The potential for growth in Africa allied to new energy sources and opportunities afforded by external stimuli such as the Power for Africa initiative all show that Africa is poised to move ahead.

The experience of other fast-growing countries shows that such rapid progress brings with it regulatory and policy challenges for governments.

This is where an organization such as World Energy Council has a role to play by sharing frameworks that can be used by governments – not just in Africa but in all countries - when drawing up sustainable energy policies.

Over the past few years, World Energy Council has developed a comprehensive framework for analysing and developing energy policies that can be used as a tool by governments and policymakers.

This framework is outlined in the World Energy Trilemma Report that is published annually and is based on three key pillars: energy security, energy access and environmental sustainability. My colleague Joan McNaughton will present some of the findings of this report and outline some of the lessons for policymakers in her address.

Ladies and Gentlemen:

I would like to conclude with a final point. Energy, development and climate go hand-in-hand. They cannot be de-linked.

As a member of the United Nations Sustainable Energy for All Advisory Board, I am encouraged to note that the United Nations is finally poised to add energy to its sustainable energy goals.

By adding energy to the post-2015 Development Agenda at the forthcoming General Assembly in New York, the UN recognises the key role of energy as a driver for economic and social development while at the same time paving the way for the unlocking of new funds from UN and multilateral agencies for energy projects.

Moreover, it will provide a critical boost to the work of the United Nations Sustainable Energy for All initiative in its bid to secure the three objectives of:

- providing universal access to modern energy services;
- doubling the global rate of improvement in energy efficiency;
and
- doubling the share of renewable energy in the global energy mix.

Likewise, energy cannot be de-linked from climate issues. We recognise that energy production and use is the biggest single contributor to Green House Gas emissions and that the energy sector has a major role to play in developing a new climate framework agreement.

Clearly, energy ministers must have a voice in the discussions leading to a post-Kyoto agreement.

Dear Colleagues:

It is only by developing comprehensive, clear and transparent energy policies that Africa's energy system can move ahead and make a most of the limitless opportunities being afforded by conventional and renewable energy sources in this continent on one hand and an untapped market on the other.

The African Energy Indaba here in Johannesburg is a good place to start this discussion and the Addis Ababa World Energy Council Executive Assembly and African Energy Ministerial will provide the right place to discuss concrete actions to implement energy policies that secure sustainable energy for all.

Thank you.