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**SECOND SESSION OF THE CONFERENCE
OF ENERGY MINISTERS OF AFRICA (CEMA)
12- 16 NOVEMBER 2012
ADDIS ABABA, ETHIOPIA**

**AU/MIN/ENERGY/Rpt
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REPORT OF THE MINISTERS' MEETING

16th November 2012

I. INTRODUCTION

1. The second session of the African Union (AU) Conference of the Energy Ministers of Africa (CEMA) was held in Addis Ababa, Ethiopia on the 16th November 2012. The Ministerial Session was preceded by a Ministerial Roundtable held on 15th November 2012 and a preparatory meeting of Experts which took place from 14th to 15th November 2012 at the same venue. Under the auspices of this Ministerial Conference were also held from 12th to 13th November 2012, the second All-Africa Energy Week (AAEW) and the Pan-African Investment Forum (PAIF).

2. The objectives of the Ministerial Conference were, among others, to decide on new modalities of functioning of CEMA and Resolutions with important decisions related to continental policies in the energy sector. The AAEW and the PAIF focusing on “Renewable Energy for Sustainable Development: From Potential to Infrastructure and Services” were jointly organized with the African Development Bank (AfDB) and the United Nations Economic Commission for Africa (UNECA) and included an Exhibition from 12th to 16th November 2012.

II. PARTICIPATION

3. The following Member States (40 countries) attended the conference: Algeria, Benin, Botswana, Burundi, Burkina Faso, Cameroon, Congo, Cote d'Ivoire; DRC, Djibouti, Egypt, Equatorial Guinea, Eritrea, Ethiopia, Gambia, Ghana, Guinea, Kenya, Lesotho, Liberia, Libya, Malawi, Mali, Mauritania, Mozambique, Namibia, Niger, Nigeria, Rwanda, Senegal, South Africa, Sudan, Sahrawi, Swaziland, Tanzania, Togo, Tunisia, Uganda, Zambia and Zimbabwe.

4. Among the delegates, there were nineteen (19) Ministers, three (3) Deputy Ministers, one (1) First Under Secretary and Ambassadors representing other respective Ministers.

5. Also in attendance were the representatives of the following regional and continental organizations: African Energy Commission (AFREC), Regional Power Pools (CAPP, EAPP and SAPP), NPCA, UPDEA, AFUR, AFSEC, United Nations Economic Commission for Africa (UNECA), African Development Bank (AfDB) and Regional Economic Communities (EAC, COMESA and SADC) and Regional Electricity Regulators Association of Southern Africa (RERA) as well as Organizations of Civil Society.

6. Development partners and International organizations took also part in this meeting, namely: EU, European Investment Bank, South Korea, UNIDO, WB, UNEP and International Renewable Energy Agency (IRENA).

III. OPENING CEREMONY

7. The opening ceremony was marked by Statements made by: AUC Commissioner for Infrastructure and Energy, Representative of AfDB, UNECA Executive Secretary, IRENA Director General, Deputy Minister of the Ministry of Knowledge Economy of South Korea, European Investment Bank Vice-President, EU Commissioner for Development, UNIDO Director General, AUC Deputy Chairperson and Mozambican Energy Minister as Chair of CEMA Bureau.

IV. ELECTION OF THE BUREAU

8. After consultation and according to African Union procedures, the Bureau of the conference was set up as follows:

Chairman	:	Ethiopia (Eastern Region)
1 st Vice-Chairman	:	Senegal (Western Region)
2 nd Vice-Chairman	:	Equatorial Guinea (Central Region)
3 rd Vice-Chairman	:	Egypt (Northern Region)
Rapporteur	:	Mozambique (Southern Region)

9. Other 5 alternate members were selected: Uganda (Eastern Region), Nigeria (Western Region), Burundi (Central Region), Libya (Northern Region) and Namibia (Southern Region).

V. ADOPTION OF THE AGENDA AND WORK PROGRAMME

10. The meeting adopted the Work Programme attached as Annex I.

VI. PROCEEDINGS

SESSION 1: Consideration of the Rules of Procedure of CEMA

11. The draft Rules of Procedure of CEMA proposed by the Experts meeting was reviewed and adopted. The final version is attached as Annex II.

SESSION 2: Consideration of the Report of the Experts' Meeting

12. The ministerial session took note of the experts' report. This report is attached as Annex III. The Conference decided to adopt the following main recommendations:

13. On CEMA Rules of Procedure

- Endorse the Rules of Procedure of the CEMA
- Request the AUC to submit CEMA Rules of Procedure to the next meeting of the AU Executive Council, for adoption

14. On African Energy Information System and Database

- Invite Member States to establish their national energy databases which can be connected to the AFREC main system to facilitate exchange of information in a continental data network and to appoint dedicated experts to serve the system with active performance.

15. On Clean Energy Education and Empowerment Women's Initiative (C3E)

- Support C3E initiative and encourage women to enter and actively participate in the clean energy sector
- Request the AUC and South Africa to assist interested member countries to join the initiative
- Call upon the Clean Energy Ministerial group to support the C3E initiative of Africa

16. On Renewable Energy for Sustainable Development and Universal Energy Access

- Request the AUC, NPCA, and the AfDB to coordinate and facilitate the implementation of the Sustainable Energy For All (SE4ALL) initiative in Africa
- Encourage all African countries to adhere to the SE4ALL Initiative
- Strengthen synergy between the development of renewable energies and that of energy efficiency
- Strengthen the role of regional, continental and international organizations in the coordination and implementation of the SE4ALL Initiative
- Assist in the establishment of an adequate institutional and regulatory framework for the development of renewable energies

17. On Renewable Energy Regional Infrastructure: Implementing the PIDA Priority Action Plan on Energy

- Countries to adopt measures at national and regional levels to accelerate the implementation of the Energy PAP
- Countries to address regulatory and institutional barriers to the adoption of innovative project structures, procurement procedures more adapted to multinational projects
- Countries to address commercial and financial bottlenecks such as delayed negotiation of long term project's contracts
- Countries to address through appropriate long-term reforms, the sustainability and credit worthiness of energy utilities in order to increase their performance and their role in mobilizing financing for sector investments

18. On Harnessing Renewable Energy Resources

- Support capacity building initiatives to facilitate renewable energy resources development

- Carry out an evaluation of renewable energy resources for countries that have not yet done so
- Promote an innovative approach in the mobilization of funding with a view to the attainment of the objectives of the SE4ALL Initiative and adequate energy planning
- Power pools must enhance their capacity for planning and promoting regional projects in the name of economic rationality because the profitability of such projects transcends the borders of a single country
- Establish manufacturing units and service companies mainly for the production and maintenance of renewable energy equipment
- Launch an appeal to development partners for the mobilization of additional funds for the Geothermal Risk Mitigation Facility in order to cover all East and Central African countries;
- Bioenergy strategies should prevent and manage risks through promotion of good environmental and socio-economic practices in bioenergy feedstock production and should take cost-effectiveness into account.
- Explore strategies for sustainable use of biomass
- African Union not only to provide moral support, but also play political leadership role by creating synergies between projects

19. On Strategy to Promote Green Investment and Innovative Financing Scheme

- African countries need to strengthen the institutional capacity to implement Public-Private Partnership (PPP) and IPPs
- African countries should adhere to the creation of conducive legal, regulatory, and policy environment for PPPs and IPPs
- Investors to engage in small scale projects as well as work in transmission and interconnection projects.

20. On Public Private Partnership (PPP), Independent Power Producers (IPP) Power Purchase Agreement (PPA) and Power Sector Reforms Implementation

- Governments are requested to undertake long-term power sector reforms in order to improve the overall performance of the sector, improve the credit-worthiness of utilities, attract more private sector investments and experiences, reduced cost of energy to consumers.
- To ensure successful power sector reforms, countries should pull together their experiences and develop guidelines to assist each other in the process of reforms;
- Governments are requested to support the establishment of national and regional regulatory institutions and frameworks, adopt transparent and equitable procurements rules, promote predictable commercial environment, and minimize political and off-taker risks.

21. On Partnership for Shared Vision in Energy and Renewable Energy Development in Africa

- Create one-stop platform to access all information about the various partnerships and initiatives, so that countries can be able to engage them in their processes of developing policies, strategies and plans.
- Partnerships should also engage universities, particularly research centres/departments to ensure they contribute meaningfully in devising strategies for increasing access to renewable energy and energy efficiency.
- Mechanisms should be created to ensure that civil society organisations are at the centre of the strategies to ensure energy access especially for the rural communities.
- Acknowledge the AEEP as one of the key players in achieving the Sustainability for All targets in Africa.

SESSION 3: Consideration and Adoption of the Draft Resolutions and Final Communiqué

22. Following the presentation of the Draft Resolutions and Final Communiqué, the documents were amended and finally adopted. Adopted Resolutions and Final Communiqué are attached to this report.

MINISTERIAL ROUND TABLE HELD ON 15 NOVEMBER 2012

23. The Ministerial Round Table was held on November 15th, 2012 and chaired by Hon. Salvador NAMBURETE, Minister of Energy of Mozambique. The panellists were: AUC Commissioner for Infrastructure and Energy, EU Commissioner for Development, European Investment Bank Vice-President, Energy Ministers of Congo and South Africa and UNIDO Director General, and from Academia Prof. Izrael Da Silva.

24. The ministerial round table brought together Ministers, private sector, civil society/academia, development partners and financial institutions, on the theme of the conference. The aim of the Round Table was to establish an open dialogue in order to advance in the understanding of key issues related to the development of renewable energy, and discuss specific responses suggested by the eminent panellists on how to overcome identified barriers toward the accelerated implementation of African energy projects and programmes. Concrete proposals, experiences, commitments and call for collaboration were made.

Key issues discussed

25. African energy systems are crucially underdeveloped, while energy resources are available in sufficient quantity to adequately address the needs of the African people. Panellists argued that Africa should address its energy poverty taking advances of all its

energy resources, while prioritizing the utilization of its substantial renewable energy potential, which can provide specific advantages for reaching the poorest in rural remote areas through decentralized systems, for the environment and for the development of local energy industries.

26. On the challenges of policy, planning and financing for energy access, rich experiences of several countries, among which South Africa, Ethiopia, DRC, Congo, Kenya, etc. provided avenues for successfully overcoming these challenges.

27. The role of Private sector, academia, development initiatives such as the SE4ALL, supported by government's favourable measures, in view to widen energy access in Africa, was highlighted

28. The round table agreed on the benefits of regional approaches for the development of the vast energy potential on the continent. Programmes such as PIDA constitute a platform for concrete commitments for cooperation among many countries.

Recommendations

29. Considering the small and fragmented national energy markets, and the inherent high cost of developing large renewable energy projects, countries should consult more and cooperate with strong commitments in favor of multi-country regional projects;

30. The daunting challenges of financing the energy sector call for establishing adequate investments frameworks in countries to promote PPP and IPP, design innovative fund mobilization strategies, starting with national and regional finance, and flexible financial instruments from development financial institutions;

31. Academia, governments and private sector should work together to design adequate solutions aiming at accelerating the development of the energy sector.

VII. CONCLUSIONS

32. The Conference endorsed the conclusions and recommendations of the Ministerial Roundtable.

33. The conference mandated the AUC to submit this report, the Final Communiqué and the Resolutions to the AU Executive Council.

VOTE OF THANKS

34. On behalf of the participants, Senegal Energy Minister thanked the AUC for hosting the Conference and all side events and the Government of Ethiopia for the exceptional warm hospitality.

VIII. CLOSING CEREMONY

35. The closing ceremony was marked by speeches of Energy Minister of Equatorial Guinea, the AUC Commissioner for Infrastructure and Energy and the Minister of Energy and Water of Ethiopia, the Chair of CEMA Bureau.

36. The AUC Commissioner for Infrastructure and Energy expressed the AUC gratitude to all Institutions and Development partners for the announcements made to effectively support the African efforts to accelerate the development of renewable energies in Africa.

37. The Chair of CEMA Bureau summarised the main outcomes of the meeting appreciating the high level of discussions.

38. Finally the Chair of CEMA Bureau thanked the African Union Commission, the African Development Bank and the United Nations Economic Commission for Africa for organizing this Conference and the other side events, namely the All-Africa Energy Week, the Pan-African Energy Investment Forum and the exhibition.