

## **PIDA WEEK 2020 TECHNICAL SESSION: HEAD OF ENERGY DIVISION'S RESPONSE**

**QUESTION: AUC, IED is championing several initiatives including AfSEM which is a considered part of Agenda 2063. From your experience, is Africa on the right track with regards to the Electricity Market Harmonization?**

At AUC we are certain and highly optimistic that Africa is on the right Track With regards to AfSEM Because;

### **1.0 The Africa Energy Challenge: AUC's Response**

It is well known fact that, despite its rich energy potentials, Africa is lagging behind in the global energy trends. Current projections reveal that Sub-Saharan Africa will be the only region in the world failing to achieve SDG 7 - universal access to energy by 2030, of Africa's population, 600 million citizens still without electricity. In response, the AU has stepped up in a Continental-wide approach to address the challenge:

Hence, the African Union Commission (AUC) has joined forces with the European Union (EU), to forge a continental approach to electricity markets in Africa. A fully integrated, competitive and harmonised electricity market for Africa will accelerate Africa's Socio-Economic development, improve energy access for African citizens and attract investments.

### **2.0 The Ambition: More Secure, Affordable, and Sustainable Energy for Africa**

The goal is to give African households and businesses more secure, sustainable, reliable, competitive and affordable energy. Achieving this goal will require a fundamental transformation of Africa's energy governance system. The African Union Commission (AUC) has decided to pursue the creation of a Continental-level, African Single Electricity Market (AfSEM) - to become one of the largest electricity markets in the world

### **3.0 The Initiative: Building the African Single Electricity Market;**

Drawing from the European Union's 30-year experience and success of building the European Energy Market, the African Union and the European Union have entered into the AU-EU energy partnership, working to harmonise and eventually unify Africa's regional electricity markets fitted to the African needs and realities. Technical advisory is spearheaded by the EU Technical Assistance Facility for Sustainable Energy for All.

Since 2015, the AU-EU energy partnership has been working towards harmonising Africa's Electricity markets to help all African energy planners and network operators 'speak the same language'. The African Single Electricity Market is the common language, the common energy governance system establishing the market operation over the continental-wide, interconnected electricity infrastructure.

AfSEM was initiated in line with International, regional and bilateral agreements coordinated to address the pressing priority of ensuring Africa's energy supply i.e

- **Agenda 2063:** Africa's masterplan with the overarching objective of transforming Africa into the "global powerhouse of the future"
- **Sustainable Development Goals No 7 (SDG7):** Universal, reliable, affordable and sustainable energy access- by 2030
- **European Green Deal:** Under its external dimension proposes a "Green Energy Initiative" to support further development of a sustainable energy system in Africa

#### **4.0 The Impact: One Electricity Market for One Continent**

The AfSEM is designed to bring greater energy security, sustainability and competitiveness. The work brings together over 100 African energy stakeholders to rethink Africa's energy planning, and co-create solutions to tackle energy poverty. In addition AfSEM will be;

- The largest single Electricity Market in the World covering 55-member states serving 1.5 Billion population
- Most cost-efficient response for strong growth of electricity demand in Africa
- Most essential tool to use full potential of Renewable Energy Sources, including flagship projects and production of renewable/green hydrogen
- Most efficient tool to provide for security of electricity supply
- Effective accelerator to 100% access of electricity in the continent
- Provider of competitive wholesale electricity prices across Africa

**QUESTION: What are the main factors that need to be considered in order for Africa to achieve the full implementation of AfSEM by 2040?**

AfSEM implementation depends on the following:

1. AfSEM formulation and operationalization depend on a broad ranging and continentally integrated market and regulatory structure supported by strong institutions, policies, effective governance and supervision.
2. identify the different initiatives and activities related to the development of the AfSEM and analyze the opportunities, the barriers, and the best practices and synchronize AfSEM activities with AUDA Continental Master Plan, PIDA, AEGEI, AEPP, AREI, EU TAF activities with APUA, AFREC, AfCFTA etc
3. Developing a Continent-wide network of infrastructure for energy generation and transmission the CMP
4. Strengthening the existing national and regional electricity institutions.
5. Effective step-by-step integration of all the relevant Electricity institution at a continental level to support the investments in the projects of African interests.

Thank you