

# Aide Memoire

## I. Introduction

1. Most African countries require additional modern energy for basic services and to ensure sustainable development. NEPAD recognizes that energy plays a critical role in the development process, first as a domestic necessity but also as a factor of production whose cost directly affects prices of goods and other services, and the competitiveness of enterprises. In view of the fact that small market sizes and low purchasing power have been the main barriers to universal access to modern energy for development, NEPAD recognises that the "business as usual" approach will not meet Africa's energy demand, and adopted a partnership strategy to promote development of the African energy infrastructure. The strategy aims to capitalise on regional markets rather than country-specific coverage, hence generating the economies of scale necessary to lower transaction costs and increase competitiveness.

## II. The Energy Sector under NEPAD

2. It observed that the distribution of energy resources in the continent was uneven. In the light of the above, the objectives for the Energy Sector under NEPAD, as stated in the NEPAD document are:
  1. To increase Africans' access to reliable and affordable commercial energy supply from 10 to 35 per cent or more within 20 years;
  2. To improve the reliability and lower cost of energy supply to productive activities in order to enable economic growth of 6 per cent per annum;
  3. To rationalize the territorial distribution of existing and unevenly allocated energy resources;
  4. To strive to develop the abundant solar resources;
  5. To reverse environmental degradation that is associated with the use of traditional fuels in rural areas;
  6. To exploit and develop the hydropower potential of the river basins of Africa;
  7. To integrate and transmission grids and gas pipelines so as to facilitate cross-border energy flows;
  8. To reform and harmonise petroleum regulations and legislation on the continent.
3. The NEPAD document identified actions that needed to be taken to address these objectives: the establishment of an African Forum for Utility Regulation and regional regulatory associations; the establishment of a task force to recommend priorities and implementation strategies for regional projects, including hydropower generation, transmission grids and gas pipelines; the establishment of a task team to accelerate the development of energy supply to low-income housing; and broadening the scope of the programme for biomass energy conservation from the Southern African Development Community (SADC) to the rest of the continent.

### **III. Energy at the WSSD**

4. Energy featured as one of the key sectors at the World Summit on Sustainable Development (WSSD). In addition to the section on Energy in the Plan of Implementation of the Summit, the section on Africa specifically referred to steps which needed to be taken to "deal effectively with energy problems in Africa, including through initiatives to:
  1. Establish and promote programmes, partnerships and initiatives to support Africa's efforts to implement NEPAD objectives on energy, which seek to secure access for at least 35 per cent of the African population within 20 years, especially in rural areas;
  2. Provide support to implement other initiatives on energy, including the promotion of cleaner and more efficient use of natural gas and increased use of renewable energy, and to improve energy efficiency and access to advanced energy technologies, including cleaner fossil fuel technologies, particularly in rural and peri-urban areas;"
5. A number of concrete activities under Track II of the Summit outcomes address the needs in Africa. For more information, see the [Partnerships](#) section of this website. These are in line with NEPAD's objectives in the Energy sector and there is a need for NEPAD to strategically plan in order to derive maximum benefits from the Summit outcomes.

### **IV. Short term energy projects under NEPAD**

6. NEPAD has drawn up a short-term Action Plan, which identifies its priorities in the Energy Sector. The Summary Action Plan provides a wide range of activities, some in more detail, than others. It comprises of 23 energy projects; 7 power systems projects, 3 gas/oil projects, 4 studies, 3 capacity building projects, and 6 facilitation projects. Monitoring, project implementation and impacts on poverty reduction upon project completion are common roles across all projects. However, there is a need to elaborate further the actions, which need to be taken in order to operationalize these projects. For further information, refer to the [NEPAD Website](#).

### **V. Terms of Reference for Proposed Workshop**

7. Under the partnership approach, NEPAD has identified energy projects which should be implemented in the short term. Notably NEPAD recognises the need for a medium and long term Action Program and in the short term aims to create an enabling environment for development of these programs. The energy projects proposed within the short term action program fall into four categories; power systems, gas/oil, studies, capacity building and facilitation. NEPAD's role in the action program has been defined. However, there is need to elaborate on how this role can be operationalised. In addition the roles of other partners in the energy scene needs to be articulated.

8. NEPAD is committed to a participatory approach in the development of Africa's energy infrastructure and is seeking inputs from players in the African energy scene. NEPAD has explicitly called for use of African experts in delivering on its objectives, in partnership with international partners/experts. It is hence within this framework that a workshop for some 15 to 20 African energy experts is proposed.
9. The overall objective of the workshop is to provide a forum for inputs by African energy experts into the NEPAD energy initiative. The specific objectives are:
  1. to develop strategies on how NEPAD and its partners can operationalise the goals/role towards implementation of the short term action plan;
  2. to advise on measures to ensure that the outcomes of WSSD contribute to the implementation of the NEPAD energy objectives and identify additional short term energy projects in line with the WSSD implementation plan;
  3. to identify priority position papers and research areas for the Energy sector;
  4. to explore the role of development agencies, educational and R&D institutions and non-governmental organizations in the implementation of the NEPAD Energy Action Plan;
  5. to define/elaborate on the enabling environment for development of medium and long term action program;

## **VI. Workshop Implementation Approach**

10. Given the goals of the workshop, invited experts would be expected to prepare background papers and recommendation on the specified elements. In particular experts would provide guidance on how NEPAD can accomplish the specified roles within each project. Such guidance would be based on a review of current project status and experts experience. Presentations identifying relevant position papers and rationale will be solicited. A facilitated discussion on how to provide an enabling environment for medium and long term action program development and implementation would be undertaken.
11. Various factors beyond the continent including the pressure to reform the energy sector have significant implications on meeting NEPAD's goals for the African energy sector. It is expected that experts will explicitly take this into consideration in developing recommendations.

## **VII. Venue and Date for the Workshop**

12. The workshop is scheduled to take place from 28 to 29 April 2003 in Dakar, Senegal

## **III. Funding for the Workshop**

13. Funding for the workshop is being sought from UNEP, UNFIP and UN/DESA. However, the Senegalese government, which is the focal point for energy under

NEPAD, once it approves this workshop, will be expected to provide the logistical support, including secretarial assistance.