

## ENHANCING INVESTMENTS FOR CLEAN TECH SOLUTIONS, BEYOND MENA TOWARDS AFRICA: CHALLENGES AND OPPORTUNITIES

*Rome, 19th May 2016*



### Italian renewable energy industry looks at sub-Saharan African markets

**RES4MED launched "RES4Africa", the new strategic project, during the RES4MED Annual Conference: "Enhancing Investments for Clean Tech Solutions, beyond MENA towards Africa: challenges and opportunities"**

Rome, May 19th 2016

Some of the most important international experts on renewable energy gathered in Rome at the Enel Auditorium in Viale Regina Margherita, during the Conference: **"Enhancing Investments for Clean Tech Solutions, beyond MENA towards Africa: challenges and opportunities"**, organized by RES4MED under the patronage of the Italian Ministry of Foreign Affairs and International Cooperation, to discuss opportunities and challenges of **energy investments in sub-Saharan African countries, in order to "export" the successful Euro-Mediterranean cooperation experience.**

During the first session, **Francesco Venturini**, CEO of Enel Green Power, as President of the Association RES4MED, launched **"RES4Africa"**, the new strategic project, taking on **the challenge offered by the African continent in relation to its potential and growth opportunities** in the renewable energy sector. Venturini underlined the need for **infrastructure development to provide access to electricity to the local population, to support industry and agriculture** and the need for stable regulatory framework to ensure the bankability of projects.

### **What does Africa need to grow: about 110 billion dollars investment each year in energy sector**

Sub-Saharan Africa is rich in energy, but poor in energy supply, while access to energy remains limited. Since 2000, much of sub-Saharan Africa has experienced rapid economic and population growth and energy use has risen by 45%.

Excluding South Africa, the average of energy consumption is close to 160 kWh per capita per year compared with an Italian average of 5000 kWh.

Private sector and international investors will play a pivotal role to increase investments, competitiveness and innovation in energy infrastructure. The International Energy Agency (IEA) estimates that investment in energy supply of **110 billion dollars per year** is required. Therefore an overall amount of **three trillion dollars investments up to 2040** will be necessary. Capital will flow to Africa, thanks also to the attention on climate and energy in Africa, following COP21 in Paris: the World Bank Africa Climate Plan estimates that **\$ 16.1 billion could be raised by 2020.**

Given this context, renewable energy sources are essential in the future energy mix and can play a key role in covering future electricity demand.

RE technologies are currently the cheapest solutions for grid extension in case of centralized grid supply with renewable energy sources as well as for **off-grid and mini-grid electrification** in remote areas. As for large power plants, the hydroelectric and wind power may be close to 100 GW of installed capacity each, followed by solar with 70 GW.

**About 600 million people in sub-Saharan Africa live without access to electricity**, half of the total global population of 1.2 billion. Access to energy in rural areas is a priority. The African RES generation mix is expected to reach a share of 50% in 2030 and Italian industry can fully play its role.

### Keynote speakers

Ambassador Massimo Gaiani, Director General for Global Affairs at the Italian Ministry of Foreign Affairs and International Cooperation, expressed great appreciation and support for Res4Africa project.

**Elham Ibrahim**, Commissioner for Infrastructure and Energy at African Union Commission, highlighted the urgent need for action to exchange experiences in the green energy sector, offering maximum effort to ensure a regulatory framework to facilitate international investments.

**Roberto Ridolfi**, Director of Sustainable Growth and Development at the Directorate-General for International Cooperation and Development - DG DEVCO, European Commission, confirmed the financial support of the European Commission for development projects in Sub-Saharan Africa to encourage the private sector.

Two **African Foreign Ministers** (Tanzania and Somalia) and the Commissioner for Energy at ECOWAS (Economic Community of West African States) - who participated at the Italy-Africa ministerial conference organized by the Italian Ministry of Foreign Affairs - have confirmed the priority of intervention in the energy sector, **asking the commitment of the entire Italian value chain of renewables**.

Bernardo Bini Smaghi, Director at Cassa Depositi e Prestiti, announced that the Institution will have a decisive role in the new Italian cooperation and that energy will be one of the priority areas and significant investments will be allocated.

### How to attract investments

During the second session, the Conference provided the opportunity to assess the main barriers to RE investments in MENA region and added discussion on how to generate a favorable climate and to accelerate RE investments in African countries. It was presented the survey conducted by RES4MED **"Survey on the main barriers affecting investments in RE capacity in the Mediterranean"**. The results of the study were discussed during a panel composed by international investors and some government representatives from Egypt, Jordan, Morocco and Tunisia. The Survey is available on the website [www.res4med.org](http://www.res4med.org).

A **Memorandum of Understanding** was signed between the President of **RES4MED** Francesco Venturini and the Director of the Division of Renewable Tunisian Electricity Company, **STEG**, Moncef Harrabi, confirming the Italian commitment to invest in the southern Mediterranean countries, in order to *strengthen economic stability*.

Similar collaborations will also be extended to key stakeholders of sub-Saharan African countries, in order to build up an effective dialogue between public and private sectors.

**The first international Res4Africa event will be held in Kenya in late October**



At the closing of the Conference, the commitment to Africa was reconfirmed by the Secretary General of RES4MED, Roberto Vigotti, who assured collaboration with the **African-EU Energy Partnership (AEEP)**, defined on May 16 during the AEEP Stakeholder Forum held in Milan, where AEEP and COMESA (Common Market for Eastern and Southern Africa) welcomed with great enthusiasm RES4Africa project. RES4MED Secretary announced **RES4Africa Day** will be held in Nairobi, **Kenya**, on **26 and 27 October** in collaboration with AEEP.

**Africa can become the driver of energy technology innovation, as an Open Laboratory to devise new business models**, to create economic opportunities for the local industry and international players and new jobs for a young and fast growing population. RES4MED "going South"!

Conference proceedings available on [res4med.org](http://res4med.org)

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