

AFRICA ENERGY MINISTERS CONFERENCE

JOHANNESBURG DECLARATION

Preamble

We, African Ministers responsible for Energy, convened in Johannesburg, South Africa on September 15 and 16, 2011 at the Africa Energy Ministers Conference on “*Road to Durban: Promoting Sustainable Energy Access in Africa*”, to reach consensus on the priorities for supporting Africa’s energy development agenda in a sustainable manner in advance of the 17th Conference of the Parties (COP 17/CMP 7) of the United Nations Framework Convention on Climate Change (UNFCCC) and 7th Conference and Meeting of Parties (CMP) to the Kyoto Protocol(KP) to be held in Durban from November 28 to December 9, 2011. Energy issues should also hold a prominent place in the Rio+20 agenda, as it constitutes a key international milestone. The resulting decisions should provide a solid implementation framework for concrete actions on energy.

1. *Recalling* the Maputo Declaration adopted by the African Energy Ministers at their inaugural conference held in Maputo, Mozambique, on November 5th, 2010, and reiterating the commitments that resulted, including the formation of the Conference of Energy Ministers of Africa (CEMA);
2. *Welcoming* the progress achieved in the establishment of Regional Power Pools and the programs, initiatives and partnerships at both regional and sub-regional level geared towards advancing energy sector development and integration in Africa, and appreciating the support of development partners to Africa’s energy development agenda.
3. *Welcoming* 2012 as the International Year of Sustainable Energy Access for All, and the sustainable energy goals set forth in the report¹ of the United Nations Secretary-General’s Advisory Group on Energy and Climate Change (AGECC);

¹ Energy for a Sustainable Future, The Secretary-General’s Advisory Group on Energy and Climate Change (AGECC), New York, USA, April 28, 2010.

4. *Welcoming* the continued emphasis placed by the United Nations Secretary-General and the UN system on sustainable energy as central to achieving sustainable development. And specifically on the Action Agenda that is being designed by a new High-Level Group on Energy around three goals: ensuring universal access to modern forms of energy for all by 2030, improving energy efficiency by 40 per cent by 2030, and doubling the global share of renewable energy by 2030;
5. *Acknowledging* that Africa has the lowest rate of access to modern energy amongst all continents, and that if no significant changes are made it is projected that more people will be without energy services in 2030 than now;
6. *Recognizing* that access to reliable, affordable and sustainable energy service is essential to reduce poverty and promote equitable and sustainable social and economic development, and climate resilience in our continent;
7. *Recognising* that resource efficiency and green growth critically contribute to poverty reduction, job creation, decent work, social development and a better environment;
8. *Emphasizing* that inadequate energy systems jeopardize the achievement of the Millennium Development Goals in Africa and weaken resilience to adverse climate change impacts, as well as hinder opportunities for vulnerable groups especially women and children;
9. *Further emphasizing* the vulnerability of Africa to the negative impacts of climate change, the resultant threats to water supply and energy infrastructure, and hence the need to ensure adaptation to climate change;
10. *Emphasizing* that Africa, Least Developed Countries (LDCs) and Small Island Developing States (SIDS) are prioritised for Green Climate Fund as reflected in the COP 16/CMP 6 Cancun Agreement;
11. *Emphasizing* the principles of the United Nations Framework Convention on Climate Change, in particular the principle of equity and common but differentiated responsibility and respective capability, and further reinforcing that developing country mitigation and adaptation action is dependent on the

provision of finance, technology and capacity building support from developed countries

12. *Highlighting* the fundamental need to build necessary human and institutional capacity developments on a sustainable basis. This is the basis for ensuring we can design and implement bankable projects, effective policies and regulations, and negotiate favourable agreements to ensure the provision of sustainable energy for all.
13. *Recalling* the Monterrey Consensus on Financing for Development that committed to a broad-based development agenda taking into account poverty reduction, environmental sustainability and economic growth which called upon donors to commit to a target of 0.7% of gross national income towards official development assistance;
14. *Recalling also* the COP 15/CMP 5 Copenhagen Accord on Fast Start Financing approaching \$30 Billion by 2012 and on long term funding arrangements of up to \$100 Billion per year by 2020;
15. *Noting with concern* that only 2% of clean development mechanism (CDM) projects originate in Africa and welcoming the decision of the European Union to focus its demand for carbon credits on supply from the LDCs whilst also encouraging regional and national carbon trading schemes to give priority to the supply from LDCs and others including Africa and SIDS;
16. Despite the fact that Africa as a continent has contributed relatively less to the green house gas emissions we however are taking decisive actions to contribute towards reduction of the global carbon foot print.

We assert that:

17. Climate change is a development challenge that threatens to reverse developmental gains made in recent years. African economies and communities, and the poor among them are most at risk to the adverse effects of climate change , have contributed the least to the problem and will likely be among those impacted the most.

18. Expanding access to modern energy services and building energy security is an utmost priority to accommodate the basic needs of millions of African citizens, facilitate human and social development, assure sustainable economic growth, and contribute to the achievement of the MDGs in Africa and thereby build resilience to the impacts of climate change.
19. Only 42% of African citizens have access to electricity. In sub-Saharan Africa, just one in three people, have access to reliable electricity – the lowest rate in the world. This results in limited educational opportunities for African children and depressed income opportunities especially for African women. Inadequate access to electricity constrains the delivery of social services such as health, water and sanitation.
20. The entire power generation capacity of the continent stands at 124 GW, of which 30 GW is the total of sub-Saharan Africa (excluding South Africa). Unreliable power supply has a significant bearing on economic development in the Sub-Saharan region. It affects over 30 sub-Saharan countries, depressing competitiveness and employment and imposing significant costs especially for rapidly growing urban areas which contribute some 79 percent of total GDP growth in Sub-Saharan Africa.
21. An intermediate goal would be to support and complete the currently planned capacity expansion through key transformational projects, which overall may add an additional 30 GW of capacity within ten years. If only a third of this capacity is utilized for domestic demand, it would accommodate the needs of an additional 150 million served by grid electricity.
22. To make universal access a reality by 2030, an additional 512 million people, 460 million of them in the Sub-Saharan region, should be provided access to electricity. The scale of the challenge requires that all approaches, including grid and off-grid solutions are taken into account and adopted based on an efficiency principle. Rural and urban demands can best be met with a diverse technology mix that takes full advantage of sub-Saharan Africa's exceptional solar, wind, geothermal, biomass, and sustainable hydropower resources.
23. Facilitating the spread of low-cost and sustainable energy solutions is critical to meeting basic needs. Supporting the transition to more sustainable fuels for cooking and heating and the use of more efficient cookstoves is also paramount in reversing the health implications and the environmental degradation imposed by the use of traditional biomass.

24. The use of outdated and highly inefficient production and end-use technologies causes unacceptable energy waste. The rapid deployment of more efficient technologies and improved energy management is a critical priority for African development and will support improvements in energy access and the development of renewable energy.
25. Small Islands States(SIDs) face an unprecedented constraint and challenge in relation to climate change and unlike countries on the mainland, and cannot in anyway benefit from interconnection for supply. The vulnerability of SIDs become more critical with their dependence on imported fossil fuels.

We identify the following priorities:

26. Dramatically expanding access to modern, clean, high-quality energy services: Electricity access in Africa is still less than 35%, with the exception of South Africa, consumption is around 1% of the level of OECD countries. Approximately 82% of households rely on solid biomass for cooking, which imposes huge health and environmental risks. In addition most countries face regular interruption of services, shortages of supply and rapidly escalating costs.
27. Building energy security by scaling-up regional power supply and transmission: Regional power pools have been established across the continent. The up-scaling and coordination of regional transmission and generation capacity will enable further benefits of scale, security and diversity. In addition it is recognized that large projects in some countries can only be developed on a regional basis.
28. Reducing climate change vulnerability and increasing resilience : African nations are among the most vulnerable to the negative impacts of climate change. As such we need to prioritise the resilience of our communities, infrastructure and economies in the face of these impacts. African nations need to develop country specific and regional adaptation approaches and actions which will enable the identification of priority adaptation actions an integrated part of their sustainable development and poverty eradication policies, measures and strategies whist facilitating development. We further need to develop regional centers that can develop early warning and modeling capability to reduce risk and increase resilience.

29. **Prioritising clean energy:** Africa is richly endowed with renewable energy resources – many of which may be developed in support of a low-carbon future for the continent. With the support of financing, technology and institutional capacity building from developed countries Africa will be able to greatly enhance its economic, social and environmental development using a diversity of clean energy sources.
30. **Improving sector and utility performance:** The underperformance by most utilities is a key impediment to sector growth. This is often due to the shortage of management expertise and skilled staff coupled with limited financial and human resources for training. Cooperation in developing skills in this sector across the continent is a priority.
31. **The key role of demand-side management and energy efficiency:** Experience has shown how demand side management and energy efficiency programmes can reduce costs, improve access and international competitiveness while simultaneously reducing environmental impacts. They are also essential to ensure optimal energy system design, and the integration of renewable energy. There is great potential in learning from the successes of African and other nations in this area.
32. **Localising supply chains:** Whilst growing our energy economies, we need to ensure that localization of supply chains for not only the supply of equipment and plant, but also the maintenance and operation of our facilities. This will create jobs and grow skills as well as reduce costs.
33. **Integrated planning:** The energy sector does not operate in isolation. Infrastructure such as power lines, pipelines, water, transport are interdependent. Integrated planning is critical to the sustainability and further development of our economies and societies. As such we will prioritise integrated planning and the role of the energy sector in developing our economies, promoting investment and localization, as well as improving education, security and health care.
34. **Securing financial resources:** A key constraint to the effective execution of energy projects across the continent is the lack of resources for project preparation and development – from concept to financial close and execution. In addition most major energy projects require long term finance with repayments linked with project revenue generation. Often the revenue

generation is inadequate to support the current high costs of capital and long value chains of comprehensive projects; as such a substantial part of the financing of these projects needs to be in the form of accessible grants and capital at long term concessional rates - especially for interregional transmission and renewable projects. Such projects would also benefit from the more expeditious processing by multilateral and bilateral institutions. In addition we will aim to maximize the flow of green finance and carbon funds as well as the use of market mechanisms such as the CDM.

35. Building technology and innovation capacity: We need to build our technology base through undertaking appropriate research and development (R&D), developing our skills base and facilitating technology transfer to ensure that technologies are needs driven and appropriate for local conditions including undertaking regional resource assessment projects.
36. We need to give special consideration to the needs of SIDs in terms of generation capacity enhancement , promoting the use of renewable sources of energy ,and also in terms of capacity building.

We resolve to pursue the following actions

37. Support for expansion of generation capacity with emphasis on regional projects: The best way to expand generation capacity at the lowest unit cost is to develop large-scale generation projects. A project finance approach in which private sector participation at concessional rates and donor funding are blended will usually be needed to develop these large projects. These projects are invariably complex and will require significant project preparation funds to assess their social and environmental impacts, to undertake upstream regulatory and institutional development and ensure their resilience to climate impacts. Today, the available funding from international agencies to undertake such upstream project preparation work for large regional projects is inadequate. We urge the COP 17/CMP 7 to consider placing US\$500 million as a corpus of grant funds to develop the next generation of national and regional generation projects, with emphasis on clean energy development. Another impediment to the realization of large hydropower and/or regional projects is their not being eligible for carbon market support such as CDM or climate related funds. We urge the COP 17/CMP7 to ensure that both large hydropower and regional (cross-border) projects be declared eligible for “fast-track” finance and green

funds, including any new market mechanisms and instruments as well as a call for their access to any new climate-related or green funds.

38. Enhanced funding for policy and institutional development activities: Successful planning, design and timely implementation of scaled-up access programs will hinge critically on the ability of national utilities, other energy sector development and governance institutions to undertake the key technical, planning, management, commercial, and logistical functions. Countries can choose various forms of private-public sector structures for implementation of scale-up programs but invariably there will be need for national utilities to perform their functions at greatly improved levels of efficiency and effectiveness: improve transmission and distribution efficiency; adopt a loss reduction strategy; upgrade metering, billing and collection systems; invest in needed assets and efficient commercial technology for the distribution network; and, improve corporate governance and ensure non-interference in their procurement, financial and commercial operations. We urge the COP 17/CMP 7 to consider mobilizing support and resources for accelerated and effective technology transfer and human resource development programs with emphasis on South-South exchanges to boost the capacity of African energy institutions and professionals. We also call for greater international support for a network of regional centers of excellence and innovative funding streams to support the development, dissemination and deployment of appropriate technologies adapted to Africa's needs including home-grown and other solutions that create jobs, foster entrepreneurship and contribute to enhanced export earnings.

39. Energy planning and international cooperation: A sector wide approach to scale up energy access has the potential to channel donor resources in a more sustained and cost-effective way that is consistent with the Paris Declaration². Given the scale of investments needed, a systematic and climate-friendly approach to planning and financing new investments is critical. A sector wide approach employs integrated planning resulting in a mix of technologies being appropriately targeted for (a) grid extension in urban and rural areas where population density and distribution enables it to be least cost, (b) mini grid and off-grid systems based on renewable energy technologies for dispersed populations.; and (c) low-cost home-energy systems (e.g. solar, LED, geyser blankets, low flow showerheads etc.) as well as efficient cook stoves, through development of markets for such products. In addition to connecting the

² Paris Declaration on Aid Effectiveness, Paris, France, March 2, 2005.

households, solar-powered electrification of clinics and schools to serve low-income communities is another way of bringing the benefits of investment in electrification directly to these communities. We urge development partners to honor funding commitments made for energy access and energy poverty and deliver on increased funding assistance for access programs from climate-related funds being mobilized. The African Energy Ministers in turn resolve to lead and champion strong programs for access planning and strengthen the policy and institutional framework for implementation to accelerate the achievement of results.

40. Regional trade and energy resource development: Enhanced support from development partners for scaling up regional energy trade and development of clean and renewable energy resources. The urgency to support regional strategies and complete key regional transformational projects that will secure sustainable, efficient and affordable energy supply based on economies of scales and diversification of the energy mix at the power pool level. We call upon the COP 17/CMP 7 to ensure that the operational and eligibility criteria of fast-track and green funds being mobilized to be used as up-front capital in support for development of Africa's developmental priorities, including inter alia, utilization of its vast and largely untapped hydro-power resources. In addition, we call on the COP 17/CMP 7 to urgently address the CDM and the carbon market to similarly support development of Africa's rich hydro resources.
41. The UNFCCC process has to date tended to prioritise the mitigation of emissions: We believe that adaptation to the negative impacts of Climate Change deserves balanced treatment. We call upon the COP 17/CMP 7 to ensure that there is balanced treatment of both adaptation and mitigation and in particular that adaptation projects be recognized for support in the Green Climate fund. We further suggest that templates be developed to facilitate the development of country and regional adaptation plans for the most vulnerable countries and regions – especially in Africa.
42. In order to ensure the success of these actions, we commit to:
 - a. Full cooperation in the achievement of the above actions
 - b. Cooperation in developing regional integrated energy plans which will identify priority energy projects across the continent.
 - c. Cooperation in the sharing of lessons learnt in the energy field through holding workshops and training programmes.

- d. Improving the efficiency of our Energy operations to reduce emissions and improve affordability
- e. Working in partnership with key stakeholders including business and our Development partners

In conclusion, we call upon all multilateral development institutions, the UN Secretary-General and all the UN Agencies and Programmes to globally support Africa's transformational energy agenda. We commend the Republic of South Africa and the African Union for taking the initiative to organize and host this important conference and acknowledge the support from development partners who have made this Conference possible, particularly, the World Bank, the United Nations Industrial Development Organization, and the United Nations Foundation and UN-Energy.

Johannesburg, South Africa on 16th September, 2011.