



Concluding Statement

3rd IEF - OFID Symposium on Energy Poverty

11- 12 April 2017, Tunis, Tunisia

To advance the dialogue on the eradication of energy poverty in Africa, the International Energy Forum (IEF) and the OPEC Fund for International Development (OFID) convened the 3rd IEF – OFID Symposium on Energy Poverty with the support of the Ministry of Energy, Mines and Renewable Energies of Tunisia on 11-12 April 2017 in Tunis.

The Symposium was opened by HE Hela Cheikhrouhou, Minister of Energy, Mines and Renewable Energies of Tunisia represented by Mr Hamdi Harrouch, Director General of the National Energy Conservation Agency on behalf of the host country, Dr Sun Xiansheng, Secretary General IEF, and Mr Sulieman Jasser Al-Herbish, Director General and the Chief Executive Officer, represented by Dr Fuad Siala, Senior Advisor of OFID.

The Symposium participants comprised a wide range of representatives from African countries, the African Energy Commission (AFREC), Sustainable Energy for All (SEforALL), and representatives of the partner organisations of the Joint Organisations Data Initiative (JODI), including the International Energy Agency (IEA), the Organisation of Petroleum Exporting Countries (OPEC), the United Nations Statistics Division, the Gas Exporting Country Forum (GECF), as well as international energy sector practitioners from the private sector and the International Gas Union (IGU).

At the 15th IEF Ministerial in Algeria (26-28 September 2016), Ministers stressed the importance of joint initiatives in several areas to improve energy access and productivity recognising that the lack of access to energy in many developing countries, in particular in Africa, acts as an obstacle to poverty eradication, economic growth and social development. Ministers acknowledged the important role of the IEF and OFID, alongside other organisations to help ensure that energy access remains an integral part of the producer-consumer dialogue and high on the ministerial agenda.

OFID has been implementing energy projects for almost forty years. Since 2007, its efforts have intensified following a direct mandate from its Member Countries in the Solemn Declaration of the Third OPEC Summit. The Declaration on Energy Poverty issued in 2012 by OFID's Ministerial Council provided the strategic guidance for OFID's work. It committed a minimum of US\$1 billion to support its Energy for the Poor initiative, which was announced at the Rio+20 Summit. One year later, the Council turned this pledge into a revolving commitment. Since 2008, OFID approved a total of over US\$3.4 billion for energy projects.

Through joining resources with its strategic partners, this amount leverages more than US\$23.4 billion in support of more than 180 operations in 71 countries.

Discussions at the 3rd IEF – OFID Symposium on Energy Poverty took place in parallel sessions with the 15th Regional JODI Training Workshop aimed at building capacity for energy sector data collection to better inform policy and investment decisions on alleviating energy poverty in Africa in the JODI framework.

Participants focussed on accelerating collective efforts to provide access to modern energy services in African nations by 2030 in accordance with globally agreed goals. The symposium addressed the extent and the consequences of energy poverty, the roles that various energy sources and technology play, and the policy and regulatory options available to African countries to accelerate investment in alleviating energy poverty.

1. The Symposium noted that efforts to eradicate energy poverty must be technology neutral. Renewable energy technologies offer new opportunities to overcome energy poverty and achieve a secure and sustainable provision of modern energy services in Africa where economics permit. Fossil fuels and related technologies aimed at reducing emissions and air pollution in major cities continue to be important to meet growing energy demand and ensure equitable development on the African continent. Poor countries cannot be deprived of energy to grow their economies and keep up with demographic trends during the transition to a more diversified and sustainable energy mix.
2. Delegates noted energy poverty impacts development prospects and demographic trends across many axes in Africa and beyond. In Sub-Saharan Africa only 31% of the population has access to electricity, while in certain countries electrification can be as low as 9% to 20%. The aim therefore should be to increase the electrification rate and the level and quality of the electricity services in developing countries in both urban and rural communities to enable sustainable and equitable growth and safeguard the sustainability of the environment for the benefit of future generations.
3. Financing of both large centralized power plants and distributed energy solutions, operating on both conventional and renewable energy technologies is equally important for a rational use of the abundant natural resources that are readily available to African societies. The economies of scale and new business prospects they present to investors can help to accelerate the financing of the total annual investment needs estimated at \$50 billion to 2030, while facilitating the transfer of technology and creation of new

employment opportunities in an accommodating policy and stable regulatory environment.

4. Energy poverty is more than the lack of access to electricity. In both rural and urban settings in Sub-Saharan Africa the wide spread use of traditional biomass for cooking, heating, and even lighting is a very serious health hazard, entrenches gender inequality and contributes significantly to deforestation. Concerted efforts need to be directed to effect switching to modern and clean fuel types delegates noted.
5. Symposium delegates also observed that to successfully eradicate energy poverty all available types and sources of funding will be needed ranging from international financial institutions, public-private partnerships, private investment, to local resources, and that there is a need for more innovative financing vehicles and policies.
6. Participants recognised that the role of Official Development Assistance (ODA) is critical in making available funds targeting energy poverty alleviation. It is important to track investment flows directed towards alleviating energy poverty, so that the pressing requirements of the Least Developed Countries (LDCs), in particular, are not forgotten in the midst of other competing needs, such as for mitigating climate change and to avoid double accounting.
7. Delegates highlighted that the role of small- and medium-sized enterprises is vital when it comes to providing energy access and opportunities for employment and growth. Multilateral and bilateral development partners can substantially enhance the role agile and innovative business models play by empowering them in providing more options to access traditional financial sources.
8. The investment environment must be politically, institutionally and economically stable at the macro-level and have a transparent and reliable regulatory framework at the micro-level delegates noted. Symposium participants acknowledged that governments need to maintain long-term policy commitments and devise energy-access strategies and implementation plans that are linked to national development plans. To support this process countries also need to establish the institutional capacity to prepare and implement qualified pipelines of deals and bankable projects.
9. With regards to the lack of access to electricity, delegates noted that this is mainly a “rural area” problem in Sub-Saharan Africa, with only 19% of the rural population connected to central grids. While financial aid institutions stand ready to finance

distributed energy interventions that directly address this problem specifically, bankable projects, sponsored by either governments or the private sector, remain hard to come by. Delegates urged policy makers and energy planners to give a higher priority to distributed energy solutions in their national development plans.

10. Participants highlighted that a financially healthy power sector is a necessary precondition for eradicating energy poverty. More transparent and targeted subsidies, a better pricing system, improved bill collection, and a reduction of commercial and technical losses will increase the creditworthiness of the power sector and help to unlock the vast financial sources that are available.
11. Finally, delegates acknowledged that while overall energy data transparency has increased, improving on energy data availability in Africa stands to make a significant contribution to unlock the investment that is required to overcome energy poverty in both urban and rural areas. The availability of accurate, complete and timely energy data for all sources, from the regional-, and country-, to the community-, and household level, remains central to making comprehensive and effective policy and investment decisions to provide universal access to affordable, healthy and secure energy services within the shortest time spans as possible.
12. Participants noted that the JODI framework could be used to compile and collect more energy market data related to energy poverty across the member countries of its partner organisations. Building capacity to make use of “big data” to inform policy and investment decisions on energy poverty eradication, will further help to guide collective efforts to those areas and projects that are most likely to deliver enduring results.

In conclusion, Symposium participants exchanged views on enhancing international cooperation and applauded the progress made by African countries in this regard in collaboration with international organisations. Delegates noted that the challenge to eradicate energy poverty in Africa is much bigger than any stakeholder can overcome individually. There is a clear need to broaden partnership and strengthen international cooperation for efforts to be well targeted and successful. IEF and OFID propose to continue their collaboration on the eradication of energy poverty and step up their efforts to build capacity on related energy data collection together with JODI Partners and other relevant international organisations.