



**Future of Energy Conference
2023**

**Resource Abundance, Sustainable Choices and Innovation:
Shaping Africa's Energy Landscape.**

Action Points

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Introduction



The Future of Energy Conference (FEC) explores Africa's pathways towards curtailing energy poverty in the continent. The discourse focuses on the continent's view of the energy transition, examining the potential risks and identifying solutions that maximise Africa's economic benefits. The main objective of the FEC is to examine Africa's energy needs and the range of technologies and resources that can sustainably reduce energy poverty and advance industrial growth.

FEC 2023, the maiden edition of the Conference, was held on the 25th and 26th of October 2023 in collaboration with the Africa Natural Resource Management and Investment Centre of the African Development Bank and Enzi Ijaye African Initiative.

It was held under the theme "Resource Abundance, Sustainable Choices, and Innovation: Shaping Africa's Energy Landscape." The conference hosted five key panel sessions, interspersed with keynote speeches and paper presentations on issues focused on the theme. The discussions sought to proffer policy alternatives and critical measures available to governments, the private sector, and citizens to be key

players in the transition economy considering the local context, leveraging unique strengths and opportunities for intra-continental trade. This report highlights critical action points from the conference.



Key Points from Guest Speaker's Address

Hon. William Owuraku Aidoo



The Guest Speaker's address was delivered by Hon. William Owuraku Aidoo, Ghana's Deputy Minister for Energy. In his speech, the following highlights were made:

- Africa, currently experiencing the adverse effects of global warming, must actively engage in the ongoing energy transition discourse. This recognition came in light of the various efforts to curtail financing and investments in oil and gas projects by development finance institutions and the decisions made by major international oil companies to reduce investments in the exploration of new frontier basins.
- Africa must leverage its abundant resources to encourage the adoption of renewable energy resources.
- For Ghana, the National Energy Transition Framework (NETF) is a comprehensive strategy to decarbonize the energy sector, highlighting the important role of natural gas and the potential of nuclear energy in the country's energy mix.
- Africa must embrace innovative technologies like carbon capture, electric vehicles (EVs), and clean cooking as pathways to facilitate the transition.
- Africa must actively participate in global transition efforts. However, the region must be mindful of the risks of being marginalized in terms of job opportunities and economic benefits.
- Electricity generation from renewable energy sources is critical for reducing greenhouse gasses. Therefore, Africa must harness its renewable energy resources as a foundation for sustainable, climate-resilient growth.

Key Points from Keynote Address

Dr. Yumkella Kande



Dr. Yumkella Kande

Chairman, Presidential Initiative on Climate Change, Renewable Energy and Food Security, Sierra Leone

Dr. Yumkella Kande delivered the keynote address. He outlined several critical points, which included the following:

- Africa's energy poverty calls for urgent solutions to provide clean, affordable, and reliable energy to its people. Currently, limited investments are channelled to the region to boost and increase investments in energy production. In 2021, less than 2% of global renewable energy investments were allocated to Africa, indicating a need for increased investment in energy production.
- Africa requires strong leadership to provide effective regulation and policy direction for a robust energy sector. Governments must consider private sector participation in various stages of the energy value chain to improve efficiency, transparency and reduce losses.
- The continent must also prioritize clean cooking solutions. These solutions can reduce morbidity from household air pollution.
- Africa must be deliberate in ensuring energy access through collaboration in the energy market. Thus, Africa must strengthen its regional energy market through a roll-out of electricity transmission infrastructure and identify critical opportunities for energy trade.
- Green industrialization, green assets and value addition are critical future endeavours to adopt in the face of the energy transition. Robust monitoring and valuation systems are required to maximize Africa's benefits from its critical minerals.
- Africa's youthful population is a key asset. Thus, Africa must develop its youth based on the required skills of the future through up-skilling and re-skilling.



Key Points from Session 1: Towards a Just Transition, What does the Energy Transition mean for Africa?



- Africa must integrate various energy sources that are affordable, reliable, and clean into Africa's energy mix.
- Africa must prioritize people and services in its definition and implementation of clean energy. A people-centred energy transition prioritizes its citizens' needs, perspectives, and well-being in developing solutions to tackle energy poverty. Thus, we must break down barriers related to race, traditions, and other factors that hinder a just and effective energy transition.
- Africa must develop participatory plans, transparency, accountability, and environmental safeguards for mining its critical mineral resources.
- Africa must develop its pool of experts to deliver solutions for a just transition. This includes harnessing expertise for innovation and providing funding opportunities for grassroots energy transition initiatives.
- Effective regional collaborations must enhance industrialization and value addition. Africa must take advantage of existing trade mechanisms such as the Africa Continental Free Trade Area.
- Africa must, therefore, be ambitious, break down barriers and collaborate to ensure the set objectives are attained.



Key points from Session 2: From minerals to clean energy; Africa's Pathway to Electric vehicles

- Balancing environmental sustainability and clean energy integration requires that Africa conducts Strategic Environment Assessments for mineral extraction projects. Africa must integrate ESG issues into the governance framework.
- Africa must strengthen its monitoring and evaluation mechanisms to enhance compliance to regulations. Africa must examine the entire mineral extraction value chain to provide a comprehensive framework for responsible mineral extraction. The soon-to-be-adopted Africa Green Minerals Strategy is one such framework that would guide Africa in optimising benefits from the energy transition.
- To ensure value addition, Africa must de-risk manufacturing by focusing on creating demand and providing incentives for EV development
- Africa must utilize its renewable energy potential, particularly from solar and wind sources, for EV charging infrastructure to address the limitations of grid electricity
- Africa must leverage financial arrangements for governments and private entities to support EV infrastructure.
- Africa must foster innovation in local EV manufacturing along the entire value chain rather than relying solely on assembly.
- Africa must invest further down the value chain to change the perception of Western cars' superiority over locally manufactured ones.



Key points from Session 3: Towards a Regional Value Chain for Energy Transition Technologies; the Role of AfCFTA



- The AfCFTA Secretariat should identify and address gaps to integrate all emerging concerns in the value chain of technologies that aid the energy transition.
- Stakeholders, including governments, the private sector, and regional organisations, should leverage Africa's strengths and resources to build sustainable regional value chains for energy transition technologies. These stakeholders must take advantage of the rules of origin under AfCFTA.
- African governments and regional organizations should promote collaboration among nations to take advantage of complimentary capabilities and ensure a seamless flow of inputs required for RETs.
- African governments must collaborate with the AfCFTA Secretariat to develop specific industrial guidelines within the AfCFTA framework to capitalize on countries' specializations in clean energy technologies.
- African governments must invest in R&D to proffer innovative solutions for renewable energy technologies.
- African governments must deliberately assess the value chain to identify gaps in skills and facilitate the transfer of expertise, technology, and knowledge across the RETs' value chain.
- Regional organizations and Civil Society must deepen their knowledge of the opportunities along the RETs' value chain to promote private sector participation while leveraging AfCFTA's opportunities.



Key points from Session 4: The Strategic Pathways of Africa NOCs for the Future of Energy



- The energy transition for a commercial entity hinges on three crucial factors. Firstly, there is the imperative to develop the appropriate technology for the transition. Secondly, securing the necessary financing to support the development of these technologies is paramount. Finally, having a market capable of adopting and utilizing these technologies is essential.
- NOCs are key to the success of energy transition in Africa. They must channel a sizeable share of their present revenues into energy transition technologies, reduce their exposure of fossil assets and markets to climate risks and maximize benefits from energy transition.
- NOCs must undertake a comprehensive risk assessment to evaluate their options within the scope of energy transition.
- NOCs must build on this assessment to develop a credible energy transition strategy at the corporate level, focusing on a graduation divestment away from risky fossil assets. NOCs must be transparent about their diversification efforts and acknowledge the risks inherent in the oil and gas business.
- The NOC's diversification strategies cannot be decoupled from the National Transition Plans. Thus, NOCs should be a big part of Africa's energy transition plans. Such frameworks should meet and address issues around carbon governance, carbon sustainability and carbon competitiveness.



Key Points from Session 5: Gas Commercialization through Effective Methane Management: The Role of Governments and Companies



- Governments must recognize the environmental and economic benefits of methane management and implement actions to build capacity, enforce regulations, collaborate with stakeholders, and promote investment in gas commercialization.
- Governments must ensure methane management efforts in the oil and gas sector address all emissions sources, including venting, fugitive emissions, and flaring. Such a broad focus will yield optimum emission reductions in the sector.
- Governments and companies must design specific policies to deal with methane abatement in line with global and national methane reduction targets. These deliberate efforts should be supported by efficient tracking and performance assessment of methane emissions.
- Governments and companies must differentiate the strategies for mitigating methane from those for other greenhouse gases, acknowledging methane's highest global warming potency and the need for distinct approaches required to abate each greenhouse gas.
- Development partners and diplomatic missions must incorporate methane management into their strategic initiatives. This integration will stimulate crucial discussions and advocacy efforts to catalyse action for effective methane management.
- Governments and companies must ensure that methane emission reduction efforts are not an afterthought. They must pay attention to methane emission efforts in the planning and development phases of the oil and gas processes. These efforts must be included in companies' Plan of Development (PoD) of new oil and gas fields.



- Governments must prioritise satellite technologies to establish robust emission quantification processes. A key first step is for Governments to enshrine the acceptability of satellite imagery and applications in the law. This will remove any form of ambiguity and challenge of its legality by IOCs and some NOCs.
- Third-party validation is another key component of robust MRV systems. Besides regulators and companies, there must be an independent assessor that validates emissions information from governments and companies.
- Regulatory institutions must build their capacity to monitor methane emissions to a level at par or even higher than companies. International organisations, development finance institutions and corporations offer valuable information, technical resources and capacity-building programs available to governments and regulatory institutions.





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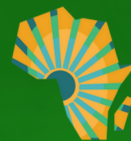
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