



2017 PARTNERSHIPS CONFERENCE

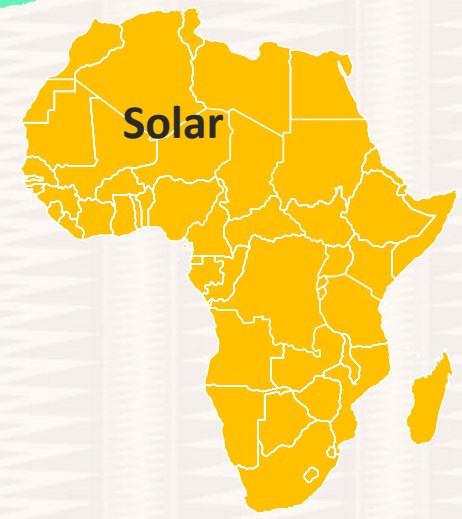
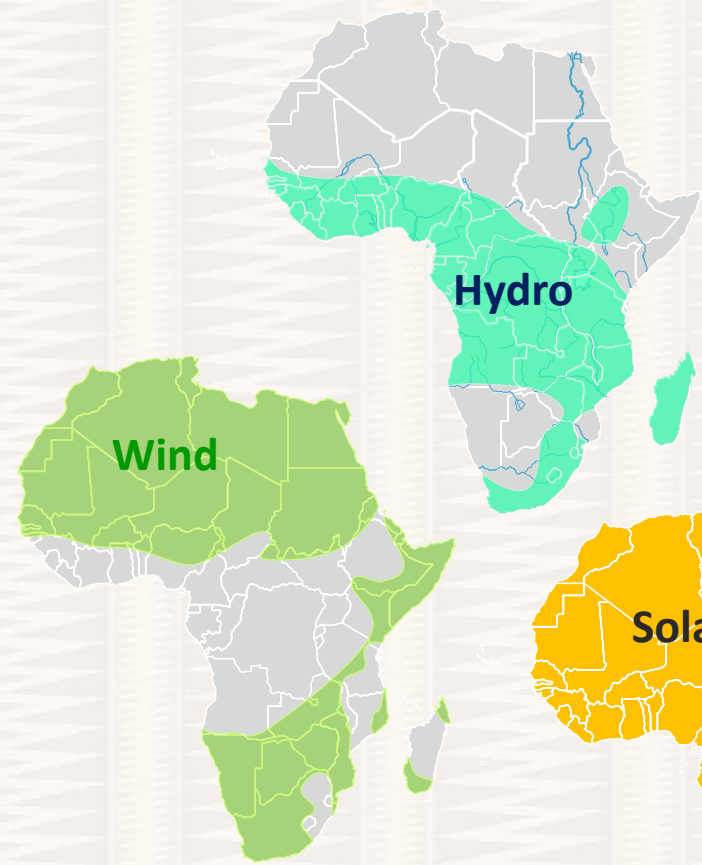
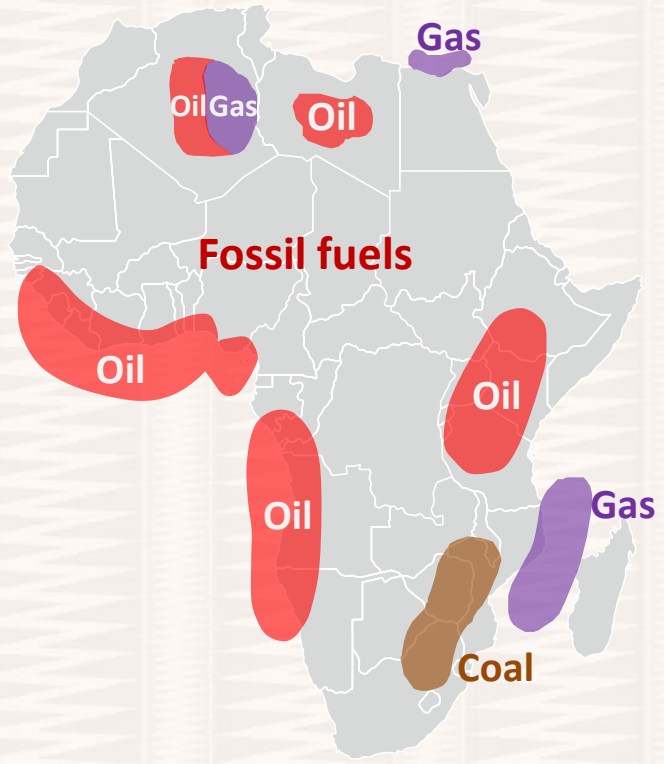
Light Up and Power Africa

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Africa is rich in energy resources...



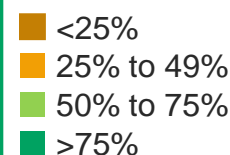
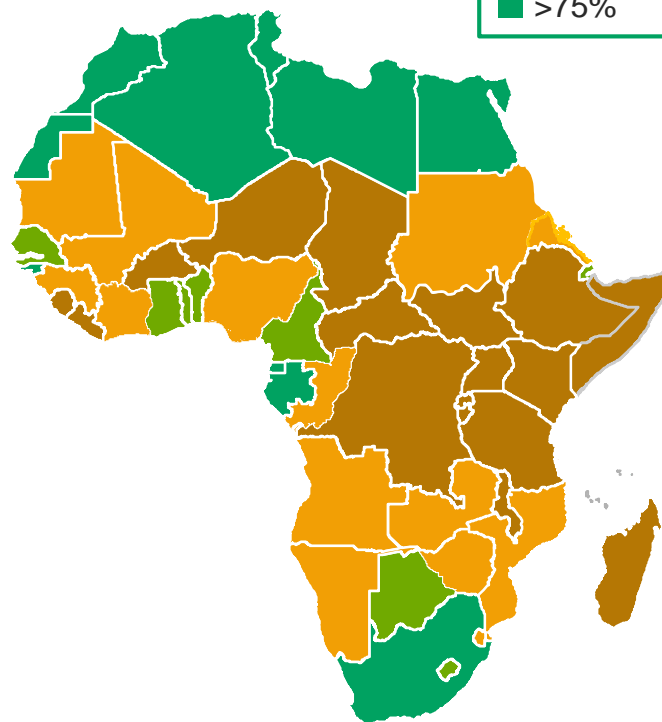
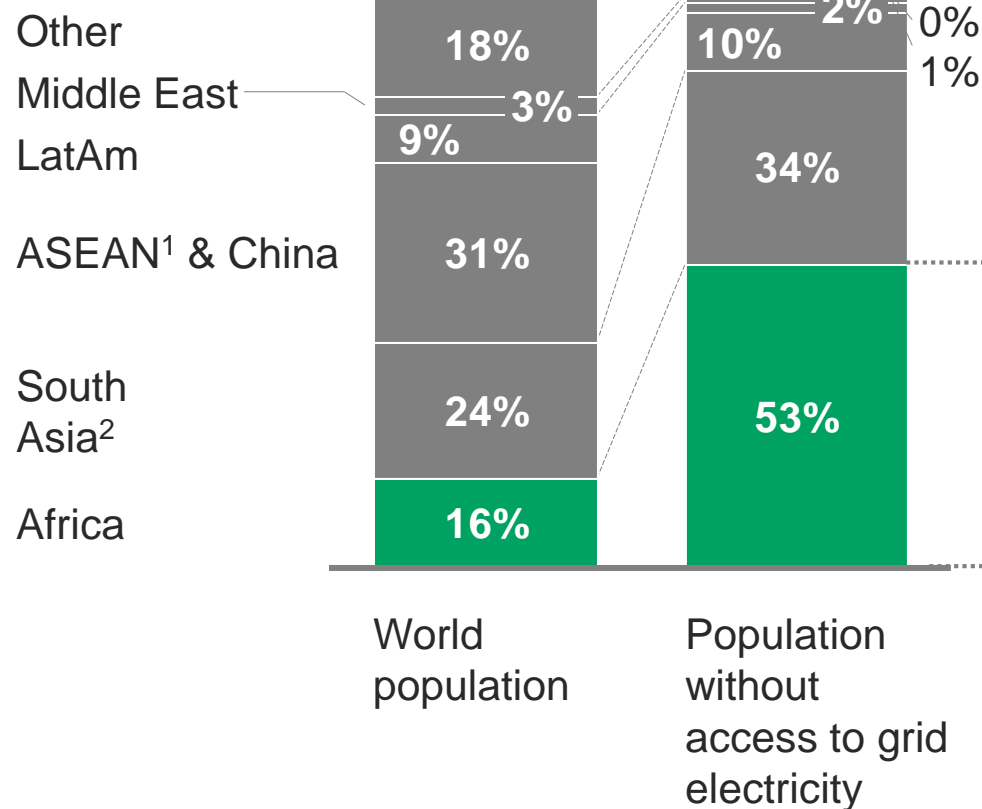
... and poor in energy supply

Distribution of population without access to electricity by region

% of total population, 2013

100% = 7.0 billion

1.2 billion

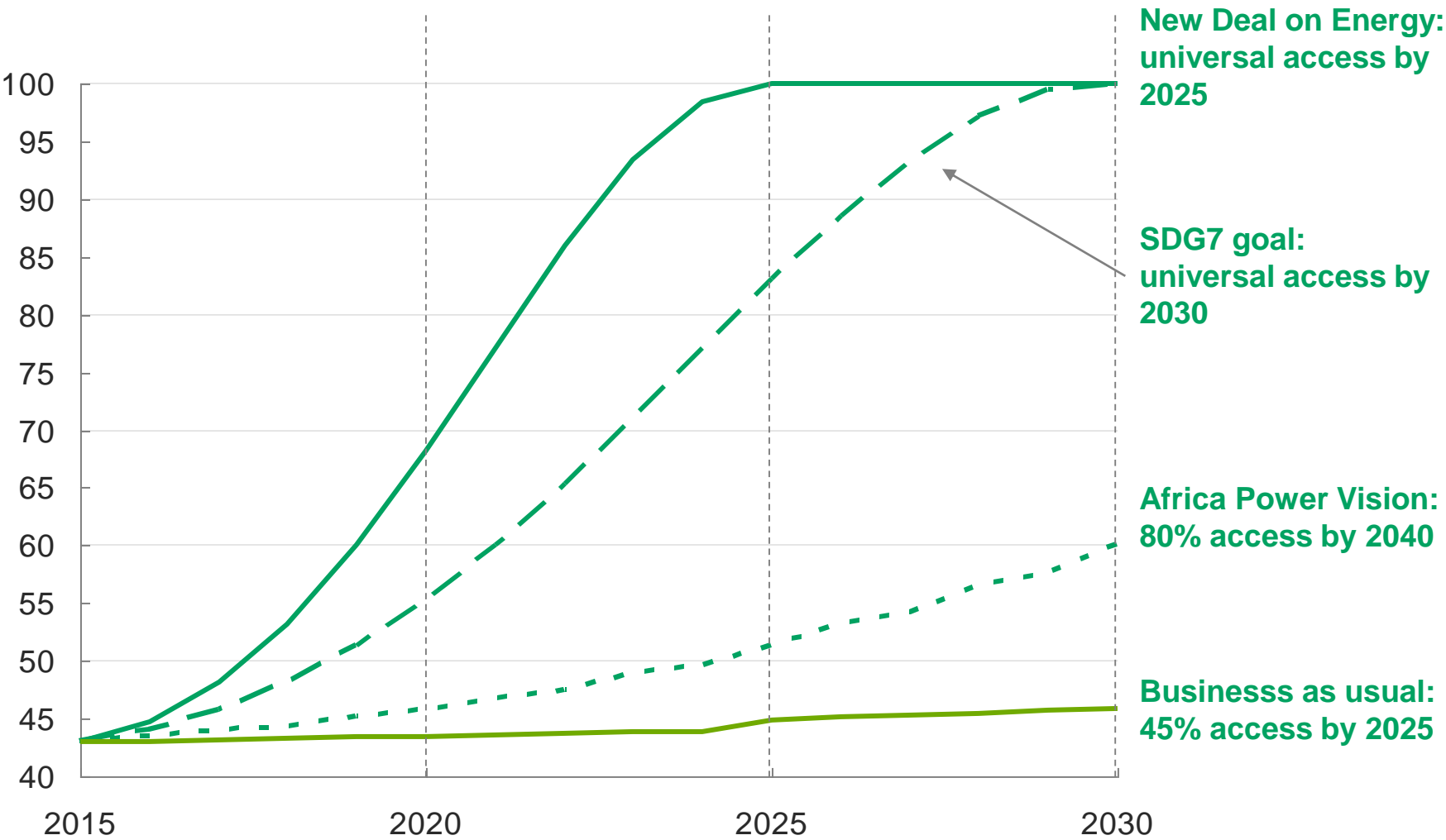


1 Association of Southeast Asian Nations.

2 Bangladesh, DPR Korea, India, Mongolia, Nepal, Pakistan, Sri Lanka, Other Asia.

The business as usual scenario is untenable and the New Deal on Energy aspires to achieve universal access by 2025

Africa's access to electricity, % of population



The New Deal on Energy has 4 targets to achieve universal access



**AfDB central
convening role
among energy
related
institutions**

**Strong
relationships
with African
countries**

**Successful
partnerships
between DFIs,
and with the
public &
private sector**

**A prerequisite
for achieving
the High 5s &
SDGs across
Africa**

The New Deal on Energy for Africa - key elements



**On-grid
generation to
add 160 GW of
new capacity**



**On-grid
transmission &
distribution that
will create 130
million new
connections**



**Off-grid
generation to
add 75 million
new
connections**



**Access to clean
cooking energy
for around 150
million
households**



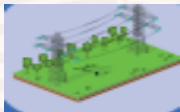
First year achievements of the New Deal (1)



- Establishment of the **Vice Presidency** and recruitment of the management team.
- **High level stakeholder consultations** and dialogue for political support of Heads of State and Government.
- Approved Energy Sector operations amounting to **US\$ 1.7 billion** and **leveraging 1.4 billion in additional financing** to deliver:



546 MW of additional installed capacity



21,264 km of distribution lines



641 km of transmission lines



688,950 new households / businesses receiving electricity access



700,000 tonnes CO₂ avoided

- **Policy- based operations** for energy sector reforms started in 5 countries.

First year achievements of the New Deal (2)



- **Examples of projects** approved in 2016:
 - ✓ USD 134 million for Phase II of the transformative **Kenya Last Mile Connectivity Project**, which will entail providing 300,000 new connections.
 - ✓ USD 150 million for **Côte d'Ivoire Power Transmission and Distribution Networks Reinforcement Project**, which will construct over 3,000km of transmission and distribution lines and connect 20,000 households.
 - ✓ **Segou Solar IPP in Mali**, which entails the design, construction and operation of a 33 MW solar PV power plant.
 - ✓ Approval of a USD 500 million **Debt Facility for Energy Inclusion** with an initial Bank contribution of USD 100 million to focus on small scale independent power producers, off-grid and mini-grids.
- Increased **project preparation support** through the Sustainable Energy Fund for Africa (SEFA) and launch of the Green Mini-Grid Market Development Program.
- **Receipt of several key mandates**, including to assist Mozambique, Tanzania and Zambia in their utility turnaround, and to act as lead arranger for key regional power projects, such as the 2400MW Batoka Gorge Hydropower project.

Focus areas of the New Deal going forward (1)



- Increased **private sector focus** for the Bank's energy investments with a view to increase the leverage of available resources;
- Supporting **policy- and institutional-level reforms** in countries to improve the environment to increase private sector participation and strengthen utilities (e.g. IPP procurement programme; utility turnaround);
- Development of **access-focused programs** that would address power and clean cooking & lighting needs;
- Development of **regional projects** including Inga III and interconnections e.g. Nigeria-Niger-Burkina-Benin ("Northcore"), Guinea-Mali, and Cameroon-Chad;
- Market development activities in the oil & gas area and financing for specific project opportunities;
- **Transformative Partnership for Energy** - Strengthening existing partnerships and establishing new strategic partnerships to increase the number of bankable projects and their available funding pool, building on existing initiatives (e.g. SE4ALL implementation hub) and in-country donor coordination mechanisms.

Focus areas of the New Deal going forward (2)



- Innovative financing instruments and approaches including:
 - ✓ Establishment of a **Co-Guarantee Platform for Renewable Energy Projects in Africa** to achieve economies of scale and efficiency by aggregating the guarantees from multiple institutions into a single facility.
 - ✓ Development of an approach to back **PPAs without recourse to sovereign guarantees**.
 - ✓ Bringing in of capital from investors who are looking for stable returns from de-risked assets, i.e. energy projects that have been completed and are operating. We are currently working on a first such transaction: the refinancing of the **Bujugali hydropower plant** project in Uganda.
 - ✓ Increasing **local currency financing** from commercial banks and investors.
- Launching of the “**Off-Grid Revolution**” in close collaboration with partners, to focus on: (i) removing barriers; (ii) scaling up financing; (iii) managing risks.
- Establishment of **dedicated funds and lines of credit** in support of energy efficiency and small-scale renewable energy projects.

Partnerships are at the heart of the New Deal

Ecosystem of Partners



The Bank will work with the ecosystem of partners

inter alia

- Work with **Governments** to support integrated sector planning and to improve enabling environment for private sector investments;
- Work with other **DFIs** and donors to increase coordination and impact around shared priorities;
- Work with the **private sector** to increase investments in the energy sector including mobilization of institutional investors and pension funds;
- Work with **civil society** to reach the « bottom of the pyramid ».

Let us work together to light up and power Africa

Thank you!

AFRICAN DEVELOPMENT BANK

Astrid Manroth
Director Transformative Energy Partnerships



AFRICAN DEVELOPMENT BANK GROUP

