

**ELEMENTS OF AN IRENA ACTION AGENDA FOR AN
AFRICA CLEAN ENERGY CORRIDOR
Executive Strategy Workshop
Abu Dhabi, 22-23 June 2013**

1. INTRODUCTION

1.1 Clean renewable power sources such as hydropower, geothermal power, biopower, wind power and solar power can help to reduce fossil fuel consumption, carbon emissions and electricity costs while expanding access to electricity and creating new jobs in the rapidly growing economies in Africa.

1.2 Sustained economic growth in Africa, including the countries of Eastern and Southern Power Pools, has led to steadily expanding demand for electricity, with associated needs for new generating capacity to maintain economic momentum.

1.3 Renewable power is becoming an increasingly cost-effective option for meeting Africa's growing power needs.

1.4 Regulatory reform and more competitive wholesale electricity markets in Africa can open the way to expansion of cost-effective renewable power options.

1.5 Countries of the Eastern and Southern Power Pools can accelerate development of renewable energy potential by creating an Africa Clean Energy Corridor to link together diverse sources of renewable generation to satisfy growing power demand.

2. THE NEED FOR MORE THOROUGH ASSESSMENT OF RENEWABLE ENERGY RESOURCES

2.1 At present, the long-range electricity plans of countries in the Eastern and Southern Africa Power Pools include substantial hydropower capacity but relatively limited increments of geothermal, wind, biomass and solar power.

2.2 Most countries in the Eastern and Southern Africa Power Pools have begun to evaluate their cost-effective renewable resource potential, but most need more detailed resource assessments to foster investment in renewable power projects, and such assessments are costly.

2.3 *IRENA should work with countries in Eastern and Southern Africa to help fund production of bankable data on their wind, solar, and biomass resources, as well as exploration and assessment drilling for their geothermal resources, in order to reduce the investment risks of developing these resources into cost-effective power projects.*

2.4 *IRENA should partner with countries and expert institutions to help identify suitable zones for concentrated development of renewable power resources and to facilitate planning for the joint optimization of investments in generation and transmission.*

3. THE NEED TO CREATE ENABLING FRAMEWORKS FOR RENEWABLE POWER INVESTMENT

3.1 High renewable resource potential does not necessarily translate into power projects, so once the potential is estimated, project development should be facilitated through better financing and an enabling regulatory and policy environment.

3.2 Renewable power investments face a number of institutional obstacles, including lack of an enabling framework in policy and regulations and risk perceptions that do not reflect the current state of renewable energy technology developments.

3.3 Effective national policies are critical to create the kind of markets that financiers will find attractive; electricity systems would benefit from overarching regulatory and incentive frameworks that shift investment into renewable energy.

3.4 *IRENA should provide advice and expertise to countries in the establishment of renewable energy strategies, including renewable readiness assessments; these strategies should combine supportive and transparent policy and regulatory frameworks and incentives with targeted government intervention – aimed at harmonization at a regional level and thereby the creation of an effective regional power market.*

3.5 *IRENA should also expand its work with multilateral financial institutions to introduce innovative financing structures to reduce risks on renewable power investments and support business models for renewable power projects that are tailored to local conditions.*

3.6 *IRENA should provide a Project Navigator, or project development checklist, to help renewable power developers in Eastern and Southern Africa develop bankable project proposals.*

4. THE NEED TO INCLUDE MORE RENEWABLE POWER IN COUNTRY AND REGIONAL PLANS

4.1 The long-term transmission plans of the Eastern and Africa Power Pools, which are currently based on a compilation of country generation plans, would benefit from a coordinated approach to planning of generation and transmission networks to reduce costs and improve efficiency.

4.2 Relatively limited shares of solar and wind power are planned in Eastern and Southern Africa, even though they are increasingly cost competitive and would generally enhance energy security while reducing carbon emissions from fossil fuel combustion.

4.3 Coordinated planning of generation and transmission facilities in Eastern and Southern Africa, with the zoning of renewable power plants in areas of high resource potential, could provide significant economies of scale in transmission infrastructure to link renewable power with load centres.

4.4 *IRENA should support inclusion of more renewable power in the long-term plans of the Eastern and Southern Africa Power Pools by inviting project developers and planners to join its costing alliance to exchange information on the costs of renewable power projects.*

4.5 *IRENA should work with countries, donors and research institutions to design and facilitate capacity building for professionals needed to plan, build and operate power grids with a greater share of renewable energy in Eastern and Southern Africa.*