

De-risking investments to boost Africa's renewable energy transition

Africa has experienced a decade of positive socio-economic growth, supported by a continued progress of electricity access that finally outpaced population growth between 2014 and 2018. Despite this, the road to ensure "affordable, reliable, sustainable and modern energy access for all" Africans by 2030, as stated by the UN Sustainable Development Agenda, remains challenging and may be further frustrated by the [after-effects of the Covid-19 pandemic](#).



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Renewable energy represents the most competitive and secure solution to fuel Africa's socio-economic transformation and ensure electricity access to all African households and businesses, but investments remain well behind the required levels. Despite its enormous potential in terms of resources, [Africa counts for only 2% of global renewable energy capacity additions in the last decade](#). Universal electricity access requires an increase of \$120bn investments per year up to 2040 (IEA, 2019); however, classic public financing channels would not be able to mobilise such capital. Private investors are called to play a more prominent role in supporting the development of Africa's electricity infrastructure and deploy resources to scale up renewable energy deployment as required.

"Accelerating the energy transformation can help African countries respond to Covid-19, while allowing the continent to meet its medium and long-term objectives of a decarbonised, just and prosperous future" Francesco La Camera, director-general of International Renewable Energy Agency (Irena), said at the launch of RES4Africa's 2020 yearly flagship publication, [Scaling up Africa's renewable power](#).

"Africa has the cost-effective potential to generate 170GW of power from renewables this decade. By creating a streamlined, attractive policy and regulatory environment for investment we can place the energy transformation at the heart of Africa's recovery, delivering jobs, growth and sustainable development to all corners of the continent," he said.

Bridging the energy access gap

The report thoroughly analyses the role of fit-for-purpose, effective de-risking strategies to strengthen the attractiveness of Africa's markets for renewable investors and enable the development of bankable pipelines of renewable energy projects. With this purpose in mind, RES4Africa launched the renewAfrica Initiative, a proposal for a new European, private-led de-risking programme dedicated to supporting the development of renewables in Africa. Now backed by more than 25 organisations, renewAfrica promotes the creation of a comprehensive, one-stop-shop de-risking programme that will offer

end-to-end support to partner countries and investors to speed up private sector involvement and support the build-up of greater numbers of bankable RE projects across Africa.

"Against a background of limited fiscal space, particularly in the case of African economies, the role of the private sector becomes a matter of priority for governments, particularly to support African countries achieve sustainable economic growth, in a globalised world that is increasingly threatened by climate extremes and other global uncertainties," said Vera Songwe, under-secretary general of the United Nations and executive secretary of the UN Economic Commission for Africa (Unea).

"The success of the renewAfrica Initiative would support electricity to emerge as the best source of final-use energy in Africa and the most competitive solution to electrify its economy in a sustainable and cost-efficient manner. Harnessing this renewable energy revolution is a key prerequisite for Africa to take on tomorrow's challenges," said Francesco Starace, CEO of the Enel Group and chairman of the Enel Foundation.

"Africa and Europe are not only close neighbours but also, most importantly, partners in the process of transformation towards a sustainable economy fair and inclusive for all. For this reason, the renewAfrica Initiative has turned to the European Union to lead the implementation of the holistic programme to promote the development of renewable energy in Africa. Now is the time to accelerate the adoption of such an innovative programme, Africa can no longer wait," said Antonio Cammisecra, CEO of Enel Green Power and president of RES4Africa Foundation.

"Through this publication we aim to kick-off a conversation on the need to bridge the energy access gap in Africa and transition to renewable energy, exhorting all to take concerted action in a decade that urgently calls for it. Africa's energy pathway can be different, and RES4Africa Foundation with renewAfrica invites you to join their work-in-progress and take part in making the change," said Roberto Vigotti, secretary general of the RES4Africa Foundation.

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