

Addressing the energy challenges of the 21st century together

The Africa-EU Energy Partnership is a joint initiative to strengthen political dialogue and mobilise investment in energy. It will enable the partners to share knowledge and experience, develop common policy responses, and launch actions to address the energy challenges of the 21st century.



Many Europeans still associate Africa with conflict and poverty. That is both unfortunate and incorrect. Africa has achieved many of its economic and political objectives in recent years. Impressive economic growth rates, reduced inflation, democratic elections and fewer conflicts are the result of a dynamic trend towards reform in many countries.

However, several African countries continue to face great challenges related to energy security and the effects of climate change. Around half of Africa's people live in absolute poverty with about 70% depending on traditional biomass as their only source of fuel. The restricted access to reliable, sustainable and affordable energy services, in particular electricity, is seriously hampering all efforts for more economic growth. At the same time, the inefficient and unsustainable use of biomass harms people's health and causes deforestation. This must be changed.

Yet Africa is endowed with substantial energy resources, both fossil and renewable. The challenge is how to use them in an optimal way. The fact that Africa's resources are distributed unevenly implies a pivotal role for regional cooperation and trade in energy. On top of this, substantial investment is urgently needed in local energy infrastructure for increasing production, economic growth and social improvement. This includes the use of local renewable energy resources to boost Africa's development and increase energy efficiency. The development of renewable energy resources is a promising area of cooperation.

To achieve our common goals, more is required than individual measures and isolated activities. Together we are embarking upon a path of secure, reliable, accessible and sustainable energy for development. The Africa-EU Energy Partnership is an important step towards meeting these goals.

LOUIS MICHEL,

European Commissioner for Development and Humanitarian Aid

Energy security is crucial

In Africa and in Europe, energy security – including access to secure, sustainable and affordable energy services – is key to development and prosperity. Increasing global concerns on energy issues and on the impacts of climate change have strengthened the links between the energy futures of Europe and Africa. These concerns increase the need for joint approaches.

Europe needs new sources of energy and Africa stands to benefit from Europe's experience in building and regulating trans-national energy markets, and know-how on sustainable new energy technologies.

Energy resources in Africa and Europe are unevenly distributed: a few countries are energy exporters, while the majority are net energy importers. Facilitating trade in energy by strengthening regional and intercontinental infrastructure – transmission lines, oil and gas pipelines, or liquefied natural gas systems – will improve distribution of energy both within Africa and within Europe. This means better energy security for both continents.

Expanding national and regional infrastructure will also increase the efficiency of how Africa uses its energy resources, thus enabling Africa to increase its reliability of supply and reduce its dependence on oil imports. This will improve energy security and increase access to energy services.

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Access to energy services is essential

Securing access to reliable, affordable and sustainable energy services is important for economic development, as well as for improvements in health and education. Achieving high levels of access requires substantial investment in energy infrastructure. Africa and Europe must focus their policies better, increase their investments, and deliver on their promises.

Africa produces around 7% of the world's commercial energy, but consumes just 3%. At the same time, Africa has the world's lowest rate of access to modern energy:

- About 500 million Africans do not have access to electricity and use wood for cooking and heating. At current population growth rates, more than 60% of sub-Saharan Africans would still be without electricity in 2020.
- 400,000 Africans – mainly women and children – die every year of respiratory diseases related to the indoor air pollution from using wood and other traditional fuels in an inefficient way.

- Even in areas served by national grids, electricity service is in crisis. This is due to higher oil prices, inefficient operation, insufficient maintenance and declining production from hydropower – the latter often related to climate change.

Understanding the energy-poverty link

The Millennium Development Goals (MDGs) will never be achieved with a business-as-usual approach in the African energy sector. Increasing energy access is crucial to Africa's economic growth and social development, particularly for reducing by half the proportion of the world's poor by 2015.

All activities demand reliable energy services. Economic growth, developing businesses and creating income-generating activities rely upon better access to energy services. Homes, schools and health centres depend on adequate, reliable energy for lighting, communication, water supply, heating and cooling. Street lighting improves safety at night. Better fuels and efficient stoves will reduce the exposure of women and children to indoor air pollution and the laborious daily task of collecting fuelwood.

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Meeting the environmental challenge

In Africa, there are multiple linkages between energy, development and environment – deforestation, indoor and outdoor air pollution, soil degradation and climate change. Many African countries are particularly vulnerable to climate change because of their dependence on agriculture, but are very small contributors to global greenhouse gas emissions. In poor African countries, providing basic energy services will have a negligible impact on climate change.

Huge investment needs

The investment needed to meet Africa's energy challenges is huge. According to the World Bank, ensuring 100% access to electricity in sub-Saharan Africa alone by 2030 would require an annual investment of €8.27 billion. Meeting these challenges also requires decisive action by public authorities and investment by the private sector.

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Europe is committed to assisting Africa to address the impacts of climate change and to reduce the negative economic, environmental and social impacts on production. Africa's future energy supply must therefore be based on the best available options, such as efficient use of fossil fuels, increased use of renewable energy and the sustainable use of biomass.



Africa is rich in oil and gas

Africa has 9.5% of the world's proven oil reserves and contributes 12% to global oil production. Yet Africa has less than 4% of world refining capacity. Exports go primarily to Europe and North America, and increasingly to China. In Europe, Africa accounts for 20% of total oil imports.

Rising oil prices mean substantial revenue gains for exporting countries. But oil importing countries in sub-Saharan Africa are highly vulnerable to price increases. The increase in oil prices from 2003 to 2005 led to a loss of 3.5% in GDP of oil-importing sub-Saharan economies compared to a 1% for OECD countries.

Africa has about 8% of the world's proven natural gas reserves and contributes some 6% to world production. Once again, the resource is unevenly distributed with more than 90% concentrated in four countries – Nigeria, Algeria, Egypt and Libya.

Africa exports most of its gas to Europe, for example, in 2005, 72% of Spain's gas came from Africa. Yet, Europe's gas imports primarily come from Russia. It is expected that, before 2030, Africa will overtake the transition economies – including Russia – as the largest regional gas supplier to Europe.

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