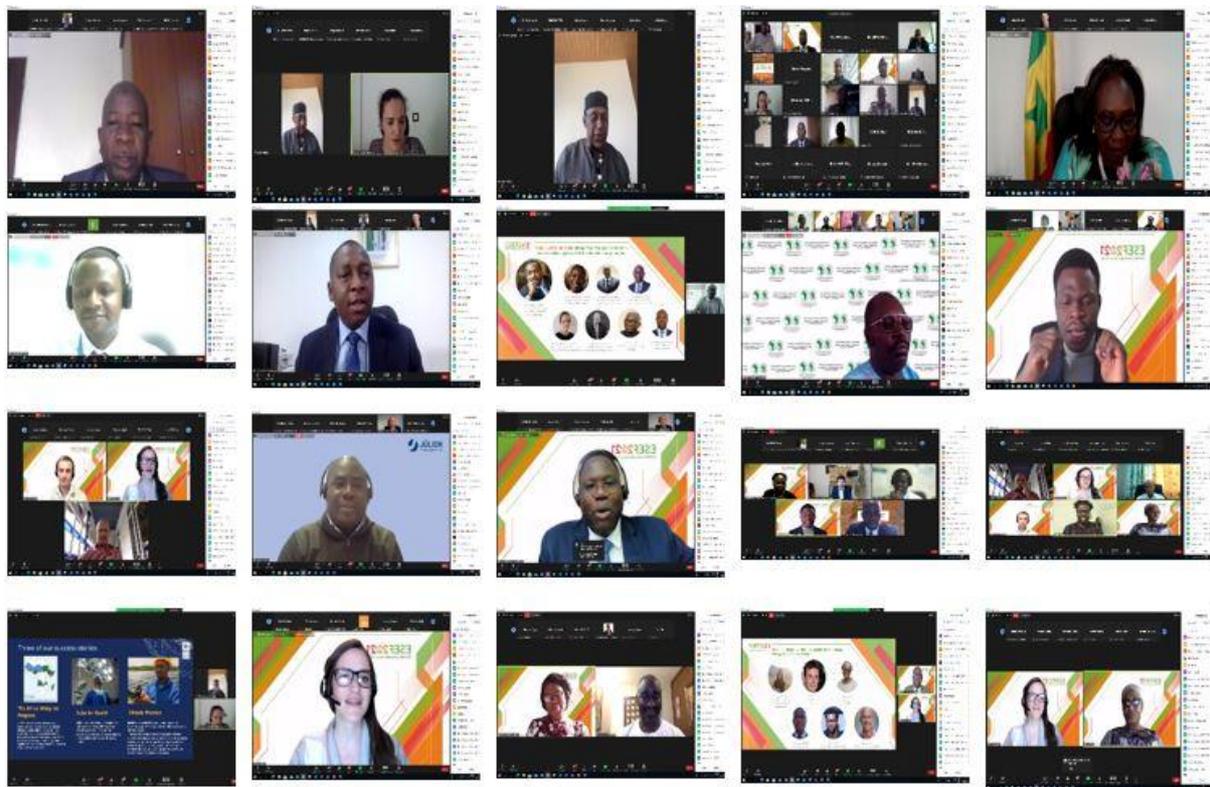


ECOWAS SUSTAINABLE ENERGY FORUM (ESEF) 2021

Achieving ECOWAS Sustainable Energy Targets by 2030!

07 - 09 December 2021
Virtual

Outcome Document



www.ecreee.org

1. Context

The coronavirus pandemic from which the world is still reeling has demonstrated, if there were any doubts, that access to sustainable energy is critical in maintaining economic prosperity and resilience. Even before COVID-19, energy poverty has been prevalent in the ECOWAS region, with only 52.3% of the population having access to grid electricity and with traditional biomass accounting for 80% of the domestic energy (ECREEE, 2017). The main challenges facing the ECOWAS' energy market include the constant deficit in production and transmission of electricity, high electricity prices, high reliance on hydrocarbon resources, and lack of adequate investment in clean energy. The lack of energy situation has hampered progress on meeting the Sustainable Energy Goals (SDGs)¹ as energy is required to meet most of the goals.

The need for reliable and affordable clean energy to accelerate sustainable development for the approximately 349 million citizens of the ECOWAS is now a top priority for the region's leaders and policymakers. To achieve this, the ECOWAS region, made of fifteen member states must harness its vast renewable energy potential for economic growth and to build back from the pandemic and for sustainable economic growth.

Consequently, regional sustainable energy policies, namely the ECOWAS Renewable Energy Policy (EREP)², the ECOWAS Energy Efficiency Policy (EEEP)³, including policies on Bioenergy and Gender Mainstreaming in Energy Access, were adopted in 2015 and 2017 respectively by the Authority of Heads of States and Governments to address the challenges in the region. These policies have enabled the ECOWAS member states to define a common vision for increased use of renewable energy sources such as solar, wind, hydro and biomass for electricity generation and other energy services and to increase the share of renewable energy in the region's overall electricity mix and to interconnect the regional electricity market to allow for reliable and affordable electricity supply to ECOWAS citizens.

Even with significant progress, challenges are still preventing the scale up of a viable regional sustainable energy market. Present assessment of the regional progress in 2019 towards achieving the ambitious targets set, shows that grid-connected renewable energy (comprising small hydropower, solar PV, wind, and biomass) contributed only 2% of the overall installed capacity in 2018, which is far off the mark of 19% the region is aiming for by 2030.

To achieve the ECOWAS region's ambitious sustainable energy targets, the region needs to examine the challenges still facing the ECOWAS sustainable energy market sector; how they are being overcome and foster concrete progress by bringing together major stakeholders from within and outside the region to look at where opportunities lie for speeding up the implementation of game-changing projects.

All things considered, the region has without a doubt engaged on the path to drastically increase the share of renewable energy in the mix with additional policies and targets set at national levels.

In this framework, the Economic Community of West African States (ECOWAS) Centre for Renewable Energy and Energy Efficiency (ECREEE), in partnership with the United Nations Development Programme (UNDP), the Water and Energy for Food (WE4F) Program, the International Renewable Energy Agency (IRENA), the Austrian Development Cooperation (ADA), the Spanish Agency for International Development Cooperation (AECID), the U.S. Agency for International Development

¹ The Sustainable Development Goals (SDGs), also known as the Global Goals, were adopted by the United Nations in 2015 as a universal call to action to end poverty, protect the planet, and ensure that by 2030 all people enjoy peace and prosperity.

² http://www.ecreee.org/sites/default/files/documents/basic_page/ecowas_renewable_energy_policy.pdf

³ http://www.ecreee.org/sites/default/files/documents/basic_page/ecowas_energy_efficiency_policy.pdf

(USAID) West Africa, the Global Green Growth Institute, the Africa Solar Industry Association (AFSIA), the German Ministry of Education and Research (BMBF), and the West African Science Service Centre on Climate Change and Adapted Land Use (WASCAL), and under the high patronage of Her Excellency, Madam Aïssatou Sophie Gladima, Minister of Petroleum and Energy of Senegal organized the 5th Edition of the ECOWAS Sustainable Energy Forum (ESEF2021) which took place from 07 -09 December 2021. The theme for this year's virtual forum was ***Achieving Sustainable Energy Targets of the ECOWAS by 2030!***

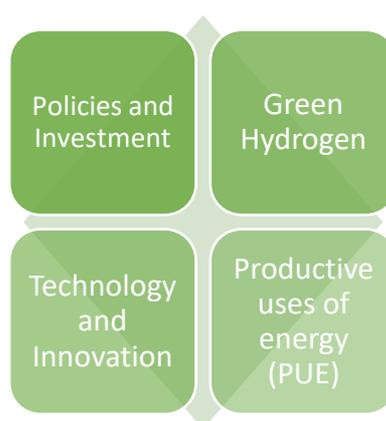
2. About ECOWAS Sustainable Energy Forum (ESEF)

The ECOWAS Sustainable Energy Forum (ESEF) was instituted in 2017 by the ECOWAS Centre for Renewable Energy and Energy Efficiency (ECREEE) to discuss and identify ways to support the investment and policy initiatives of member states. ESEF aims to facilitate investments in the regional renewable energy sector. The forum promotes cooperation and partnerships to accelerate the uptake of a viable market for sustainable energy solutions in the ECOWAS. ESEF is also a platform for improving the policy and regulatory landscape for private sector investment through engagement between ECOWAS policy makers, regional and international private sector players, and financial institutions. In five years, ESEF has established itself as the “go-to” rendezvous for energy stakeholders interested in West Africa.

3. Main objectives of ESEF2021 were to:

- Inform and raise awareness on progress towards achievement of the ECOWAS sustainable energy targets while highlighting the role of various stakeholders in fast-tracking further development.
- Share best practices and innovations in terms of technological solutions and business models in utility scale and off-grid renewable energy sector.
- Spur discussions on the role in renewable energy and energy efficiency in the recovery of the economy and in building resilient value-chains.
- Highlight barriers preventing an increased engagement of the private sector in scaling-up renewable and energy efficiency markets in the ECOWAS.

4. ESEF2021 had 4 themes:



5. Participants

ESEF2021 brought together **diverse group of stakeholders from within and outside the region including** high-level representatives from government such as Ministers, Directors of Energy and international development partners/donors, regional and international private sector companies, financial institutions, academia and research and civil society representatives.

6. Event Outcome by Thematic Areas

Day 1.

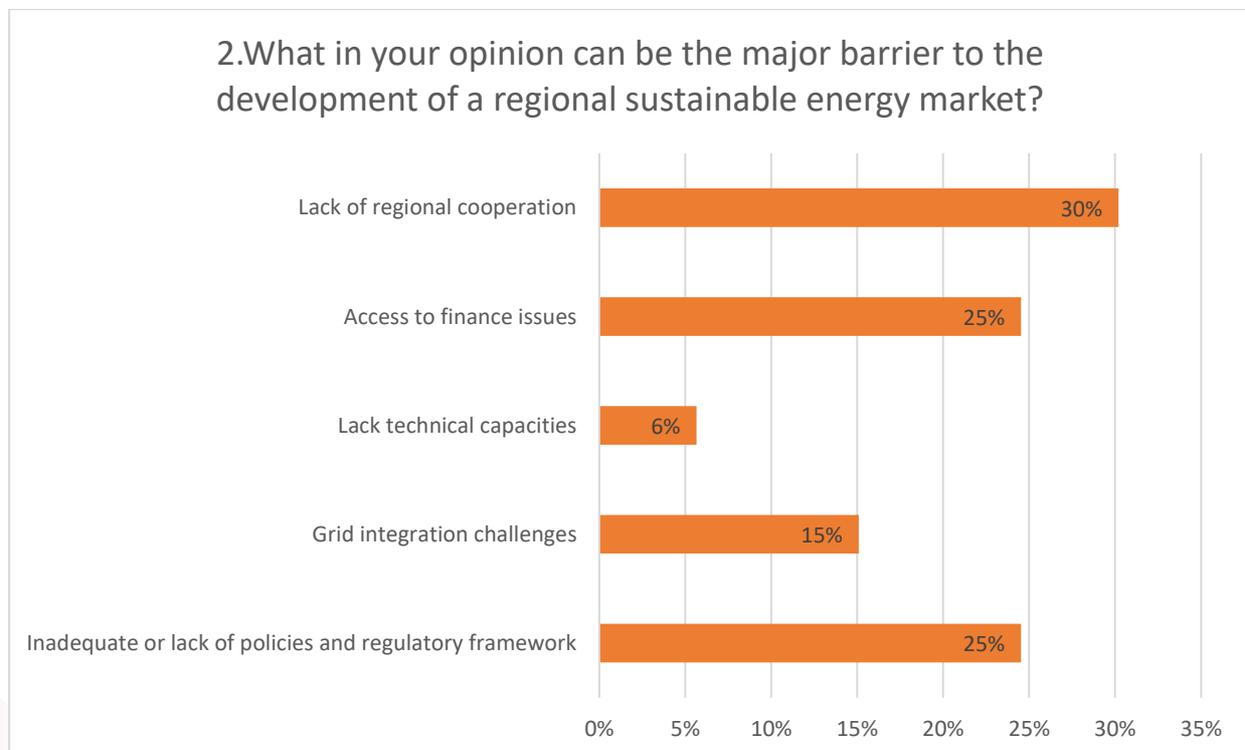
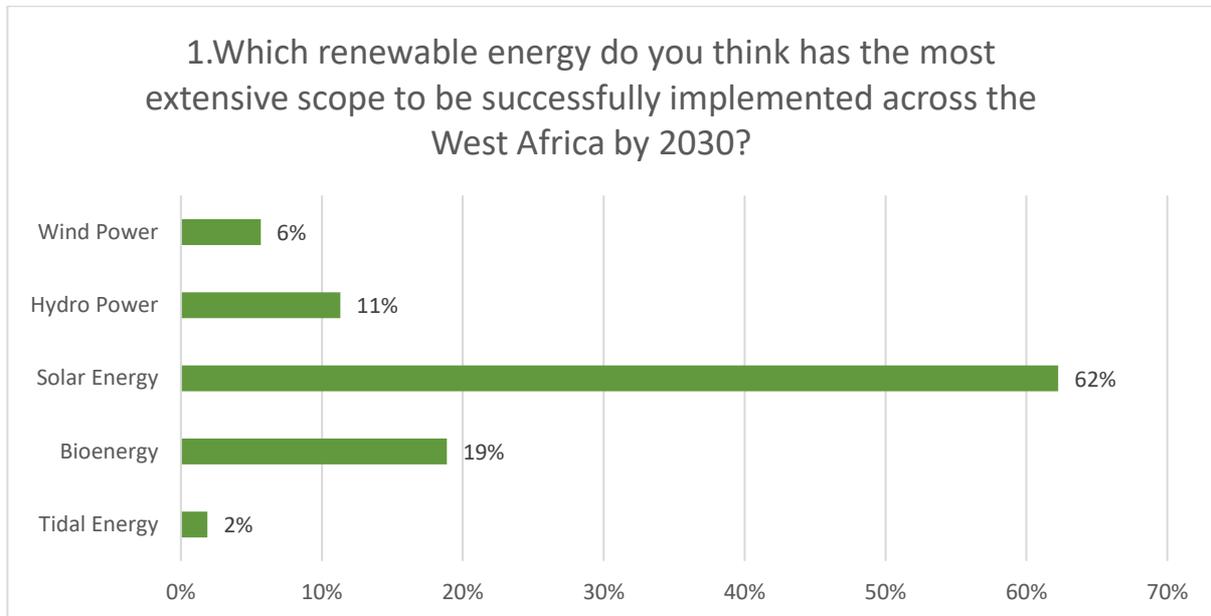
.1 High-level Panel: Mobilizing Clean Energy Investment Towards Achieving ECOWAS Sustainable Energy Targets

- This century is the century for universal access to electricity and fortunately, the ECOWAS region is blessed with abundant renewable energy resources. However, finance is key for unlocking the energy revolution.
- To facilitate investments, ECOWAS governments should end policies that are not conducive to clean energy uptake, eliminate fossil fuels subsidies, and develop bankable integrated clean energy projects at scale.
- Countries should implement green bonds and focus on their potentials and competitive advantage in terms of energy resources.
- The ECOWAS should work to develop strong regulations for a one West Africa Power Market that will unlock the potential of the region through strong cross border transmission and distribution systems and networks.
- Development banks within the region should mobilize internally, partner with other financial institutions and explore innovative financing to invest in the regional market, as there is enough capital within the global financial market.

.2 Implementing the West Africa Clean Energy Corridor (WACEC): Integrating Clean Energy Resources for Regional Power Trade

- The need for cross boarder energy infrastructure was emphasized and reechoed all through the forum as a veritable means to an end.
- Significant progress has been achieved such as the ECOWAS Directive adopted in 2013 which provides broad **guidelines** for the regional energy market and which was to be transposed in the member countries. **The directive promotes** access by third parties to the electricity network (private producers-buyers), it also allows to have at the institutional level, regulators with adequate powers to regulate the electricity sector of the different member states.
- **However, to achieve the ECOWAS sustainable energy targets**, the ECOWAS Renewable Energy Policy should be adapted to the current context of harmonizing regulations and making market rules clear, known and shared, thus ensuring that regional planning is in harmony with national planning.
- Capacity building must be structured so that it targets not only technicians but all actors in the sector.
- On financing **the West Africa Clean Energy Corridor (WACEC)**, the region should put in place investment guarantees and resolve the issue of sovereign debt either by a guaranteed mechanism provided by financial institutions, or the establishment of an ECOWAS sovereign guarantee with the contribution of countries.

- In addition, given all the discussions on implementing the WACEC and the need for a regional power market, majority of forum participants are of the opinion that solar energy is the renewable energy source that can be successfully implemented across West Africa by 2030, and also had varying views on what the major barrier to the development of a regional sustainable energy market could be, however, with lack of regional cooperation being the most likely. Participants responded to the polls as follows



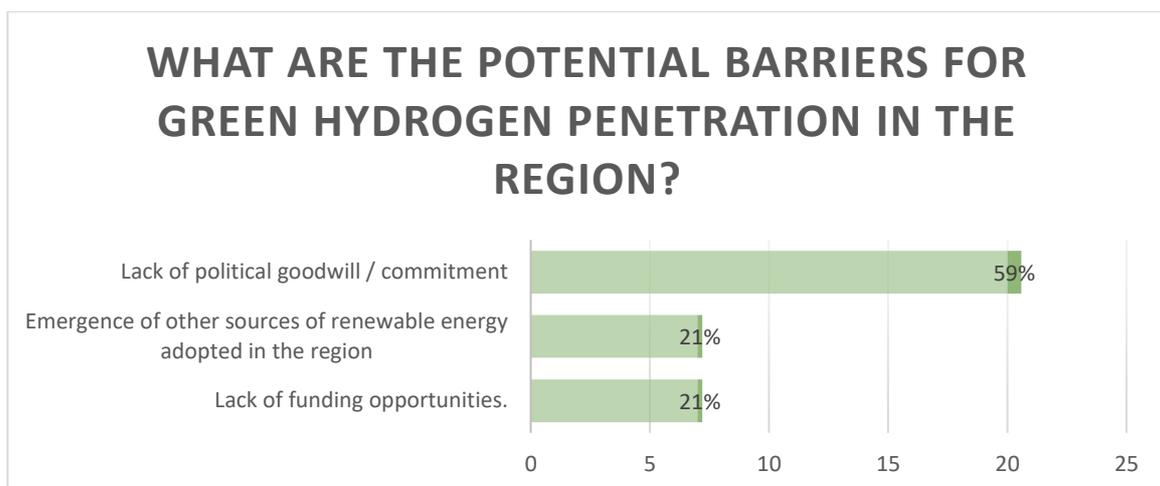
Find below the Link of recording for Day 1 for full session discussions

<https://youtu.be/A2HZ51stqKM>

Day 2.

.3 Green Hydrogen, A Potential Game Changer for Economic Growth in West Africa, and the Adoption of the ECOWAS Green Hydrogen Strategy Framework.

- West Africa has huge potentials to produce green hydrogen based on an Atlas portal developed by West African Science Service Centre on Climate Change and Adapted Land Use (WASCAL). ECOWAS should develop a strong initiative to harness these potentials!
- The challenges for utilizing green hydrogen at scale remain, such as availability of water but can be addressed by regional policies and initiatives for water and renewable energy resources, to exploit its competitive advantage and improve the deployment of green hydrogen for domestic use and for export.
- For West Africa to become a leader in green hydrogen production and turn around the energy situation in the region, strong political will, adequate policies, and capacity building is needed to successfully take part in the global green hydrogen economy.
- On potential barriers for green hydrogen penetration in the ECOWAS region, 59% of forum participants attribute lack of political and commitment by policy makers as major barrier to green hydrogen development in the region. views as follows;



.4 Technological and Financial innovations for Renewable Energy and Energy Efficiency Scale up in the ECOWAS Region!

- Technological innovations emerging from the region require support for understanding the market in order to develop bankable enterprises and further unlock capital.
- Long term capacity building is crucial to building the skills for developing the technological value chain starting from assembling to manufacturing of products.
- Climate finance is becoming main stream and provides opportunities to scale up renewable energy and energy efficiency technologies in the ECOWAS region. However, to tap into innovative finance such as climate finance, the technology needs to have a climate rational.

- Existing technologies such as biogas provide local solutions and create innovative ways of addressing integrated challenges in waste, agriculture and energy and should be developed.
- The voluntary carbon markets can unlock finance for innovators in the sector and should be explored rather than focusing only on the compliance carbon market.
- To scale up renewable energy and energy efficiency in the ECOWAS region, SMEs need the right financing tools, patient capital and room for flexibility to innovate and unlock markets.

Find below the Link of recording for Day 2 for full session discussions

<https://youtu.be/TjXawXeEjWA>

Day 3.

.5 Innovative Business models for Delivering Energy-As-A-Service (EaaS)

- The EaaS sector in the ECOWAS region continues to evolve and is becoming more robust. There is need to have a holistic view when thinking on business models for EaaS, by carefully addressing different areas of the business ecosystem, from demand-side management to affordability to quality of delivery, which were cited as some of the main success factors.
- Aggregating small scale projects into bigger portfolios, can be more attractive to investors.
- Finance is still a challenge, particularly concerning the local financial market, however, there have been some encouraging signs of more engagement from local developers, which can significantly decrease foreign exchange exposure.
- There is need to increase specialization of EaaS providers in certain niche (water purification, pharmacies) for efficiency, to avoid EaaS being more generalized companies providing a plethora of services. In addition, deploying energy solutions cannot be only reason for about providing electricity, it must include Productive use of Energy (PUE) and focus on development: to provide energy which will generate more wealth.
- Given the heavy subsidy of state-owned central grid actors, to ensure a level playing field for EaaS, either subsidies are removed, or similar support should be provided to EaaS. In addition, stable political environment is important for the growth of the sector.

.6 Energy, Water and Food (WEF), the Winning Nexus!

- WEF approach does not only provide water and food or energy but also promotes decent work and economic growth and empowers women and farmers.
- Collaboration between policy makers in the WEF sectors is therefore important to align policies and supports holistic and integrated resource planning.
- Collaboration between the various WEF project implementers and innovators in the region should be promoted for dialogue and to understand their challenges and ways in which they can support each other through local solutions and best practices within. ECREEE should improve the business environment amongst stakeholders including with researchers.

- The ECOWAS should consider and support scalable projects across countries by building the right infrastructure which does not always have to be big infrastructures but infrastructure to help scale up of proven WEF challenges.

Find below the Link of recording for Day 3 for full session discussions

<https://youtu.be/vXTVaH1Ntiw>

Praia

10th December 2021