Team-Energy Africa - an informal coalition of like-minded African investors and institutions keen on investing in, and championing Africa’s energy transformation.

Team-Energy Africa aims to serve as a catalyst for transformative private sector investments in clean energy under the SDG7 Initiative led by the Economic Commission for Africa.

Team-Energy Africa brings together Africa’s private sector and investors in clean energy to join forces and work with member States, development partners and international private sector to mobilise the needed finance.

While the private sector, as an engine of growth that drives productivity, innovative financing and inclusivity of participation - which in turn drives inclusive economic growth - is critical for Africa’s transformation, it is even more so if most of the private sector participation is from Africa’s private sector.

VALUE PROPOSITION FOR TEAM-ENERGY AFRICA

- Opening access to Africa’s capital for Africa’s development.
- A group of African investors who know the continent best and understand the challenges, opportunities and real, not perceived, risks and how to manage them – while speaking with one voice.
- Able to work more effectively with member States to address key policy and regulatory barriers to signal greater investor confidence and catalyse the mobilisation of finance from capital markets – thus catalysing regulatory harmonisation for a single African power market.
- Brings together the combined efforts of individuals investors, project developers, financial institutions, power pools and policy makers to capitalise on the Africa Continental Free Trade Area to fast-track the establishment of a single African power market.
- Ensure economies of scale and speed in mobilising investments for Africa’s power sector and establishing a common view on clean energy development in Africa.
- Helps to create a level playing field for investment in clean energy in Africa, including through increased transparency and promotion of the governance pillar of the SDG7 Initiative for Africa.
- Supports projects and member States with local currency debt. This is critical as one of the main barriers to mobilising project finance for developing countries is the need to secure contracts in hard currency whereas project revenue receipts are in local currency. This poses high risks and increased costs to receiving countries owing to exchange rate uncertainties.
- Better understanding of local and international landscapes and so able to fast-track the participation of foreign private sector investors in Africa’s energy market.
- Innovative business models for domestic resource mobilisation to invest not only in power generation but also in the important areas of transmission and distribution.
- Contribution to quality jobs, energy access and climate change mitigation and adaptation by enabling transformative investments in clean energy.

VALUE PROPOSITION FOR TEAM-ENERGY AFRICA

- Opening access to Africa’s capital for Africa’s development.
- A group of African investors who know the continent best and understand the challenges, opportunities and real, not perceived, risks and how to manage them – while speaking with one voice.
- Able to work more effectively with member States to address key policy and regulatory barriers to signal greater investor confidence and catalyse the mobilisation of finance from capital markets – thus catalysing regulatory harmonisation for a single African power market.
- Brings together the combined efforts of individuals investors, project developers, financial institutions, power pools and policy makers to capitalise on the Africa Continental Free Trade Area to fast-track the establishment of a single African power market.
- Ensure economies of scale and speed in mobilising investments for Africa’s power sector and establishing a common view on clean energy development in Africa.
- Helps to create a level playing field for investment in clean energy in Africa, including through increased transparency and promotion of the governance pillar of the SDG7 Initiative for Africa.
- Supports projects and member States with local currency debt. This is critical as one of the main barriers to mobilising project finance for developing countries is the need to secure contracts in hard currency whereas project revenue receipts are in local currency. This poses high risks and increased costs to receiving countries owing to exchange rate uncertainties.
- Better understanding of local and international landscapes and so able to fast-track the participation of foreign private sector investors in Africa’s energy market.
- Innovative business models for domestic resource mobilisation to invest not only in power generation but also in the important areas of transmission and distribution.
- Contribution to quality jobs, energy access and climate change mitigation and adaptation by enabling transformative investments in clean energy.

Team-Energy Africa - an informal coalition of like-minded African investors and institutions keen on investing in, and championing Africa’s energy transformation.

Team-Energy Africa aims to serve as a catalyst for transformative private sector investments in clean energy under the SDG7 Initiative led by the Economic Commission for Africa.

Team-Energy Africa brings together Africa’s private sector and investors in clean energy to join forces and work with member States, development partners and international private sector to mobilise the needed finance.

While the private sector, as an engine of growth that drives productivity, innovative financing and inclusivity of participation - which in turn drives inclusive economic growth - is critical for Africa’s transformation, it is even more so if most of the private sector participation is from Africa’s private sector.

VALUE PROPOSITION FOR TEAM-ENERGY AFRICA

- Opening access to Africa’s capital for Africa’s development.
- A group of African investors who know the continent best and understand the challenges, opportunities and real, not perceived, risks and how to manage them – while speaking with one voice.
- Able to work more effectively with member States to address key policy and regulatory barriers to signal greater investor confidence and catalyse the mobilisation of finance from capital markets – thus catalysing regulatory harmonisation for a single African power market.
- Brings together the combined efforts of individuals investors, project developers, financial institutions, power pools and policy makers to capitalise on the Africa Continental Free Trade Area to fast-track the establishment of a single African power market.
- Ensure economies of scale and speed in mobilising investments for Africa’s power sector and establishing a common view on clean energy development in Africa.
- Helps to create a level playing field for investment in clean energy in Africa, including through increased transparency and promotion of the governance pillar of the SDG7 Initiative for Africa.
- Supports projects and member States with local currency debt. This is critical as one of the main barriers to mobilising project finance for developing countries is the need to secure contracts in hard currency whereas project revenue receipts are in local currency. This poses high risks and increased costs to receiving countries owing to exchange rate uncertainties.
- Better understanding of local and international landscapes and so able to fast-track the participation of foreign private sector investors in Africa’s energy market.
- Innovative business models for domestic resource mobilisation to invest not only in power generation but also in the important areas of transmission and distribution.
- Contribution to quality jobs, energy access and climate change mitigation and adaptation by enabling transformative investments in clean energy.

VALUE PROPOSITION FOR TEAM-ENERGY AFRICA

- Opening access to Africa’s capital for Africa’s development.
- A group of African investors who know the continent best and understand the challenges, opportunities and real, not perceived, risks and how to manage them – while speaking with one voice.
- Able to work more effectively with member States to address key policy and regulatory barriers to signal greater investor confidence and catalyse the mobilisation of finance from capital markets – thus catalysing regulatory harmonisation for a single African power market.
- Brings together the combined efforts of individuals investors, project developers, financial institutions, power pools and policy makers to capitalise on the Africa Continental Free Trade Area to fast-track the establishment of a single African power market.
- Ensure economies of scale and speed in mobilising investments for Africa’s power sector and establishing a common view on clean energy development in Africa.
- Helps to create a level playing field for investment in clean energy in Africa, including through increased transparency and promotion of the governance pillar of the SDG7 Initiative for Africa.
- Supports projects and member States with local currency debt. This is critical as one of the main barriers to mobilising project finance for developing countries is the need to secure contracts in hard currency whereas project revenue receipts are in local currency. This poses high risks and increased costs to receiving countries owing to exchange rate uncertainties.
- Better understanding of local and international landscapes and so able to fast-track the participation of foreign private sector investors in Africa’s energy market.
- Innovative business models for domestic resource mobilisation to invest not only in power generation but also in the important areas of transmission and distribution.
- Contribution to quality jobs, energy access and climate change mitigation and adaptation by enabling transformative investments in clean energy.

70 GW pipeline of proposed IPP clean energy projects. Ramping up Africa’s energy capacity requires a strong and transformational partnership between member States, the private sector and development partners to materialise the investment opportunity of the order of USD 500 billion to add 250 GW of new clean energy capacity by 2030. The African Development Bank estimates that a total of between USD 250 and 310 billion is required for investment in the energy until 2025, while an additional USD 190-215 billion is required for period 2026-2030 to meet the Bank’s new Deal on Energy for Africa. The International Renewable Energy Agency (IRENA) estimates that with annual investments of USD 70 billion per year until 2030, it is possible to increase the share of clean electricity capacity in Africa’s power mix to 310 GW (up from 42 GW in 2017) while resulting in carbon-dioxide emissions reductions of up to 310 megatonnes per year.

Furthermore, all African countries have submitted very ambitious nationally determined contributions to climate action (NDCs) under the Paris Agreement, but the level of ambition in those NDCs in terms of clean energy actions is very low at only 22 GW.

This means that most of the financing needed will have to come from the private sector. Yet, private sector investment in infrastructure, including energy infrastructure, in Africa has been very limited.

80% electricity generation capacity can be from clean energy power sources by 2050.

$ 500 bln to add 250GW of renewable electricity capacity by 2030.

Infrastructure investments in Africa in 2018 by sector (Billion USD)

The low participation of the private sector in investment in the energy sector in Africa is not because of lack of finance. Instead, it is a consequence of poor governance and lack the enabling policies and regulatory frameworks, as well as weak institutions, poor management of utilities, poor ease of doing business environment, lack of transparency in energy procurement, limited capacity, issues of bankrupt inability of project off-takers, poor enforcement of contracts, limited enforcement of quality standards and certification, and poor alignment of interests, among others.

It is therefore urgent and critical that private sector investments in clean energy (and indeed climate action) are scaled up and accelerated.

This requires member States, the private sector and development partners working together in new and innovative ways to address policy and regulatory issues to unleash the financing needed.

This is why the ECA established the SDG7 Initiative for Africa.