

Foreign investors mull potential partnerships and energy projects in Africa

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Addis Ababa, 14 November 2012 (ECA) - As the demand for power continues to grow, the projected worth of Africa's renewable energy sector will increase to \$57 billion by 2020 according to a senior UN Official.

In a statement delivered today at a business forum of investors and policy makers, Said Adejumbi, Director [Governance and Public Administration Division](#) of the United Nations Economic Commission for Africa (ECA) said the sector recorded "a staggering 1,583% increase between 2004 and 2011.

He told the Forum that the enormous growth amounts to \$3.6 billion in 2011 from \$750 million in 2004 and is mainly due to the large unmet demand, combined with abundantly available sources of renewable energy in Africa.

The demand for energy is expected to rise in the foreseeable future due to a combination of factors, including Africa's notable economic progress in the last 15 years, which averaged about 5% GDP growth rate; the demographic structure in which over 60% of the continent's population is made up of young people; and the increasing rate of urbanization in Africa, said Adejumbi.

He highlighted areas that are key growth sectors, which include wind, solar and geothermal power and underscored the need for foreign direct investment into energy and power infrastructure. "Investment in renewable energy, is a major priority for Africa," said Adejumbi.

Sam Cho, who heads the ECA's private sector section said that the consultations are a practical highlight of this week's events, bringing together investors, banks, government investment agencies and those in the energy sector to discuss interests, concrete investments and other areas of collaboration.

"The business consultations are mutually beneficial for both the international investors and African stakeholders. The information shared, such as detailed investment opportunities in critical priority projects in infrastructure are being examined," he said.

Among those present at the Forum are emerging market investors from China, India, Korea and Brazil, financing departments from the World Bank, AfDB, DBSA, AFC and Ecobank. Bi-lateral and group sessions were facilitated by the ECA to address the variety of interests, such as infrastructure, electricity transmission, large-scale solar power installation on commercial farms and projects in the AU-led Programme for Infrastructure Development (PIDA) framework pipeline.

The projects under scrutiny this week are at different stages of conceptualization, development, feasibility study or construction. Many in the PIDA framework require an injection of funding from partners and investors; and will need long-term sustainability and support.

Echoing the sentiments of the investors, Mr. Cho said, "ultimately, ideas on paper need partners; they must be bankable and must correspond to projected demands."

The Forum is part of the series of events comprising the [All-Africa Energy Week and the African Energy Ministers Conference meeting](#) on the theme: Renewable Energy for Sustainable Development: from Potential to Infrastructure and Services.

According to the co-organizers, ECA, African Union Commission and the African Development Bank, the focus on energy is supported by a UN resolution in 2010 that designated 2012 as the year of Sustainable Energy for All. The programme aims to advance an ambitious agenda: provide renewable energies to ensure universal access to modern forms of energy by 2030; improve energy efficiency, and double the global share of renewable energy by 2030.

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