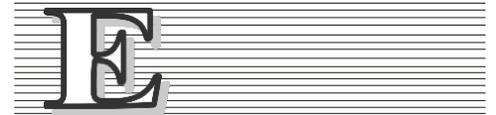




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Economic Commission for Africa
Southern Africa Office

Intergovernmental Committee of Senior Officials and Experts (ICSOE) of Southern Africa
Thirtieth Meeting

Virtual and Livingstone, 20-21 November 2024

Theme

Addressing the energy deficit in Southern Africa through investments in new and renewable energy technologies to reduce energy poverty and accelerate sustainable industrialization and structural transformation.

Concept Note

I. Introduction

1. The Intergovernmental Committee of Senior Officials and Experts (ICSOE) is a United Nations (UN) General Assembly policy sub-organ of the United Nations Economic Commission of Africa (ECA) Conference of African Ministers of Finance, Planning and Economic Development established to provide a Forum for engaging member States' senior policy makers and experts on policy and programmatic matters in each of the five subregions of Africa. The five ICSOEs, which are integral to ECA's governance machinery, provide strategic orientation and direction in ensuring that the priority development imperatives of the five subregions are fully reflected in the overall work programme of ECA. Reference is invited to the Information Note on the ICSOE-E/ECA-SA/ICSOE.XXX/2024/Info.3.

2. Sessions of the Committees are hosted annually by member States on a rotational basis. The twenty-ninth (29th) Session of the Committee was hosted by the Republic of Botswana in Gaborone on 8 and 9 November 2024 on the theme *Accelerating Implementation of the Africa Continental Free Trade Area for Inclusive Development in Southern Africa: Building on the regional economic communities' free trade areas, and Harnessing Technology and Innovation for Private Sector and Value Chains Development*. The Outcome Statement and Report of the twenty-ninth Session are included in the documentation package for this Session. The thirtieth (30th) Session will be held in Livingstone, Zambia on 21 -22 November 2024.

3. Following consultations with the Bureau of the 29th ICSOE at a virtual meeting organised by the Secretariat on 12 March 2024, the 30th ICSOE will be held under the theme, *“Addressing the energy deficit in Southern Africa through investments in new and renewable energy technologies to reduce energy poverty and accelerate sustainable industrialization and structural transformation”*. Information Note ICSOE-E/ECA-SA/ICSOE.XXX/2024/Info.3, provides a list of the ICSOE themes during the last decade showing the consistent strong focus towards supporting industrialization in Southern Africa. The 30th Session will interrogate energy access issues in Southern Africa, focusing on supply of energy from new and renewable sources and the role of governments and other stakeholders in developing and implementing policies for development of the resources and for accessing the energy produced.

II. Theme of the 30th ICSOE

4. The theme of the 30th Session on *“Addressing the energy deficit in Southern Africa through investments in new and renewable energy technologies to reduce energy poverty and accelerate sustainable industrialization and structural transformation”* tackles one of the key enablers of industrialization in the face of climate change by providing stakeholders in Southern Africa with a platform to discuss how the region's vast new and renewable energy resources could be exploited to support the clean and just energy transition as well as help reduce the regional energy gap for both productive and consumptive purposes.

5. The lack of access to clean, affordable energy services exposes humanity to physical, economic, and social challenges as access to clean energy is important for both consumptive and productive purposes. This includes, inter alia, facilitating access to water; supporting agriculture production, agro-processing and value chains development; enabling the delivery of health, education and other basic services; and creating sustainable jobs. Energy and electricity underpin

economic development and impact on access by all citizens including youth and women. Yet, in many developing countries, there is limited access to reliable, clean, and affordable energy including electricity and this undermines efforts towards poverty and inequality reduction, improvement in health and access to life support systems, productivity and industrialization, and the general support to socio-economic development. Most of the African continent's citizens' lack of access to clean energy and the extent of energy poverty continues to grow. An estimated 500 million people on the continent lack access to clean energy sources. According to the International Atomic Energy (2020), in 2019, a total of 840 million people were without electricity, and three billion people relied on traditional fuels, mainly firewood, to prepare their meals. Furthermore, the World Health Organization (2018) estimates that every year, 2.6 million deaths worldwide are associated with indoor air pollutants emitted by open stoves. According to the World Bank (2020), Eastern and Southern Africa, with 365 million people without electricity access and 558 million people without clean cooking access, account for more than half of the world's unelectrified population of 675 million people and nearly a quarter of the global population without access to clean cooking of 2.4 billion people.

6. Access to affordable clean energy is one of the Sustainable Development Goals (SDGs), specifically SDG7 and thus a key development aspiration for humanity in line with Agenda 2030 and Agenda 2063, the Africa We Want. Facilitating access to clean and affordable energy services is critical for closing the economic and social development gaps, enhancing and accelerating recovery from crises, industrialization, supporting trade development, including under the African Continental Free Trade Area (AfCFTA), and for responding to the adverse impacts of climate change by reducing carbon emissions (decarbonization). Southern Africa has a high energy deficit and low levels of renewable energy penetration and therefore exploiting the abundant clean and renewable energy resources can help to close the gap and enhance access to clean energy. According to regional estimates, electricity access in the region averages 48 percent in urban areas and 32 percent in rural areas and access remains lowest in Malawi (11 percent), and Lesotho (34 percent) ¹.

7. The region's abundant renewable energy resources including hydro, solar, wind, biogas and geothermal remain underdeveloped due to, among others, limited investment in the sector and the lack of supportive frameworks to motivate such developments. Yet renewable energy can be one of the quickest and most cost-effective ways to improve access and a potent means of contributing to economic development, greener energy consumption and achieving SDGs². Furthermore, the global energy transition and drive towards net-zero emissions (decarbonization) offers massive opportunities to leverage development in Southern Africa given the endowment in strategic and critical minerals including nickel, cobalt, manganese, graphite, lithium, copper and rare earth elements in the region, especially in Mozambique, Namibia, South Africa, Zambia and Zimbabwe. Given this endowment, potential exists for the region to be at the centre of the battery electric vehicle (BEV) value chain which would enable member States to, among others, address the region's transport challenges through provision of two or three wheelers, for example while at the same time addressing energy poverty. In order to address climate change and achieve the goals of the Paris Agreement, it is imperative to pursue a low-carbon growth path reliant on renewable energy and BEVs and the associated technologies³. However, the current surge in

¹ SADC (2018) Renewable Energy and Energy Efficiency Report

² Munoz, Cabre.M., Ndhlukula, K., Musasike, T., Bradlow, D., Pillay, K., Gallagher, K.P. (2020) Expanding Renewable for access and Development: The Role of Development Finance Institutions

³ SADC (2018) Renewable Energy and Energy Efficiency Report

demand for critical and strategic minerals will be accompanied by an escalation of both social and environmental challenges including potential displacement of communities and disruption of livelihoods. which will invariably require consideration, management, and amelioration during the transition process. The transition will need to be just and should address all environmental, social and economic issues encompassing, for example, the sharing of benefits, trade-related issues, value chains development opportunities and challenges, human rights and labour and community development issues.

8. The potential contribution of the critical or strategic energy minerals transition towards SDGs includes, among others, driving economic development by creating new opportunities, promoting economic diversification and job creation (SDGs 9 & 8), poverty alleviation and inclusive growth (SDG 1), reducing greenhouse gas emissions and advancing the transition towards a low-carbon economy (SDG 13). In addition, a well-structured renewable energy industry could facilitate transparency, equity, and fair benefit-sharing with local communities, reducing social tensions, corruption and promoting stability by strengthening partnerships among governments, industry, civil society, and local communities to ensure sustainable and inclusive development pathways (SDGs 16 & 17).

9. Investment in the renewables sector will be critical to boosting the contribution of the sector to the regional energy mix. In this regard, the intervention of the state through de-risking and the creation of a conducive investment environment in the sector will be critical to attracting the large investments required to develop an industrial-scale renewable energy sector on the continent. The Summit on the Financing of African Economies held in Paris, France, on May 18, 2021, estimated that at least \$200 billion would be required between then and 2030 to foster clean energy provision.⁴ Among other initiatives, public private partnerships and other innovative financing mechanisms could drive renewable energy development initiatives.

10. The low investment in the sector and the associated endemic energy crisis in Southern Africa threatens future regional prosperity as it continues to adversely impact on industrialization and structural transformation efforts. The deficit has seen regional governments, through their utilities and other private players, struggling to supply electricity for industry on a consistent basis. This undermines industrialization, beneficiation and value addition as electricity is essential for powering economic development and regional economic integration. In addition to the deficit, many countries in the region, including Botswana, South Africa and Zimbabwe, still rely on non-renewable sources of energy, such as coal, in some cases up to 90 percent of energy comes from these sources. Coal, despite its adverse environmental effects, supplies an estimated 62 percent of the electricity generated in Southern Africa and to a high of about 74 percent of electricity generated in South Africa alone. However, hydropower remains the primary source of electricity for countries such as Zambia for whom over 80 percent of installed electricity capacity is hydro. Similarly, Mozambique (81 percent of installed electricity capacity) and Namibia (64 percent) are also highly dependent on hydropower. However, electricity generation from hydro in Southern Africa has been adversely and significantly undercut by recurrent droughts, a direct

⁴ Ananthkrishnan Prasad, Elena Loukoianova, Alan Xiaochen Feng, and William Oman (2022). Mobilizing Private Climate Financing in Emerging Market and Developing Economies. IMF.
<https://www.elibrary.imf.org/downloadpdf/journals/066/2022/007/article-A001-en.xml>

impact of climate change, hence the need to explore other new and renewable sources to ensure energy security. Increased investment in the new sources is not only key to achieving the net-zero emissions but will also contribute to energy security and help address energy poverty.

11. The need to intensify efforts towards developing a cost-effective energy supply chain through the acceleration of the inclusion of renewable energy technologies within the regional energy mix is imperative for the region, given the deficit as well as the abundance of renewable sources. Accessible and price-competitive energy resources are a necessary condition for sustainable and inclusive industrialization including supporting the productive activities of micro, small and medium enterprises, women-owned and youth-owned businesses. In addition to access, energy security (access to timely, affordable and affordable energy) remains a major challenge in the region despite efforts to address this through the expansion of regional interconnections and transmission capacity and the acceleration of generation capacity facilitating increased trade through the Southern African Power Pool (SAPP)⁵. Furthermore, since 2015 regional member States have committed to enhanced exploitation of renewable energy resources and to energy efficiency, and this is reflected in the national energy policy frameworks⁶.

12. The power deficit is not new to Southern Africa. The region has historically faced challenges of ensuring access to adequate electricity for its citizens and industry and has developed national and regional frameworks to anchor production and supply of energy services to address the gap. Among others, the SADC Energy Cooperation Policy and Strategy, implemented in 1996, the SADC Energy Action Plan (1997), the Regional Infrastructure Development Master Plan and Energy Sector Plan (2012), the SADC Regional Energy Access Strategy and Action Plan (2020 to 2030), Renewable Energy and Energy Efficiency Strategy (REEES) and Action Plan (2017) and the SAPP arrangements, all emphasize a decentralized approach to energy supply (grid and non-grid) including prioritizing the development of new and renewable energy sources to diversify the supply mix and improve access. Specifically, the REEES framework provides for regional member States to develop their own renewable energy and energy efficiency strategies and action plans to increase renewable energy uptake. There is however a need to interrogate the impediments to the realization of the energy supply objectives of these frameworks in as far as renewable energy is concerned. The commitments by regional member States on liberalization of the energy sector has not yielded the desired results and needs to be evaluated in terms of how it has facilitated the supply of energy from renewable sources and isolate any underlying impediments to greater development and uptake.

III. Objectives of the 30th ICSEO

13. The 30th Session under the theme “*Addressing the energy deficit in Southern Africa through investments in new and renewable energy technologies to reduce energy poverty and accelerate sustainable industrialization and structural transformation*”, will reflect on the challenges of energy access, energy security and energy poverty in Southern Africa and proffer recommendations towards facilitating investment in the exploitation of the region’s vast new energy resources to support structural transformation as well as address the energy deficit. Working closely with regional Governments and the SADC Centre for Renewable Energy and

⁵ SADC (2018) Renewable Energy and Energy Efficiency Report

⁶ SADC (2018) Renewable Energy and Energy Efficiency Report

Energy Efficiency, (SACREEE), the ICSOE will specifically, interrogate, the ongoing efforts by member States and their regional economic communities to develop the renewable energies sectors including through supportive policy frameworks to motivate investment in the sector. Building on the recommendations of the 28th ICSOE Session organized in Maputo, Mozambique, in October 2023, deliberations during the 30th Session will bring the green industrialization agenda into more focus through deeper reflection on new and renewable energy resources investment and development for productive purposes. This focus will enable the Session to address the twin challenges of climate change (through decarbonization) and access to energy through the exploitation of clean energy sources.

14. Specifically, the Session will

- (a) deliberate on statutory matters through (i) consideration and endorsement of the implementation of the programme of work of SRO-SA for 2024, the planned programme of work for 2025 and the attendant resource envelope, (ii) review of the economic and social conditions in Southern Africa, and (iii) review and provision of guidance on the implementation of regional and international agendas and other special initiatives in Southern Africa; and
- (b) engage in high level discussions on the theme of the Session on: “*Addressing the energy deficit in Southern Africa through investments in new and renewable energy technologies to reduce energy poverty and accelerate sustainable industrialization and structural transformation*” and proffering recommendations towards accelerating development of new and renewable energy resources including critical/strategic minerals to address the deficit, contribute to decarbonization and facilitate structural transformation.

15. The Session will also consider the observations and recommendations of the two Ad Hoc Experts Group Meetings (AEGMs) to be organized back-to-back prior to the meeting. The two AEGMs will be on “*Leveraging Renewable Energy Resources for a Just Energy Transition in Southern Africa*” and on “*Financing Climate Action and a Just Energy Transition in Southern Africa – Challenges and Opportunities.*” The AEGM recommendations will constitute part of the outcomes of the 30th ICSOE of Southern Africa.

16. Delegates and participants at the 30th ICSOE will also discuss and proffer regional perspectives on the subject of the Economic Commission for Africa Conference of African Ministers of Finance, Planning and Economic Development (COM2025) to be organized in Addis Ababa in February 2025 under the theme *Advancing the implementation of the Agreement Establishing the African Continental Free Trade Area: proposing transformative strategic actions*”. The perspectives and recommendations of the pre-COM2025 dialogue will constitute part of the recommendations of the 30th ICSOE of Southern Africa.

17. With regard to the theme, the ICSOE will specifically:

- (a) Examine the extent of energy poverty and the electricity deficit in Southern Africa and elaborate on how the region can accelerate the development of new and renewable energy sources to close the energy gap and also reduce greenhouse gas emissions thus contributing to the global agenda on climate change,

- (b) Discuss the diversity and accessibility of various new and renewable energy resources in the regional member States and the opportunities for their exploitation and contribution to socio-economic development,
- (c) Explore the use of innovative financing instruments including carbon credit markets to motivate and support private sector investments in green industrialization and energy security,
- (d) Examine the critical issues to be addressed by national and regional stakeholders if the region is to develop renewable energy resources and improve energy access among stakeholders to support industrialization,
- (e) Examine the strategies needed to facilitate adoption of new and renewable energy and energy efficiency technologies (including through de-risking the sector) and share experiences at country level in developing the sector and the sector's contribution to the supply of energy services to rural communities including the agriculture sector to support value chains development,
- (f) Interrogate the regional policies and strategies to support the development of new and renewable energy resources including policies to drive and support investment in the sector such as the directions advocated for by Africa's Green Minerals Strategy, the SADC Renewable Energy and Energy Efficiency Strategy, and other related continental and regional initiatives,
- (g) Discuss the emerging opportunities (through resource endowment) and challenges in the clean energy sector and the benefits this provides for member States including through collaboration and participation in higher value chains as anchors of industrial development and economic linkages,
- (h) Examine key issues for consideration in the alignment and harmonization of new and renewable energy policies in Southern Africa to foster trade in energy services, including through pooling arrangements, and strengthened regional integration,
- (i) Propose strategies to enhance access to new and renewable energy sources by micro, small and medium enterprises and how the energy access can be upscaled to support industrial expansion through the sector; and
- (j) Proffer recommendations on how private sector players including households, independent power producers and micro, small and medium enterprises can supply excess power generated from standalone sources can be supplied to the national grid.

IV. Format

18. The 30th ICSOE Session will be held on 20-21 November 2024, in a hybrid format- face to face and virtual. The Session will be convened in plenary complimented by focused panel discussions. In addition to dealing with statutory matters, the Session will also consider and for adoption, the main issues and recommendations of the AEGMs on climate financing and critical energy transition minerals which will precede the 30th Meeting.

V. Expected Outcomes

19. Deliberations are expected to lead to:

- (a) Clear guidance and direction on the implementation of the 2024 programme of work of SRO-SA, and on priority areas for the planned programme of work 2025 and approval of the attendant budget,

- (b) Enhanced understanding of the social and economic conditions in Southern Africa, and an appreciation of progress in the implementation of regional and international agendas,
- (c) Increased appreciation of the work of ECA in Southern Africa in addressing requests from member States,
- (d) Well-articulated recommendations and guidance on advancing access to new and renewable energy sources for accelerated industrialization, structural transformation, enhanced trade, and inclusive development in Southern Africa , and
- (e) Strengthened partnership, and commitment among stakeholders towards addressing the energy deficit and accelerating access to clean energy through development of new and renewable energy sources in Southern Africa.

VI. Expected Outputs

20. The outputs of the Session will include the following:
- (a) An Outcome Statement of the ICSOE reflecting the issues and recommendations of the Session.
 - (b) Approved work programme for SRO-SA for 2025 and the attendant budget.
 - (c) Report of the proceedings of the Session;
 - (d) Sub regional perspectives on the pre-COM2025 dialogue, and
 - (e) Press releases, policy briefs and web-based publications.

VII. Meeting Documentation

21. Parliamentary Reports:
- (a) Implementation of the 2024 programme of work of SRO-SA and the planned programme of work and the budget for 2025;
 - (b) Economic and social conditions in Southern Africa; and
 - (c) Implementation of regional and international agendas and other special initiatives in Southern Africa.
22. Thematic study report:
- Addressing the energy deficit in Southern Africa through investments in clean and renewable energy technologies to reduce energy poverty and accelerate sustainable industrialization and structural transformation.
23. Twenty-ninth ICSOE Outputs:
- (a) Outcome Statement of the 29th Session of the ICSOE of Southern Africa.
 - (b) Report of the Proceedings of the 29th Session of the ICSOE of Southern Africa

VIII. Participation

24. High-level officials and experts from all eleven member States of SRO-SA from relevant Government ministries, departments and agencies; African Union Southern Africa Regional Office; Southern African Development Community Secretariat; Common Market for Eastern and

Southern Africa Secretariat; Southern African Customs Union Secretariat; African Union Development Agency-NEPAD; African Capacity Building Foundation; African Development Bank; Development Bank of Southern Africa; SADC Business Council; COMESA Business Council; National Chambers of Commerce and Industry; Private Sector operators; Civil Society Organizations; Women and Youth Groups; Professional Associations; Academic and Research Institutions, AFREXIMBANK, representatives of the media, United Nations Agencies; and other ECA Divisions and SROs.

IX. Working languages

25. The meeting will be conducted in English. Simultaneous interpretation will be provided in Portuguese.

X. Venue and dates

26. The 30th Session of the ICISOE of Southern will be hosted by the Government of the Republic of Zambia on 20-21 November 2024. The Session will be preceded by Ad hoc Expert Group Meetings on 18-19 November 2024 hosted at the same venue.

XI. Administrative arrangements

27. An Information Note with organisational logistics, travelling and immigration arrangements and formalities, visa and health requirements, hotel accommodation and other general information on Angola will be emailed to confirmed delegates and participants and will also be posted on the ECA website.

XII. Contacts

28. Further information and queries on the meeting and other related matters should be addressed to: -

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