



Press Release

“Africa will be the Powerhouse of the World”

Africa’s renowned renewable energy network ‘AREA’ predicts massive renewable energy uptake in the next decade

Bellagio / Hamburg/ Johannesburg, 30 May, 2012: In the next ten years Africa will be at the center of the global energy map due to massive investments in renewable energy technologies, the electricity grid and off-grid appliances. Participants of the annual meeting of the African Renewable Energy Alliance (AREA) based this positive assumption on the massive price decline of renewable energy technologies, recent political developments and the specific benefits of renewable energies for off-grid regions. The conference, hosted by the Rockefeller Foundation’s Bellagio Centre and the World Future Council, gathered experts, politicians and investors from 17 countries.

“Africa will be the powerhouse of the world,” says Professor Salah Arafa from the American University in Cairo and member of the AREA Steering Committee: “It will be the number one continent to do business and it will be leading in renewable energy projects.” Major success factors for the uptake of renewable energy in Africa are political stability and strong political will. Furthermore, participants stressed that once the market faces a level playing field for all types of energy, including fossil fuels, renewable energy will simply be the cheapest option. Therefore, AREA called upon governments to redirect fossil fuel subsidies into renewable energy infrastructure.

Furthermore, the development of the renewable energy market requires an enabling political and economic environment. This includes financial incentives such as tax reductions as well as supporting regulatory infrastructure. It was also stated that mechanisms such as microfinancing can have negative impacts when implemented as a ‘stand alone solution’. Instead, Dipal Barua, Founder of the Bright Green Energy Foundation, Bangladesh and Member of AREA calls for comprehensive solutions: “What we need for renewable energy is ‘inclusive financing’, which includes microfinancing, the supply of technology and capacity building measures.”

Wisdom Ahiataku–Togobo, Director Renewable Energy, Ministry of Energy, Ghana said: “Renewable energy, especially solar and wind, has a leading role to play when it comes to energy access in rural areas.” A pioneering role in renewable energy development in Africa has been taken by Cape Verde. The West African Islands have set a goal of 50 percent renewable energy by 2020. Abraão Andrade Lopez, Director General of the Ministry of Industry and Energy announced that the country is currently running a study exploring how to achieve 100 percent renewable energy. Lillian Chege, Associate of the Rockefeller Foundation, presented SPEED – Smart Power for Environmentally–sound Economic Development. The project aims to foster electricity provision in rural areas based on a mini–grid with existing telecommunication infrastructure.

The AREA network (www.area-net.org) stands for a multi stakeholder dialogue aiming to accelerate the deployment of decentralized renewable energy on the African continent. Founded by the World Future Council in 2009, it currently comprises of around 900 members from 72 countries.

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