
This is the most comprehensive study of the sub-Saharan energy sector that the IEA has ever undertaken, and it is the product of invaluable cooperation with many African governments, institutions and companies. There are too many to name individually but, suffice to say, without their excellent engagement, this work could not have been completed.

While we are launching this Special Report today, the global launch of the IEA’s full, updated World Energy Outlook 2014 will take place here in London on 12 November – I hope you will be able to join us.

However, today the spotlight is on Africa, and, specifically, on sub-Saharan Africa.

This is because a major crisis continues within our global energy system – an energy poverty crisis – and the epicentre of this crisis is sub-Saharan Africa.

The World Energy Outlook has pioneered the need to tackle energy poverty for more than a decade, and this is an issue that I have engaged with personally, as a member of the Advisory Board of the UN Secretary-General’s Sustainable Energy for All initiative.
More than 620 million people in sub-Saharan Africa – around two-thirds of the total population – live without electricity. Only one country in the region – South Africa – consumes even as much electricity as London and, on average, each of us in this room consumes more electricity than 16 people in sub-Saharan Africa. In addition, nearly 730 million people in sub-Saharan Africa rely on hazardous, inefficient forms of cooking – using wood, charcoal, dung or agricultural residues as fuel in polluting cookstoves, and causing huge numbers of premature deaths each year. Today, the use of traditional fuels such as these easily outweighs the use of all other fuels combined.

Put simply, the energy sector of sub-Saharan Africa is not yet able to meet the needs and aspirations of its citizens. More can be done to tackle this, more should be done to tackle this and, importantly, the benefits of tackling this outweigh the costs, meaning that it also makes economic sense.

The primary purpose of our energy system is to enable a better quality of life. For those who have it, modern energy unlocks access to better health care, better education, better economic opportunities and, even, to longer life. For those who don’t have it, it is a major constraint on their social and economic development. But the challenge is surmountable and the benefits of success are immense.

The *Africa Energy Outlook* finds that sub-Saharan Africa’s existing energy resources are more than sufficient to meet the needs of the population, but that they are unevenly distributed and underdeveloped, a fact that speaks strongly towards the benefits of regional energy cooperation.
Sub-Saharan Africa is already home to several major energy producers, including Nigeria, South Africa and Angola, and these are being joined by emerging producers, including Mozambique and Tanzania. Such countries are in a position to reap an economic dividend from their natural resources, but the report highlights the need to reinvest this dividend locally to yield yet greater gains, both in terms of a more effective, capable energy sector and in terms of much more broad-based economic growth.

In general, African countries are endowed with abundant renewable energy resources, which they are expected to harness increasingly. By 2040, renewables are expected to account for nearly 45% of all power generation capacity in the region, varying in scale from large hydropower dams to mini- and off-grid solutions in more remote areas.

In the report’s central outlook to 2040, the sub-Saharan economy gradually releases the energy brake: the economy quadruples in size and energy demand grows by 80%, but per capita energy consumption remains very low.

The outlook for providing access to electricity is bittersweet: nearly 1 billion people are expected to gain access to electricity by 2040. But because of very rapid population growth in the region, more than half a billion are still expected to be without electricity at that time.

**So, what more can be done?**

The *Africa Energy Outlook* finds that increasing access to reliable, modern energy can turbocharge economic growth in sub-Saharan Africa, enabling a major push towards a more self-sustaining model of economic growth.
The report identifies key actions in the energy sector that could provide both a strong boost to the sub-Saharan economy and put it on a much faster path to a modern, integrated energy system for all. Implementation of these actions will require high-level political commitment to energy sector reform. Policy makers need to focus on building human capacity within the energy sector, strengthening policy and regulatory frameworks so that well-functioning energy markets emerge, opening up energy markets to new players and new sources of finance and, where it is not already the case, moving towards pricing that reflects market fundamentals. They also need to build on existing channels of regional co-operation, which can bring about mutual benefits. Perhaps most importantly, actions must be taken to integrate high standards of governance both within and beyond the energy sector. Transparency and accountability are critical to building credibility and public trust.

A long-term development model for the region needs to be one where the energy sector becomes a driver rather than an inhibitor of growth. For those of us fortunate enough to have access to modern energy, we must recognise that every single advanced economy has required secure access to modern energy to underpin its growing prosperity. For those without modern energy, the energy sector cannot grow quickly enough – they are impatient for progress. Sub-Saharan Africa is expected to account for 20% of the global population in 2040 – meaning that the energy choices made in the region will also have global consequences.

Finally, I would once again like to express my thanks to the many African governments, institutions and experts across all aspects of the sub-
Saharan energy sector that we have been privileged to work with on this report.

I will now turn the floor over to our Chief Economist, Dr. Fatih Birol, who directed the report, to present its detailed findings.

Thank you.