



CONCEPT NOTE FOR A WEBINAR

on

Public Service Concessions: A tool to facilitate electricity access for all in Africa?

(French Webinar Series)

Wednesday, May 24th, 2023

3.00pm to 4:30pm (CAT, CEST): 1 pm to 2:30 pm Abidjan time (GMT)

Introduction to the ASR French Webinar Series

The African School of Regulation (ASR) will be hosting a series of webinars conducted in French (with simultaneous English translation). This is the first webinar in the series. The vision of the ASR is to reach the entire African continent through the dissemination of sound power sector regulatory practices and principles, adapted from international best practices, tailored for the African context while drawing from Africa's diverse, unique and innovative experiences. This series will explore topics pertinent to francophone African countries as well as others of importance to the wider African continent. The ASR aims to achieve inclusivity by communicating in the continent's main languages, with French being one of the identified key languages.

Context and Issue

Electricity distribution concessions in Africa

The Africa Energy Outlook 2022¹ highlights the perilous state of many African power utilities with most of them operating at a loss – estimated to be at USD 150 billion in 2020. Poor payment collection rates, excessive losses (commercial and non-commercial), and increased costs (including financial costs) have significantly reduced cash flows and weakened African power utilities. The report identifies tariff reform and the use of concession agreements as the two priority areas for action to salvage these ailing utilities.

Throughout the African continent, private sector participation (PSP) has been largely concentrated in the generation segment. There are also examples of PSP in the distribution segment in different countries: Benin, Cameroon, Cote d'Ivoire, Morocco, Senegal and Uganda.

¹ The Africa Energy Outlook 2022, International Energy Agency, Pg.134 <https://www.iea.org/reports/africa-energy-outlook-2022>

Accelerating electrification in Africa through Public Service Delegation (DSP)

According to the International Energy Agency, the number of people in the world without access to electricity was 775 million in 2022, with 600 million of these in Africa. Progress in electrifying sub-Saharan Africa is inadequate.

Electrifying a country requires planning that covers all its regions (i) the deployment of capital equipment on a national scale and (ii) the distribution of a merchant public electricity service over the long term across all its regions.

The deployment of pay-as-you-go technologies and the drop in the price of photovoltaics have renewed interest in off-grid solutions - mini-grids and standalone systems - which complement centralized solutions for extending national grids to enable electricity access for all.

In order to implement off-grid solutions, attention has turned to the private sector, noting that the lack of scale has hampered efforts to attract private capital investment. The private sector is confronted by the constraints presented by rural regions or areas – their remoteness and the low ability of rural populations to pay. Populations without access to electricity are in effect the most difficult to reach because they are largely poor and isolated.

Public Service Concessions offer a level of regulatory and financial flexibility that reconciles the requirements of states/governments and the need for visibility necessary for private sector engagement. In areas where financial profitability and access are difficult to achieve, such concessions provide a means to mobilising public and private parties, engaging them over time to sustain provision of electricity, within an institutional and regulatory framework that provides assurance for the private sector. Designed for the long term, concessions are adaptable for the three modes of electrification - extension of the national grid, isolated mini-grids and standalone systems.

It is therefore necessary to encourage the public sector to invest in electrification while relying on the private sector's ability to deploy decentralized solutions suitable for off-grid areas.

This webinar aims to provide an opportunity for policymakers, power utilities (public or private), regulators, and academics to share their experiences and explore ways to adapt Public Service Concessions models to accelerate access to electricity for all - on and off the grid - in sub-Saharan Africa.

Webinar Objectives

The objectives of this webinar are as follows:

- (i) Provide a brief overview of electricity distribution concessions in Africa.
- (ii) Present an example of the Moroccan experience and draw lessons from the PERG - Global Rural Electrification Program, implemented from 2000 to 2012 to fully electrify Morocco.
- (iii) Explore the potential of distribution concessions in providing sustainable and scalable solutions to accelerate universal access to electricity in African countries - on and off the grid - and identify some key factors for their implementation.

Webinar Structure

The webinar which will be held on Zoom, in French with simultaneous English translation and will run for one and a half hours.

There will be no formal PowerPoint presentations, but will rather comprise of a dialogue between the moderator and the panellists, followed by questions and a debate guided by the moderator. Suggestions for discussion questions for each session will be provided to the moderator and panellists prior to the webinar to help guide the debate. The moderator may also select questions that participants can post during the webinar in the chat/question and answer section of the Zoom platform.

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Panellists

The panellists are experts currently working or with experience in public service concessions in the electricity sector and their application towards the achievement of universal electrification in African countries.

Webinar Program/Agenda

Time	Session/Sub-Topic	Panellists/Discussants
1:00pm to 1:05 pm Abidjan time (GMT) (3 pm CEST)	Welcome Introduction/Opening of Webinar	Prof. Ignacio Perez-Arriaga (African School of Regulation, ASR)
1:05pm to 1:10pm	Webinar overview and introduction of panellists	Grégoire Jacquot (Sustainable Energy for All – SEforALL)
1:10pm to 1:35pm	Experiences in public service distribution concessions and lessons learned	Moderator: <i>Grégoire Jacquot</i> (Sustainable Energy for All – SEforALL) Panellists: <ul style="list-style-type: none"> • Abel Didier Tella (Director General, Association of Power Utilities of Africa - APUA) • Christian de Gromard (Senior Expert, former Energy Advisor, AFD) • Vincent Butin (Senior Expert, Ginger International)
1:35pm to 2:00pm	The Moroccan Global Rural Electrification Program: A possible model for adoption?	Moderator: <i>Grégoire Jacquot</i> <i>Senior Specialist, Sustainable Energy for All – SEforALL</i> Panellists: <ul style="list-style-type: none"> • Abel Didier Tella (Director General, Association of Power Utilities of Africa - APUA) • Christian de Gromard (Senior Expert, former Energy Advisor, AFD) • Vincent Butin (Senior Expert, Ginger International)
2:00pm to 2:25pm		Moderator: <i>Grégoire Jacquot</i> <i>Senior Specialist, Sustainable Energy for All – SEforALL</i> Panellists: <ul style="list-style-type: none"> • Abel Didier Tella

	<i>Public service concessions: a tool that can be adapted for universal electrification</i>	(Director General, Association of Power Utilities of Africa - APUA) <ul style="list-style-type: none"> • Christian de Gromard (Senior Expert, former Energy Advisor, AFD) • Vincent Butin (Senior Expert, Ginger International)
2:25pm to 2:30pm	Webinar Close	Daniella Ngarambe (<i>Research Associate, ASR</i>)