

INTERNATIONAL CONFERENCE ON CONCESSIONS IN THE POWER SECTOR — LEARNING FROM PRACTITIONERS

February 28th, March 1st–2nd (Online)

9:00am–12:00pm Eastern Time
2:00–5:00pm GMT

<http://eventos.comillas.edu/go/concessions>

The African School of Regulation (ASR), the MIT Energy Initiative and the World Bank, in collaboration with the Rockefeller Foundation and the Global Commission to End Energy Poverty, invite you to a high-level online conference championed by the Government of Ghana on the role of concessions in accelerating the process of achieving universal energy access in developing countries.

Taking stock of the latest advances in technology, regulation and financing in the power sector, this conference will offer participants a unique opportunity to learn from emblematic concession experiences. It will eventually enable its participants to address major challenges in the design and implementation of concessions and to extend electricity access in selected countries.

Highly interactive, this peer-led conference is open to a limited number of experienced participants representing power companies, private investment firms, ministries, regulatory agencies, development finance institutions, and universities.

This conference aims to build capacity and promote concessions in power sector reforms. The organizers seek to help bridge the gap between public and private stakeholders and attract investment in the distribution sector.

This online event will lay the foundations for a more exhaustive, in-person conference on concessions in Q2 or Q3 2022.

PLEASE RSVP HERE

CONTEXT OF THE CONFERENCE

The power sector landscape has evolved significantly over the past decades. Years of political engagement have led to significant improvements in power sector management and electrification rates in several countries such as in South Asia. Between 2016 and 2018, an average of 136 million people gained access to electricity each year, outpacing by 60% the population growth rate.

New off-grid solutions have emerged in the form of mini-grids and standalone solar solutions and experienced outstanding growth over the recent years, revitalizing a slow electrification sector in many countries around the world. Off-grid technologies, such as standalone solar systems and mini-grids, have shown promise in bridging the electricity access gap and a total of over 170 million people had achieved access to off-grid systems to date.

The need for power sector reforms

However, despite these positive developments and decades of experience, many electricity distribution companies struggle to stay on track for SDG7. International organizations estimate that around 800 million people still live without electricity access in 2020 – among which 70% in sub-Saharan Africa. In addition to unconnected populations, more than one billion people lack access to sufficient and reliable power in developing countries. The International Energy Agency estimates that 620 million people will live without electricity in 2030 – not accounting for the negative impact of Covid-19 on electrification and investment trends. Reversing this trend will require efforts from countries and the international community – and substantial power sector reforms.

Several structural problems have impeded the implementation of power sector reforms at the pace and scale necessary to achieve SDG7. A major issue to date has been underinvestment. In 2017, an estimated US\$12.5 billion was invested in electrification projects compared to the US\$40 billion required to achieve SDG7. In practice, investments are limited by the financial unviability of most distribution companies and the siloed development of capital-intensive on- and off-grid electrification programs. Restoring distribution viability and achieving universal energy access by 2030 require new regulatory business models and financial approaches.

Moving forward, the thesis of our organizing team is that top-down, holistic, and coordinated power sector reforms making use of all possible electrification modes – i.e., the national grid, mini-grids, and standalone solar – to reach universal energy access is the most promising way to reinforcing distribution and achieving SDG7.

Experience shows that a utility-like company or entity will be well positioned to assume a universal energy access mandate, provided that governance arrangements offer sufficient legal security and financial viability to justify private commitments.

Harnessing the full potential of concessions

Concession agreements typically offer such legal and financial security. Distribution concessions have already been tested in Latin American, Asian and African countries, with various levels of success. Some concessions have focused on the restructuring of existing mostly urban utilities, with little to no impact on energy access. Another type has focused exclusively on rural off-grid electrification, but with uncertainties on their long-term sustainability. What is more, a number of concessions have simply failed to attract private capital and improve quality of service, and ended after a brief private concession episode.

As of today, no concession has ever been designed and implemented with the explicit goal of both improving the existing electrical distribution and reaching universal energy access at large scale, such as a state or an entire country.

Decisive action is now needed to disseminate the lessons learnt from past and ongoing experiences and support the use of concessions as a reference platform to implement power sector reforms and to achieve universal electricity access.

INTERNATIONAL CONFERENCE ON CONCESSIONS IN THE POWER SECTOR – LEARNING FROM PRACTITIONERS

Event Schedule (all times are GMT)
February 28th – March 1st – March 2nd 2022 (Online)

Day 1 – February 28th

INTRODUCTION TO CONCESSIONS: LEARNING FROM PAST AND CURRENT EXPERIENCES

2:00–2:20pm: **Conference opening**

2:20–2:50pm: **Introduction to concessions**

2:20–2:30pm: **Current issues in power sector reforms and universal energy access policy**

2:30–2:50pm: **Introduction to concessions and problem statement**

2:50–3:00pm: **BREAK**

3:00–5:00pm: **Reviewing emblematic concession programs: a historical overview of success/failor factors**

3:00–3:55pm: **PANEL 1: Traditional utility concessions**

3:55–4:05pm: **BREAK**

4:05–5:00pm: **PANEL 2: Off-grid concessions & Territorial concessions**

Day 2 – March 1st

IMPLEMENTING CONCESSIONS: GENERAL GUIDELINES AND CHALLENGES

2:00–2:05pm: **Introduction and schedule of the day**

2:05–2:45pm: **Implementing concession: general success/failure factors from past experiences**

2:05–2:15pm: **Questions and preliminary answers**

2:15–3:00pm: **PANEL 3: General lessons learned from the diverse individual experiences**

3:00–3:15pm: **BREAK**

3:15–5:00pm: **MULTI-PANEL 4: Lessons for specific implementation issues**

TOPIC #1: Planning and long-term perspective

*Least-cost electrification planning
Coordination between electrification modes
Coordination with other economic sectors
Clean transition objectives*

TOPIC #2: Business models and regulation

*Concession design, enforcement, and renewal
Concessions in integrated/unbundled power sectors
Attracting investment in generation, transmission, and distribution*

TOPIC #3: Financial viability

*Financing a concession
Public-private collaboration in the power sector
Long-term viability of concessions*

Day 3 - March 2nd

IMPLEMENTING CONCESSIONS: THE WAY FORWARD

2:00–2:05pm: **Introduction and schedule of the day**

2:05–2:25pm: **Wrap-up from Day 2**

2:05–2:15pm: **Key lessons learned**

2:15–2:25pm: **Pending challenges**

2:25–3:45pm: **PANEL 5: Countries exploring future concessions: Power sector situation, lessons learned, and open issues**

3:45–4:00pm: **BREAK**

4:00–4:45pm: **PANEL 6: Planning for the future: Building a network of practitioners**

4:45–5:00pm: **Conference closure**