PRESS RELEASE

# Power Up: Delivering Renewable Energy in Africa - IHS sponsors Economist Intelligence Unit report in support of Africa's renewable energy goals

**12 May 2016; Kigali, Rwanda:** Africa must deliver a renewable power revolution, as happened with telecommunications, to reach its ambitious targets, according to a new report commissioned by IHS Towers, the largest mobile telecommunications infrastructure provider in Africa, Europe and the Middle East. "Power Up, Delivering Renewable Energy in Africa," written by the Economist Intelligence Unit and published today to coincide with the World Economic Forum on Africa, highlights examples of successful renewable energy projects across the continent and identifies barriers and promoters of success within the sector.

The key findings include:

· **Renewables must play a greater role in Africa's energy mix**. The case for building renewable energy infrastructure in Sub-Saharan Africa is stronger than ever and positive experiences in lead markets such as South Africa and Kenya highlight successful strategies and best practices. However, Africa requires up to US$90 billion of investment annually to meet its current energy shortfall.

· **The African renewables sector resembles the mobile phone sector of a decade ago**. It has the capacity to leapfrog heavy infrastructure with a larger-than-assumed market, the emergence of smart business models and improved technology. However, long-term renewable procurement programmes are needed to build the greenfield infrastructure necessary.

· **There has been huge growth in technology sales and financing innovation.** The market for pico-solar units has grown from almost zero in 2009, to 4.5 million in 2014 and, in January 2016, Africa saw its first solar bonds, a securitisation financial product for small scale off-grid solar projects.

· **Ambitious energy targets are not enough**. Investors are carefully assessing the technical capacity of host governments, the country's infrastructure track record and the connection between renewable targets and economic needs.

The report finds that a 680% increase in net renewables capacity deployment is needed if Africa is to achieve the African Renewable Energy Initiative's ambitious goal of 300 GW of renewable capacity by 2030, agreed by the Africa Union and member governments at the recent Paris

climate talks. Innovative tools and projects are helping to bring green energy to people beyond the traditional grid. However, there is no substitute for larger infrastructure programmes such as wind and solar farms.

Issam Darwish, Executive Vice Chairman and IHS Towers Group CEO, said:

*"This report reaffirms that Sub-Saharan Africa has the raw ingredients for a vibrant renewables energy market: resource abundance, falling costs of wind turbines and solar panels, smart innovations in end-user equipment and political commitment – by governments and international donors alike.*

*The 'Power Up' report also recognises the scale of the opportunity facing the continent – from geothermal power in Kenya and Ethiopia to solar power in Zambia and Uganda – and will help governments, businesses and investors to understand how to support renewable energy projects and provide the best conditions for success.*

*At IHS we have seen the energy and operational efficiency benefits that come from investing in renewable power solutions, having invested US$500 million in new green energy power systems across our portfolio. Over the next few years, we plan to become almost diesel neutral across our Zambian portfolio and we're assessing solar farm opportunities in Rwanda that could potentially supply power to the national grid in the first 'energy swap' model to be used in Africa.*

*We hope this report helps other companies, governments and investors to support the accelerated development of the renewable energy infrastructure required to meet the needs of a prospering Africa."*

The report, which includes over 28 expert interviews, fieldwork and reportage from Nigeria, Uganda and Zambia, suggests four measures to attract increased investment in renewables projects and ensure their success:

1. Governments should target subsidies that protect the poor while not deterring investors with artificially low tariffs.

2. More transparent and harmonised regulations are required to support private sector decision-making.

3. Improved border customs efficiency will help to reduce costs and improve construction and maintenance times by making it easier to move technology and equipment in and out of landlocked countries.

4. Attention should be focused on government-led comprehensive renewable procurement programmes, rather than relying on one-off investments.

Following these recommendations will allow the continent to reach its goals by 2030.

The report is available on our website www.ihstowers.com.

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**About The Economist Intelligence Unit**

The Economist Intelligence Unit is the world leader in global business intelligence. It is the business-to-business arm of The Economist Group, which publishes The Economist newspaper. The Economist Intelligence Unit helps executives make better decisions by providing timely, reliable and impartial analysis on worldwide market trends and business strategies. More information can be found at www.eiu.com or www.twitter.com/theeiu

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IHS is the largest mobile telecommunications infrastructure provider in Africa, Europe and the Middle East. Founded in 2001, IHS provides services across the full tower value chain – colocation on owned towers, deployment and managed services. Today IHS owns over 23,300 towers in Nigeria, Cameroon, Côte d'Ivoire, Zambia and Rwanda. For more information, visit: www.ihstowers.com

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