

AFRICA 2005

A Conference & EXPO on Renewable Energy Options for Sustainable
Development in Africa for the 21st Century



Postponed until 2006 – Date to be determined

Phoenix, Arizona

HOSTED by:

The City of Phoenix

In cooperation with:

Arizona Department of Commerce • Arizona State University

African Development Bank • Arizona Informant

Greater Phoenix Economic Council (GPEC) • Greater Phoenix Black Chamber of Commerce

Greater Phoenix Convention & Visitors Bureau

Africa Energy Commission • Maricopa Community Colleges

Greater Phoenix Chamber of Commerce. United Nations Development Program – Africa Bureau

United Nations Economic Commission for Africa (UNECA)

Various United States Government Agencies

World Affairs Council of Arizona (WAC) • World Bank – Africa Region

Organized by:

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I. INTRODUCTION

At the dawn of the 21st century, the majority of African countries have embarked upon comprehensive political and economic reforms that are creating an environment of accountability, predictability and stability, all of which are key ingredients for successful enterprise development. Dr. K. Y. Amoako, Executive Secretary of the UN Economic Commission for Africa on March 19, 1999, emphasized this African Renaissance. In his address to the US-Africa Ministerial Meeting in Washington, DC, he pointed out that “Africa has seen a remarkable turnaround in the 1990s. Sustained economic growth in a wide range of countries over the last four consecutive years is convincing evidence of improved economic performance in the continent. On average, countries in Africa grew by 4.5% in 1995 through 1998, the highest growth rate in any region in the world, and Africa’s best economic performance since the late 1970s. More than 30 countries have enjoyed real per capita growth for the last four years.” In its 2004 Economic Report on Africa, the ECA (UN Economic Commission on Africa) stated that “Africa was the second fastest growing developing region in 2003 behind Eastern and Southern Asia. The Continent’s performance was underpinned by rising prices of oil and other commodities, an increase in foreign direct investment (FDI) and good macroeconomic fundamentals, backed up by improved weather conditions. As a result, real GDP grew at 3.8% in 2003 compared to 3.2% in 2002.”

To sustain and accelerate the above trends in order to promote socio-economic development in Africa and, hence reduce poverty, African countries must develop a comprehensive energy policy with *renewable energy* as the centerpiece.

The Challenges

Among the major challenges facing the African continent today is the issue of energy. According to the World Bank, “for more than 90% of the 650 million people in Africa, energy is about wood, waste, dung, candles and kerosene. Africa is mostly still about human energy: farming by hand or animal, walking as the primary means of getting anywhere.....without access to the services which commercial energy provides, Africans are unable to leverage their efforts to generate surplus, unable to participate in markets and unable to grow beyond subsistence activity.....no country in the world has succeeded in shaking loose from a subsistence economy without access to the services which modern society provides.” In short, the inadequate supply of energy is largely responsible for many of the continent’s social problems including those related to health, education, nutrition, low productivity and high poverty.

Various forms of sectorial activities including agribusiness, manufacturing, transportation, tourism, mining, financial services, education, healthcare, housing, environmental services, water resources, information technology and e-commerce are all driven by energy and yet, according to the International Energy Agency, Sub-Saharan Africa has the lowest electrification compared to any major region of the world, a mere 3.1%. Less than 23% of Africa’s population has access to electricity, and nearly all of what is available is unreliable and frequently rationed. Given this, Africa will not achieve its principal Millennium Development goal of poverty reduction of 50% by 2015.

The Way Forward

In this era of increasing globalization of business activities, countries that wish to effectively participate in, and derive maximum benefits from the global marketplace, must continuously improve their infrastructure in general but their energy delivery systems in particular. African countries must develop efficient and reliable energy infrastructure that enables them to move more aggressively into resource-based manufacturing and the processing of raw materials for domestic and global consumption. According to published reports by the ECA, the World Bank, United Nations Development Programme, etc., Africa is abundantly endowed with energy resources including coal, oil, natural gas, hydroelectricity, wind and renewables such as solar-thermal, biomass and photovoltaic. Even so, the energy sector in nearly all African countries remains largely underdeveloped.

In searching for solutions to the continent's energy needs, a renewable source such as *photovoltaic* must assume priority. Compared to fossil fuel, it is clean, relatively inexpensive (about 20% the cost of diesel) and environmentally friendly. Better yet, its key ingredient, sunshine, abounds in Africa. Several African countries have more than 300 sunny days each year that could provide safe, clean, cheap, and reliable source of energy for various segments of the population.

The Opportunities

The United States currently supplies only about 7% of the total imports of sub-Saharan Africa, meaning that the region remains largely untapped by U.S. businesses. However, with nearly 800 million inhabitants who have urgent needs in agribusiness, education & workforce development, energy, environmental services, clean water, health care, housing, information technology, telecommunications, infrastructure, food security, manufacturing, tourism and water resource management among many others, the opportunity now exists to expand U.S. commercial relations with all African countries and into virtually every economic sector. Recognizing this, President George W. Bush, in his remarks to the US/Sub-Saharan African Trade & Economic Forum in Washington, DC on October 20, 2001, asserted that "No Nation in our time has entered the fact track of development without first opening up its economy to world markets. The African Growth and Opportunity Act is a road map for how the United States and Africa can tap the power of markets to improve the lives of our citizens." In that same Forum, US Secretary of State, Colin Powell declared that "President Bush and I believe that Africa's success will ultimately be defined by private enterprise, by the establishment of crucial business networks, such as those AGOA can engender. By the operation of joint ventures, large and small, that helps to knit together sectors of your national economies, that link the economies of African nations to one another, and that help weave together the economies of Africa with the American and with the global trading system." In the same vein, President Bush told five African Presidents visiting the White House on **June 13, 2005** "that Africa is a continent full of promise, and talent and opportunity." Educating the American business community about trade and investment opportunities in Africa in general and **renewable energy** in particular with the proviso of building viable and vibrant business linkages between the United States and Africa as envisioned by President Bush is the essence of **AFRICA 2005**.

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Specifically, there is an ever growing demand for clean, affordable and reliable energy from household and businesses across Africa. Products and services developed by American companies in the renewable energy industry could increase U.S. investment in Africa. Additionally, water exploration, dispersed water pumping, storage & treatment, transport and distribution, and waste water disposal are priority areas in African development and have received significant funding by the African Development Bank, the World Bank and other international funding agencies. These are also areas in which U.S. companies have developed expertise that could solve the referenced problems, using renewable energy technologies in the process. All of this will create opportunities in Africa for U.S. companies. (See appendices)

AFRICA 2005 will provide a comprehensive analysis of business, trade, and investment opportunities in Africa in general and the **energy sector** in particular. It will bring together the key players in the continent's development efforts to identify the proper role of the private sector in promoting African development. You are cordially invited to participate in this major event and find out how you and/or your firm can profitably access this huge emerging market. **AFRICA 2005** will provide an unparalleled opportunity for networking and is the key to your presence in AFRICA.

The Arizona-Africa Connection

Too often we are asked to explain the Arizona-Africa Connection. Here it is: Arizona and several regions of Africa share similar climatic and topographic features including desert like conditions and abundant sunshine. Cutting edge technological advances in areas like arid-land agriculture, agribusiness, aviation, education, mining and environmental services, health care delivery systems, infrastructure, manufacturing, transportation, desert irrigation & water resource management, real estate development, renewable energy development, tourism and waste water management, etc. have transformed this state into a desert oasis and the envy of the nation. Arizona is ranked as the second fastest growing state in the union, and its capital, Phoenix is the 5th largest city in the nation and consistently rated among top U.S. cities for operating a business, raising a family, recreational & leisure activities, generating employment & income and health care delivery among others.

Several of the technologies mentioned above, particularly those related to agribusiness, mining & environmental services, water resource management and renewable energy that have contributed to the prosperity of Arizona and improved the quality of life for its citizens could do likewise for Africans. This could form the basis for robust business-to-business linkages between Arizona and African companies. The promotion of such linkages has been and continues to be our primary objective as exemplified by our annual conferences and EXPOs on Trade and Investment Opportunities in Africa. In the same vein, the U.S. Department of Energy and the City of Tucson jointly sponsored the ***US-Africa Energy Ministers Conference*** in Tucson from December 13-15, 1999. The conference brought together more than a thousand participants including Energy Ministers from nearly every African country as well as energy companies from across the

globe. The three day conference focused on the opportunities and challenges in Africa’s energy sector. (See appendices)

AFRICA 2005 is no exception. Rather than “reinventing the wheel” in the area of renewable energy, African countries could benefit from existing technologies, particularly those developed in Arizona given the shared similarities in climate and topography as mentioned earlier. **Arizona Public Service (APS)** at its **STAR CENTER** demonstrates technologies that convert sunlight into solar energy in manners that are cost-effective, affordable and environmentally safe. **ETA Engineering** (<http://www.ETAEngineering.com>) is another Arizona-based manufacturer and distributor of photovoltaic products that are suitable for efficient energy supply and water pumping applications in remote locations everywhere including Africa. Additionally, the **Arizona Solar Center** (<http://www.azsolarcenter.com/>) could profitably tap into Africa’s renewable energy markets by providing useful information and services. Homeowners, ranchers and businesses in remote areas of the state now use this technology to provide lighting as well as to pump and heat water for domestic and commercial use. In short, exploiting the full potential of Africa’s renewable energy sources will be vital to its efforts in attracting foreign direct investment (FDI) as well as processing or adding value to its primary commodities for the export market and herein lies tremendous opportunities for Arizona companies.

II. CONFERENCE THEME

TRADE & INVESTMENT OPPORTUNITIES IN AFRICA’S RENEWABLE ENERGY SECTOR

III. CONFERENCE OBJECTIVES

- To highlight current business opportunities in Africa’s Renewable Energy Sector and to show how to profitably access them.
- To provide a venue for African business executives and their US counterparts to meet, exchange ideas and establish alliances in the energy sector.
- To discuss incentives available to US firms wishing to operate in Africa, both from the US and African perspectives
- To provide a forum where African policy makers and their US counterparts as well as representatives from international agencies providing development assistance to Africa can discuss their current initiatives as they relate to private sector development in Africa.
- To showcase products, services, and appropriate technologies for Africa’s Renewable Energy markets
- To identify the most effective means by which African firms can gain access to US renewable energy technologies and products.

IV. PLENARY SESSIONS

- A. The African Growth & Opportunity Act: its potential impact on US/Africa trade, investment and commercial relations.
- B. Experiences of U.S. companies in Africa’s Energy Sector.

V. FORMAT

The general format of the conference will be characterized by one-on-one match making, panel & roundtable discussions, presentations, business exhibits and tours of technical sites. The goal is to provide an in-depth analysis of market conditions in Africa and permit successful business leaders from both sides of the Atlantic to share their experiences as they relate to renewable energy.

WORKSHOPS/PANELS/ROUNDTABLES

A. AFRICA’S INVESTMENT/BUSINESS ENVIRONMENT

This Panel will consist of African CEOs; Trade, Commerce & Energy Ministers; African Ambassadors & Commercial Attachés accredited to the US & UN; Representatives from African Trade Organizations, etc., who will discuss a myriad of issues including: Africa’s investment climate and culture, government regulations, financial systems, infrastructure, business incentives, business alliances, labor issues, monetary and fiscal policies, globalization, etc.

B. PUBLIC/PRIVATE PARTNERSHIPS FOR RENEWABLE ENERGY DEVELOPMENT

Across Africa, countries have embarked upon structural adjustments programs designed to foster robust and sustainable socio-economic development. At the core of such programs is “privatization”, the transformation of state parastatals into private sector entities. Even so, nearly the continent’s entire energy infrastructure is still publicly owned and managed. As a result, governments’ subsidies are extraordinarily high while performance, at best, is dismal. The focus of this workshop will be to discuss and define the proper roles of the private and public sectors in meeting the energy needs of the continent. Governments should create enabling environments, i.e., regulatory framework, which will attract private sector entrepreneurs to the energy sector.

C. DEVELOPMENT OF INDIGENOUS INSTITUTIONAL CAPACITY

The success of programs and policies designed to maximize the benefits from Africa’s renewable energy sources will depend, to a large extent, on the quality of its workforce. It has been suggested that education, indeed training, contributes to socio-economic development in several ways: it develops entrepreneurial talents; improves decision-making; increases productivity, income and mobility and improves health among many others. Thus, this workshop will focus on developing indigenous institutional capacity that will research, design, implement and manage all aspects energy delivery systems in manners that are effective and efficient.

D. COST STRUCTURE, RISKS & PRICING STRATEGIES FOR RENEWABLE SYSTEMS

Energy sector activities, with respect to research & development, purchase price & maintenance of equipment and, the efficient delivery of energy to end-users is very capital intensive. Given this, the workshop will focus on pricing policies that reflect both fixed and variables costs, risk exposure, cost of financing and a fair return on investment (ROI) within a regulatory environment that is transparent and fair.

E. RESEARCH & DEVELOPMENT STRATEGIES IN RENEWABLES

As previously mentioned, nature has abundantly endowed Africa with a vast array of energy sources; yet according to published reports, only about 23 percent of the continent’s population has access to electricity, a source that is often unreliable, overpriced, rationed and environmentally unfriendly. This means that African countries cannot exclusively rely on grid-based supply of energy for their developmental needs. They must find alternative sources that are cheap, clean and abundant, hence the need for renewables. Thus, this workshop will focus on research and development strategies that optimize Africa’s power generation from renewable sources. Specifically, the workshop will discuss funding sources for research and development; appropriate environment for conducting research and development; dissemination of research findings in terms of new products, services, and techniques in harnessing and distributing energy efficiently.

F. APPROPRIATE INFRASTRUCTURE

Many experts have repeatedly argued that African products have a comparative disadvantage in the global marketplace largely because of inadequate and deteriorating infrastructure. The processing of primary products and commodities (adding value) for the export market is impaired by the inadequacy of infrastructure, particularly those related to energy. Simply put, appropriate and efficient infrastructure is a necessary condition, indeed, a prerequisite for robust export diversification, reduction of poverty, accelerating and sustaining economic growth and development. Thus, this workshop will focus on designing, building & maintaining the most cost-effective energy infrastructure that would enable African countries to effectively participate in the global marketplace.

G. FINANCING OPTIONS FOR AFRICA’S RENEWABLES

Designing, building, operating, maintaining and improving Africa’s Energy Infrastructure will require adequate financing from both domestic and international sources. Thus, this workshop will identify and analyze the full range of financing options available including venture capital, commercial loans, debt & equity, bilateral & multilateral grants, and African Development Bank among many. Issues related to the “Cost of Capital” and foreign exchange risk mitigation will also be addressed.

H. STATUS OF TODAY’S RENEWABLES & THEIR POTENTIAL FOR AFRICA

As mentioned previously, the African Continent is abundantly endowed diverse sources of renewable energy including hydro, biomass, wind, and solar. The focus of this workshop is to analyze the current status of these sources with their attendant pros and cons and recommend a source or option that is convenient, efficient, affordable, sustainable, abundant, protects the environment as well as serve as the cornerstone for meeting the energy needs of Africa.

I. GENERATION, DISTRIBUTION & REGIONAL MARKETS

Having emerged from colonial dependence in a fragmented and economically weak status, several African countries still find themselves in such dilemma nearly forty years after independence. To arrest and reverse this situation, regional trading blocks like ECOWAS, SADC and COMESA are emerging across the continent. The success of these associations to expand, attract private investment, realize economics of scale and meaningfully participate in the global marketplace will depend, to a large degree, on a regional approach to generating, harnessing, storing, pricing, and safe distribution of energy. Hence, this workshop will focus on regional planning, development, and distribution of renewable energy with the proviso of reducing operating costs while producing reliable and adequate supplies for regional consumption.

J. ENVIRONMENTAL CONSIDERATIONS

As Africa searches for cheap, reliable and adequate supply of energy to meet its Millennium Goal of Poverty Reduction, environmental concerns must be considered. According to published reports, about 90% of rural Africans rely on traditional sources of energy such as fire-wood, charcoal and dung to survive. As trees are felled for fire-wood and charcoal, it results in land degradation, deforestation and desertification, all of which are serious environmental challenges. To effectively deal with these and related challenges, this workshop will focus on designing, implementing and enforcing environmental regulations that encourage the production of renewable energy while protecting the continent's natural environment.

CLOSING SESSION

• CRITICAL ISSUES FOR CONDUCTING BUSINESS WITH AFRICA

In fostering private sector initiatives, African governments must play a crucial role. They must create a conducive environment for enterprise development. This means refraining from regulating the day-to-day operations of business to that of institutional and regulatory reforms. As such, tax codes, labor laws, anti-collusion schemes, disclosures requirements, licensing and joint venture agreements must be clearly communicated to entrepreneurs. In this context, the role of government must be to ensure compliance with clearly defined regulations. Further, public accountability, transparency, social justice, and the political empowerment of citizens, indeed good governance, are *sine qua non* for private sector development. In short, a clearly defined set of policies that is predictable, transparent, and skillfully executed are vital signals for market-driven enterprise development. This will be the focal point of this closing session.

VI. KEYNOTE SPEAKERS

It is always instructive to hear from individuals who design and/or implement policies that affect the lives of many. Such individuals provide insight and guidance on critical challenges and available options for successfully dealing with development issues. For a continent where the private sector is now playing a pivotal role, keynote addresses by individuals in the forefront of African development assume even greater importance. Potential speakers for this important conference include:

- His Excellency Olusegun Obasanjo, President, the Federal Republic of Nigeria
- His Excellency, Kofi Annan, U.N. Secretary General
- Dr. Paul Wolfowitz, President, World Bank
- Dr. Rodrigo de Rato, Managing Director, IMF (International Monetary Fund)
- Dr. Kingsley Amoako, Executive Secretary, UNECA
- His Excellency Alpha Oumar Konare, Chairperson, African Union
- Hon. Hage Geingob, Executive Director, Coalition for Africa
- Dr. Mohamed Ibn Chambas, Executive Secretary, ECOWAS
- Dr. Prega Ramsamy, Executive Secretary, SADC
- The Executive Director, African Energy Commission
- Hon. Ellen Johnson-Sirleaf, President & CEO, KODIC
- Hon. Omar Kabbaj, President, African Development Bank
- Dr. C.T. Wright, Chairman, Advisory Board, US-Africa Small Business Network
- Hon. Callisto Madavo, Vice President, Africa Region, World Bank
- Dr. Abdoulaye Bio-Tchane, Director African Department, IMF
- Mark Brown, Administrator, UN Development Programme
- Alhaji Bamanga M. Tukur, Executive President, African Business Roundtable
- Dr. J.E.O. Mwencha, Secretary General, COMESA
- Various US & African Cabinet Secretaries/Ministers (**Energy**)

Note: Other invited speakers will include Governor Napolitano, US Senators McCain & Kyl, Mayor Phil Gordon, Vice-Mayor Mike Johnson, Dr. Rufus Glasper, Valerie Manning, Cody Williams, etc.

VII. TRAVEL & HOSPITALITY

To facilitate domestic travel for the conference, we strongly propose that America West Airlines, based in Phoenix, should be contacted to provide special fares for the conferees. For international travel, Ghana Airways, KLM, South African and British Airways will be contacted. One will be selected to transport conference participants to one or two designated cities in the US after which America West Airlines will provide connecting flights to Phoenix. Tentative arrangements for accommodation and hospitality have been made with the Hyatt Regency of Phoenix.

VIII. CALENDAR OF EVENTS – to be revised when date is determined

DATE	EVENT
	Mail our conference participation forms with a deadline to respond
	Finalize program and mail out copies to confirmed participants
	Pre-conference Tours and Reception
	Conference and Business Expo
	Closing Dinner <i>and African Night Gala</i> (For the dinners and particularly the African Night Gala, we urge you to wear African attire/outfit)

IX. TENTATIVE PROGRAM

To be announced

10:00 am - 2:00 pm		Tours of Local Businesses and Municipal Facilities
4:00 pm - 6:00 pm		Exhibitor Setup
6:00 pm - 8:00 pm		Registration & Opening Reception

To be announced

7:30 am - 4:00 pm		Registration
8:00 am - 9:30 am		Conference Opening and Breakfast & Plenary Session on AGOA
9:30 am - 4:00 pm		Business and Trade Expo
10:00 am - 12:00 pm		Concurrent Sessions
12:15 pm - 1:45 pm		Keynote Lunch
2:00 pm - 4:00 pm		Concurrent Sessions
4:30 pm - 6:00 pm		Networking Period
6:00 pm - 10:00 pm		Keynote Dinner

To be announced

8:00 am - 9:30 am		Continental Breakfast & Plenary Session on Experiences of companies in Africa and African companies in the US.
9:30 am - 4:00 pm		Business and Trade Expo
10:00 am - 12:00 pm		Concurrent Sessions
12:15 pm - 1:45 pm		Lunch
2:00 pm - 4:00 pm		Concurrent Sessions
4:00 pm - 6:00 pm		One-on-Networking
6:00 pm - 10:00 pm		OPEN – NO OFFICIAL EVENT

To be announced

8:00 am - 9:30 am		Continental Breakfast & Plenary Session on Experiences of companies in Africa and African companies in the US.
9:30 am - 4:00 pm		Business and Trade Expo
10:00 am - 12:00 pm		Concurrent Sessions
12:15 pm - 1:45 pm		Lunch
2:00 pm - 4:00 pm		Closing Session
4:00 pm - 6:00 pm		One-on-Networking
6:00 pm - 10:00 pm		Dinner, Gala & Adjournment

PARTICIPATION FORM

PLEASE COMPLETE THIS FORM AND MAIL IT BY **September 30, 2005 to:**

Dr. Robert G. Sherman or Dr. Innocent N. Abiaka.

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Note: The Registration fee covers all plenary sessions, workshops, handouts, coffee breaks, receptions, and official meal functions.

EXPO: (AFRICA 2005 TRADESHOW)

Booth Rental Fee on or before September 30, 2005	\$500
Booth Rental Fee after September 30, 2005	\$585

Note: Thirty 10'x 10' booths will be available on a first-come first-serve basis. Booths will include a 6 ft skirted table along with two chairs.

Make checks/money orders/cashier checks/bank drafts payable to : **AMI Business Promotions, Inc.**

Deposits/Cancellations

- A non-refundable administrative fee of \$100 will apply for registrations cancelled after September 30, 2005
- A non-refundable deposit of \$200 will apply for booth rental. An administrative fee of \$100 will apply to booth cancellations requests received before October 30, 2005
- No refunds will be given for cancellation requests received after October 30, 2005

TRAVEL & HOTEL ACCOMMODATIONS

For US travel needs, special rates have been negotiated with **America West Airlines**. Contact them at (800) 548-7575 (Code AP7049), and please make your reservations promptly.

For your accommodations, special rates have been arranged with the Hyatt Regency. Please contact the Hyatt directly and make your reservation. Mention **AFRICA 2005** to get our special rate. As rooms are subject to availability, **we strongly urge that you make your reservations promptly.**