

Angola energy transition

58%;35%,4%,3%?

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Angola's energy transition continues to power the country's grid and cultivate socioeconomic opportunities. Angola is among Africa's top oil producing nations, with oil reserves estimated at 9 billion barrels, gas reserves at 11 trillion cubic feet and production measured at approximately 1.22 million barrels of oil per day in 2021. With the oil and gas sector accounting for one third of the country's GDP and 90% of exports, the government is committed to diversifying the economy to address the overreliance on oil.

Diversification includes plans for multisector development driven by the country's energy transition. Key opportunities have emerged from this strategic move such as the phased development of a new renewable energy sector, increased electrification targets, environmental protection and the co-benefits of job creation and skills transfer.

Renewable energy sector plans include investment in hydropower which has the potential to be a key source of energy in Angola. Hydropower is set to contribute a significant portion of the country's energy supply and is estimated to have an 18.2 GW generating capacity. However, currently only 20% the capacity is being utilized. In this regard, 100 sites have already been identified as ideal for hydropower generation with combined capacity of 600 MW.

Meanwhile, on the solar energy side, Angola's geographic positioning allows for optimal solar power potential with capacity to generate between 1,350 - 2,070 kWh of solar energy. The Angolan government aims to install 100 MW of solar panels by 2025. Moreover, an additional 100 MW of energy could be sourced from up to five potential wind farms in the southern region of Angola.

Developing the renewable energy sector and fast tracking the country's energy transition will grow Angola's overall economy. The renewable energy sector will have a ripple effect on the economy, with different sectors benefitting, as it promotes growth and stability. This includes increased access to electricity, job creation, skills transfer, and environmental protection.

Access to electricity in Angola currently stands at 45%, with 65% representing urban access and only 6% rural access. As one of the key drivers of the energy transition, the Angolan government has been able to prioritize increased access to electricity for all citizens and aims to ensure 9.9 GW of installed generation capacity by 2025, together with a national electrification target of 60%.

The increase in electricity access will further stimulate Angola's socio-economic growth. On the back of the energy transition, Angola's national oil company, Sonangol, signed a \$1.5 billion deal to develop the country's solar and water capacity with solar-project developer, Sun Africa, and US-based, Africa Global in 2021. Such large-scale renewable energy deals serve to not only contribute to Angola's power grid, but also to create employment opportunities for the local workforce as stipulated in contractual agreements with international firms.

Notably, job creation will be enhanced across, not only the renewable energy sector, but various associated sub-sectors including industrialization, agriculture, transportation, and infrastructure. As one of Africa's emerging economies, Angola's renewable energy sector serves as a catalyst for job creation across multiple areas of the economy. The International Energy Agency estimates that globally, by 2030, 25 million jobs will be created from the renewable energy sector, and Angola is not exempt from this. Renewable energy, therefore, is key to stimulating job creation across the Angolan economy.

Although the energy transition is able to critical job opportunities, knowledge gaps still exist for the local workforce. In Angola, the government has ensured that skills transfer materializes for its local workforce via Presidential Decree no. 271/20 of October 2020 &#8211; this outlines mandatory requirements for all firms operating in the southern African country to ensure knowledge transfer to the national labour force.

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