



# Africa Energy Futures: Executive Summary

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In 2021, the 26th UN Climate Change Conference of the Parties (COP26), IPCC and UN reports on climate change and emissions gaps, together with record high CO<sub>2</sub> emissions following the end of COVID-19 lockdowns across the globe, have placed a heavy focus on the most pressing issue of our time: how to arrest climate change. That, in turn, has shone an increasingly bright spotlight on the energy sector, and how it must change if global emissions targets are to be met.

Africa's energy transition will play an important role in decarbonizing the global economy and meeting the targets of the Paris Agreement. While major steps have already been made – 12 out of the 21 countries in this report already rely on clean energy as an important part of their power mix – many African jurisdictions are still very much fossil fuel reliant. Differences in existing energy supply diversity and power systems between nations also mean that the energy transition has been inconsistent across jurisdictions.

Regardless, the clearest theme of the Africa Energy Futures report is the emphasis placed by governments across the African continent on increasing renewable energy capacity, both as part of a pro-energy transition agenda and as the most effective way to meet rising energy demand (which is expected to double by 2040). In some jurisdictions (Angola, Burundi and Ethiopia), this will take the form of expanded hydroelectric capacity; in others, the focus is on developing solar and wind infrastructure (Botswana, Kenya and South Africa) in each case aimed at reducing dependence on fossil fuels and biomass sources.

The Africa Energy Futures report sets out the conclusions and observations of DLA Piper Africa's lawyers in 21 jurisdictions across the continent in relation to the future of energy in Africa, all within a 2030 horizon. The report's country chapters show a number of discernible trends:

- Almost all of the countries surveyed have legislative and/or investment programs in place for renewables, presenting both the chance for African nations to lead the energy transition and a large-scale cross-continental investment opportunity. Some of these legislative frameworks are in their infancy or require updates, but the overall trend is towards the implementation of energy transition policies in the near to medium term.
- It is anticipated that fossil fuels and biomass will continue to play a large part of the energy mix for at least 18 out of 21 of the jurisdictions surveyed. Further, some countries such as Nigeria continue to encourage and secure investment in new oil and gas developments.
- The incentives for transitioning to renewable energy are recognized and acknowledged in Africa's markets. They include ensuring a reliable and clean supply of power to both overcome generation deficits/access to energy problems and to meet the increase in projected demand across the continent, as well as the promotion of economic development and investment in renewables.
- The key to achieving those goals will be implementation. Countries will need to ensure both that they have in place not only attractive legislative frameworks, but also real drive from governments to incentivize clean energy investment and "bankable" projects. The success or failure of implementing renewables policy varies by country, but will broadly depend upon overcoming bureaucratic and institutional obstacles, ensuring political stability, and overcoming ecological and sustainability challenges.

We hope that you find this report interesting and informative. Please do not hesitate to get in touch if it gives rise to any issues that you would like to discuss in regards to any of the jurisdictions here surveyed.

*DLA Piper Africa is a Swiss verein whose members are comprised of independent law firms in Africa working with DLA Piper.*