

GREEN ENERGY IN AFRICA: ACCELERATING ENERGY TRANSITIONS ACROSS THE CONTINENT

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Legal Briefings

We discuss how we think that the African continent can use the global "green business revolution" to its advantage

The following article was first published by Jeune Afrique in The Africa Report (N° 116, July-August-September 2021)

International investors need to reduce their carbon footprint globally and are being pushed by market forces, legislators, courts and shareholders to do so.

Africa needs an "energy progression" as well as an "energy transition". In many parts of the African continent, it is not a question of changing the way electricity or transport networks are used, but a question of making reliable electricity supplies and transport networks available for the first time. Africa's natural resources also need to be used to provide revenue for African citizens.

We think that the African continent can use the global "green business revolution" to its advantage.

African governments and legislators can harness this green revolution to facilitate access to electricity for African populations and encourage exports that suit the needs of international investors. The challenge will be to find a happy balance in order to protect the African economic environment with a healthy level of exports, and the social and economic domestic environment with an energy progression.

There will be enormous investments in Europe in these areas in the next few years, by private companies, national governments and the European Union. African governments and African businesses need to position themselves now to capture some of these investments and encourage sustainable investment in the African energy sector going forward.

Some international companies are seeing Africa as a good testing ground for innovative technologies and business models. For example, we are seeing investments and potential investments from Europe (and elsewhere) into off-grid solar, battery storage, improved hydroelectric technology and various uses of blue and green hydrogen. Africa could become an attractive place for using technologies such as hydrogen and renewable sources to make existing and new natural resources projects greener and therefore more marketable in the future. We have been talking to our clients about greener mines, greener gas and LNG production, greener ammonia production and greener refining and beneficiation processes generally in Africa.

We hope to see African policy and legislation continue to evolve to take account of this game-changing revolution and look forward to continuing to advise international investors and governments on these exciting challenges.

We are keen to speak with you about how we can help you achieve your goals in the green energy sector in Africa. For more information, please contact the lawyer below or your usual Herbert Smith Freehills contact:

KEY CONTACTS

If you have any questions, or would like to know how this might affect your business, phone, or email these key contacts.



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