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## Three Recommendations for Meaningful Africa-Europe Partnership on Energy Transitions

**Ambitious, time-bound commitments to delivering finance for clean energy in Africa will be far more productive than policing policies that dictate what countries can do with their own sovereign resources.**

### Spotlighting the global importance of Africa's energy transitions

Africa's role in the global energy transition is undeniable as the least electrified yet fastest-growing continent on the globe, crucially in need of investment in climate resilience. Delivering climate-proofed prosperity to this growing population will require paying major attention to the continent's energy systems, which remain underdeveloped and severely under-resourced. Africa is on track to become the most populous continent by 2050, housing 80% of the world's poor, 90% of those without energy access, and the most climate-vulnerable communities – all while having contributed less than 5% of global carbon emissions.

### Staying the course of climate compatible energy systems

Africa's power systems are largely underdeveloped, in part given the historical context in which its power utilities emerged. This presents African countries with a set of circumstances and challenges in achieving universal energy access and energy sector growth much different than those faced by their advanced energy market counterparts. At roughly 230 GW of installed generation, the entire continent's generation capacity is half that of India alone (EIA 2022a). To truly deliver sustainable economies, dignified jobs, and prosperity for all, power supply must grow significantly – and is expected to quadruple by 2040 (IEA, 2019).

However, it is often overlooked that where they do have power, most African countries already rely on low-carbon technologies such as geothermal energy and hydropower. In 2020, Kenya generated over 90% of its electricity from renewable energy (KNBS, 2021). Even in West Africa (where renewable shares are generally lower), Ghana generated 38% of its power through renewables (ESPC, 2020), comparable to Europe's 37% (EIA 2022a) and far more than the U.S.'s 20% (EIA 2022b). Of Africa's roughly 230 GW installed capacity, only 54 GW is coal (almost entirely installed in South Africa and Morocco), which amounts to only about 2% of global coal capacity (Energy for Growth Hub, 2021). Furthermore, most capacity expansion plans across the continent lean heavily into domestic renewables, such as hydro, solar, and wind. Likewise, African countries have some of the most ambitious Nationally Determined Contributions and are consistently recognized as pulling more than their fair share of the global decarbonization effort (CAT, 2021).

Africa, then, is perhaps the continent that needs the *least* convincing about the low-carbon opportunity. The African energy transition is very different from the decarbonization shift

urgently needed in Europe, the U.S., and BRICs countries. It is less a “pivot away from” fossil fuels than a question of how to rapidly expand power generation and distribution capacities in ways that are reliable and resilient while staying the course of climate compatibility and ensuring affordable, equitable access for all.

## Meaningful partnership in unlocking transition

This revised framing of the Africa energy transition gives insight for meaningful partnership. Climate negotiations between the European Union and African Union have historically been marred by structural inequalities and the frustrations of watching the economies that created the climate crisis failing to address it. A similar dynamic played out with global COVID-19 vaccine access, straining relationships further. Ineffectual partnership is an important risk to mitigate. Energy transition decisions and policy carry tremendous weight, with near- and long-term implications for Africa’s economic trajectories, carbon lock-in, international partnerships and multilateralism, and the prosperity of millions. The European Union is a critical partner in Africa’s staying the course of climate-compatible energy systems. In light of the recent AU-EU summit, here are three recommendations for meaningful partnership:

### Recommendation 1: Prioritize African Voices

**Partnership, first and foremost, should create space for local dialogue and research to establish community-driven, consensus-built principles for just transitions.** The role of domestic fuels such as gas has become a timely and polarizing debate, especially given the difficulty of securing investment from the international finance community to further expand renewables, the very real and practical challenges of delivering mass amounts of reliable power entirely through intermittent renewable resources, and the continent’s growing need for industrial feedstocks that do not yet have economically viable commercial substitutes. To date, the discourse has been falsely framed as a binary choice for Africa – to “skip a generation” or to “develop primarily on fossil fuels.” This false binary is set up in a grave absence of data, evidence, and importantly – local voice.

In that vacuum of voice, data, and evidence there is a risk of “assigning” Africa its options and imposing a singular pathway (and the burden to leapfrog). Healthy partnership should support ambitious visions of African energy futures and develop credible new pathways with clear and articulated trade-offs that can foster informed positions for the continent. We need partnership that directly supports locally-led, inclusive dialogues on energy transitions. Partnership must lift, amplify, and prioritize African voices and perspectives on the continent’s own energy development pathways.

### Recommendation 2: Mobilize capital for clean energy investments

**The Africa-EU partnership should play a central role in driving urgent mobilization of capital for clean energy investment in the region.** Many African economic growth plans, including that of the Africa Union itself, speak to the huge opportunities for jobs, health, a circular economy, and the prosperity offered by continued and expanded low carbon energy development (AU, Agenda 2063). But the rubber meets the road on finance. While arguments currently lean on the declining cost of renewable generation, this is not the only or major cost component to clean energy transitions. African grids need to be expanded and developed to accommodate renewables. This involves massive infrastructure investments to transmit and

distribute power, flexible grids that can manage their variability, and generation capacity build-out – starting with where it is needed the most.

Closing the energy access gap in African countries will require an estimated annual investment of \$120 billion up through 2040 (IEA, 2019). Countries like the DRC and Ethiopia, where 95% of people still lack access to clean energy and clean cooking, receive less than 1% of the annual investment they need (SEforALL, 2021). This is to say nothing of the immense investment required to shift industrial processes and sectors like transportation to the grid. Several high-income economies, including EU countries, have already failed to deliver on climate finance pledges and are cutting foreign aid at a time when investment needs to more than double. Ambitious, time-bound commitments to delivering finance for clean energy in Africa will be far more productive than policing policies that dictate what countries can do with their own sovereign resources.

### Recommendation 3: Pursue diverse financing types

**The Africa-EU partnership must pursue diverse types of financing that do not sink Africa further into unfair debt while it supports solving a crisis it did not cause.** An Africa-EU partnership must pursue diverse financing approaches that address challenges such as the risk perception premium of projects on the continent. For instance, blended finance involves the use of catalytic funding (e.g., grants and concessional capital) from public and philanthropic sources to mobilize additional private sector investment in clean technology. Successful initiatives, if replicated, could help mobilize capital in innovative and equitable ways that blend commercial, catalytic, concessional financing instruments targeted not just at household access but at green baseload power. A [just energy transition partnership](#) between the governments of South Africa, the EU, and others at the last COP is a step in the right direction [if designed right](#). More of these specific programs from the EU partnership are urgently needed.

Fostering successful and sustained African-European partnership is critical for a just transition, especially as global attention will turn to Africa in the lead up to African-hosted COP27.

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