**Written Evidence for New Policy Inquiry: UK-African Partnerships for Just Energy Transitions in Africa**

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## 1. Introduction and Executive Summary

The COP27 summit re-echoed concerns over tensions between African countries' development and their climate adaptation and mitigation measures, particularly among mature and emerging oil-developing countries. The concerns are mainly relevant when considering the nexus between energy for development and climate change. The dilemma of increasing energy poverty and carbon neutrality pledges by African countries further complicates the situation. It has become apparent that efforts to improve energy access and achieve other development goals necessitate the accelerated development of renewable energy resources. While this is to be encouraged, it is difficult to ignore that Africa is in a particularly challenging situation as the energy transition agenda appears to be driven by the global north, with limited commitment and actions to address the peculiar social, economic and environmental challenges of African nations and other global south countries that have been hosts for extensive fossil fuel exploitation. Critics question the inconsistencies and the hypocrisy of many governments in the global south who commit to reducing greenhouse gas (GHG) emissions while continuing to extract oil, flare gas, and burn coal. This situation further underscores the complexity of balancing the energy trilemma and quadrilemma (energy security, affordability, environmental sustainability, equity). In resolving these complexities, we look to just transition principles to

provide a more radical and organic approach to the concept and its implementation in the African context.

Energy justice and just transition have been redefined beyond their originally intended work-related and social prisms. In this written submission we examine the concept of just transition and provide an African interpretation. Quite briefly, we also engage with the benefits and threats to Africa from the global clean energy transition and the national and international factors enabling and constraining the supply of clean energy and improved energy access; the role of climate finance and the changes needed to the policies of multilateral institutions and development banks for them to support better a just, clean, and developmental energy transition for Africa. Finally, we explore the role of offshore wind energy within the context of the just transition framework.

## 2. Redefining Just Transition: An African Context

In the simplest terms, just energy transition encompasses both the process and goal of transitioning to climate-friendly energy sources while ensuring social justice across the whole energy system at various scales, from local, to national, continental, and global. An important takeaway is that the meaning and priorities of the just energy transition will differ from place to place as it interacts with the unique socio-economic conditions of different spaces.

To achieve a just energy transition in Africa, we must address six key priorities that serve her interest and yield significant benefits. First, African countries must engage meaningfully with long-term, inclusive, and collaborative planning to domesticate and create a supportive regulatory and fiscal climate for the just energy transition. This could take many forms, including clearly defined legislative parameters.

Second, she must embrace her abundant renewable energy sources and stimulate economic growth through job creation, industrialisation and attracting investment while meeting her obligations under the Paris Agreement. Significant projects include Namibia's 10 billion USD green-hydrogen project.

Third, she must adopt measures that address the energy poverty gap and secure a clean, affordable energy supply for all her citizenry by diversifying and investing in sustainable energy sources and decentralised energy systems.

Fourth, Africa must also adopt measures to tackle her climate-impact vulnerabilities, such as adapting energy infrastructures and systems, adopting environmentally sustainable practices, environmental remediation, water management, sustainable land use practices and supporting community resilience.

Fifth, she must address societal inequities occasioned by unjust energy and natural resources systems and mainstream climate action in the protection of vulnerable groups (i.e., workers, women, disabled) and communities (host communities, climate-vulnerable), and in doing so, ensure the transition adheres to social justice principles. Further, Africa must transform her current education system into one that critically engages with Droubi's CCR Education Framework – Critical thinking, Co-existence, and Resistance, to build solidarity for the just transition.[1]

Sixth, the just energy transition, especially for Africa, involves balancing and simultaneously addressing various competing priorities, thus requiring extensive, long-term planning, legal reforms, and policymaking. However, several African countries have weak institutions and poor political will, which may hinder their ability to engage with and achieve a just energy transition.

**3a. The benefits and threats to Africa from the global clean energy transition and the national and international factors enabling and constraining the supply of clean energy and improved energy access.**

Benefits

**i. Jobs and Expertise**: With the global energy transition, there is the potential to develop jobs and expertise around renewable energy sources. As renewable energy is expected to be the main source of energy in a post-fossil fuel world, these job opportunities are projected to be in the following areas: renewable energy infrastructure development, manufacturing and supply chain management, research and development, training and upskilling, amongst others.

**ii. Technological Leapfrogging and Reduced Carbon Emissions:** A significant benefit of the global energy transition to Africa is that Africa can bypass the current fossil fuel technologies and proceed to develop clean energy technological developments. This will save the costs traditionally associated with decommissioning fossil fuel infrastructures and

[1] Sufyan Droubi, and others, 'Transforming Education for the Just Transition' (2023) 100 ERSS 103090

the impact of their removal on the environment. As expected, carbon emissions will be controlled, and the adverse effects of global warming, mitigated as well.

**iii. Energy Security in the Long Term:** Because solar and wind technologies have been noted to be a viable way to increase electrification of Africa, there is potential to deal with the problem of energy poverty in rural areas in Africa, which not only have the highest number of people without access to electricity but also lack facilities for connecting to national grids.

**Threats**

1. **Energy poverty and fuel poverty in the short term and possibly in the long term**

   The International Energy Agency estimated that 600 million people, 43% of Africa's total population, do not have access to electricity, with the highest number of energy-poor people living in sub-Saharan Africa. Energy poverty means that basic needs such as cooking, transportation and lighting cannot be met. Apart from individual energy poverty, there is also collective energy poverty. Collective energy poverty manifests in problems such as the non-functioning of healthcare facilities, non-performance of research activities or non-functioning of whole government departments or non-performance of business operations due to power cuts. With the current use of available fossil fuels, energy poverty is still the order of the day; how much more would the situation be exacerbated if the focus shifts to energy transition where provisions have not been made to ensure availability and access to affordable and reliable energy?

2. **Energy Insecurity due to reliance on importation of clean energy technologies:** Energy insecurity is connected to the point above on energy poverty. Africa relies on international support for access to clean energy technologies and funds for scaling these. The political economy considerations and intellectual property concerns create uncertainty over access to the technologies and funds required for the energy transition and security.

3. **Poverty and underdevelopment:** Apart from energy poverty, since energy is required for economic development and industrialisation, the problem of general poverty remains a threat to Africa if energy insecurity is exacerbated due to global energy

transition efforts. This will manifest in poor quality of life, health and inequalities, particularly related to gender in Africa.

**3b National and international factors enabling and constraining the supply of clean energy and improved energy access.**

**Enablers**

1. Policy and regulation are key enablers of a transition to clean energy and improved energy access. Some African States have enacted relevant legislation and set out policy directions. Examples include the Nigerian and the South African Energy Transition plans. However, the plans and policies must be translated into action, or they remain in the realm of intentions, and intentions, no matter how good, do not achieve results.

2. Energy Planning is another way African States can enable the supply of clean energy and improve access. For example, Nigeria has declared 1st January 2021 -31st Dec 2030 a decade of gas and expects to use gas as a transition fuel. Its Renewable Energy Master Plan sets a plan to achieve a climate-friendly energy mix. Nigeria also offers incentives and tariffs to encourage investment in solar energy development. Also, in 2021, South Africa entered a Just Energy Transition Partnership with France, Germany, the United Kingdom, the United States of America and the EU, providing an initial 8.5 billion dollars towards South Africa's energy transition.

**Constraints**

1. Notwithstanding these positives, African States grapple with both national and international energy security blockers or constraints, including inadequate financial and technological resources, and weak energy security planning and implementation institutions. Without this, a 'business as usual' situation continues and talk of a transition to green energy and energy access is simply fanciful. There is also a need for regional and national planning frameworks to be robust and less bureaucratic.

**4. The role of international private finance in achieving climate goals and the changes needed to UK government policy in relation to climate finance to better support just transitions.**

A major obstacle for African countries to implement their NDCs and meet 2030 climate goals is constrained access to international private finance.[2] In a recent report, Africa is said to have realised only 11% of its total annual climate finance needs of USD 277 billion, of which public international actors contributed 80% and private international actors contributed a meagre [3]5.46%.[4]The main reason for the limited access to private international finance is the disproportionately high cost of borrowing faced by African businesses due to a perceived arbitrary "premium risk" commonly attached to their projects.[5] We show below that the UK prudential regulation of banks against climate-related risks (and indeed those of other developed economies like the EU) makes private climate finance in Africa even more disproportionately costly, and prohibitively so in certain instances, and call for an enabling framework that is more sensitive to Africa's unique challenges.

The prudential regulatory framework requires banks to hold adequate capital (mostly shareholders' equity) against loans exposed to climate risks. In other words, the more a project is perceived to be exposed to climate risks, the costlier it will be to obtain a bank loan to fund the project. How, then, are climate risks determined? They are determined mainly based on the location of projects and not necessarily the nature of the project.[6] Suppose a location is considered vulnerable to climate hazards (such as drought, flooding, wildfires, etc.). It will be costlier to attract international loan finance to fund projects in such a location in terms of regulatory capital, regardless of whether the project is climate-friendly or not. While we welcome the prudential regulatory initiative, especially as it aims to guarantee the banking system's safety, our concern is that Africa is at the receiving end of the determinants of climate risks. Africa is considered exceptionally vulnerable to climate variability and climate change (IPCC 2021). The region is also considered the least climate-resilient globally.[7] As such, UK banks are more likely to fund climate projects in other regions. This unique challenge further

[2] African Development Bank Group, African Economic Outlook 2023 (24 May 2023) https://www.afdb.org/en/documents/african-economic-outlook-2023
[3] Bank for International Settlements "Climate-related Risk Drivers and their Transmission Channels" (April 2021) https://www.bis.org/bcbs/publ/d517.pdf
[4] Climate Policy Initiative, Landscape of Climate Finance in Africa (September 2022) pp 7 and 13 https://www.climatepolicyinitiative.org/wp-content/uploads/2022/09/Landscape-of-Climate-Finance-in-Africa.pdf
[5] Haley St Dennis, "One Year On: 5 Takeaways from South Africa's Just Energy Transition Partnership (20 October 2022) https://www.ihrb.org/focus-areas/just-transitions/one-year-on-5-takeaways-from-south-africas-just-energy-transition-partnership
[6] Bank for International Settlements, "Basel Committee on Banking Supervision: Climate-Related Risk Drivers and their Transmission Channels" (April 2021) https://www.bis.org/bcbs/publ/d517.pdf
[7] African Development Bank Group, African Economic Outlook 2022 (25 May 2022) https://www.afdb.org/en/documents/african-economic-outlook-2022

widens the current inequity in the debt and borrowing landscape for African projects/businesses.

We appreciate that there are no easy solutions to make the framework more favourable to Africa, especially given that capital regulations are largely risk-based.[8] However, for any UK-Africa partnerships to thrive, balanced and targeted support toward driving private finance into Africa (through policies and regulations) is crucial. Current UK-Africa partnerships are mostly public finance based. However, public resources are highly limited. According to the African Development Bank, "to close Africa's climate financing gap by 2030, approximately $213.4 billion will need to be mobilised annually from the private sector, to complement constrained public resources."[9] One possible solution to align the UK prudential framework with Africa's climate finance needs is to include a capital reduction factor in the amount of capital banks need to hold for climate-friendly loans to Africa. This could be modelled similarly to the SME and Infrastructure Supporting Factors adopted in the EU.

## 5.**Just Energy Transition and the Role of Offshore Wind Energy in Africa**

The African Union Agenda 2063-The Africa We Want report recognises the need to maximise offshore renewable. This is particularly important when considering the ongoing energy crisis facing the continent. The African Development Bank Report in assessing the offshore renewable energy potential in Africa indicates that while the small Island States have the highest wind energy potential, all parts of the continent are equally promising.

According to the report:

> The strategic rationale behind harnessing offshore renewable energy from African waters is dual: expanding reliable energy access for people and industry across the continent and at the same time transforming Africa's energy dependence on fossil fuels to using renewable energy. This approach will help the African continent to move closer to achieving Sustainable Development Goal (SDG)7, which aims to ensure access to

[8] Bank of England, "Climate-related Financial Risk Management and the Role of Capital Requirements. Climate Change Adaptation Report 2021" (28 October 2021) https://www.bankofengland.co.uk/-/media/boe/files/prudential-regulation/publication/2021/october/climate-change-adaptation-report-2021.pdf
[9] African Development Bank Group, African Economic Outlook 2023 (24 May 2023) https://www.afdb.org/en/documents/african-economic-outlook-2023

> affordable, reliable, sustainable and modern energy for all by 2030, as well as SDG making progress on SDG 13 by taking urgent action to combat climate change.[10]

Regarding the specific areas of offshore wind energy potential on the African continent, a detailed study of two scenarios reports that:

> Both scenarios indicate very good technical offshore wind energy potential for one third of the African coastal states, with Mozambique, South Africa, Somalia, Madagascar and Morocco exhibiting particularly good resources. More than 90% of the offshore wind resources are concentrated in coastal zones associated to three African Power Pools. These are the Southern African Power Pool (SAPP), the Eastern African Power Pool (EAPP), and the Comité Maghrébin de l'Electricité (COMELEC). A joint and integrated development within these power pools could offer a promising approach to utilising offshore wind energy in Africa.[11]

Considering the political dynamics of energy security and climate change, the authors are convinced that a robust offshore wind energy regime will significantly contribute to resolving these twin challenges. It will also position Africa as an investment destination with economic benefits for the region. Notwithstanding, a critical examination of the current realities reveals the intricate injustices in Africa's energy and natural resources governance regime which need to be addressed to improve energy security, particularly for marginalised and vulnerable groups.[12] For instance, energy justice conundrums have been uncovered in different parts of Africa,[13] including the land ownership disputes triggered by the wind turbine development in Katsina, Nigeria and energy colonialism questions raised in relation to the introduction of solar

[10] African Natural Resources Centre, African Development Bank "Assessing the Potential of Offshore Renewable Energy in Africa" (2021) Online at https://www.afdb.org/en/documents/assessing-potential-offshore-renewable-energy-africa accessed on the 6th August 2023.
[11] Paul Elsnner "Continental-Scale assessment of the African Offshore Wind Energy Potential: Spatial Analysis of an Under-appreciated Renewable Energy Resource" (2019) 104 Renewable and Sustainable Energy 394
[12] Pedi Obani, Gender and Africa's Low Carbon Transition (Green Finance Platform) Gender and Africa's low-carbon transition | Green Finance Platform
[13] Godswill A. Agbaitoro and Kester Oyibo "Realising the United Nations Sustainable Development Goals 7 and 13 in sub-Saharan Africa by 2030: Synergising Energy and Climate Justice Perspective" (2022) 15 Journal of World Energy Law and Business 223-235.

farms in North Africa[14] and mining of critical minerals in the Democratic Republic of the Congo.[15]

**Challenges to the Development of offshore Wind Energy in Africa.**

There are administrative, financial, planning and infrastructural concerns with developing renewable energy in general, particularly offshore wind in Africa. Other challenges to offshore wind energy development in African waters include maritime borders and safety concerns within the continent that could further complicate investment, socio-economic, and environmental issues. These broader and ancillary concerns and the more specific legal and regulatory gaps provide an African ocean governance regime far from robust and fragmented.

From a legal and regulatory standpoint, the regime is unnecessarily fragmented and complex, particularly considering the relationship between global and regional ocean governance regimes.[16] According to Adewumi, the relationship between global and regional ocean governance has been "shrouded in mistrust and unbalanced impressions of actors about Global Ocean Governance (GOG) schemes' genuineness to tackle ocean challenges faced by the regions."[17] This position makes a compelling argument for a more organic approach to ocean governance that accommodates the planning and licensing of offshore wind energy.

Furthermore, a critical analysis of the regional frameworks suggests an enthusiasm to maximise these ocean resources at the expense of a robust and sophisticated ocean governance regime. A critical analysis of the African Integrated Maritime Strategy reveals a failure to provide precise regulatory requirements for safety risk assessment and governance models that reassure stakeholders that the risks have been identified, assessed and appropriate measures have been taken to mitigate them. The regime also fails to promote the required regulatory scrutiny measures, such as independent verification, a review and auditing systems that foster compliance.

[14] Joanna Allan, Mahmoud Lemaadel and Hamza Lakhal "Oppressive Energopolitics in Africa's Law Colony:Eenergy,Subjectivism, and Resistance" (2022) 54(1) A Radical Journal of Geography (Antipode) 45
[15] Thoko Kaime and Godswill Agbaitoro "An Energy Justice Approach to Resolving the Conflict between the Development of Energy Access Projects and Human Rights Risks and Violations in Africa: Can a Back?" (2022) 3(1) Global Energy Law and Sustainable Development 39-71.
[16] Ibukun Jacob Adewunmi "Exploring the Nexus and Utilities Between Regional and Global Ocean Governance Architecture" (2021) 8 Frontiers in Marine Science 1 - 22
[17] Ibukun Jacob Adewunmi "Exploring the Nexus and Utilities Between Regional and Global Ocean Governance Architecture" (2021) 8 Frontiers in Marine Science 14.

## 5.Conclusion

The transition to clean energy is complex, particularly for developing African countries with energy poverty, hindered development, and climate change vulnerabilities. This written submission has therefore analysed the complexities of these issues within the context of the Just transition principles. Particular attention has been paid to the role of funding, technology, and offshore wind energy. Despite the undeniable benefits of offshore wind, it is difficult to ignore the negative externalities from social, ecological and safety governance concerns that have led to debate on the energy quadrilemma. While we must remain optimistic, green energy imperialism often threatens the battle for a just energy transition. And should be guarded against through inclusive and participatory planning, regulations and investments in Africa's energy security.