



REPORT

Africa's long-term energy future and its implications for Europe

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Context

A recent high-level discussion brought together experts to assess Africa's energy landscape, its geopolitical implications, and the role of European stakeholders. The conference examined both internal challenges and international dynamics, including the growing influence of China and Russia in African energy projects.

Welcome :

- **Korninian KECK** - Head of Unit, Bavarian State Ministry of Science and the Arts, Representation of the Free State of Bavaria to the EU
- **Markus FERBER** - MEP, coordinator of the EPP Group in the Committee on Economic and Monetary Affairs, European Parliament; Chairman of the Hans Seidel Foundation

Presentation :

- **Dr Jakkie CILLIERS** - Chair of the ISS Board of Trustees and Head of the African Futures and Innovation (AFI) programme, Institute for Security Studies

Panel discussion :

- **Tibor STELBACZKY** - Principal Advisor and Ambassador at Large for Energy, European External Action Service
- **Alfonso MEDINILLA** - Head of climate action and green transition team, European Centre for Development Policy Management (ECDPM)

Moderator :

- **Tomi HUHTANEN** - Executive Director, Wilfried Martens Centre for European Studies

Africa's Energy Landscape

Jackie Cilliers provided a comprehensive overview of Africa's energy sector, highlighting both its potential and structural weaknesses. Despite possessing abundant natural resources, including wind, solar, hydropower, and geothermal, Africa's energy production remains low. In 2023, only 5.7% of the world's energy was generated in Africa, a number expected to rise to just 6.8% by 2050. Meanwhile, Africa's energy demand remains below 5% of global consumption, with significant reliance on fossil fuels.

One of the biggest obstacles to energy development is Africa's poorly developed electricity grid, which leads to high transmission losses between 15% and 20% in Africa, compared to 5% in Europe and North America. Additionally, much of Africa's energy infrastructure is outdated, with high costs of transport for fuel and electricity.

Another major concern is the continent's shifting energy trade balance. While Africa has historically been a net energy exporter, this trend is set to reverse by 2033 as domestic consumption surges. The declining availability of exportable energy, combined with limited refining capacity, will result in greater reliance on energy imports. Countries like Chad, South Sudan, and the Central African Republic, despite having rich



energy resources, continue to struggle with electricity access due to weak infrastructure and inefficient governance.

The Common Position on Africa's Energy Future¹ outlines a dual approach: utilizing natural gas, nuclear energy, and hydrogen in the short to medium term, while progressively increasing the share of renewables in the long term. However, to successfully transition, Africa requires significant investments in grid expansion, technological innovation, and regional energy cooperation.

European Perspectives and Politics

Tibor Stelbaczky and Alfonso Medinilla analyzed Africa's energy development in the context of geopolitical competition. Africa's strategic importance has grown as global powers, including China, Russia, and the EU, compete for influence. China and Russia's investments in African energy projects are often perceived as self-serving, while the EU aims to position itself as a more reliable and mutually beneficial partner.

The EU's energy strategy emphasizes sustainability and equal cooperation. European leaders recognize Africa's vast renewable energy potential, but the continent's low energy consumption and growing demand pose a challenge. The EU seeks to facilitate investment through mechanisms like the Global Gateway Initiative, promoting infrastructure projects that support Africa's transition to clean energy. Increased cooperation not only contributes to climate protection but also promotes economic stability and creates long-term prospects for both regions.

However, structural financial barriers remain. Many African countries face high capital costs (WACC), limiting their ability to attract investors. For example, Mauritania struggles with a 14% WACC, making large-scale energy projects financially unfeasible without external support. Successful models, such as Morocco's renewable energy expansion, demonstrate that leveraging multilateral development banks (AfDB, EIB) and securing transparent financial mechanisms can de-risk investments and make projects more attractive.

The discussion also touched on regional energy cooperation. While Africa's fragmented regulatory environment poses challenges, organizations like UEMOA (West African Economic and Monetary Union) and regional energy frameworks allow flexibility in trade and investment. In practice, African and European leaders must balance economic autonomy with deeper integration to ensure sustainable energy development.

Recommendations

Africa's energy sector stands at a critical phase. To ensure long-term sustainability and growth, experts recommend:

- **Accelerating investment in renewables** – Wind, solar, geothermal, hydropower, and nuclear energy should be prioritized to power industrialization.
- **Expanding electricity grids** – Improved infrastructure is essential to reduce transmission losses and enable economic growth.
- **Encouraging regional cooperation** – African nations should integrate energy markets to enhance resilience and efficiency.
- **Adopting innovative financing models** – Debt-for-climate swaps and carbon tax mechanisms could help support Africa's energy transition.

¹Led by the African Union Commission (AUC) in collaboration with other pan African institutions.



- **Balancing trade and energy independence** – Policymakers must ensure that Africa’s growing demand does not lead to an overreliance on imports.

Despite geopolitical competition, European actors have a unique opportunity to support Africa’s energy transformation through fair partnerships, knowledge-sharing, and investment in sustainable projects. The future of Africa’s energy landscape depends on a coordinated approach that aligns economic growth, energy security, and climate action.