

How Can the UAE Help With Africa's Energy Transition?

In anticipation of its role as host of this year's upcoming COP28 climate conference, the UAE has announced it is "ready with money and technology to help Africa with its transformation" in energy terms. To that end, a group of four Emirati companies have pledged to invest \$4.5 billion in green energy projects on the continent in the years ahead.

The UAE has been playing an increasingly prominent role in climate financing on the African continent in recent years and, after a recent sojourn to Kenya for the African Climate Summit, decided that the time to act was now. As such, the government has served as a liaison between the four corporate entities to make the financial pledge a possibility.

Investing in the future

The four corporations in question are Masdar and AMEA Power (both frontrunners in the country's renewable energy industry), Etihad Credit Insurance (the UAE's official export credit agency) and the Abu Dhabi Fund for Development (a prominent national foreign aid organisation). All four entities have close links with the UAE government.

As such, those in power were able to bring together key decision-makers from the four companies and secure the cumulative pledge of \$4.5 billion towards Africa's energy transformation. That type of financial clout will go a long way in funding new ventures, but the expertise of Masdar and AMEA Power, both of whom have vast experience in designing, installing and commissioning green energy projects, will also be invaluable.

Immense potential

At the recent Africa Climate Summit in Nairobi, the UAE's Minister for Climate Change and the Environment (MOCCA) Mariam Almheiri said her eyes were opened to the immense potential that the continent carries going forwards. For example, it's estimated that 30 million new young people are entering the workforce on an annual basis.

Tapping into that kind of manpower and skillset could yield incredible infrastructural, economic and developmental benefits, but obviously requires significant external support in the shape of foreign funding. As a close neighbour of Africa with both the money and the technology to lend a helping hand, Almheiri indicated that the UAE wished to lead by example in developing the continent's renewable energy industry, especially against the backdrop of the upcoming COP28 summit later this year.

Working with local partners

Almheiri was keen to stress that the four Emirati corporations will work closely with Africa50, which is an infrastructure investment platform with close ties to the African Development Bank (ADB). This partnership will help to identify the projects most deserving of investment and ensure that the relevant funds are diverted accordingly.

This willingness to seek local partners in distributing the capital has been lauded by external observers. By collaborating with Africa50, the UAE can stay abreast of political and social complexities on the ground in Africa, thus ensuring any and all decisions are taken with local communities and region-specific issues in mind.