

PAW 2025

Energy transition in Africa

key takeaways

ReedSmith



On April 7, 2025, Reed Smith and AfricArb joined forces to co-host a hybrid panel event as part of Paris Arbitration Week: “Energy Transition in Africa: Arbitration at the Crossroads of Sustainability and Development.”



This event brought together leading experts to discuss the critical intersection of arbitration, sustainability, and development within the context of Africa’s evolving energy landscape. Speakers included:



Thabo Chakaka-Nyirenda
Hon. Attorney General
for the Republic of Malawi
Republic of Malawi



Sabine Cornieti
Senior Energy Specialist
The World Bank



Habibatou Toure
Arbitrator counsel
HTS CONSULTING



Sarah Ross
General Counsel
United Mining



Gregory Travaini
Head of Legal
Transversal Team
ENGIE



Juliya Arbisman
Partner
Reed Smith



Clément Fouchard
Partner
Reed Smith

Key takeaways

Africa’s energy transition: complexity and opportunity



The event centered on Africa’s pivotal role in the global energy transition, highlighting the continent’s vast renewable potential (solar, wind, hydro) alongside its continued reliance on hydrocarbons. Speakers emphasized the dual challenge of driving economic development and poverty alleviation while pursuing environmental sustainability. The transition is not just driven by technical issues but by deeply political and legal forces, with energy access framed as a moral and developmental imperative.

Legal frameworks and arbitration’s evolving role



A recurring theme was the need for robust, adaptable legal frameworks to underpin energy projects, ensure investor protection, and uphold public interest. Arbitration was positioned as a critical dispute resolution mechanism, especially given the cross-border, capital-intensive, and public-private nature of many energy projects. However, the panel stressed that arbitration must evolve to address new complexities—such as ESG principles, carbon trading, and social impact obligations—beyond traditional commercial disputes.

Challenges to investment, project bankability and risk mitigation



The discussion highlighted the importance of innovative financing, strategic use of subsidies, and guarantees to de-risk projects, especially in high-risk environment. Institutions like the World Bank play a key role in supporting project structuring, capacity building, and providing financial backstops. The need for transparent, sustainable debt management and equitable sharing of carbon credit revenues was also underscored.

Key takeaways



Focus on the mining sector

Speakers discuss the dual role of mining companies, as major energy consumers and suppliers of critical minerals for renewables, which are both part of the problem and the solution. The sector is investing in R&D to reduce its environmental footprint and increasingly developing its own renewable energy sources. However, high capital costs and perceived geopolitical risks in Africa inflate the cost of capital, often unjustifiably.



Dispute trends and arbitration challenges

There is a marked uptick in energy and climate-related disputes, driven by the scale and novelty of investments. Disputes increasingly involve regulatory changes, community and environmental impacts, and complex contractual arrangements. Arbitration must adapt to these new realities, including integrating technical expertise, modernizing procedures for digital and ESG-related disputes, and ensuring African voices and institutions are more prominent in proceedings.



Call for legal innovation and capacity building

Speakers called for smarter contract drafting, harmonization of laws and interpretation, and greater transparency. Building local legal capacity and involving African arbitrators and institutions are seen as essential for ensuring fair outcomes and supporting the continent's development goals.



Sovereignty, equity, and collaboration

The overarching message was that Africa's energy transition must be sovereign, just, and inclusive—balancing investor interests with public good, and leveraging arbitration not just for dispute resolution but as a tool for sustainable development and regional cooperation.

How we can help

As Africa's energy landscape evolves, it's crucial to stay ahead of legal, regulatory, and investment challenges. If you have any questions about these discussions, or need advice on structuring projects, managing risk, or resolving disputes, please contact your usual Reed Smith lawyer to discuss how we can help you capitalize on emerging opportunities in this dynamic sector.