ALP | NG & Co.
AFRICA LAW PRACTICE NG & COMPANY
WWW.ALP.COMPANY

ENERGY, NATURAL RESOURCES, TRANSPORTATION, TECHNOLOGY, MEDIA, AND TELECOMMUNICATIONS

For more information, please contact CorporateCommercial@alp.company

(1) Lagos Implements Immediate Ban on Single-Use Plastics

The Lagos State Government banned the use and distribution of styrofoam and other single-use plastics in the State. This was communicated through a statement signed by Tokunbo Wahab, the Commissioner for the Environment and Water Resources, dated 22 January 2024. The statement indicated that the ban is aimed at reducing the environmental hazards posed by these non-biodegradable materials. It is noted that despite regular cleaning efforts, these materials remain a significant portion of litter on roads and markets in Lagos, clogging drainage channels.

The Commissioner for the Environment and Water Resources cited existing laws, including the National Environmental Regulation and the State Environmental Management and Protection Law, to justify the ban. Accordingly, producers, distributors, and users failing to comply may face heavy fines, penalties, and the potential closure of premises. The ban will be enforced by agencies such as the Lagos State Waste Management Authority (LAWMA) and the Kick Against Indiscipline (KAI), tasked with tracking down on production companies and distribution outlets. The commissioner also emphasised the severe environmental consequences and urged consumers to opt for reusable alternatives to Styrofoam and single-use plastics.

For more information, please contact CorporateCommercial@alp.company

Comment

The ban on single-use plastics in Lagos should have a positive effect on the environment by reducing plastic pollution, promoting sustainable alternatives, and raising public awareness toward environmental consciousness. This ban will likely lead to a decrease in non-biodegradable waste, stimulate the growth of eco-friendly businesses, and foster a shift towards more conscious consumer behaviour. This will be a welcome development as manufacturers will be encouraged to utilise crude oil for other necessary petroleum products with comparably less environmental impact. However, the government must prepare for and address challenges such as initial resistance and the need for effective waste management infrastructure for successful implementation.

For more information, please click here

(2) Egypt Enters into a Joint Venture with Zero Carbon Green Planet to Valorise Waste in Cairo

Zero Carbon Ventures, a UAE-based provider of low-carbon solutions, has partnered with Egypt's Green Planet to launch a joint venture called Zero Carbon Green Planet (ZCGP). The aim is to convert organic waste at Cairo's May 15 landfill into valuable products such as graphene, hydrogen, and fertilizer. This project, established on 7 February 2024, will utilise a high-tech, "Zero Carbon patent-pending" system to extract maximum value from waste while reducing methane and carbon emissions. The new manufacturing plant, which is scheduled for completion by 2027, will process 400 tonnes of organic waste daily and create job opportunities for up to 250 people, thereby contributing to poverty reduction in Egypt. The project aligns with Egypt's ambition to increase solid waste recycling rates and position the country as a regional hub for economic growth. ZCGP will support Egypt's goals by leveraging advanced technology and local expertise, while also encouraging research and investment in transformative technologies like graphene.

Comment

The joint venture between Zero Carbon Ventures and Egypt's Green Planet aims to transform organic waste into valuable products such as graphene, hydrogen, and fertilizer. Ensuring compliance with environmental regulations, protecting intellectual property rights, and negotiating comprehensive contractual agreements are crucial legal considerations for the joint venture. In addition, effective risk management and compliance reporting will further contribute to the project's success while minimizing legal risks and maximizing positive impacts.

For more information, please contact CorporateCommercial@alp.company

For more information, please click here

(3.) MTN Goes Solar as a Means of Driving Resilience and Sustainability in South Africa's Telecom Sector

MTN, a telecom provider in Africa, is taking significant steps to reduce its reliance on South Africa's strained power grid. It has initiated a major solar energy project at its Johannesburg headquarters, installing over 5,400 solar panels. It is expected that the head office will become 40% less dependent on the municipal grid by the end of the first quarter of the year. This phased approach aims to inject a total of 1,800 kW into the office's microgrid, helping to mitigate the impact of power blackouts, which cost the company $38 million in losses last year in South Africa. MTN's actions are geared toward its goal of getting its base stations completely off the grid which it intends to achieve by investing over $84 million.

The Johannesburg Solar Park, equipped with 4.9 MW of solar PV, is expected to save 9.3 million kWh per year and cut CO_2 emissions by 9,672 tons annually, thus supporting MTN's goal to reach net zero emissions by 2040. This will also tie into MTN's Environmental, Social and Governance (ESG) policies.

Overall, MTN's investments reflect its commitment to leading South Africa's clean energy transition and demonstrate the potential of renewables to transform businesses and uplift communities in the region.

Comment

MTN's adoption of solar energy represents a transformative shift with wide-ranging implications. It enhances operational stability, reduces environmental impact, and promises long-term financial savings. It is expected that many consumers in Africa will continue to switch to more dependable renewable energy solutions as they become more appealing than the unreliable electricity supply from grid and major electricity distributors.

For more information, please click here

(4) Ministry of Solid Minerals Proposes Mineral Equity Over Loans to Alleviate African Debt Burden

Dr. Oladele Alake, Nigeria's Minister of Solid Minerals Development, urged African nations to utilise their mineral reserves as equity in joint ventures instead of taking loans, which worsen the plight of their citizens. Speaking at a Ministerial Roundtable on Powering Africa in Washington, DC, he criticised the pressure exerted by loan marketers on African governments. Alake emphasised the importance of only taking loans that can be repaid with project returns to alleviate poverty.

He criticised Nigerian governments for signing loan agreements with steep conditions and stressed the need for prudent decision-making by African governments. Alake highlighted ongoing reforms to attract investments in Nigeria's mining sector, focusing on critical minerals to diversify the economy from oil. Agnes Dasewicz, the Chief Operating Officer of the International Development Finance Corporation of the United States of America, praised Nigeria's renewed focus on solid minerals and pledged support to strengthen the mining sector value chain, particularly in critical minerals.

For more information, please contact CorporateCommercial@alp.company

Comment

The minister's recommendation for mineral-rich African nations to prioritise equity-based financing over loans is poised to trigger various outcomes. This includes potential policy adjustments towards equity-based financing, which could stimulate increased activity in the industry and economic diversification. Moreover, it may prompt increased infrastructure development, job opportunities, and international cooperation, ultimately fostering sustainable growth and stability within the mineral and mining sectors.

For more information, please click here

(5) FEC Allocates N759 Billion for Road Construction Projects

The Federal Executive Council (FEC) has approved N873.23 billion for three major projects under the Ministry of Works, including the construction of roads connecting Kogi State to Edo State, Ogun State and Lagos State.

The Minister of Works, Dave Umahi, confirmed the allocation of N2.23 billion for repairing and maintaining roads connecting Isheri North in Lagos State to Ogun State, providing an alternative route to ease congestion on the Lagos-Sagamu Road, which will eventually be tolled upon completion of the new route.

Comment

The allocation of funds for the road construction projects signals a promising step towards improving transportation infrastructure in Nigeria. With better roads, we can expect smoother travel, enhanced economic activity, and job creation. However, it is crucial to ensure environmental considerations are addressed during construction.

Furthermore, the road construction, when commenced, may lead to various legal challenges including potential disputes relating to revocation of title to land required for the project. Additionally, the compulsory acquisition of land for these projects raises concerns about fair compensation for affected property owners, potentially leading to disputes and legal actions. Failure to meet safety and quality standards in construction could also result in legal liability.

For more information, please click here

For more information, please contact CorporateCommercial@alp.company

(6) South Africa Successfully launches AFCFTA preferential trade, boosting intra-African commerce

The South African President Cyril Ramaphosa and the Minister of Trade, Industry, and Competition, Ebrahim Patel, recently announced the commencement of preferential trade under the African Continental Free Trade Agreement (AfCFTA) in South Africa on 31 January 2024. This development enables South African companies to export goods to twelve (12) African countries with reduced or no duties, potentially stimulating investment and manufacturing within South Africa. The AfCFTA was initially scheduled for launch in 2020 but was delayed due to various reasons, including COVID-19. It presently covers goods such as food products emanating from various parts of South Africa. This will position South African products to reach a wider market with positive impact on the country's economy.

However, it is anticipated that the application of the trade agreement will extend to encompass services, tourism, e-commerce, and logistics in the future. As more countries are expected to adopt the agreement in 2024, there's optimism that eventually all 55 member states of the African Union will operate under the AfCFTA

Comment

The African Continental Free Trade Agreement (AfCFTA) presents significant implications for South Africa's economy. It offers increased trade opportunities by reducing barriers and tariffs within participating African countries, potentially leading to higher exports and revenues. However, it also brings heightened competition, necessitating improvements in efficiency and innovation.

Investment in infrastructure and skills development is crucial for realising the agreement's benefits. Multinational companies may benefit from streamlined trade, leading to increased investment and job creation. Overall, AfCFTA has the potential to stimulate economic growth, foster regional integration, and enhance South Africa's competitiveness globally.

For more information, please contact CorporateCommercial@alp.company

(7) GITEX Africa 2024: Marrakech Hosts Tech and Business Leaders from Across the Continent

Organized by Kaoun International, GITEX Africa aims to bridge the gap between Africa and global tech innovations, offering networking and partnership opportunities for startups and industry giants alike. The event serves as a platform to showcase Africa's growing startup ecosystem while providing avenues for knowledge sharing and collaboration across sectors and regions.

GITEX Africa 2024, set to be held in Marrakech, Morocco, between 29 and 31 May 2024, aims to gather technology and business leaders from across Africa. Building upon the success of its inaugural edition, the conference seeks to facilitate dialogue and collaboration among startups, businesses, and thought leaders in Africa's burgeoning digital landscape. With a focus on themes such as AI and its potential applications in healthcare, agriculture, and development, the event underscores the continent's commitment to embracing digital advancements. Morocco's Minister of Digital Transition and Admnistration Reform, Ghita Mezzour, expects the conference to be a catalyst for fostering collaboration and forward-thinking approaches to utilizing digital technologies for Africa's benefit

Comment

GITEX Africa 2024 is a significant opportunity for the continent's tech and business sectors. It is poised to foster collaboration and dialogue among African decision-makers, startups, and global industry leaders. The event should highlight Africa's embrace of digital innovation and showcase its potential for technological advancement. Additionally, it provides a platform for networking, knowledge sharing, and partnership building, ultimately driving forward Africa's digital transformation and economic growth.

For more information, please click here

(8) Regulatory Challenges Hit Crypto Exchanges in Nigeria: Crypto platforms certain features after CBN's scrutiny

In a bid to crackdown on the negative impact of crypto platforms, the government invited two executives of a crypto company to Nigeria. It was reported that the executives were subsequently detained, and the crypto company was being compelled to share data on their customers.

Following statements by the governor of the Central Bank of Nigeria, Olayemi Cardoso, that $26 billion had passed through Binance from Nigeria in the past year, crypto exchanges and platforms have encountered regulatory challenges. In light of this regulatory scrutiny and operational restrictions by the Federal Government, companies like Binance have limited access by Nigerian users to features such as USDT and similar stablecoin trading.

Comment

The increased regulatory scrutiny and operational restrictions on crypto platforms in Nigeria, including the suspension of the Naira to USDT and USDC trading by major exchanges indicate a tightening regulatory environment. This could lead to reduced market liquidity, and increased market volatility particularly as the government has continued to invite investment in the Nigerian economy though the tech-space.

For more information, please click here

For more information, please contact CorporateCommercial@alp.company

CONTACT US:

Lagos

15 Military Street,
Onikan,
Lagos.

T: +234 201 700 2570-9

Abuja

3 Lobito Crescent,
Wuse 2,
Abuja.

T: +234 209 700 2570-9

ALP | NG & Co.
AFRICA LAW PRACTICE NG & COMPANY
WWW.ALP.COMPANY

DISCLAIMER

ALP NG & Co. is an Africa-focused law firm with member law firms across Africa.

For more information, please contact CorporateCommercial@alp.company