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#### Green Energy Investors, Look to the Global South!

The development finance community has the chance to catalyze global energy transformation if it harnesses the opportunity open to it. And the greatest opportunity lies in the global south. As state actors broaden their options to mitigate risk — weaning themselves off Russian oil and gas, for example — investment banks and development finance institutions should look to renewable-resource-rich emerging economies. It is there that the next generation of suppliers and exporters of zero-carbon fuels will be found. Part of this is down to nature and abundance of wind and solar resources. The production and transport costs of green fuels in Latin America and Africa are expected to be over 20% less than the average cost of production in other parts of the world, due to plentiful solar and wind power in these regions. Simply put, it is cheaper, easier, and cleaner to produce the electricity needed to create fuels such as green hydrogen where the sun shines and the winds blow almost every day. These budding energy hubs, particularly maritime states, are primed to transform themselves from fossil fuel importers to zero-carbon fuel suppliers — and the international community, such as the European Commission which has just recognized some future fuels, including hydrogen, as renewable, must take note.

#### Need for Holistic Investment

It is more than just wind and solar farms: It is about the production facilities and investment in infrastructure. This includes ports and engagement with shipowners so that the new ships, which will be needed to transport these new fuels globally, can be built at the scale and the speed required. The de-risking of the global energy supply chain will come from the reduction of reliance on countries whose sovereign territory sits on top of large fossil fuel reservoirs. As anyone can truly produce these new green fuels, a country's success in the new market relies on how quickly it can act. The winners will be those who enable an ecosystem that promotes long-term investment, implement export strategies and policies along with enhanced international cooperation agreements, and position their fuel-production infrastructure close to the coast. ■

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