















AEEP Energy Talks Spotlight

From ACS to COP28: Unlocking Opportunities for a Synergetic Africa-EU Climate and Energy Future

Key findings from the AEEP Energy Talks on 08 November 2023

SUMMARY

The Africa Climate Summit (ACS) held in Nairobi, Kenya, in September 2023, was a crucial event for addressing climate change and promoting equitable energy transitions in Africa. The summit concluded with the Nairobi Declaration, outlining an eleven-point call to action, emphasising the need for climate-positive growth in African development plans. This set the stage for discussion ahead, during and after the 28th Conference of Parties (COP28) in the UAE, for African-European collaboration on climate and energy.

The 12thAEEP Energy Talks on 8 November delved into these topics with a panel discussion that explored various perspectives, including challenges of private financing in Africa, the role of green hydrogen, and the importance of trust-building measures between Africa and Europe in achieving common climate and energy goals.

Key conclusions from the discussions included the urgent need for sustainable solutions to address hurdles to access clean cooking and reliable electricity in Africa. Trust between the Global North and Global South can be reinforced by tangible actions, proven progress, and effective EU initiatives. Africa is seen as having the potential to be a key player in a future where renewable energy replaces fossil fuels. Green hydrogen is also identified as a source of resilience for Africa, and efforts to incentivise and reward countries to invest in it were recommended. Finally, Africa is urged to maintain high ambitions as a driving force for advancement ahead of COP28.

INTRODUCTION

The <u>Africa Climate Summit</u> (ACS), held in Nairobi, Kenya, 4-6 September 2023, marked a significant milestone in African and international efforts to address climate change and promote equitable energy transitions. Co-hosted by the African Union (AU) and the Government of Kenya, the summit focused on climate financing, green growth for Africa, and the intersection of climate action with economic development.

Notable pledges were made, including <u>investments for billions of euro from Germany, Denmark, and the United Kingdom, as well as funds from the African Development Bank towards climate adaptation</u>. The summit concluded with the <u>Nairobi Declaration</u>, outlining an eleven-point call to action, emphasising the need for climate-positive growth in African development plans.

Looking ahead to the 28th Conference of Parties (COP28) in UAE in November-December 2023, the AEEP convened the 12th AEEP Energy Talks, 8 November, on "From ACS to COP28: Unlocking Opportunities for a Synergetic Africa-EU Climate and Energy Future". The discussion explored the outcomes of the African Climate Summit and pinpointed areas of concern including access to clean cooking and electricity in Africa. The panel discussion delved into various perspectives, including the challenges of private financing in Africa, the role of green hydrogen, and the importance of trust-building measures between Africa and Europe in achieving common climate goals.

OPENING REMARKS

In his opening remarks, **Mr Stefano Signore**, Head of DG INTPA F1, European Commission, emphasised the evolving intersection of energy and climate, noting the increasing integration of energy plans within the climate agenda. He highlighted the significance of COP28 as a platform for launching, receiving, and discussing ideas, particularly those related to energy.

Mr Signore also looked back on the fifteen-year history of the formalised energy partnership between Europe and Africa and pointed out the noteworthy achievements of ACS and the valuable high-level discussions led by AEEP. Mr. Signore underscored the importance of COP28 for the relationship between Africa and the EU in the wider global context, following the outcomes of the





inaugural Global Gateway forum held in Brussels, Belgium, 25-26 October 2023, during which over a billion euros were donated to various partners. Mr Signore acknowledged the role of shared values amidst geopolitical conflicts, highlighting the importance of finding joint paths forward. Finally, he welcomed the webinar's topic and expressed hope for a fruitful discussion.

Mr Johan van den Berg, Head of Secretariat at the Africa-EU Energy Partnership (AEEP), delivered an opening statement on behalf of Dr Kamugisha Kazaura, Director of Infrastructure & Energy at the African Union Commission (AUC), in his absence. Dr Kazaura wished to express that he sees COP28 as a point of conclusion for what has been a significant year for energy and climate progress in Africa and the continent's ties with Europe.

Reflecting on the pivotal African Climate Summit, he recalled **HE President Dr William Ruto's** call during ACS to end the North-South divide. Dr Kazaura also stressed the AUC's urgent need for global contributions to climate stability. He highlighted the excitement about the Africa-wide energy system outlined in the Continental Power System Masterplan (CMP). This plan aims to quadruple energy production with low emissions, leading to globally competitive energy prices.

VIDEO HIGHLIGHT: PRESIDENT WILLIAM RUTO CALLING FOR UNIFIED CLIMATE AND ENERGY ACTION

The AEEP Energy Talks featured a short video featuring **HE President Dr William Ruto's** remarks at the African Climate Summit. Dr Ruto emphasised the urgent need for unity, asserting that distinctions between the North and the South must dissolve in the face of the impending global climate crisis. He also shared his vision for Africa's energy independence through the use of abundant renewable sources, including wind, solar, geothermal, sustainable biomass, and hydropower. Dr Ruto called for action, emphasising that the future is not merely a hopeful aspiration but a reality to be actively shaped and realised starting now.

Video can be found here: https://youtu.be/0Cx8Qhnr-1Y?si=aU7rXkM34alJl8QU

PANEL DISCUSSION

During the panel discussion **Ms Syrine El Abed**, Africa Programme Officer for East and Central Africa, International Energy Agency (IEA), shed light on the significant strides made globally and across the African continent in the realm of energy and climate. Emphasising **Africa's current positive momentum**, she highlighted that nearly 80% of the world's new power capacity in 2022 originated from renewables, marking a decisive shift towards a cleaner energy economy. In Africa, the

transition to clean energy is underway, with renewables projected to constitute 80% of electricity capacity additions by 2030. She also noted that hydropower currently accounts for half of electricity generation in sub-Saharan Africa, and it plays a pivotal role. However, Ms El Abed also underscored pressing concerns post-ACS, notably the critical need for clean cooking access, with one billion people in Africa still relying on traditional fuels, and the ongoing challenge of providing reliable and affordable electricity to millions. Addressing these issues is of paramount importance for Africa's sustainable development and she highlighted how the IEA remains committed to urgent actions to overcome barriers and propel the continent forward.



To address building trust between the Global North and Global South, **Mr Glenn Pearce Oroz**, Senior Director of International Relations & Special Projects, Sustainable Energy for All (SEforALL), emphasised the link between the Africa Climate Summit (ACS) and COP28, framing ACS as a milestone that must purposefully connect to the first <u>Global Stocktake</u> at COP28. Mr Oroz called for a focus on <u>building trust</u> through tangible actions, urging to pay attention to results on the ground. He also expressed he feels encouraged by the European Union's (EU) steps and he emphasised the

need for real-world progress to move forward, highlighting the importance of examples illustrating trust-building.

Mr Jabri Ibrahim, Africa Special Programmes Lead, High-Level Climate Champions, emphasised the priority of mitigation strategies for Africa, particularly in terms of energy and clean cooking access. Referencing the Nairobi Declaration Mr Ibrahim outlined Africa's commitment to climate solutions, including regulatory and policy reforms, a goal of 300 GW increase by 2030, and the desire for energy abundance to fuel industrial development. He positioned Africa as a key player in a future where renewable energy replaces fossil fuels.

Mr Signore, noted the challenges of leveraging private finance in Africa. He highlighted the growing number of countries deemed "not investable" due to security and internal instability, posing dilemmas for donors and creating constraints for utilities. Mr Signore raised the question of how to attract the private sector, acknowledging the limitations of donor funding.

Green Hydrogen: Financial Strategies, Local Empowerment, and Global Positioning in Africa-Europe Relations



In response to the question on enhancing hydrogen production and storage between Africa and Europe, Mr Ibrahim emphasised the significance of private versus public sector finance in subsidising new sectors. He challenged the notion that African countries can competitively export green hydrogen on merit alone, underscoring the necessity for International Development Finance (IDF). Mr Ibrahim highlighted the profitability gap in the last mile of energy distribution in Africa and the challenge of some nations being deemed non-investable. He cautioned against private companies using sovereign credit ratings without a good understanding of the African context. Mr Ibrahim further argued that Africa can be cost-

competitive, suggesting that rich countries finance sustainable energy to achieve price parity. Using the example of solar projects in Zambia, he noted the catalysing effect on private investment.

Ms El Abed's intervention brought attention to the importance of local finance mechanisms in addressing the challenges associated with hydrogen production and storage. She stressed the need to closely identify both perceived and real risks, advocating for transparency to provide investors with accurate information. Ms El Abed underlined the important role of local and national development banks, emphasising their better understanding of risks. Additionally, she also called for the mobilisation of local investors and African funds for projects, asserting the necessity to triple focus on local finance mechanisms. Turning to the topic of green hydrogen and the partnership between Africa and Europe, she proposed engaging local investors and banks while distinguishing between real and perceived risks.

Mr van den Berg added a practical example from South Africa's wind farm development experience between 2011 and 2016. He highlighted the role of private money in achieving significant megawatt growth within a short period. The success, he noted, was attributed to meticulous consultations with banks for policymaking and government offtake guarantees, creating a framework that didn't necessarily need upfront government financing. Mr van den Berg's insights led to the question on how to incentivise and reward countries to invest into green hydrogen.

Mr Pearce-Oroz emphasised avoiding an extractive approach in green hydrogen pursuits. He advocated for using green hydrogen domestically through public procurement in African countries, cautioning against a singular export focus. He furthermore stressed the need to position Africa globally, considering local applications and avoiding historical extraction patterns. He also recognised the EU's efforts in procuring green hydrogen to be used in the mobility and transport sectors in Africa.

Mr Signore approached the discussion on hydrogen by reframing the question, emphasising that while answers might not be readily available, contributions could still be made. He urged a long-term perspective, portraying green hydrogen as a marathon rather than a sprint, with opportunities for countries to become significant players in the field. Mr Signore stressed the importance of considering green hydrogen as a commodity and highlighted the inauguration of a <u>green steel project in Namibia</u>. He concluded by saying that the green hydrogen endeavour requires contributions from various stakeholders to navigate any challenges and push for the widespread deployment of green hydrogen.

Mr Ibrahim added that green hydrogen should be a source of resilience for Africa. He challenged the perception that green hydrogen was solely presented as an export opportunity for the continent, and pointed out the influence of development partners, including Germany's BMZ, in selling the idea of hydrogen to Africa as an export opportunity, often as a political image rather than a comprehensive strategy. Mr Ibrahim's intervention shed light on the framing of green hydrogen within the African context, aiming for both domestic resilience and a strategic positioning in the global energy landscape.

Building Trust and Progress in Energy Initiatives

Mr Daniel Werner, Programme Manager, GET.pro added his view to the panel discussion on the Africa Climate Summit (ACS), and the positive narrative that has emerged on climate and energy. However, he questioned whether there was truly a common African-European narrative or a lingering rift. He highlighted the crucial aspect of adequate financing, citing President William Ruto's emphasis at ACS on overcoming the blame game and viewing climate action as an opportunity to leapfrog towards a green future.

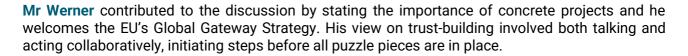
Mr Pearce-Oroz highlighted the long-standing challenge of trust - building, tracing it back to the COP in Madrid when Chile couldn't host due to societal concerns. He emphasised the frustration surrounding identified trust issues and discussed the promises made during COP25 for a transition away from fossil fuels. He notes that trust is "a process requiring credible steps rather than one-

off transactions". Mr Pearce-Oroz also emphasised that the just and equitable energy transition is a profound shift in the way societies do business and think about their economies, urging the focus on credible steps rather than isolated transactions.

Continuing the topic of trust building, Ms El Abed underlined the role of energy access, echoing Mr Birol's call for the EU to support clean cooking efforts in Africa. She said it is not only as a solution for social, economic, and carbon-related issues, but a means of making international promises more concrete. For Ms El Abed, clean cooking access becomes a trust-building mechanism, resolving various cross-cutting issues that align

with overarching development objectives, including health, environment, and soc, at welfare.





Mr Signore stressed the importance of political willingness as a foundation for any progress in energy projects. He acknowledged the time-intensive nature of energy initiatives, taking an average of 5-10 years to complete. Mr Signore emphasised the need to show collective progress on shared priorities.

Ms El Abed reiterated the significance of maintaining high ambitions as this is a **driving force for advancement** and a key factor in overcoming challenges related to trust-building between Africa and Europe in the realm of energy initiatives.

Finally, **Mr Ibrahim** delved into the challenge of sustaining momentum while maintaining a realistic approach. He advocated for a shift away from launching new initiatives at COP without evaluating their impact. In his view sustained trust-building requires not only launching initiatives but also

providing transparent and accountable reports on their outcomes

During the webinar, the AEEP Energy talks asked the public to share their opinions on which topics they thought would be the most important to address for the Africa – EU Energy Partnership in the lead-up to COP28:

	Sort	Show Count
Fully operationalise the loss and damage fund		0%
Increase efforts for adaptation (including adaptation finance)		0%
Meet existing finance commitments (100bn/year) and increase climate finance		64%
Agree on ending the fossil fuel era		18%
Agree on tripling RE and doubling EE rate		18%

Energy Partnership

CLOSING PERSPECTIVES ON FINANCE, LEADERSHIP, AND DIALOGUE IN AFRICA-EU RELATIONS

In the closing, **Ms El Abed** stressed the significance of both local and international financing and called for greater transparency in handling risks to fortify trust. **Mr Pearce-Oroz** identified an opportunity for trust-building by better aligning the G20 and AU discussions, and closer collaboration between the EU and AU in G20 talks to foster synergies and exchange ideas. **Mr Ibrahim** expressed optimism about Africa's climate leadership and future, noting the EU's historically strong bilateral ties with the continent. **Mr Signore** underscored the importance of sustaining an ongoing and interactive conversation, expressing gratitude to the panellists and commitment to continuing discussions in the coming days and weeks. **Mr van den Berg** closed the AEEP Energy Talks by underlining the importance of trust, highlighting the need for both dialogue and performance on promises. He suggested former focus on Pan-African partnerships and their potential for broader collaborations to enhance trust-building efforts.





AEEP ENERGY TALK CONCLUSIONS – FROM ACS TO COP28: UNLOCKING OPPORTUNITIES FOR A SYNERGETIC AFRICA-EU CLIMATE AND ENERGY FUTURE

- The African Climate Summit culminated with the Nairobi Declaration, outlining an elevenpoint call to action, emphasising the need for climate-positive growth in African development plans
- Africa faces hurdles in access to clean cooking and reliable electricity for millions, underscoring the urgency for sustainable solutions.
- Trust between the Global North and Global South is vital. Tangible actions, real-world progress, and the EU's initiatives, such as the Global Gateway, are key focus points. Sustained trust-building requires transparency and a process with credible steps
- Africa has the potential to be a key player in a future where renewable energy replaces fossil fuels.
- Green hydrogen should be a source of resilience for Africa. The continent should consider how to incentivise and reward countries to invest into green hydrogen for domestic and export purposes.
- Africa must keep its ambitions high as a driving force for advancements at COP28

About

The Africa-EU Energy Partnership (AEEP) is Africa and Europe's gateway for joint action on a green energy future. With an unmatched overview of the political processes and initiatives across both continents, the AEEP maps, monitors and convenes the actions and stakeholders that drive the African and European energy transformation. Providing a forum for political dialogue, knowledge sharing and peer connections, it enables Africa and Europe to make progress on their path to a sustainable energy future.

Tap into more information

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