

Africa-Europe Foundation High-Level Special Dialogue Energy and Climate in the Africa-Europe Partnership: Leading the way to the AU-EU Summit 20 January 2022

The first of the three high-level "Talking Africa-Europe" special dialogues organised by the Africa-Europe Foundation took place on 20 January.

<u>The debate</u> (<u>EN</u> / <u>FR</u>), which focused on energy and climate, helped create momentum towards the <u>European Union - African Union summit</u> on 17-18 February and came less than three months after the UN Climate Change Conference (COP 26) in Glasgow.

"There is a gap between how Africans look at the issue of climate and energy and how our European friends look at them," said **Mo Ibrahim**, Co-founder of the Africa-Europe Foundation and Founder and Chairman of the Mo Ibrahim Foundation.

In 2019, the entire population of the EU, accounting for just under 445 million people, had access to electricity, while just over half (54.7%) of the 1.3 billion people living in Africa had access. Almost 600 million Africans remain off-grid, more than 1.3 times the population of the EU. There are stark inequalities between African countries when it comes to access. Egypt for example has 100% coverage when it comes to energy access, while South Sudan has 6.7% coverage. All 27 EU member states have full coverage.

"I sincerely hope that the summit will be an opportunity for a new paradigm, approach and alliance for Africa and Europe," declared **Charles Michel**, President of the European Council. "We want more prosperity in Africa and Europe, taking into account the global challenges: climate change, the digital evolution, energy, infrastructure, health, and all other challenges."

"We need to agree – it will be one of the goals of the summit – on the principles for the future relationship between Africa and Europe," Charles Michel continued. "Mutual respect, sincerity, mutual interests, a role for the private sector, and how it is possible on both sides to improve governance."

"African economies are polluting the least, but we are the most affected by the aftermath of climate change," said the President of Senegal **Macky Sall**, who went on to argue that we need to look at the substance of the issues to make a real step forward by the time of the summit. "We should not put additional injustice on the shoulders of Africa by no longer subsidising fossil fuels, as was decided at COP 26."

"Together with Europe, we need to come up with a joint strategy that will be climate-friendly but also takes into account the development level of African countries," he added.

A renewed partnership based on shared values

"The AU-EU summit is an opportunity for a renewed partnership for our two continents based on shared interests and shared values," said European Commission Executive Vice-President for the Green Deal **Frans Timmermans**. "The green transition should be at the heart of our cooperation agenda for the next 10 years, and of course we have different starting points."

Responding to the concerns raised later about Europe refusing to fund gas projects in Africa, the Executive Vice-President said that the EU considers gas to be a "bridge to climate neutrality, but only if it replaces coal and if investments are hydrogen ready".

He mentioned the "incredible improvement in competitiveness" of wind and solar energy technologies in the last decade, highlighting how much cheaper they had become, and said the European Commission will bring to the summit a "concrete offer to support energy access for the next decade".

"With the Africa-EU Green Initiative, which will be announced at the summit, we want to focus on clean energy access. We also want to build the right environment for private capital to support large-scale investments in renewables."

"The Green Deal is not about a green fortress," he said, "it's about bringing others into green growth. COP 27 is coming back to Africa, so let's grasp this opportunity and create a stronger alliance. Together we can go very, very far."

"Our future is intertwined," said European Commissioner for the Internal Market **Thierry Breton**. "There can't be European success without African success. The first thing we need to do is to listen to Africa when it comes to its energy needs."

In 2019 Africa accounted for 17% of the global population but just 3.4% of global energy consumption, while the EU, representing 5.8% of the global population, accounted for 10.4% of global energy consumption.

This meant that, in per capita terms, someone living in the EU in 2019 consumed on average nine times as much energy as someone living in Africa.

Commissioner Breton agreed with President Sall on the need for a common strategy in the field of energy and said that Europe and Africa "need to go along the same pathway".

He also highlighted the role of companies, stating that technological innovation will be needed, and that Africa may require €100 billion a year to fund electrification. "We need to look at all components of value chains and work with trusted partners," he concluded.

Expert discussion on Energy and Climate: Diving into the issue

The ensuing discussion between various experts from Africa and Europe touched on the debate around subsidising fossil fuels, specifically gas, in Africa, the large number of deaths resulting from a lack of access to energy, as well as broader issues around energy transition pathways compatible with prosperity and climate, poverty and the just transition, the need for narrative change, and the difficulties in accessing finance in Africa.

African countries' energy consumption has increased almost eight-fold in absolute terms since 1965, while its population has increased four-fold in the same period. Since 1965, the current EU countries' energy consumption has almost doubled.

Damilola Ogunbiyi, Chief Executive Office of Sustainable Energy for All (SEforAll) and co-chair of UN Energy, highlighted the fact that almost a billion people do not have access to clean cooking in Sub-Saharan Africa and that energy poverty kills 10 million Africans every decade.

"We are talking about asking countries to go on an energy transition - that is a full electrification of the entire economy - when these countries still want to achieve access, industrialisation, and a better future for their people. For that to happen, gas has to be part of the transition," she said. "It is not one or the other: we need to supply adequate clean cooking; we have to supply gas to integrate as a baseload for renewables. Renewables don't just happen magically."

Ogunbiyi argued that there is a lot of misconceptions about gas, but it has to be part of energy transition plans. "I'm against people saying they will not fund any fossil at all... I'm for people saying we will fund projects as long as it's part of an energy transition plan and you see a pathway to net zero."

"No silver billet, no one-size-fits-all"

Sub-Saharan Africa except South Africa is responsible for 0.55% of global greenhouse gas emissions. If this whole region were to be powered by gas to get people out of energy poverty, emissions would rise by 1.6%.

"In principle gas has no role in taxonomy," said **Laurence Tubiana**, Chief Executive Officer at the European Climate Foundation.

"The EU should be consistent, in particular when preparing COP 27 in Sharm El-Sheikh, on the real support for each African countries' energy transition plans. There is no silver bullet, no one-size-fits-all. Every country has its own resources and the potential of developing them. The EU has to support these plans," she declared.

"The energy transition plan has to be discussed together and there has to be support for this perspective of how Africa, together with Europe, will really be fulfilling the Paris Agreement goals. There is a wonderful economic opportunity for Africa to go in the green direction but based on African countries' own discussions on what how they want their energy transition to look like."

"Poverty is the biggest threat that is facing Africa today. And poverty is also the biggest threat to climate in Africa. It is not the pursuit of access to energy," noted **Benedict O. Oramah**, the President of Afreximbank. "If we want to attain the SDGs for Africa, we need to double electricity generation by 2030 and fivefold by 2050." To achieve net-zero, Africa requires \$2.8 trillion.

Echoing President Sall's comments, he said that Africa is "a victim of the problem of climate change, rather than the cause" — making reference to the fact that Africa currently represents 4% of global greenhouse gas emissions and 17% of the global population.

"One third of African countries depend on fossil fuels for their foreign exchange revenues, fiscal revenues, and a significant portion of employment. So, if you just cut financing to fossil fuels, we are going to see many countries go up in flames," claimed Oramah.

From the perspective of Afeximbank, what needs to happen is the following: "the African continent has to begin to design the financing mechanisms that will help achieve and transit towards net-zero. This will happen by making sure we maintain sustainable financing of fossil fuels while also taking advantage of climate opportunities".

Need for more infrastructure resilience

Ambroise Fayolle, Vice-President of the European investment Bank (EIB), recalled that there is "a massive need to support more infrastructure resilience... including in the energy sector, and of course this is linked to the question of adaptation."

He called for more blending, saying "public investments... are very important, but we need also to try to make sure that the private sector is participating as much as possible and to maximise that... we see ... the need to find the right instruments, the right partnerships, and the right enabling environment."

"We need to do much more on combining the resources of the public and private sectors to lower the cost of capital, and this would be good for customers," he said.

He listed three challenges when it comes to financing such projects in Africa – supporting more infrastructure resilience in the energy sector, ensuring the private sector is participating as much as possible, and reinforcing decentralised energy production.

"This is about justice and equity"

On the issue of gas, **Vera Songwe**, the United Nations-Under Secretary-General and Executive Secretary of the Economic Commission for Africa (UNECA) passionately expressed her view.

"Off the shores of Mozambique... we are still exploiting gas for European consumption. If you were a Mozambican who does not have access to energy, and only 17% do, seeing European companies continuing to exploit gas to take to Europe... and saying to Africans you cannot use gas - I think it is impossible."

She complemented her thoughts by arguing that "gas for Africa is not a question of whether we're going to do climate change or not. We actually see that when we produce more gas, we actually reduce the consumption and production of carbon emissions by almost 38%."

"I worry when Africa waits for Europe to tell it what energy it will fund," she said. "If we wait for Europe to tell us, it won't work, because it won't push us."

On this note, **Uzodinma Iweala**, the Chief Executive Officer of the Africa Centre, criticised the hypocrisy of those who are funding gas in their own countries and asking others not to do the same, so that they can maintain or enhance their lifestyles.

"You cannot ask the continent of Africa to carbon finance the lifestyles of wealthier nations," he said, noting the need for African countries to push back on this. Wearing an African hat and taking an African perspective, he argued that this is a "global problem, this is a situation about justice and equity, this is a situation in which we all need to sit down and really think about what kind of lives we want to live in the future".

Focus on decentralised off-grid systems

2022 is not only a crucial year for the Africa-Europe partnership but also for climate and energy.

"We need to respond to increasing energy demand to power sustainable agri-food systems and social economic development," said **Tanja Gönner**, Chair at the Management Board at the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ). When discussing access to energy, Gönner insisted that there would be faster progress if there were discussions about decentralised off-grid systems rather than huge gas projects. "We need to answer to the energy needs of the African continent in a sustainable green way," she insisted.

On a positive note, she declared that "technical and economic solutions exist for Africa to leapfrog into a green, resilient, and prosperous future, and clean energies are becoming cheaper. The solar revolution is well underway." As a development partner, she insisted on the need to act in more coordinated ways. "The individual patchwork project approach is not enough; we have to work differently to be more systematic and coherent and to think out of the box."

The definition of "just"

Wanjira Mathai, Vice-President and Regional Director for Africa at the World Resource Institute (WRI), recalled that "Africa's role in the energy transition and low carbon economy is undeniable as a major source of minerals and precious metals central to the green technologies" and "by 2050 Africa will be the earth's most populous continent".

"80% of the world's poorest people will be in Africa by 2050," she said. "No-one should be left behind in a truly sustainable future. Activists are defining what a just transition means for Africa – what does it mean politically to develop and implement a just transition agenda in Africa's hydrocarbon agriculture and mining dependent economies? How do we pursue, recognise, and measure "just" in Africa?"

She emphasised that western partners should ensure that their development work is consistent with African local visions for justice in this transition and insisted that there is always a risk of poorly defined concepts driving the African agenda.

"Is it just for global industries to decarbonise in the name of the green economy while remaining profitable through the continued exploitation of workers in vulnerable countries?" she asked.

"People-centred approach"

"A climate justice approach is a people-centred approach," stated **Mary Robinson**, Co-honorary President of the Africa-Europe Foundation and former President of Ireland.

She argued that the just transition applies to both continents, but the just transition in Europe should progress much faster to clean energy and out of fossil fuels, saying "it has both the capacity and responsibility to do so".

In contrast "a just transition in Africa is at two levels: industries and manufacturing, and the household level". She cautioned that the length of time and differences between countries need to be taken into account.

"I would like the EU and Africa to operationalise the COP 26 outcomes in the EU-Africa partnership. This means cooperating more closely on climate diplomacy, especially around loss and damage in the COP 27 in Africa".

Robinson also supports the idea of the EU using its own diplomacy as the largest shareholder in the International Monetary Fund (IMF) and the World Bank (WB) to help drive much needed reforms. In particular, Europe should mobilise finance for African countries and allocate Special Drawing Rights (SDRs). The African Union is asking for \$100 billion in SDRs to respond to the economic fallout from the pandemic and climate change.

Her final call was to see the EU "support a proposal for the G20 to become the G21 with the African Union as a member".

Conclusion: It takes two to tango

"There can't be economic development without electricity," declared President Sall as he closed the event.

To have electricity, he argued, there is a need for a basic source of power. For western economies, it has been coal, nuclear, and gas, which has guaranteed energy production at a low cost. Africa too, has the right to a basic source of power to economically develop.

He also made reference to the fact that the whole continent of Africa consumes the same amount of energy as the island of Manhattan with around 25 countries consuming less than 500 megawatts and the largest just below 2000.

"Europe together with Africa will be a winning team and will play a key role to solve the global issues," said President Sall.

He insisted that he hopes to leave Brussels not only with a renewed partnership, but also with a nice envelope from the Europeans – for investments to fund the energy transition, build infrastructure, retain African youth, and deliver the right training and education.

Mo Ibrahim highlighted Africa is "not against green technologies" but argued it is "morally indefensible". He added that Europe is "wallowing in gas", some of which comes from Africa, yet it refuses to fund gas projects in African countries - and for Europe to also win out of this funding.

Responding to earlier comments from Vera Songwe that a carbon price could create 160 million jobs on the continent, Ibrahim said that "if we want to deal with climate change, the most effective solution will be market-led".

"We need to price carbon, that's what changes behaviour, and I hope the EU and AU will come up with a clear proposal at next month's summit."

"I'm quite optimistic when it comes to the relationship between Europe and Africa," concluded President Sall. "Our two continents are on both sides of the Mediterranean Sea, we only have 14km between the two of us. I think that we need to tango together and work hand-in-hand."