

Eleventh Conference on Climate Change and Development in Africa (CCDA–XI)

Green Growth and Climate Finance for Africa and the World

1-3 September 2023

Nairobi, Kenya

Concept Note



In collaboration with:



Introduction:

The Climate for Development in Africa (ClimDev-Africa) is a joint initiative of the African Union Commission, the United Nations Economic Commission for Africa, and the African Development Bank, that is conferred the mandate from the African Union Decision Assembly/AU/Dec.134 (VIII) of the 8th Ordinary Session in 2007, to support climate interventions in African countries. The initiative hosts the annual conference on Climate Change and Development in Africa (CCDA). The CCDA is traditionally convened each year, in partnership with the Government of any African Union Member State that hosts the Conference, ahead of the UNFCCC Conference of Parties to the UNFCCC (COP). The annual conference brings together different African stakeholder groups on climate change to discuss key climate change and development challenges facing the continent as well as identify opportunities and solutions. The conference promotes evidence-based and analytically grounded contributions that feed into the African common position meetings in the international discourse on climate change.

This year, the ClimDev-Africa partners, in collaboration with the Ministry of Environment, Climate Change & Forestry of the Government of Kenya and with the support of the Pan-African Climate Justice Alliance (PACJA), propose to convene the eleventh CCDA (CCDA-XI) conference on September 1 – 2, 2023 in Nairobi, as the technical segment of the Africa Climate Summit (ACS) under the ACS overarching theme; “*Africa in Solidarity for Global Climate Action*”. The technical segment will feature expert group discussions to address the subthemes of the ACS.

CCDA-XI will be structured as a high-level policy dialogue on climate change. Climate change and development experts and stakeholders will take part in a pre-summit event that will develop outcome statements and contribute to the recommendations for the ACS’s declarations on the subthemes. It will also include one day science symposium focused on discussions to improve and strengthen climate science capacities in Africa, and enhanced engagement in the 7th IPCC Assessment Cycle.

Context

The 6th Assessment Report of the Intergovernmental Panel on Climate Change (IPCC, 2023) concludes, inter alia, that global warming has already reached 1.1 degrees Celsius, with devastating impacts including unprecedented extreme weather events, rapidly rising sea levels, and impacts on people and ecosystems. The report notes that climate impacts on people and ecosystems are more widespread and severe than expected, and future risks will escalate rapidly with every fraction of a degree of warming¹. The IPCC warns that exceeding 1.5 degrees centigrade warming, even temporarily, will lead to much more severe, often irreversible impacts, from local species extinctions to the complete drowning of salt marshes to loss of human lives from increased heat stress. Even if fully implemented, the current revised nationally determined contributions to climate action (NDCs) put the world on a course of 1.7 degrees centigrade warming. However, in the

1 <https://www.ipcc.ch/assessment-report/ar6/>

absence of programmes and strategies to support the implementation of the NDCs, we are on a path to at least 2.5 degrees centigrade warming, which would have dire consequences for people, economies, ecosystems, and infrastructure, particularly so in Africa.

The biggest challenge facing the translation of climate policies into actions is the limited financial resources needed to translate climate commitments into investments. While most countries have National Adaptation Plans buttressing their NDCs, these are mostly yet to progress from planning to implementation due to the huge financial gap, estimated at US \$60 billion per year (AUC, 2018) for the implementation. Similarly, many developing countries remain highly vulnerable to the impacts of climate change, with resilience-building measures remaining largely small-scale, reactive, and incremental. Furthermore, most climate actions - particularly in developing countries - focus on immediate impacts or near-term risks than long-term resilience building, due to limited finance. The 2022 Adaptation Gap Report² shows that developing countries received only USD 29 billion of public finance flows for adaptation, with Africa receiving USD 11.4 billion (consisting of 39% of the total climate finance flow of USD 29.5 billion to the continent in 2020³), with the most vulnerable countries receiving the least climate adaptation finance flows. The African Group of Negotiators on climate change (AGN) estimates that Africa needs USD 65 - 86.5 billion per year for adaptation alone up to 2030. This is close to eight times more than current adaptation financial flows to the continent.

Although African countries contribute relatively little to global emissions (less than 4 percent), they remain at significant risk from the devastating economic effects of climate change. Between 1970 and 2019, Africa faced 15% of global weather, water, and climate-related disasters, along with 35% of weather, climate, and water-related fatalities⁴. In recent times, Democratic Republic of the Congo (DRC), Rwanda, and Uganda suffered heavy loss of life, property, and insurmountable damage of critical infrastructure in particular roads, water treatment plants and power stations from unusual rainfall intensity and landslides, whose magnitude and loss to the economy are yet to be fully determined⁵. The escalating intensity and frequency of extreme climate events and weak coping capacities continue to undermine recent progress in development trajectories and pose a grave challenge to Africa's socio-economic development. Climate change vulnerability is further compounded by the deepening debt crisis, the economic impacts of the covid-19 pandemic, and the prevailing Russia-Ukraine War, which has resulted into skyrocketing of food and commodity prices, leading to cost-of-living crisis.

As climate impacts continues to negatively affect economies and livelihoods in Africa, the scientific and research capacity in the continent remains weak resulting in inadequate

2 <https://wedocs.unep.org/bitstream/handle/20.500.11822/41078/AGR2022.pdf?sequence=1&isAllowed=y>

3 https://gca.org/wp-content/uploads/2023/01/GCA_State-and-Trends-in-Adaptation-2022_Adaptation-Finance-Flows-in-Africa.pdf

4 <https://news.un.org/en/story/2021/09/1098662>

5 <https://www.theeastafrican.co.ke/tea/science-health/east-africans-face-up-to-burden-and-loss-from-weather-4233246>

participation of the continent's scientists in global climate science and research processes. As an example, only 11% of the IPCC Sixth Assessment Report (AR6) authors are from Africa, which calls for actions to increase and support the engagement of African scientists in the seventh IPCC Assessment Cycle and beyond. Similarly, limited funding for climate research in Africa remains a major bottleneck, with some studies showing that only 3.8% of global funding for climate-change research of USD 1.51 trillion between 1990 and 2020 was spent on African topics, and African institutions received only 14.5% of the allocation. Evidently, African countries urgently need the capacity and knowledge to address the effects of climate change and to improve linkages between science, policy and practice in climate actions.

However, the continent is endowed with natural resources, abundant renewable energy potential, a resourceful and youthful population, and arable land. With 17% of the world's population, Africa is projected to have the largest workforce in the world – surpassing both China and India by 2040. Further, it boasts 20,000 MW of geothermal, 350,000 MW of hydropower, 110,000 MW of wind and 40% of global solar irradiation clean energy resources potential. Harnessing this potential will be key to shaping the future of the continent. Capitalizing on these green growth opportunities will be crucial to the continent's future particularly as the decarbonization momentum gains more traction around the globe.

Realizing Africa's Agenda 2063 aspirations and those of Sustainable Development Goals will be possible with proactive collective continental efforts leveraging the continent's own resources, together with effective partnerships with the broader international community to address the impacts of climate change and tackle barriers to Africa's transition to resilient development. The continent has been pro-active in defining and implementing response measures, including the recently adopted African Union Climate Change and Resilient Development Strategy and Action Plan 2022-2032, and the continental Green Recovery Action Plan (2021-2027). The continent's Climate Change and Resilient Development Strategy priorities action in five key areas: (i) Climate finance, including increasing flows, efficiency, and impact of funding, (ii) Supporting renewable energy, energy efficiency and national Just Transition programmes, (iii) Nature-based solutions and focus on biodiversity through work on sustainable land management, forestry, oceans, and ecotourism, (iv) Resilient agriculture focusing on inclusive economic development and green jobs, and (v) Green and resilient cities, including a focus on water (flooding and water resources) and enhancing information, communication, and technology.

The African Climate Summit is being convened in the context where the continent is seeking to accelerate implementation of its climate change strategies and actions to avert the catastrophic impacts of global warming and build the resilience of the continent's economies.

Objective

The overall objective of CCDA–XI is to produce detailed analytical data-driven and evidence-based recommendations on the various subthemes of the ACS. Reports from the conference will contribute to the outcome statements for African Heads of State, towards and beyond the UNFCCC COP28 to be held in the United Arab Emirates (UAE).

Organization and Structure of CCDA-XI and linking the CCDA-XI to the ACS23.

As the technical segment of the ACS, CCDA–XI will be organized around the themes of the Summit. Experts drawn from diverse backgrounds in Africa’s socio-economic and political spheres will produce detailed papers on the status of each of the subthemes. The papers will inform Expert Group Meetings which will be convened in Nairobi, and whose main purpose will be to review the technical papers, validate the content and produce outcome statements for the Summit. The first day of the CCDA will consist of technical meetings of these expert groups, while the second day will be a High-Level segment for policy and decision-makers to review and finalize statements for the Summit.

This year, the CCDA XI will directly benefit the Africa Climate Summit (ACS). The 2023 Africa Climate Summit (ACS23) will be different, as it structures the agenda around *solutions*, mobilising attention, and traction, whilst highlighting how the different topics intersect. The climate positive framing focuses on the opportunity first and does not ignore the challenges. Instead, it presents the challenges in the context of the opportunity and allows stakeholders to continuously see the potential benefit of overcoming challenges and identify the constraints that need to be resolved to unlock opportunities.

Overview of the 2023 Africa Climate Summit.

The ACS will make propositions based on four key principles:

1. Climate action and economic development are not in conflict but interdependent; they need to happen together, or neither will happen
2. We need to ensure that capital is optimized and spent on a global basis (with carbon reduction as a return parameter) rather than locally optimized– many of the lowest cost sources of reducing global emissions are typically found in the Global South compared with industrialized countries
3. We as Low and Low Middle Income Countries (LMIC) have a lot to contribute to the global climate agenda and we need to commit to playing our part. We cannot keep growing in a high-carbon intensive manner
4. We as a global community commit to achieving three climate finance goals: More financing, targeted financing, and cheaper higher risk appetite financing

The Africa Climate Summit will ensure Africa’s voice is elevated globally and integrated into existing international fora such as UNGA, G7/G20 processes, and UNFCCC COP 28 among others. The Summit will be held concurrently with the Africa Climate Week (4th – 8th September 2023) hosted in partnership with the United Nations Framework Convention on Climate Change (UNFCCC) Secretariat, an annual UNFCCC-led event to

promote actions that allow to course-correct and achieve the Paris Agreement goals and objectives.

Figure 1: Overview of the ACS23

PRELIMINARY

ACS Agenda

- Break
- Media events
- Climate Finance
- Adaptation & Nature
- Decarbonisation, Energy, Green Minerals/Manufacturing, and Urbanization
- Heads of State participation
- Ministerial participation
- Ministerial and industry participation
- Declaration discussion, closed

| Time | Day 0: Introduction to the summit | Day 1: Ministerial Day | Day 2: Getting down to business | Day 3: Making it happen | |
|---------|----------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------|-------------------------------------------------------|----------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------|
| 07:00 | Collection of badges | Opening Plenary of the Ministerial Segment of the Africa Climate Summit and Africa Climate Week | Green Resources, Manufacturing, and Trade | Investment in Nature and Biodiversity | Finalization of the Nairobi Declaration <i>Heads of States</i> |
| 08:00 | | | | | |
| 09:00 | Media event and press release | Break | Adaptation Compacts | Desert to Power: Realizing its Ambition | Pathway from Nairobi to COP28 and beyond |
| 10:00 | | | | | |
| 11:00 | Youth, IPLCs, and Women pre-summit (1 st -3 rd sept) | Redesigning Climate Finance | Urbanization & Infrastructure | High Level Opening of the Africa Climate Summit | Break |
| 12:00 | | | | | |
| 13:00 | Country advisors meet to discuss the declaration | Working Lunch for Ministers on Global Stocktake (ACW) | | Charting a vision: Investment opportunities for African Green Growth | ● Adoption of the Nairobi Declaration and High Level Statements from Member States and Invited Guests |
| 14:00 | | | | | |
| 15:00 | Country advisors meet to discuss the declaration | Mobilizing domestic capital for climate | Investment Opportunity for Food Sovereignty in Africa | Break | Closing lunch and departures |
| 16:00 | | | | | |
| 17:00 | Country advisors meet to discuss the declaration | Accelerating Climate Resilient Water Investments in Africa | Carbon Markets for the Global South | Powering our Future | ACW continues |
| 18:00 | | | | | |
| Onwards | Country advisors meet to discuss the declaration | Ministerial working dinner on the declaration | Investing in Green Jobs and Skills | Scaling up Adaptation | Arts and Entertainment Spotlight Event (TBC) |
| | | | | | |
| | | | State working Dinner for Heads of State + 1s | Gala dinner for all other VIPs | |

Organisation of work for the CCDA-XI

Oversight and guidance to the CCDA-XI and ACS23 are important in ensuring timely delivery of the theme, goals, and agenda. The organisation of the work for CCDA-XI and ACS23 is illustrated in Figure 2.

The CCDA-XI will provide input to the Summit by responding to the issues raised by the Committee of African Heads of State and Government on Climate Change (CAHOSCC) in their meetings, when climate change was considered, and similarly considering the decisions taken by the African Ministerial Conference on the Environment (AMCEN) at their respective meetings and statements issued by the African Group of Negotiators.

It is important that the CCDA XI must, at the least, deliberate on and take guidance from the African policy institutions, among them the African Union Commission (AUC), CAHOSCC and AMCEN.

Overview of the ACX23 theme and pillars.

Overall, the ACX23 will have seven pillars as follows.

- Energy Transition & Renewable Energy
- Green Minerals & Manufacturing
- Sustainable Agriculture, Land, Water, and Oceans
- Sustainable Infrastructure & Urbanization
- Nature
- Adaptation & Resilience
- Climate Finance

For Africa, an equitable sharing of the 1.5°C temperature goal is not a fair and equitable proposition. Science tells us (IPCC, 2014) that emissions that occurred between 1850 and 1990 are responsible for about a 0.75-degree Celsius warming of the atmosphere. These historical emissions are a result of the industrialisation that was pursued by the developed countries. Sharing 1.5 or 2.0°C as a collective mitigation goal by all countries is unfair and must be rejected.

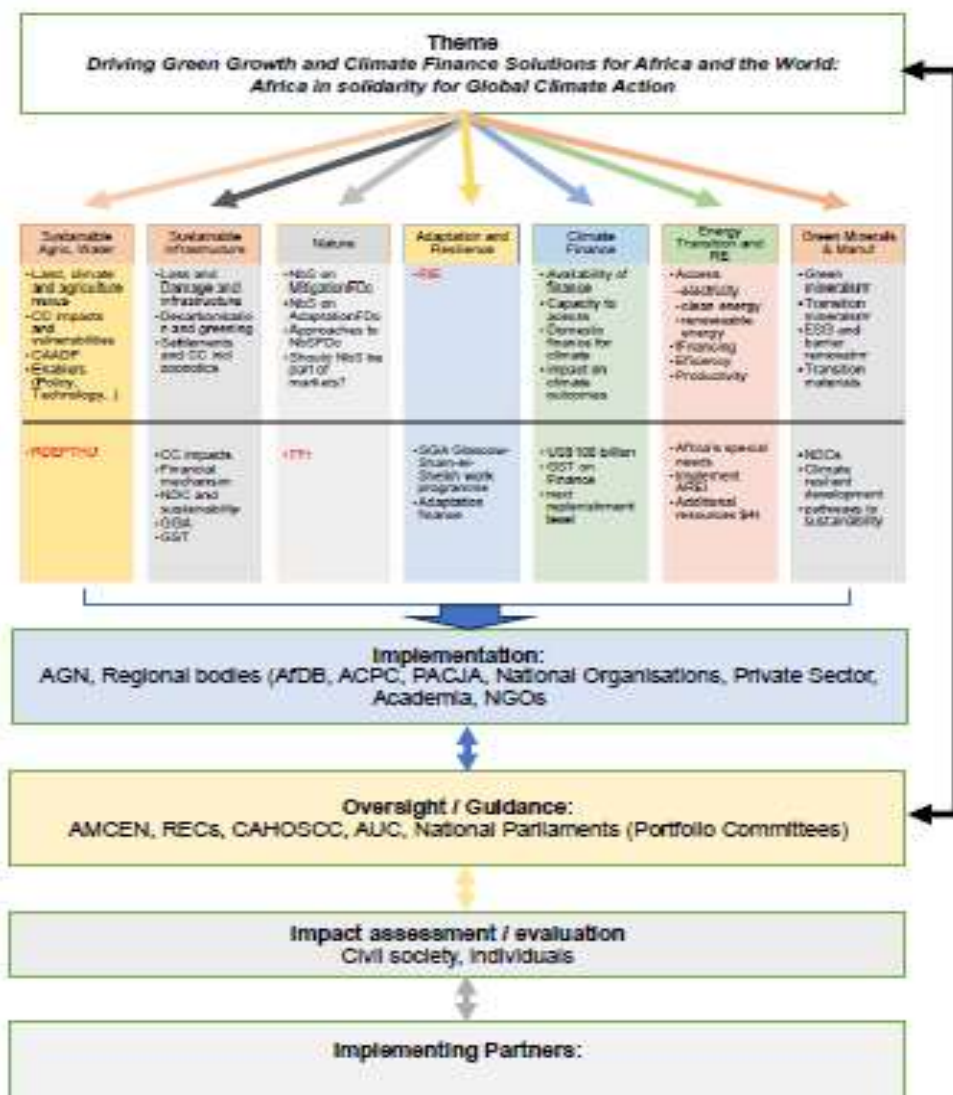
This means the developed countries have already used half of the carbon space, for which they (Annex I Parties) must be accountable. The remaining 0.75°C carbon space will then be shared by all countries who are Parties to the Paris Agreement. This will allow Africa to benefit from an equitable space for development.

Key outcome of the CCDA-XI and ACS23.

The outcomes of the forthcoming Africa Climate Summit (ACS) will then be tabled before the UN General Assembly and the Secretary-General’s Summit in September 2023 in New York and will also serve as input into the Annual Meetings of the World Bank Group in Marrakech in October 2023, and the COP28 negotiations in Dubai in November and December 2023.

Additionally, it is significant for our agenda that COP28 will be historic in that it marks the first “global stocktake” under the Paris Agreement. A comprehensive assessment of progress, undertaken against the goals set out by the Paris Agreement, will be concluded.

Figure 2: Organisation of work for the CCDAXI and ACS23



Unpacking the seven pillars of the CCDA-XI.

To facilitate discussion under each pillar and to the following narrative is provided to chairs of the various sessions. This is only to guide, and the conveners are encouraged to enhance and update as necessary.

1. Climate Finance

1.1. Context:

At a time when African countries should be investing in strengthening their economies against future effects of climate change, their debt burdens. Debt distress, compounded by the economic shocks from the Covid-19 pandemic and other, are forcing them to reduce spending across many critical categories.

As the debt burden worsens, there is likely to be increased demands on natural capital, on the use of cheaper options including fossil fuels, especially as many African countries move from low-income to upper middle-income status⁶. The economic transformation will allow African countries to address energy poverty, strengthen stability, reduce conflict and migration, and secure dignified livelihoods and a viable future for all. On the other hand, the extent and nature of environmental impacts depend greatly on the specifics of a transformation pathway, on technological progress and improvements in the efficiency of resource use, and, crucially, on the extent to which economic policies and institutions create incentives for green growth and green entrepreneurship.

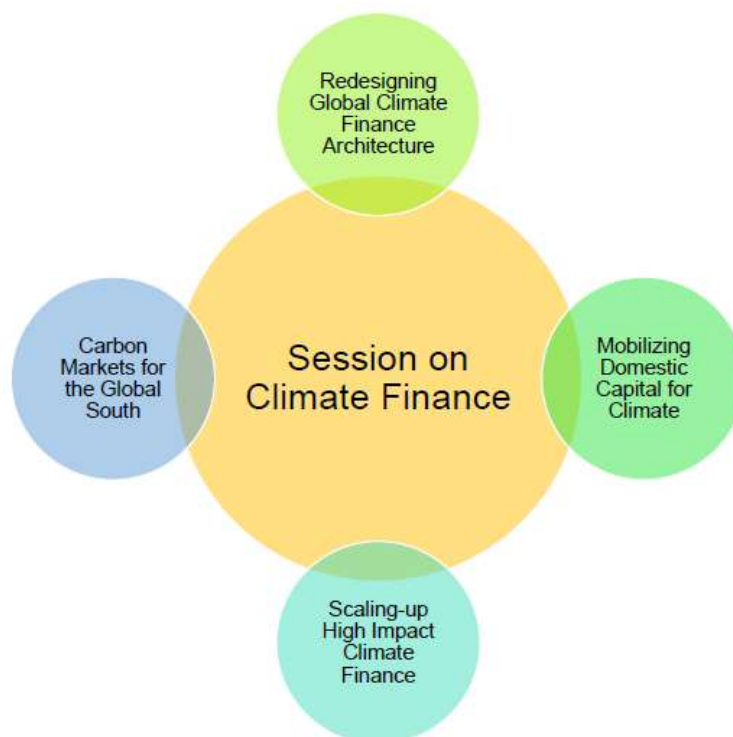
The Intergovernmental Panel on Climate Change (IPCC) released its synthesis report in 2023, warning that “rapid and deep” systemic changes are needed to limit global warming to the Paris Agreement’s 1.5-degree Celsius goal, and GHG emissions need to peak at the latest before 2025 and then reach net zero CO₂ emissions in the early 2050s (IPCC, 2023).

The commitments of the past, including the \$100 billion annual climate finance commitment from COP15, the 0.7 percent of Gross National Income (GNI) to Official Development Assistance from COP26, Loss and Damages from COP27. The climate finance and investment pillar has been working towards addressing and catalysing the climate finance opportunity.

⁶ <https://www.wri.org/insights/africas-green-growth-opportunity#>

1.2. Arrangement of the session.

Latest thinking for the ACS climate finance pillar is to host 4 main stage events.



| Event | Type of event | High-level agenda |
|------------------------------------------------------|---------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| New Global Climate Finance Architecture | Head of State | New financial architecture, discussion on ongoing multilateral development bank (MDB) reform, and discussion on additional MDB reform related to climate finance, international taxes, liquidity facilities, etc. |
| Mobilizing Domestic Capital for Climate | Ministerial | Discussion on domestic policy reform, tax reforms, financial sector strengthening, etc. needed to mobilize domestic capital for climate in Africa; 5-10 top priorities for African countries to commit to |
| Scaling High Impact Climate Finance in Africa | Ministerial | Global South financing gap, followed by multiple fireside discussions between investors and ministers on specific barriers and potential interventions for scaling foreign direct investment (FDI) for climate-related investments across Africa. |
| Carbon Markets for the Global South | Ministerial | Impact of carbon markets across Africa and announcement of key financing mechanism launch, including the Africa Carbon Markets Initiative (ACMI) collaborations |

To replicate and scale de-risking, we identify four areas that MDBs and other financiers should consider when designing de-risking initiatives or scaling existing operations⁷:

- Expand the use of financial innovation and encourage learning in partnership with other stakeholders—such as the developing country governments and their DFIs—to share lessons and conditions for scaling.
- Position de-risking as a mechanism for sector transformation by addressing risks from the entire life cycle of a project within a sector instead of a single asset and tapping into local knowledge, networks, and investors.
- Encourage an integrated institutional approach through greater collaboration within MDBs across sectors and units to provide a coherent approach to de-risking.
- Enhance data accessibility and transparency by increasing access to credit and probability of default data at a granular level to facilitate project design, assessment, and the decision-making process.

The financing platform would perform three main tasks

- Increase Africa's access to global funds: CIFs, GEF, AF, etc.
- Expand internal resource envelope available to climate change activities (SEFA, ClimDev, CBFF, etc).
- Explore new funding avenues through public-private partnerships and capital markets (The Green Bond).

1.3. Outcomes expected from the session.

Delivery of the commitments of the past, by Annex I Parties, including the \$100 billion annual climate finance commitment from COP15 are critical in ensuring Africa meets its commitments made under the UNFCCC Paris Agreement and the nationally determined contributions (NDCs). Further, developed country Parties need to allocate new financial resources, representing progression and highest possible ambition from previous efforts to the operating entities of the Financial Mechanism, in particular, the Green Climate Fund in the context of its replenishment this year.

⁷ <https://doi.org/10.46830/wriwp.22.00091>

| | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>There is a 2-fold opportunity for climate finance...</p> | <p>...which rely on international alignment on 3 priority actions...</p> |
| <p>Expand availability of climate finance</p> <ul style="list-style-type: none"> • ~\$2 trillion / year by 2030 needed for developing countries (excluding China), ~\$0.7-1 trillion domestically, ~\$1-1.3 trillion externally (~1/3 from public sources) • Bridgetown Agenda helps, but more financing sources required. | <p>Launching new climate finance initiatives and instruments</p> <ul style="list-style-type: none"> • Identify and champion innovative instruments set up to de-risk and scale up private investment and encourage innovation and entrepreneurs. <p>Raising additional funds for climate finance</p> <ul style="list-style-type: none"> • It is essential for developing countries to create an enabling policy and investment environment through financial management and governance reform and to implement initiatives to raise more domestic funding for climate. |
| <p>Deploy finance mechanisms at scale and speed.</p> <ul style="list-style-type: none"> • Leveraging scalable, replicable mechanisms • Accelerating innovative deployment methods | <p>International climate financial architecture</p> <ul style="list-style-type: none"> • The Bridgetown and MBD reform agendas are key building blocks for the global climate financial architecture for this, but more is needed. This calls for a rethink of the global financial architecture |

Expected outcomes Increased resources for financing both resilient and low carbon development Increased participation in the carbon market and to enhance partnership with all donors

Importantly, this session must also address the issues raised in the decision Assembly/AU/Dec.855(XXXVI) contained in the Decisions, Declarations, Resolution and Motion from the record of the Thirty-Sixth Ordinary Session of the Assembly of the Union, specifically paragraphs 17, 20 and 22. Text Box 1.

Text Box 1.

17. REGISTERS DEEP REGRET over the unfulfilled pledges of the USD100 Billion Goal by 2020 and recognises its impacts for delivering ambitious climate action and implementation, **URGES** developed country Parties to not only honour their pledges as soon as possible but also to increase climate finance to developing country Parties to restore trust in the multilateral process of addressing climate change.

20. URGES developed country Parties to provide enhanced climate finance for climate action highlighting the needs of developing countries reaching up to \$6 trillion for the pre-2030 period, and **STRESS** our call to developed country Parties to allocate new financial resources, representing progression and highest possible ambition from previous efforts to the operating entities of the Financial Mechanism, in particular, the Green Climate Fund in the context of its replenishment this year.

22. WELCOMES the progress of the first global stocktake that assessed the collective progress towards achieving the three goals of the Paris Agreement; (that is, the long-term temperature goal, the global goal on adaptation and the climate finance goal) and **URGES** all Parties to progress towards reaching outcomes and recommendations for the respective three goals to inform and guide Parties and subsequently Nationally Determined Contributions;

The session on climate finance may consider the following measures as outcomes towards contributions that feed into the African common position meetings in the international discourse on climate change.

- Establishing a coordination mechanism for financing decarbonisation.
- Facilitating interoperability of Common Ground Taxonomy/transition finance taxonomies and information disclosure among international standards.
- Encouraging financial institutions and enterprises to set up net-zero targets.
- Developing a transition-related financial toolbox to scale up finance.
- Developing industry-specific financial solutions for the key sectors.
- Facilitating the regional carbon market to accelerate Africa's transition.

This session must send a clear message on (a) Delivery of pledges of the USD100 billion goal, (b) Provision of new financial resources representing progression and GCF replenishment and (c) report on the stocktake that assessed the collective progress towards achieving the three goals of the Paris Agreement; (that is, the long-term temperature goal, the global goal on adaptation and the climate finance goal).

2. Energy Transition and Renewable Energy

2.1. Context:

According to the International Energy Agency (IEA), today's global energy crisis has underscored the urgency, as well as the benefits, of an accelerated scale-up of cheaper and cleaner sources of energy. Russia's invasion of Ukraine has sent food, energy and other commodity prices soaring, increasing the strains on African economies already hard hit by the Covid-19 pandemic. The overlapping crises are affecting many parts of Africa's energy systems, including reversing positive trends in improving access to modern energy, with 4% more people living without electricity in 2021 than in 2019⁸.

With nearly one-fifth of the world's population today, Africa accounts for less than 3% of the world's energy-related carbon dioxide (CO₂) emissions to date and has the lowest emissions per capita of any region (IPCC, 2014). Africans are already disproportionately experiencing the negative effects of climate change, including water stress, reduced food production, increased frequency of extreme weather events and lower economic growth – all of which are fueling mass migration and regional instability.

Access to energy is crucial not only for the attainment of health and education outcomes, but also for reducing the cost of doing business and for unlocking economic potential and creating jobs⁹.

According to Mr. Ephraim Mwepya Shitima of Zambia, Chair of the African Group of Negotiators on climate change, Africa's development trajectory, must be low carbon

⁸ <https://www.iea.org/reports/africa-energy-outlook-2022/key-findings>

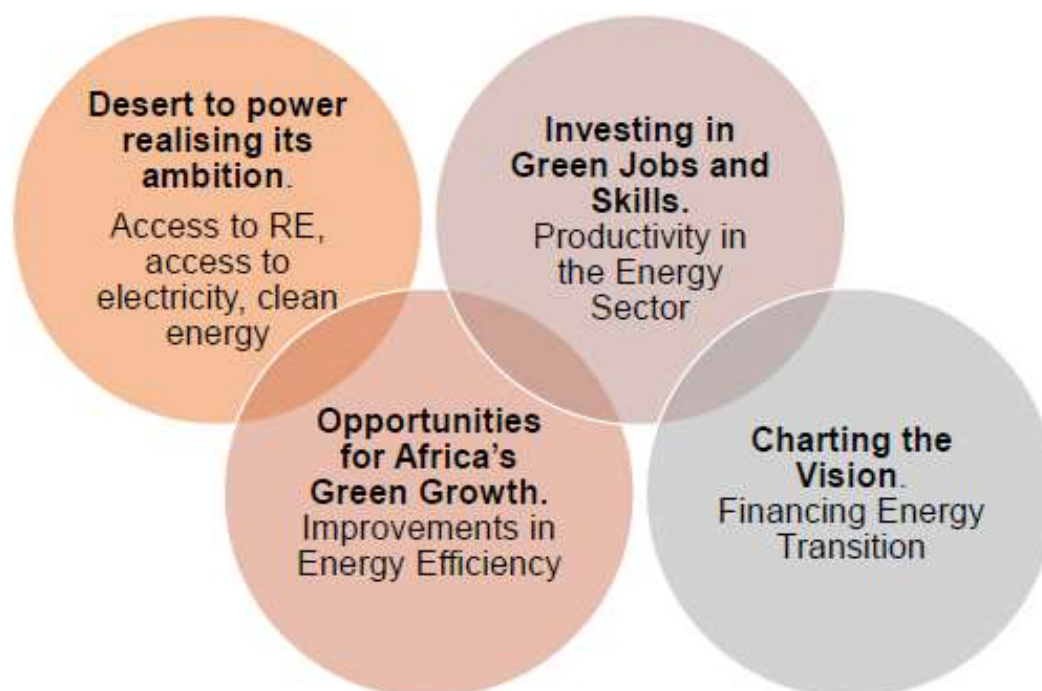
⁹ <https://www.afdb.org/en/the-high-5/light-up-and-power-africa-%E2%80%93-a-new-deal-on-energy-for-africa>

development and one that will be sustainable¹⁰. Energy transition and renewable energy are therefore high on the Africa agenda.

2.2. Arrangements for the session.

The session will therefore engage on the following issues and provide guidance to policies and measures, strategies, and actions, including the different role players and their roles in fast-tracking the energy transition that Africa needs.¹¹

- Charting the Vision, Investment Opportunities for Africa's Green Growth
- Investing in Green Jobs and Skills
- Access to Electricity.
- Access to Clean Cooking
- Improvements in Energy Efficiency
- Renewable Energy
- Desert to power realising its ambition.
- Financing Energy Transition
- Productive Use of Energy & Sustainable Cooling



The sessions will cluster the issues under this pillar into 4 sections: (a) Desert to Power, realising the Energy Transition, (b) Investing in Green Jobs and Skills, (c) Opportunities for Africa's Green Growth and (d) Charting the Vision to Energy Transition. This is to avoid

¹⁰ <https://www.un.org/africarenewal/magazine/june-2022>

¹¹ <https://doi.org/10.46830/wrigb.21.00143>

a proliferation of breakout sessions. The session must consider progress that has been made on facilitation of the energy transition.

2.3. Outcomes expected from the session.

The session will interrogate the current status, evaluate progress, and propose modalities to strengthen actions and an enabling environment to attract such investments, as well as foreign investments into the sector.

This session must also address the issues raised in the decision Assembly/AU/Dec.855(XXXVI) contained in the Decisions, Declarations, Resolution and Motion from the record of the Thirty-Sixth Ordinary Session of the Assembly of the Union of 18 - 19 February 2023, held in Addis Ababa, Ethiopia.

The discussions must conclude by offering a text to provide insight on how green growth policies, combined with entrepreneurship, could enable Africa to leapfrog to a clean, resource-efficient modern economy. The discussions should also on the update on the issues raised in the report of the coordinator of the committee of African Heads of State and Government on Climate Change (CAHOSCC)¹², specifically paragraphs 12, 13 and 23. Text Box 2.

Text Box 2

12. **URGES** the AGN to continue to work with Parties and the incoming COP28 presidency to reach decisions that recognise the special needs and special circumstances of Africa under the Paris Agreement.
13. **TAKES COGNISANCE** of the decision of COP27 that acknowledges the impacts of climate change exacerbated by the global energy and food production crises, and CALLS for additional resources up to \$4 trillion per year investments in renewable energy.
23. ... **ALSO ACKNOWLEDGES AND APPRECIATES** the work of the Initiatives, namely the Africa Adaptation Initiative (AAI), the Africa Renewable Energy Initiative (AREI), ... in coordinating the implementation of Africa's response to Climate Change and **CALLS** for additional support to scale up the implementation of these initiatives.

The outcome from the session must (a) place emphasis and recognise the special needs and special circumstances of Africa under the Paris Agreement. (b) call for additional resources up to \$4 trillion per year investments in renewable energy and (c) call for additional support to scale up the implementation of the Africa Renewable Energy Initiative (AREI).

3. Green Minerals and Manufacturing

¹² Document: The Assembly/AU/Dec.855(XXXVI) 36th Ordinary Session of the Assembly of the Union, 18-19 February 2023, Addis Ababa, Ethiopia

3.1. Context.

Policy makers across Africa have embraced industrialization and economic transformation as keys to accelerate inclusive growth¹³. They also increasingly see the need for economic transformation to deliver green growth, growth that does not endanger Africa's natural environment in ways that reduce the welfare of present and future generations. Economic transformation and green growth depend on doing new things: making risky investments in new, unfamiliar sectors or products or adopting new, unfamiliar methods, processes, technologies, inputs, or business models.

The Green Minerals and Manufacturing pillar focuses on harnessing the potential of Africa's unique natural assets, sustainable manufacturing practices and emerging innovation to drive the transition to a low-carbon and circular economy, and remove carbon at scale. The pillar encompasses five areas of focus:

1. The **Green Hydrogen and Heavy industry** sub-theme explore how Africa can harness its vast untapped renewable energy potential to help decarbonize heavy industries and develop new low-emission heavy industrial activity. The sub-theme will explore the opportunity to produce green energy, energy carriers (such as green hydrogen) and low-emission industrial products to meet African and global demand.
2. The **Transition Minerals** sub-theme focuses on how Africa can harness its massive mineral deposits and critical materials¹⁴ to accelerate its own green development, and be a key player in driving the global transition to a green economy. The sub-theme will explore different approaches in which Africa's critical mineral bounty can be put to use to tackle climate change and generate economic returns, jobs, and prosperity for Africa.
3. The **Circular Economy and Manufacturing** sub-theme focus on the transition from a linear "take-make-dispose" model to a circular approach in manufacturing, resource management and business operations. This sub-theme will address both circular design and business models, extended producer responsibility, closed loop value chains and sustainable waste management.
4. The **Durable Removals** sub-theme explores Africa's potential to become a hub for carbon removals at-scale, showcasing the breadth of innovation that is already taking place on the continent. The session will explore how durable removals can drive economic growth, while delivering co-benefits to local communities, and serving a global need for cost-effective removals
5. The **Green Business and Sustainability** sub-theme centres on implementing sustainable business practices and developing business models that feed demand

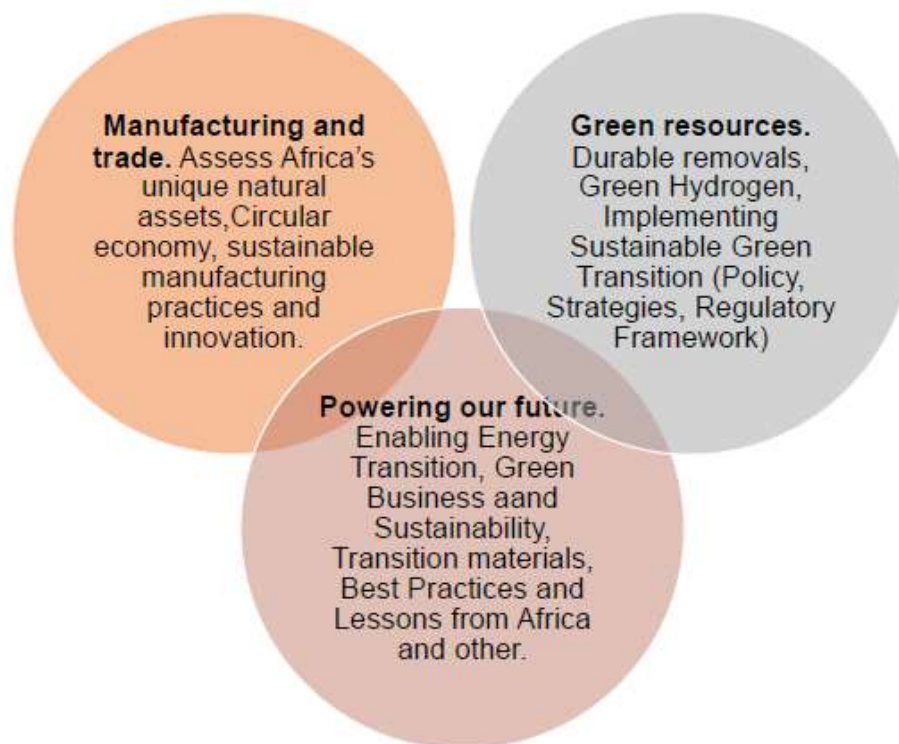
¹³ <https://www.wri.org/insights/africas-green-growth-opportunity>

¹⁴ Critical materials are the resources needed to produce key technologies for the energy transition, including wind turbines, solar panels, batteries for Electric Vehicles (EVs) and electrolyzers.

for sustainable products and services. This sub-theme will explore opportunities to build a local climate entrepreneurship ecosystem, help African businesses drive towards net zero, and develop the tools and data needed to produce climate and socio-economic benefits as a service.

3.2. Arrangement of the session.

We propose engagement at three sessions: (a) Manufacturing and Trade opportunities, (b) Identifying Green Resources and developing Sustainable Green Transition (Policy, Strategies, Regulatory Framework), including financing options, and (c) Powering Africa's Future by exploring opportunities and enablers, and showcasing innovation on the continent.



Discussions under each of the three areas of focus must consider several issues.

| Area of focus | Issues to deliberate under this pillar |
|--------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Assess Africa's unique natural assets, sustainable manufacturing practices and innovation</p> | <ul style="list-style-type: none"> • Green Hydrogen and Heavy Industry. Production processes. • Transition Minerals. Critical materials, value addition. |
| <p>Enabling Energy Transition, Best Practices and Lessons from Africa and other.</p> | <ul style="list-style-type: none"> • Circular Economy & Manufacturing. Greening concepts, processes and pathways. • Best practices, Lessons learnt. |
| <p>Implementing Sustainable Green Transition (Policy, Strategies, Regulatory Framework)</p> | <ul style="list-style-type: none"> • Durable Removals. standards, policies and measures. • Green Business & Sustainability, People, Planet, Profit, ESG, • Financing |

3.3. Outcomes expected from the session.

A key outcome from this session will be an agreed set of arguments to ensure a pathway to low emissions and climate-resilient development. The outcome must enable just transitions, including in the context of sustainable development and poverty eradication.

The session must also recognise and expand on Africa’s need for scaled-up climate finance for the transitions and transfer of technology and capacity building for the creation of new and quality jobs.

Importantly, this session must also address the issues raised in the decision Assembly/AU/Dec.855(XXXVI) contained in the Decisions, Declarations, Resolution and Motion from the record of the Thirty-Sixth Ordinary Session of the Assembly of the Union, specifically, paragraph 21. Text Box 3.

Text Box 3

21. WELCOMES the establishment of a work programme on just transitions pathways in the context of Article 2 of the Paris Agreement, **RECALLS** its call for the recognition of the multiple forms and stages of Just Transitions, and **URGES** Parties to consider just transitions, including pathways to low emissions and climate-resilient development in the different IPCC sectors, and in the context of sustainable development and poverty eradication while recognising the need for scaled-up climate finance for the transitions and transfer of technology and capacity building for the creation of new and quality jobs.

4. Sustainable Agriculture, Land, Water, and Oceans

4.1. Context.

Temperatures in Africa are projected to rise faster than the global average¹⁵, ranging from increases of 0.2°C per decade at the low end to more than 0.5°C per decade at the high end¹⁶. The IPCC report (IPCC, 2022) tells us, with high confidence that climate-related extremes have affected the productivity of all agricultural and fishery sectors, with negative consequences for food security and livelihoods. The report (IPCC, 2022) further asserts that the impacts of climate-related extremes on food security, nutrition and livelihoods are particularly acute and severe for people living in sub-Saharan Africa, and the small islands.

Hydrological cycle changes have impacted food and energy production and increased the incidence of water-borne diseases. Climate-induced trends and extremes in the water cycle have impacted agricultural production positively and negatively, with negative impacts outweighing the positive ones (IPCC, 2022). Droughts, floods, and rainfall variability have contributed to reduced food availability and increased food prices, threatening food and nutrition security, and the livelihoods of millions globally (high confidence), with the poor in parts of Africa being disproportionately affected (high confidence).

The report (IPCC, 2022) also states that drought years have reduced thermoelectric and hydropower production by around 4–5% compared to long-term average production since the 1980s, reducing economic growth in Africa and with billions in US dollars of existing and planned hydropower infrastructure assets in mountain regions worldwide and in Africa exposed to increasing hazards.

Most of Africa relies on rain-fed agriculture. As a result, it is highly vulnerable to changes in climate variability, seasonal shifts, and precipitation patterns. Any amount of warming will result in increased water stress. According to the World Resources Institute¹⁷, roughly 70 per-cent of the population lives by farming, and 40 percent of all exports are agricultural products. One-third of the income in Africa is generated by agriculture. Crop production and livestock husbandry account for about half of household income. The poorest members of society are those who are most dependent on agriculture for jobs and income. (Odingo 1990; FAO 1999)

Increases in global mean surface temperature are projected to result in continued permafrost degradation and coastal degradation, increased wildfire, decreased crop

15 <https://www.un.org/africarenewal/magazine/december-2018-march-2019/global-warming-severe-consequences-africa#:~:text=Temperature%20increases%20in%20the%20region,not%20impossible%2C%20says%20the%20IPCC>

16 <https://archive.ipcc.ch/ipccreports/tar/wg2/index.php?idp=382>

17 www.wri.org

yields in low latitudes, decreased food stability, decreased water availability, vegetation loss, decreased access to food and increased soil erosion. Furthermore, climate change exacerbates land degradation, particularly in low-lying coastal areas, river deltas, and in drylands.

The IPCC report (IPCC, 2022) also states with high confidence that ecosystem integrity is threatened by the positive feedback between direct human impacts (land use change, pollution, overexploitation, fragmentation, and destruction) and climate change. If these pressures are not successfully addressed, the combined and interactive effects between climate change, deforestation and forest degradation, and forest fires are projected to lead to a reduction of over 60% of the area covered by forest in response to 2.5°C global warming level (medium confidence).

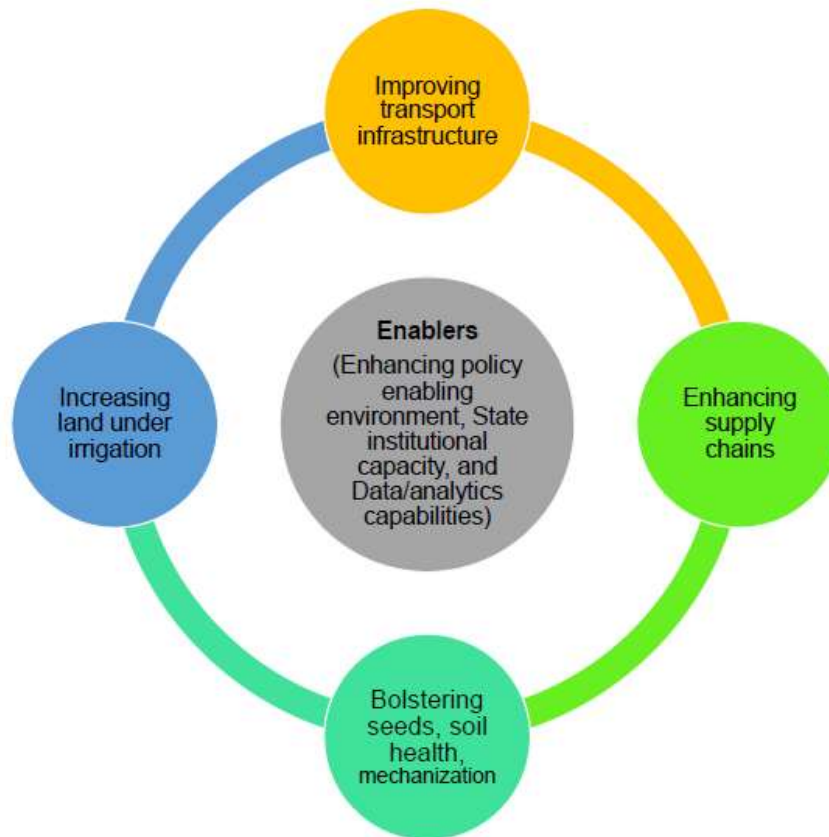
Some habitat-forming coastal ecosystems, including many coral reefs, kelp forests and seagrass meadows, will undergo irreversible phase shifts due to marine heatwaves with global warming levels >1.5°C and are at high risk this century even in <1.5°C scenarios that include periods of temperature overshoot beyond 1.5°C (IPCC, 2022). Under SSP1–2.6¹⁸, coral reefs are at risk of widespread decline, loss of structural integrity and transitioning to net erosion by mid-century due to the increasing intensity and frequency of marine heatwaves. Due to these impacts, the rate of sea level rise is very likely to exceed that of reef growth by 2050, absent adaptation. In response to heatwaves, bleaching of the Great Barrier Reef is projected to occur annually if warming increases above 2.0°C, resulting in widespread decline and loss of structural integrity (very high confidence). Global warming of 3.0°C–3.5°C increases the likelihood of extreme and lethal heat events in western and northern Africa. Drought risks are projected to increase in many regions over the 21st century.

Africa transformation towards sustainable agriculture, land, water, and oceans must see substantial investment in sustainable food systems. Climate change is a challenge now and in the future. For Africa to attain a resilient, secure, and nutritious food security, there is a need to increase productivity to meet growing population demands in the face of climate change. a sustainable agri-food sector, must also lead to economic growth, decent jobs, and improve access to abundant and affordable nutritious food.

18 Shared Socioeconomic Pathways (SSP): SSP1: Sustainability – Taking the Green Road (Low challenges to mitigation and adaptation), SSP2: Middle of the Road (Medium challenges to mitigation and adaptation), SSP3: Regional Rivalry – A Rocky Road (High challenges to mitigation and adaptation), SSP4: Inequality – A Road Divided (Low challenges to mitigation, high challenges to adaptation). SSP5: Fossil-fuelled Development – Taking the Highway (High challenges to mitigation, low challenges to adaptation)

4.2. Arrangement of the session.

The session will deliberate on how to enhance food security and agricultural productivity through and by mechanisation of the agriculture, land, ocean related operation, ensuring research and delivery of climate smart practices and improved seeds, new and greener fertilizer blends, regenerative practice and improves mechanization of farms.



The session will focus on two core subthemes; (a) Investment opportunity for food sovereignty in Africa; and (b) Accelerating Climate Resilient Water Investments in Africa. In this way, the session will consider how to increase access to warehouses and primary processing / rural wholesale market facilities, improving transport infrastructure, including investment into roads, rail, ports to facilitate trade. The session will also consider and make propositions on how to avail enablers, including finance, enhancing policy enabling environment, state institutional capacity, and data/analytics capabilities.

In the discussion, the session will focus on development of “food baskets” concepts that have the potential to feed Africa, considering ‘food baskets’ as multi-country supply sheds characterized by strong production potential, access to water and proximity to trade corridors.

Examples of investments and opportunities for improving Africa’s food systems include the following:.

| | |
|-----------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Improved seed systems | <ul style="list-style-type: none"> • Rapid scale-up of production of seeds and investment in training and distribution of adaptive, hybrid seeds |
| Increase fertilizer use. | <ul style="list-style-type: none"> • Ramping production of appropriate blends of fertilizers, and increasing knowledge, capacity and implementation of climate resilient practices (e.g., agroforestry, organic fertilizer etc.) to improve soil nutrition. |
| On-farm mechanization | <ul style="list-style-type: none"> • Increasing production and distribution of hand tools, hay balers, tractors, combine harvesters, etc. to support optimizing on-farm operations. |
| Increasing land under irrigation | <ul style="list-style-type: none"> • Strengthening existing and construction of new irrigation canal, backed up by solar powered pumps for consistent supply from watersheds. • |
| Enhancing supply chain | <ul style="list-style-type: none"> • Deployment of storage facilities and value-add services (e.g., milling) |
| Improving infrastructure | <ul style="list-style-type: none"> • Investments in digital solutions for value chain coordination, demand and supply aggregation services and trading platform |
| Other enablers | <ul style="list-style-type: none"> • Investments in renewable energy and off-grid electrification • Deployment of advanced analytical capabilities for decision support to policymakers and development partners • Participation in blended finance mechanisms, carbon market trading platforms among other financial instruments |

4.3. Outcomes expected from the session.

The outcome from the session will consider the existing Comprehensive African Agricultural Development Programme (CAADP) framework. The focus will be on how to place climate adaptation and resilience at the center of agriculture, land, ocean food systems. For example, the outcome will propose on how to.

- Spur private sector investment, building business cases and using innovative financing approaches.
- Catalyse Intra-Africa trade and coordination, building on the goals of the African Continental Free Trade Area (AfCFTA) agreement.
- Use information technology including geospatial data and advanced analytics not previously available to enhance productivity of the agriculture, land, ocean food

As a key outcome, the session will discuss and formulate strategies to:

- Boost investment financing for food systems, sustained, broad based economic growth, jobs, and incomes, ensuring access to safe and nutritious food, strengthening and harnessing Africa’s local food markets and expansion in climate smart agricultural practices for food production.

- Create "investable" business cases to outline the financial support required and returns that investors could see
- Engage with public and development partners to establish public-private partnerships to facilitate investment systems, inform investments and monitor progress.

Importantly, this session must also address the issues raised in the decision Assembly/AU/Dec.855(XXXVI) contained in the Decisions, Declarations, Resolution and Motion from the record of the Thirty-Sixth Ordinary Session of the Assembly of the Union, specifically, paragraph 21. Text Box 4.

Text Box 4

21. WELCOMES the establishment of a work programme on just transitions pathways in the context of Article 2 of the Paris Agreement, **RECALLS** its call for the recognition of the multiple forms and stages of Just Transitions, and **URGES** Parties to consider just transitions, including pathways to low emissions and climate-resilient development in the different IPCC sectors, and in the context of sustainable development and poverty eradication while recognising the need for scaled-up climate finance for the transitions and transfer of technology and capacity building for the creation of new and quality jobs;

5. Sustainable Infrastructure¹⁹ and Urbanization

5.1. Context:

Climate change is an existential threat to Africa's communities, ecosystems, and economies. It places our developmental gains, our prosperity, and the aspirations of Agenda 2063 in jeopardy. In its Climate Change Strategy (AUC, 2022), Africa defines a strategic objective '*Pursuing equitable and transformative low emission, climate-resilient development pathways*'. to address sustainability of infrastructure. Sustainability of infrastructure and the choice of an appropriate urbanisation pathway are key to enabling economic transformation.

The commitments of the past, including the \$100 billion annual climate finance commitment from COP15, the 0.7 percent of GNI to Official Development Assistance from COP26, Loss and Damages from COP27. The Africa Climate Change Strategy (AUC, 2022) identifies infrastructure as a key barrier consequential to increased production and transaction costs, reduced competitiveness of businesses, negative impact on foreign direct investment flows to the continent; therefore, affecting the rate of economic and social development on the continent.

¹⁹ Sustainable infrastructure is infrastructure that delivers long-term economic, social, and environmental (ESE) benefits.

By 2050, Africa is expected to add over 800 million new residents to its cities. In the not-too-distant future, cities will need to provide services to ever greater numbers of urban residents and massive investments are needed to address infrastructure backlogs. It is therefore urgent for the continent to adapt to the adverse impacts of climate change and mainstream climate action into its broader social and economic development activities. For Africa, urbanisation should focus on inclusive, sustainable, and resilient infrastructure, addressing the needs of marginalised.

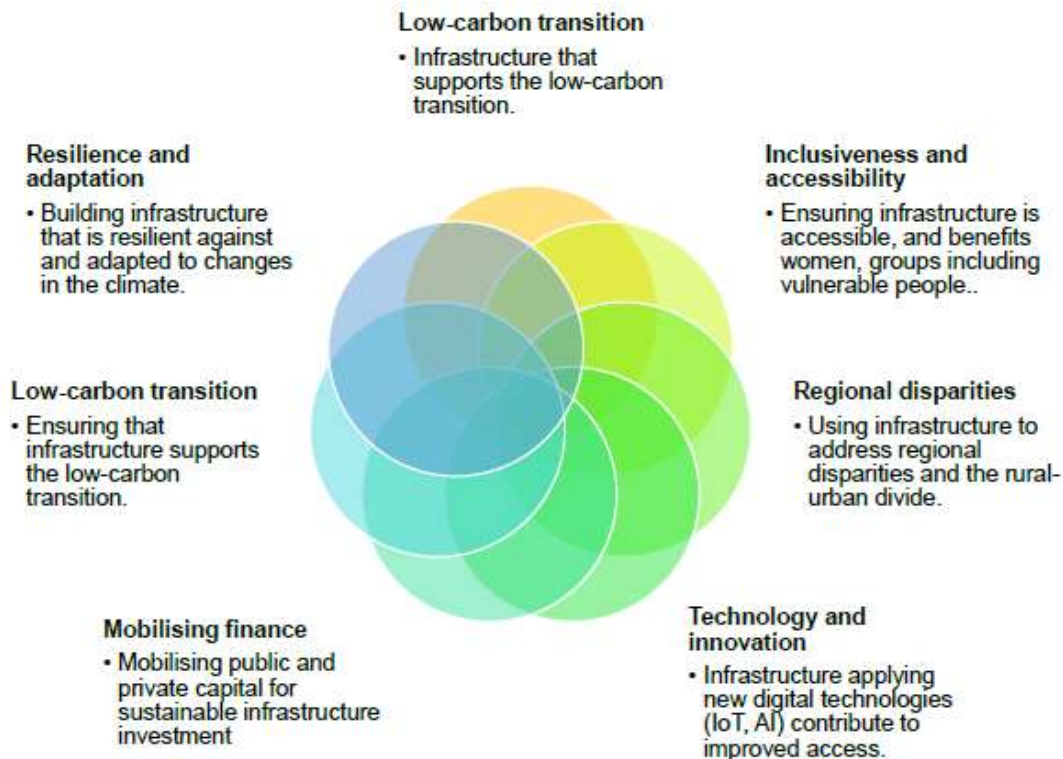
The Programme for Infrastructure Development in Africa (PIDA) was designed to address these constraints by establishing a common vision and global partnership to put in place an adequate, cost effective and sustainable regional infrastructure base to promote Africa's socio-economic development and integration into the global economy. The PIDA should strengthen strategies to benefit from the operationalisation of the *Loss and Damage* facility agreed in Sharm-El-Sheikh at COP27.

5.2. Arrangement of the session.

To address the sustainability and urbanisation under climate change, the session needs to consider the following sub-themes.

Low-carbon transition, Resilience and adaptation, Low-carbon transition, Mobilising finance, Technology and Innovation, Regional disparities, Inclusiveness, and accessibility. As objectives, the focus of the session will address the following

- Compact transit-oriented cities to reduce sprawl
- Access to efficient low-carbon transport modes such as bus rapid transit, non-motorised transport, clean buses
- Access to basic facilities such as water & waste management
- Green buildings with a focus on conservation of water and electricity, recycling, complementing low-carbon transport modes
- Decent affordable housing with access to basic utilities and access to opportunities.
- Public private partnerships for provision of liveable spaces within infrastructure and urbanisation.
- Policies focusing on land use, land tenure and urban development to spur growth, slum redevelopment and access to economic opportunities.



5.3. Outcomes expected from the session.

The outcome from the session will consider (a) scaling up the provision of finance, capacity building and technology for enhancing adaptive capacity and building resilience, (b) launching of the work by the Transitional Committee to operationalise the Loss and Damage fund by COP28, (c) defining institutional arrangement, governance, and eligibility and (d) establishing the Loss and damage financing mechanism and fund calls for swift operationalization of the fund.

The session outcome will be useful input to the AGN as the AGN represents Africa at the upcoming UNFCCC COP 28 and beyond.

Importantly, this session must also address the issues raised in the decision Assembly/AU/Dec.855(XXXVI) contained in the Decisions, Declarations, Resolution and Motion from the record of the Thirty-Sixth Ordinary Session of the Assembly of the Union, specifically, paragraphs 16 and 18. Text Box 5.

Text Box 5

16. EXPRESSES DEEP CONCERN over the adverse impacts of climate and extreme weather events on people, nature, and infrastructure, particularly in Africa, and **STRESSES** the urgent need to scale up the provision of finance, capacity building and technology for enhancing adaptive capacity and building resilience.

18. URGENTLY CALLS for the launching of the work by the Transitional Committee to operationalise the Loss and Damage fund by COP28, and **FURTHER URGES** the Committee to be guided by the previous COP decisions while defining institutional arrangement, governance, and eligibility. The establishment of the Loss and damage financing mechanism and fund calls for swift operationalization of the fund.

6. Nature

6.1. Context:

Nature has historically been one of our most powerful allies. Behind the scenes, land and marine ecosystems play an important role in regulating climate. Oceans, forests, permafrost, peatlands, coastal wetlands, savannahs, and grasslands all act as 'carbon sinks', absorbing and storing carbon dioxide from the atmosphere and slowing global warming (WWF, 2022). Nature also plays other roles; it keeps people safer from the impacts of climate change, protecting houses, crops, water supplies, and vital infrastructure.

Africa is immensely rich in biodiversity. Its living organisms comprise around a quarter of global biodiversity (UNEP-WCMC, 2016) and it supports the earth's largest intact assemblages of large mammals, Africa's biomes extend from mangroves to deserts, from Mediterranean to tropical forests, from temperate to sub-tropical and montane grasslands and savannahs, and even to ice-capped mountains.

Around the world, global warming of 1.1°C is already causing dangerous and widespread disruption in nature, wreaking havoc in marine, terrestrial, and freshwater ecosystems. (WWF, 2022). Many African countries' ecosystems are vulnerable to climate change, particularly coral reefs, seasonal wetlands, semiarid transition regions such as the Sahel, and high mountain tops. (UNEP-WCMC, 2016).

On land, heatwaves and drought are also severely damaging ecosystems and cause mass animal deaths, pushing some species to the brink of extinction. In South Africa, 14 species of birds and fruit bats suffered mass die-offs in 2020 due to extreme heat, including African penguin eggs and chicks. (WWF, 2022) Some species are hit in multiple ways by climate change. Long before species go extinct, ecosystems begin to lose their integrity, resilience, and overall ability to function when the local populations of specific animals are becoming rare.

Other threats to nature such as habitat destruction, overexploitation of natural resources, pollution all exacerbate the impacts of climate change to push the world's natural systems to the edge, with catastrophic consequences for biodiversity. Ongoing loss of biodiversity in Africa is driven by a combination of human-induced factors including (a) Africa's freshwater ecosystems and their biodiversity are especially threatened. (b) Africa continues to experience deforestation and forest degradation. (c) The negative impacts of climate change on species and ecosystems are exacerbating the effects of all these pressures.

On the other hand, Africa is making increasing use of ecosystem-based conservation and restoration of natural resources.

Nature plays a vital role in mitigation and adaptation. According to Niang²⁰, Africa has a long experience with ecosystem-based conservation and restoration, including afforestation, rangeland regeneration, catchment rehabilitation and community-based natural resource management. Ecosystem restoration can stabilize coastlines, safeguard freshwater ecosystems and biodiversity, and contribute to climate change adaptation and mitigation. In a number of countries in Africa, for example in Sierra Leone and Ghana in West Africa there have been ongoing efforts to restore, and re-plant degraded areas of mangroves – particularly around major cities where they are cut for firewood and building materials.

Actions, if implemented in a way that accounts for the UNFCCC Cancun safeguards²¹, particularly safeguard (e) on natural forests, biodiversity, and enhancement of social and environmental benefits, have the potential to provide substantial opportunities for African countries to achieve biodiversity and forest conservation, climate change mitigation as well economic development.

Restoration of degraded ecosystems can enhance ecosystem resilience and adaptive capacity of ecosystems, contribute to climate change adaptation and mitigation, and generate additional benefits for various stakeholders and communities.

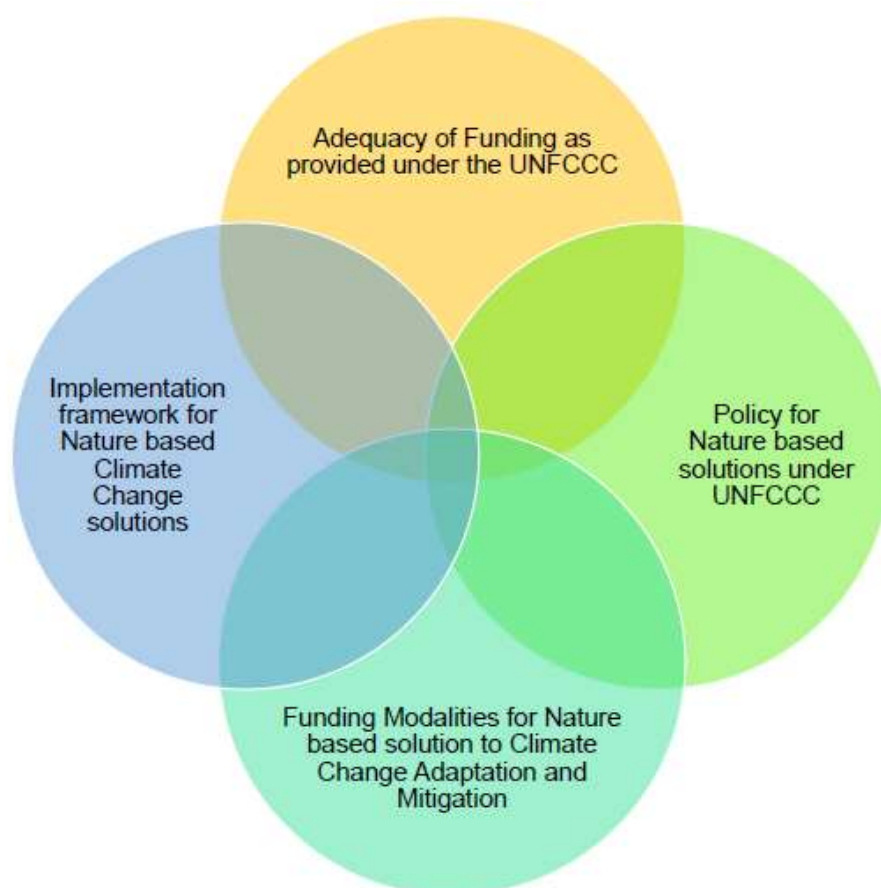
6.2. Arrangement of the session.

The session will address the Nature-Climate Change nexus, and in particular focus on the landscape's approach towards a national bioeconomy. The session will consider the adequacy of funding for nature-based adaptation and mitigation needs, the modalities for

20 Niang, I., Ruppel, O.C., Abdrabo, M.A., et al. (2014). Africa. In *Climate Change 2014: Impacts, Adaptation, and Vulnerability. Part B: Regional Aspects. Contribution of Working Group II to the Fifth Assessment Report of the Intergovernmental Panel on Climate Change*, V.R. Barros, C.B. Field, D.J. Dokken, et al., eds. Cambridge and New York: Cambridge University Press.

21 United Nations Framework Convention on Climate Change (2010) Cancun Agreements. Available from: <http://cancun.unfccc.int/>

financing nature-based adaptation and mitigation, with a view to increase by 6 and 13 times respectively²², as recommended by the Climate Policy Initiative.



6.3. Outcomes expected from the session.

As outcome, the session will explore further, the landscapes approach, with focus on Investment in Nature and biodiversity, forests and blue economy, the transition to a bioeconomy lens – learning from other countries and regions and propose intervention to address.

- Adequacy of Funding as provided under the UNFCCC.
- Policy for Nature based solutions under UNFCCC,
- Funding Modalities for Nature based solution to Climate Change Adaptation and Mitigation, for example insurance, carbon markets, financing instruments, including de-risking, multilateral finance packages,
- Implementation framework for Nature based Climate Change solutions, showcasing best practice and a range of actors and instruments, governance of nature and nature markets

22 <https://www.climatepolicyinitiative.org/publication/the-fund-for-nature/>

Importantly, this session must also address the issues raised in the decision Assembly/AU/Dec.855(XXXVI) contained in the Decisions, Declarations, Resolution and Motion from the record of the Thirty-Sixth Ordinary Session of the Assembly of the Union, specifically, paragraph 16.

Text Box 6

16. **EXPRESSES DEEP CONCERN** over the adverse impacts of climate and extreme weather events on people, nature, and infrastructure, particularly in Africa, and **STRESSES** the urgent need to scale up the provision of finance, capacity building and technology for enhancing adaptive capacity and building resilience.

7. Adaptation and Resilience

7.1. Context:

The devastating impacts of climate change - severe droughts, floods, reduced agricultural yields, food, and water insecurity – have increased in Africa. Africa, particularly West-, Central- and East Africa, are highly vulnerable to the climatic hazards (IPCC, 2022).. By 2050, Africa’s adaptation costs could reach USD 100 billion annually (UNEP 2014). Climate change threatens the economic growth of African states and impedes progress towards achieving the Sustainable Development Goals. Current flows of adaptation money to Africa are massively lower, only a cumulative total of US\$ 350m of adaptation funding approved for spending in Africa, of which approximately US\$ 130m has been received.²³

Climate change has already had diverse adverse impacts on human systems, including on water security and food production, health and well-being, and cities, settlements, and infrastructure. (IPCC, 2023) (IPCC, 2022). Africa’s immediate adaptation priority is to improve its current adaptive capacity. There is a risk to food production and food security driven by unfavourable climatic conditions, diseases, and pests, as well as flood impacts, and health risks due to an increase in the range of water and vector borne diseases. The potential to reduce these risks in the near term (2030-2040) is much higher. The imperative to act for Africa is now. For the continent to mitigate these risks, it is important that adaptation action and investments are accelerated, however this should be based on informed planning and decision making based on sound science. (AUC, 2018)

According to the World Economic Forum Global Risks Report 2018, failure of climate change mitigation and adaptation poses the greatest present risk to humankind and economic development. A global effort to increase funding for climate change adaptation in developing countries is important for the whole world, as climate change is a driver of other closely related threats, such as large-scale mass migration, disease outbreaks, and

23 Source: Presentation to ClimDev at the ccda1_topic4.1_1._ccda-ppt_cost_of_adaptation_v2. The cost of adaptation to climate change in Africa by Aimee Bella-Corbin, Ph.D.

extreme events. These threats not only have the potential to destabilise global value chains, but also impact on trade, economic growth, and social stability across the world. (AUC, 2018)

Africa is particularly vulnerable to these extreme impacts of climate change. It faces exponential collateral damage, posing systemic risks to its economies, infrastructure investments, water and food systems, public health, agriculture, and livelihoods, threatening to undo its hard-fought development and reverse decades of economic progress.

Africa has no choice but to adapt now to the present and future impacts of climate change. Yet while adaptation is a critical need, when done right it also presents major opportunities. With swift and effective action across all sectors, Africa can achieve a larger development agenda and move forward rapidly on a new “green” and resilient pathway to growth, harnessing the powerful synergies between adaptation, growth, and development. Given the right conditions, Africa has some special advantages that make this green growth path more achievable, such as a rapidly growing labor force and rich reserves of natural resources. (GCA, 2021).

African countries are still making progress in translating climate science information into action, even with limited infrastructure capacity. (AUC, 2018). The major gap in terms of adaptation action is that most of the projects implemented in Africa so far relate to technical assistance, policy development, and advocacy, rather than the implementation of actions on the ground, especially at sub-regional and regional levels. While those areas remain important, they are certainly not the overriding priorities in terms of addressing climate impacts. (AUC, 2018).

7.2. Arrangement of the session.

Policy and normative guidance for adaptation finance by Multilateral Development Banks, Donor Agencies and UNFCCC Finance Mechanism need to respond to emerging understanding of effective adaptation instruments and integration of climate adaptation considerations in development planning. As such, the funding criteria of these institutions need to recognise the importance of ‘integration’ compared to ‘additionality’ for adaptation projects. (AUC, 2018).

The \$350m represents approximately one hundredth of the future annual requirements – this demonstrates the scale of the challenge. It also demonstrates the urgent need for African leaders to engage in the debate on the sources of future climate change finance.

There is a pressing need in Africa to mobilise resources to address the continent’s current limitations to deal with climate events, as well as resources to deal with future climate change. Enhancing adaptive capacity through Sustainable Land Use and Integrated Water Resources Management. Integrated Water Resources Management. Institutional Support and Project Studies Component under the Banks Water Business Plan. Building

Resilience of Key Infrastructure and Urban Systems Development of Regional Integration Strategy Papers (RISP). Urban Development Strategy, the Bank will deliver robust infrastructure, strengthen urban governance, and support the development and implementation of robust policies and related institutions.

AAI works with partners in the private and public sectors to identify, refine and priorities activities based on how they align with the AAI ‘Pillars’ or focus areas:



7.3. Outcomes expected from the session.

As an outcome, the session will discuss opportunity for Adaptation Investment Compacts and other mechanisms to determine the adaptation investment needs and financing opportunities and to scale-up adaptation. Specifically, the session will focus on the delivery of outcome to address (a) the need for swift operationalisation of the Global Goal on Adaptation (GGA) under the Glasgow-Sharm-el-Sheikh work programme at COP26, (b) delivering a substantive milestone outcome at COP28 that facilitates enhancing adaptation action and implementation and increasing the ability of Parties to adapt to adverse impacts of climate change through provisions of additional finance for adaptation and (c) the need for developed countries to deliver on their commitment to double adaptation finance by 2025 as decided in 1/CMA3 paragraph 18.

Importantly, this session must also address the issues raised in the decision Assembly/AU/Dec.855(XXXVI) contained in the Decisions, Declarations, Resolution and Motion from the record of the Thirty-Sixth Ordinary Session of the Assembly of the Union, specifically, paragraph 14 and 15. Text Box 7.

Text Box 7

14. **STRESSES** the need for swift operationalisation of the Global Goal on Adaptation (GGA) under the Glasgow-Sharm-el-Sheikh work programme at COP26, and **URGES** Parties to work on delivering a substantive milestone outcome at COP28 that facilitates enhancing adaptation action and implementation and increasing the ability of Parties to adapt to adverse impacts of climate change through provisions of additional finance for adaptation.

15. **DEEPLY REGRETS** the inadequacy of adaptation financing for responding to the worsening climate change impacts in developing countries and **FURTHER STRESSES** the need for developed countries to deliver on their commitment to double adaptation finance by 2025 as decided in 1/CMA3 paragraph 18.

Refashioning Existing Tools

MDBs are experimenting with a number of [different approaches](#) to de-risk investments, which doesn't come through to its full extent in their joint climate finance reports. Each type of instrument has its own constraints and fit for purpose, so it makes sense that MDBs are trying to draw on a diverse set of instruments, including [insurance, blended finance, equity investment and liquidity backup facilities](#), to reach the full potential of risk sharing.

Below is a snapshot of examples of recent de-risking efforts by different MDBs:

- *Bundling technical and financial support* for de-risking efforts in the case of dedicated de-risking facilities like the new ADB Asia-Pacific Climate Finance Fund ([ACliFF](#)), which bundles ADB support for a variety of different financial risk management products through one facility. Another example is the [EBRD](#)'s risk sharing facility, which provides different risk-sharing instruments tailored to the local financial institution it serves. Similarly, the [AfDB](#) is developing a facility that aims at lowering risks for investments in agriculture value chains by financial institutions across Africa.
- *Bundling services* in one-stop-shop programs such as the [WBG Scaling Solar Initiative](#) decreases the complexity of de-risking and shortens processing times.
- *Using multiple instruments* can be useful to incorporate risk-sharing in traditional financial transactions and enabling private investment at multiple stages. An example is IADB-IIC's financing of [renewable energy projects in Argentina](#), which are co-financed from public and private sources with a mix of concessional finance, A and B-loans, as well as equity. This way, risk is shared without locking in capital, because the funds are not retained but paid out.
- *Guaranteeing entire portfolios* by covering a share of each loan, as done by the [EIB](#), mitigates the side effects of locking in capital by scaling up the guarantee's impact directly.

Source: <https://www.wri.org/research/mobilizing-private-investment-climate-solutions-mdbs>

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