



United Nations
Economic Commission for Africa

What constitutes a just and equitable transition for Africa? Who defines it? Opportunities and challenges

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Chronic energy and development needs, climate change, and geopolitical shocks shaping Africa’s energy transition narrative

TheGuardian

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‘Energy transition cannot be identical considering Africa’s industrialisation need’

By Femi Adegboye

27 June 2022 | 3:05 am



Contributor: Photos/FACEBOOK/Professoryemisiolubajola

Let Africa exploit its natural gas reserves, says Mary Robinson

Ex-UN climate envoy says continent’s need for energy is so great it should be able to widely use the fossil fuel



ARGUMENT An expert’s point of view on a current event.

Europe to Africa: Gas for Me but Not for Thee

Europe is ramping up its use of the dirtiest fuels—but keeps pressing Africa to stick to draconian green goals.

By W. Gyude Moore, a senior policy fellow at the Center for Global Development, and Todd Moss, the executive director of the Energy for Growth Hub.

ARGUMENT An expert’s point of view on a current event.

Why the Climate Panic About Africa Is Wrong

Once again, the rich world sees Africans as a threat to the planet.

By Todd Moss, the executive director of the Energy for Growth Hub, and Vijaya Ramachandran, the director for energy and development at the Breakthrough Institute.

Green + Equality

Europe’s Rush to Buy Africa’s Natural Gas Draws Cries of Hypocrisy

The EU wants to import as much African gas as it can, but doesn’t want to fund projects that would allow the

Bloomberg

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Sign

EU Plans to Court Africa to Help Replace Russian Gas Imports

EU drafts action plan to cut energy dependence on Moscow

Europe to work with major producers and consumers of LNG

YallaAfrica

Africa’s energy transition calls for pragmatic measures to keep the continent competitive



Africa’s energy transition

United Nations Economic Commission for Africa (Addis Ababa)

ANALYSIS

By Vera Songwe, Damola Ogundijo and Amani Abou-Zeid

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Stranded Assets and Climate Change in the Context of Sustainable Development in Africa

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Africa: renewables infrastructure avoids stranded assets



COVID-19 Foreign Policy Economic Diplomacy Governance Natural Resource

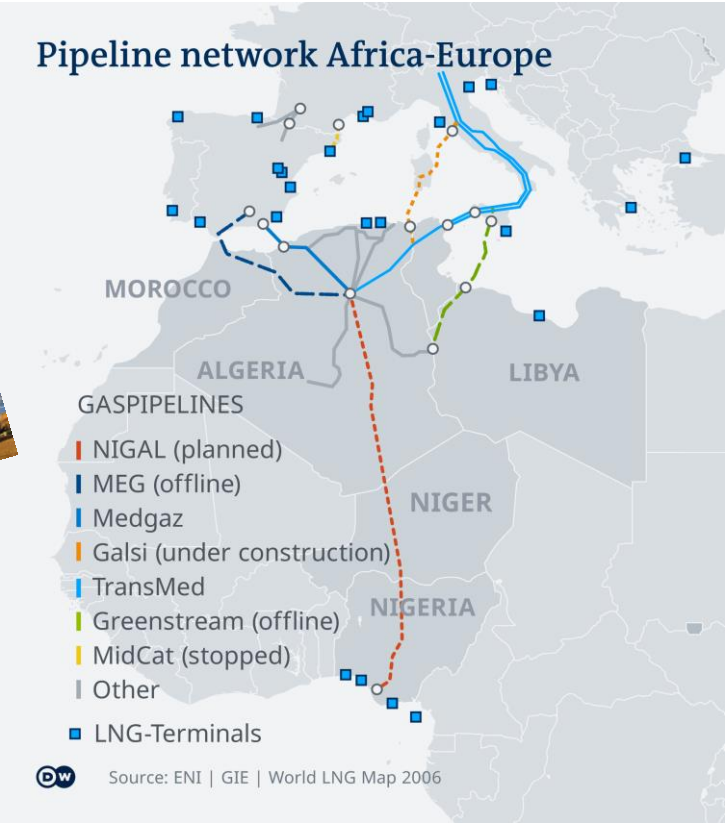
Policy Insights | Extractives, Natural Resources

Stranded Assets: The Nexus Between Extractives, Climate, & the Circular Economy Within the African Extractives Sectors

Who owns Africa’s fossil fuel assets?



Whose stranded assets?



IAEE Energy Forum / First Quarter 2020

Energy Transition and Stranded Assets: What does the Future Hold for Africa?

BY ANDREW AKWENY AND ROCKSON SAI

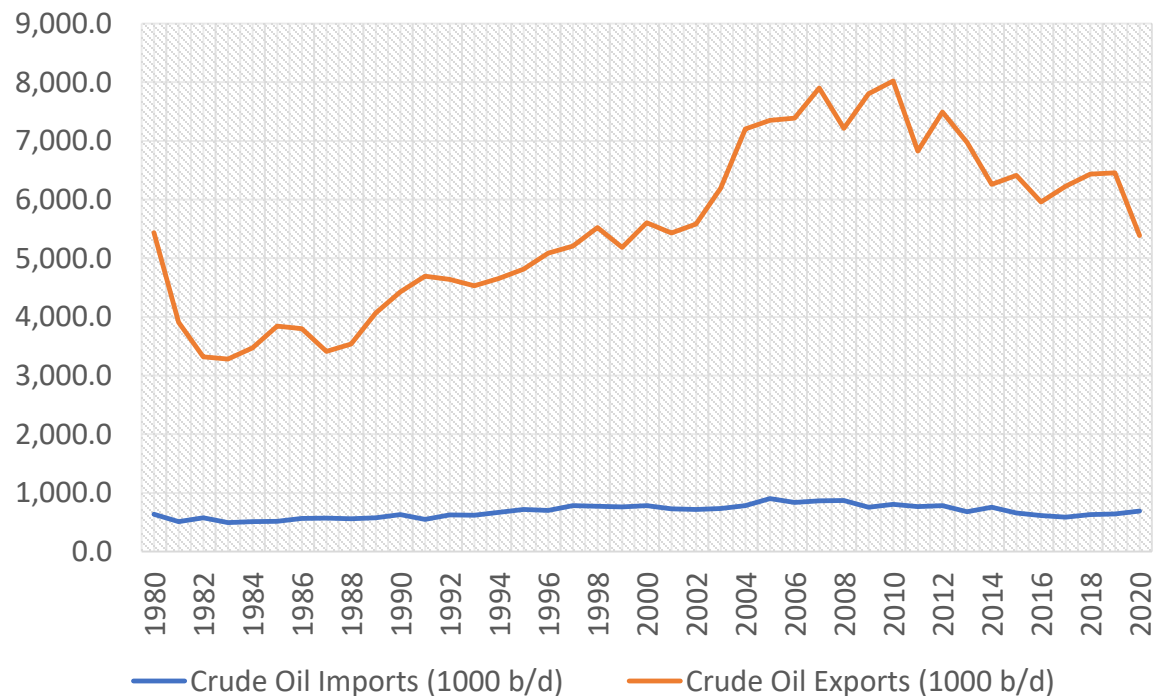
- Africa can be the global growth pole for the energy transition and drive to net zero towards the temperature goal of the Paris Agreement.
- But, a **compelling** just and equitable energy transition in Africa must be:
 - ✓ Defined by Africa
 - ✓ Led by Africa
 - ✓ Based on optimal use of the continent's abundant renewable energy and critical mineral resources
 - ✓ Involve Africa's private sector and domestic markets
 - ✓ Supported by international partners
 - ✓ Attractive to FDI

Because Africa has huge development gaps to close at speed and scale

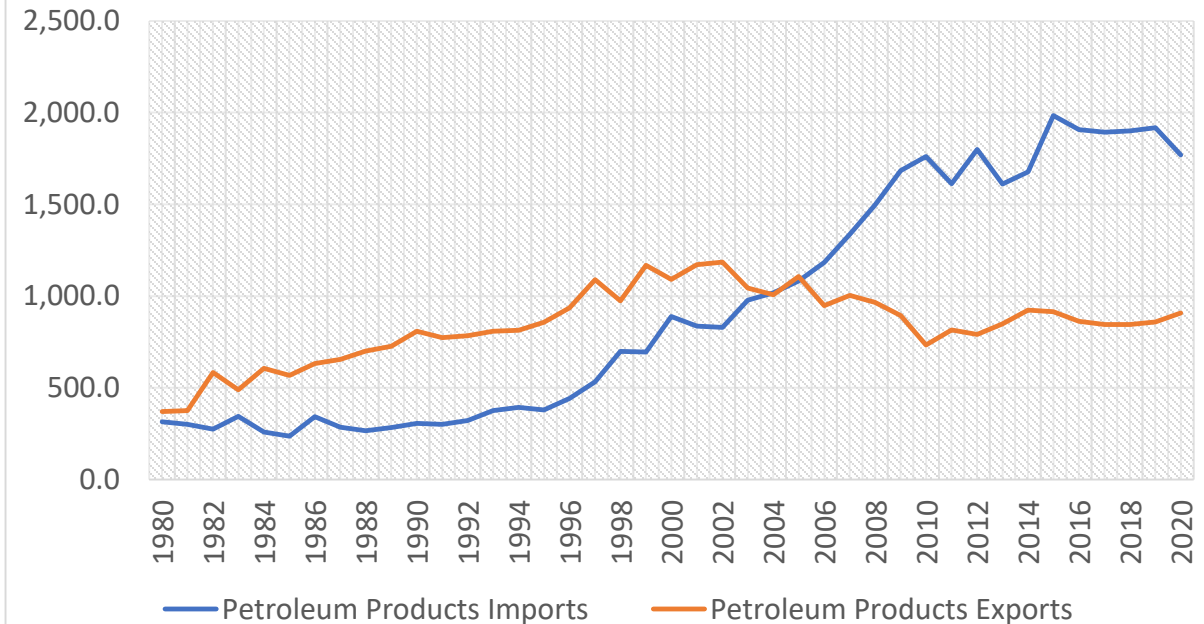
Without a smart and strategic transition from fossil fuels, Africa remains vulnerable

- Africa is a mix of net exporters and importers (42) but as a region net exporter of crude oil and net importer of petroleum products
- High dependence on oil and natural gas for national revenues

Africa's crude oil trade (1000 b/d)



Africa's petroleum products trade (1000 b/d)



OPEC Data

Africa's energy paradox: Lack in abundance

African countries need plenty of secure, affordable and reliable energy to:

- recover better from COVID-19 pandemic & provide better health and education services
- industrialize & trade
- boost economic growth, reduce poverty, and increase inclusion
- cater for population growth, increasing urbanization, and climate change.

Abundant energy resources – fossil and renewable:

Abundant renewable resources:

- 20,000 MW of geothermal
- 350,000 MW of hydropower
- 110,000 MW of wind
- Abundant solar irradiation: 40% of global solar irradiation but only about 1.5 percent of global solar power capacity

Abundant fossil resources:

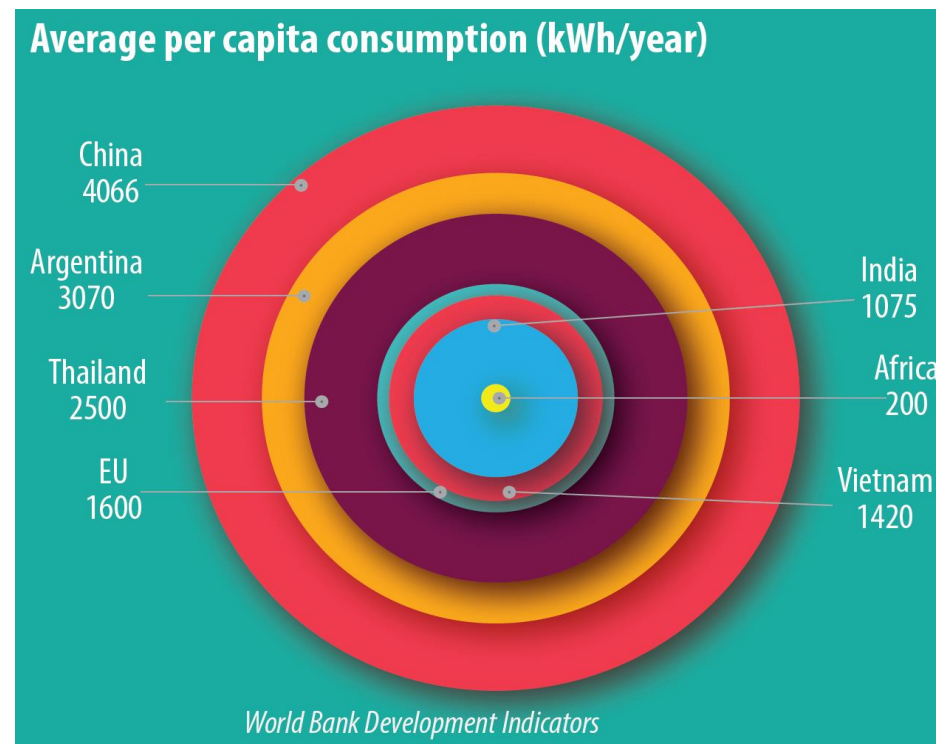
- Africa has good reserves of oil and natural gas.
- In 2020
- 7.2% of world's 1.73 trillion barrels of crude oil reserves
- 7.8% of world's 88.4 million barrels per day production
- 7.6% of world's 207 trillion cubic metres of gas reserves
- 6.2% of the world's 3.9 trillion cubic metres of natural gas

Africa's energy paradox

Abundant energy resources – fossil and renewable, Yet:

- 78% (560 million) of people globally without access to electricity
- 36% of 2.6 billion people without access to clean cooking
- 3.3 percent of global consumption of primary energy
- 3.2 percent of the 27,005 terawatt-hours of electricity generated globally
- 3 percent of global energy use in industry
- 3.5 percent of global installed electricity capacity of 7,100 gigawatts
- Less than 2 percent of global clean energy investments over last 10 years

- Very low consumption
- Low installed capacity
- Excluding South Africa and North African countries, rest of Africa has similar installed capacity as South Africa



Limited and weak transmission and distribution; low cross-border trade in electricity

To meet its SDG objective



250GW



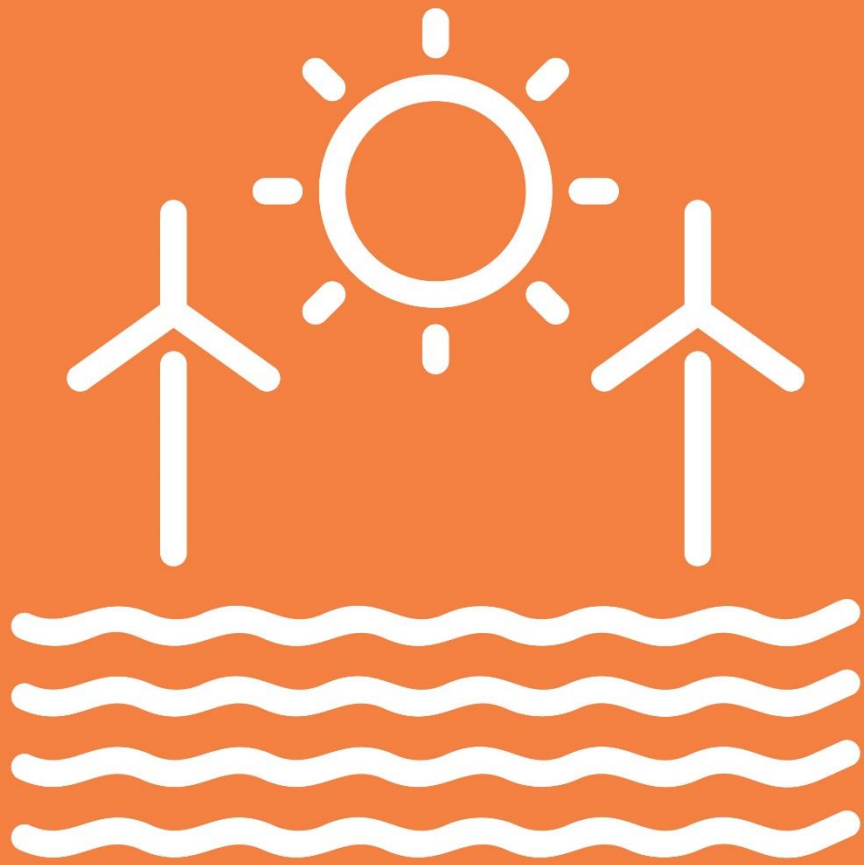
2030

1250GW



2050

Africa will need to nearly double its present electricity generation capacity by 2030 and increase it by at least five-fold by 2050.



80%

electricity generation
capacity can be from clean
energy power sources by

2050



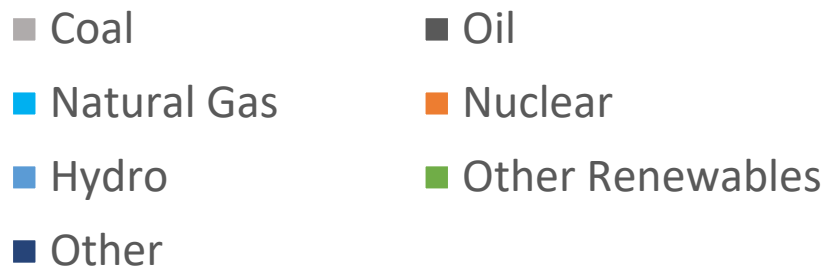
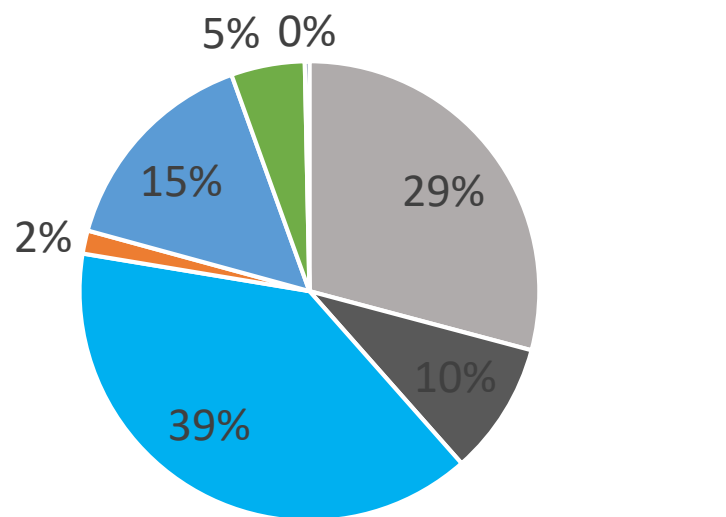
\$ 500 bln

to add 250GW of renewable
electricity capacity by

2030

A compelling energy transition in Africa is a win-win opportunity

Africa's electricity mix

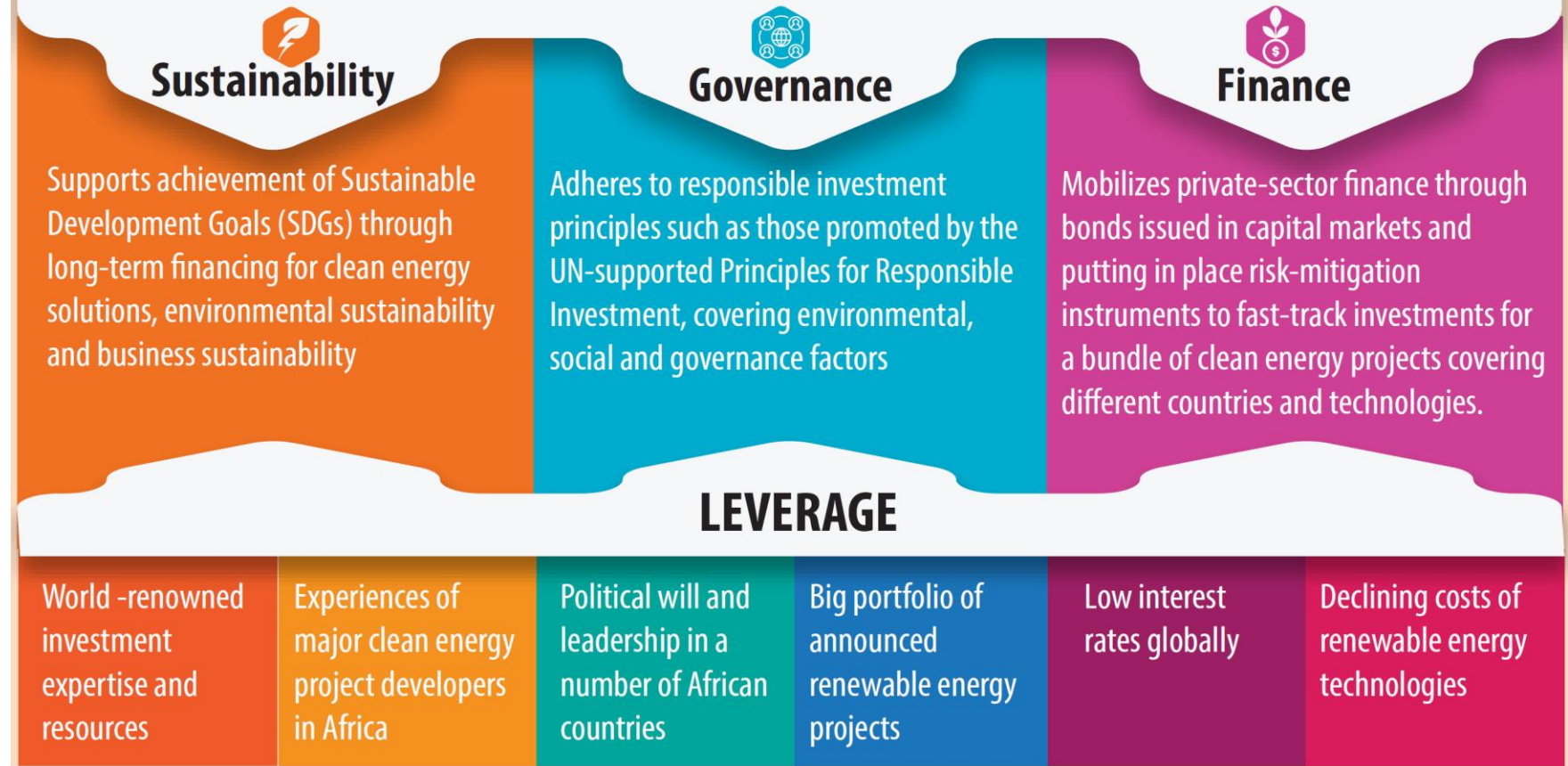


- Opportunity to scale up clean energy, industrialize and transform critical minerals for global electrification
- Private sector investment is central to the transition
- Countries can take opportunity to address policy and regulatory barriers to investment
- Opportunity for strengthened international partnerships to de-risk investments
- Huge investments in transmission (including cross-border infrastructure) and distribution needed
- Opportunity to accept natural gas as a transition fuel for:
 - ✓ accelerated deployment of variable renewables
 - ✓ Phase-out of more polluting fuels – coal & HFO
 - ✓ transition to **green hydrogen** economy

Addressing investment challenges for the transition: ECA's SDG7 Initiative for Africa

Less than 2% of global clean energy investments flow to Africa (just a few countries: South Africa, Kenya, Morocco, Egypt and Zimbabwe)

The initiative is a mechanism built on three pillars - sustainability, governance and finance – to bring together countries, financiers and developers of clean energy projects to align interests and combine scale and speed to fast-track financing from the private sector for deployment of clean energy in Africa.



First issuance local currency green bond of 3 billion rand by PIMCO and South Africa. Preparations are ongoing for similar issuances in other African countries, including Senegal

Addressing investment challenges for the transition: Mobilizing Africa's private sector

Team-Energy Africa

African business investing to power Africa's prosperity



- Opening access to Africa's capital for Africa's development.
- A group of African investors who know the continent best
- Able to work more effectively with member States to address key policy and regulatory barriers
- Brings together the combined efforts of individuals investors, project developers, financial institutions, power pools and policy makers
- Ensure economies of scale and speed in mobilising investments
- Supports projects and member States with local currency debt
- Better understanding of local and international landscapes
- Innovative business models for domestic resource mobilisation to invest not only in power generation but also in the important areas of transmission and distribution.
- Contribution to quality jobs, energy access and climate action
- Helps to create a level playing field for investment in clean energy in Africa, including through increased transparency and promotion of the governance pillar of the SDG7 Initiative for Africa.

Some guiding questions for discussion

- What does Net Zero imply for Africa? What are the challenges/opportunities posed by climate change and the global drive for net zero for Africa?
- What would constitute a just and equitable transition for Africa? Who defines it?
- What are the limitations of harnessing Africa's abundant solar, wind and hydro renewable energy resources?
- What guarantees do we have that investments in hydrocarbons will not become stranded?
- What role can the AFCTA play in the African energy transition and the global drive to net zero?
- What limits African countries from having an intra-regional solution for a just transition?
- How can Africa finance its own energy transition?
- What lessons can Africa learn from China and Europe's Green Deal?



**THANK
YOU!**

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to
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