

CONCEPT NOTE FOR AFRICA DAY

8 November 2022, 16:30 - 19:00

Implementation of Climate Actions and Africa's Responses for a Just and Sustainable Transition

Green financing, Energy Transition, Resilient Agriculture and Food Systems, Green Recovery, Resilient Infrastructure and Circular Economy

1. Background and Context

Green financing

Africa will struggle to finance economic recovery from the COVID-19 crisis while simultaneously addressing underlying development challenges and the mounting impact of climate change. Africa is one of the most climate-vulnerable regions of the world, currently capturing just three per cent of sustainable investment flows, showing the challenge for low-income developing countries to capitalize on the green finance boom. Without the foundational skills, data, regulatory frameworks, and policies to support green finance, developing nations will struggle to increase the level of financial flows (from banking, micro-credit, insurance, and investment) from the public, private and not-for-profit sectors to sustainable development priorities.

The climate change challenge for Africa focuses on adaptation, making development climate-resilient. Ramping up climate finance for adaptation is critical to addressing the irreversible impacts of climate change. Adaptation finance accounts for only 10% of global climate finance. Only about 19% of total international adaptation finance is programmed in Sub-Saharan Africa. Scaling adaptation action and the required finance in Africa is imperative.

However, one institution cannot do it alone; we need to leverage these resources to ramp up financial support for adaptation action in Africa. As the most trusted development partner on the continent, the Bank's responsibility is to bring together partners and friends of adaptation around the world to mobilise the resources needed to scale up adaptation action on the continent.

This session will focus on green financing facilities across the African continent, aiming at catalyzing green, sustainable, environmental, and social investments. Among them are (i) The Africa Adaptation Acceleration Program and Africa Adaptation Initiative (AAI), which are both aiming at strengthening collaboration on adaptation across the continent through high-level pan-African and regional dialogues, adaptation action on the ground, and addressing the adaptation financing gap, (ii) the African Financial Alliance on Climate Change (AFAC) which is structuring and developing the capacity of Africa's private sector, including SMEs, to effectively engage in climate action and support the implementation of various green agendas across the continent, and (iii) the African Green Finance Facility Initiative, which aims to create an ecosystem of local green financial institutions. Other initiatives include the Alliance for Green Infrastructure in Africa, led by the African Development Bank Group and Africa50, in partnership with the African Union Commission and the African Union Development Agency (AUDA-NEPAD).

[1] International Resources Panel (2019), *Global Resources Outlook 2019*

Energy Transition

Africa has abundant renewable and fossil fuel energy resources. The continent's renewable energy potential includes about 20,000 MW of geothermal power, 350,000 MW of hydropower, and 110,000 MW of wind power, and it receives 40 per cent of global solar irradiation. In terms of fossil fuels, Africa accounts for 7.2 percent of the world's 1.73 trillion barrels of crude oil reserves; 7.8 percent of the world's 88.4 million barrels of oil production per day; 7.6 percent of the world's 207 trillion cubic meters of gas reserves; and 6.2 percent of the world's 3.9 trillion cubic meters of natural gas production in 2020. Yet Africa is the least energized region, with close to 80 percent of the 760 million people without access to electricity and 36 percent of the 2.6 billion people without access to clean cooking solutions, a result of which is about 500,000 premature deaths from indoor smoke and pollution. At 17 percent of the global population, Africa only accounts for 3.3 percent of global primary energy consumption and only 3 percent of international energy use in industry, while contributing to less than 4 percent of global emissions. Regarding electricity generation, Africa's share of power production from hydropower is only 3.3 percent, while the share for wind and solar power is 1.2 percent and 1.1 percent, respectively.

The increasing socio-economic impacts of climate change, Covid-19, and geopolitical shocks such as the Ukraine crisis have exposed Africa's vulnerabilities and call for an urgent rethink of Africa's energy transition pathways in ways that address the challenges and risks posed by these global challenges while tapping the opportunities they present to tap the continent's vast renewable energy resources to address energy access, spur

growth, create decent jobs, and respond to climate change. This requires that Africa take the lead to define, own and lead its energy transition and climate ambition and build strong partnerships to leverage the multilateral framework for implementation.

The African Union Agenda 2063 has set up a development trajectory that is based on climate-resilient, low-emission policies and legislations. Consequently, there is a real opportunity to promote transition to clean energy achieving air quality, climate and development goals. By reducing emissions of greenhouse gases, short-lived climate pollutants (SLCPs) and other air pollutants, multiple benefits can be achieved. For example, 800,000 air pollution related deaths can be avoided each year, and the impacts of climate change in parts of Africa reduced.

At its 17th session, the Africa Ministerial Conference on Environment (AMCEN) mandated the Climate and Clean Air Coalition (CCAC) to undertake an integrated assessment of air pollution and climate change in Africa. The assessment was undertaken as a partnership involving the African Union Commission, UNEP-Regional Office for Africa and the Stockholm Environment Institute as the lead institutions for the process. Over 100 African scientists and policy leaders were engaged in the assessment led by three African co-chairs from the science and policy communities. The assessment developed scenarios aimed at achieving key priorities of Agenda 2063 in the context of reducing air pollution and climate change to reach 'the Africa We Want' aspiration. The integrated assessment has shown how 37 mitigation measures - if implemented widely across the continent in key sectors - can reduce GHG emissions, air pollution, and help meet SDG, Paris Agreement and Agenda 2063 targets simultaneously.

Resilient Agriculture and Food Systems

The FAO estimates that Africa is not on track to meet the Sustainable Development Goal (SDG) 2 targets to end hunger and ensure access by all people to safe, nutritious, and sufficient food all year round and to end all forms of malnutrition. This assertion is coherent with the outcomes of the AU Comprehensive African Agriculture Development Programme biennial review report of 2022 which revealed that Africa is not on track to achieving the goal of ending hunger by 2025. Documented evidence indicates that there are about 256 million people still suffering from hunger in Africa.

The situation has been exacerbated by the disruptions caused by COVID-19 that have inflamed the already high rates of hunger, malnutrition and poverty and further straining health, food and nutrition security and broad socio-economic conditions. More so, the conflicts and the rise in the cost of grains, inputs and input services due to the Russia-Ukraine conflict have increased the vulnerability of many African communities.

The increasingly unpredictable and erratic nature of weather systems on the continent and the high dependence on rainfed agriculture has placed an extra burden on food systems and, in particular, is affecting many rural livelihoods. Building food systems resilience is imperative and critical. African governments need to furnish the enabling environment through improved policies and innovative investments in food value chains; through public-private partnerships and scale-up digital solutions. Critical issues concerning the food system include the governance and economics of food production intensification and its sustainability, adapting production to climate change-related

stressors, the opportunities to reduce post-harvest losses and waste throughout the food system and value addition.

It is in the above context that Africa developed a common position that was presented to the UNFSS in September 2021. The common position was geared towards creating awareness of the situation, engaging policymakers and building consensus to galvanize momentum and resolve (global, regional and AU Member States' individual and collective) towards achieving the development goals (AU's Agenda 2063 and those of the UN 2030 Agenda) through accelerating food systems transformation. Specifically, the position aims at: (i) providing an overview of Africa's food systems; (ii) presenting challenges and opportunities of Africa's food systems; (iii) examining the drivers and levers of Africa's food systems; and (iv) presenting Africa's game changing solutions under each of the five Action Tracks proposed by the UNFSS. Africa expects the momentum created by the UNFSS to result in mobilizing and galvanizing support for the implementation of its priorities in Agenda 2063, CAADP Malabo declaration, the Africa Continental Free Trade Agreement (AfCFTA), and other continental frameworks that have the consensus of AU Member States.

During the national, regional and continental dialogues, Africa consulted widely across the various stakeholders and articulated game-changing solutions that will transform its food systems. These are outlined among the five Action Tracks of the UNFSS namely: (i) Ensuring access to safe and nutritious food for all; (ii) Boosting nature-positive production at sufficient scale; (iii) Advancing equitable livelihoods and value distribution; (iv) Building resilience to vulnerabilities, shocks and stress; (v) Access to means of Production including access to production and productivity enhancing technologies and resources including land, finance, data and information as well as technologies (e.g. Seed, breeding materials, irrigation and mechanization equipment, biotechnology) as well as access to water and energy addressing both availability as well as affordable access to quality water and energy.

A critical approach for food systems resilience needs to be a stronger focus on nature-based solutions, with particular emphasis on soil health, which is the foundation of resilient food systems and climate change mitigation. Improving livelihoods and supporting economic development must also be prioritized. If soil health is managed appropriately, it can be the greatest ally in our fight against climate change. Healthy soils are the foundation of sustainable and regenerative food systems and provide vital ecosystem services. Sequestering carbon in agricultural soils can benefit climate change mitigation and food security if soil fertility is improved. Soil carbon sequestration helps combat climate change, restore and sustain biodiversity, improve soil air and water retention, increase crops yield, enhance food security, and build nature-positive food production systems. Addressing soil health is a vital aspect of climate-smart agriculture. It goes hand-in-hand with other actions such as providing climate information services and bundled packages of climate-resilient technologies and practices.

The African Union has declared 2022 as the year of “Strengthening Resilience in Nutrition and Food Security on the African Continent: Strengthening Agro-Food Systems, Health and Social Protection Systems for the Acceleration of Human, Social and Economic Capital Development”. This is informed by the fact that agriculture and food systems are being, significantly, negatively affected by the damage caused by climate change. Without extensive adaptation and building resilient capacity, the effects of climate change on agriculture are expected to exacerbate Africa's deepening food and

nutritional crisis, through narrowing channels of food access and slowing efforts to expand food productivity.

This session will showcase the implementation of initiatives following the adoption common position and learn lessons for the success stories on the continent and beyond.

Green Recovery

As countries move from a focus on containing the COVID-19 virus to economic recovery, choices are being made that will shape trajectories on emissions, resilience, and biodiversity for decades to come. A clean and resilient recovery in Africa will lead to employment in future industries while ensuring that the region addresses the linked challenges of public health, prosperity and climate change. National or sectoral masterplans, climate change adaptation plans and the NDCs – as well as a host of other national programs – provide blueprints for action.

Within this context, the AU's Green Recovery Action Plan (2021-2027) (GRAP) aims to tackle the combined challenges of the COVID-19 recovery and climate change by focusing on five critical areas of joint priority, including Climate finance (increasing flows, efficiency, and impact of funding); supporting renewable energy, energy efficiency and national Just Transition programmes; nature-based solutions and focus on biodiversity through work on sustainable land management, forestry, oceans, and ecotourism; resilient agriculture, by focusing on inclusive economic development and green jobs; and green and resilient cities, including a focus on water (flooding and water resources) and enhancing information, communication and technology. The African Green Stimulus Programme (AGSP) is closely aligned with the GRAP.

Circular Economy

The circular economy model, which aims to promote responsible production and consumption, has gained momentum as a paradigm for sustainable development. The International Resources Panel estimates that resource extraction and processing is an underlying cause behind 90% of biodiversity loss and water stress impacts. The African Union Commission and the African Ministerial Conference on the Environment (AMCEN) recognized circularity as a focal area for Africa's recovery post-Covid-19 pandemic.

The circular economy creates new value-chains in the recycling, repurposing and sharing economy that generates new green jobs for the African youth, who often have creative and innovative sustainable solutions in food systems, packaging, built environment, fashion and textiles, and electronics. These industries are considered immediate growth opportunities for a circular economy in Africa.

2. Objectives

The objective of the Africa Day Side Event aims to showcase Africa's responses to Green Financing, Energy Transition, Agriculture and Food Systems, Green Recovery, Resilient Infrastructure and Circular Economy.

Specifically, it will highlight green financing facilities across the African continent aiming at catalyzing green, sustainable, environmental, and social investments; strengthening

collaboration on adaptation across the continent; structuring and developing the capacity of Africa's private sector, including SMEs, to effectively engage in climate action and support the implementation of various green agendas across the continent.

In terms of Agriculture and Food Systems, the event will highlight advances in creating resilient food systems and identify gaps where more concerted effort is needed. There are positive examples of countries and communities that are successfully implementing climate smart agriculture, improving soil health and focusing on nature-positive solutions, often through engaging with and supporting young people to become involved in agriculture. These case studies can serve as role models for others. Identifying the gaps where more work is needed can help direct investment and support to the places that need it most.

The Session will also showcase green recovery efforts from the continent and the operationalisation of the continental frameworks, strengthening and building resilient food systems, and highlight the progress made in fostering partnerships that can help African countries transition to the circular economy. It will also highlight best practices across the continent and discuss how to provide much-needed financing to build the case for a circular economy as a viable business model for African countries.