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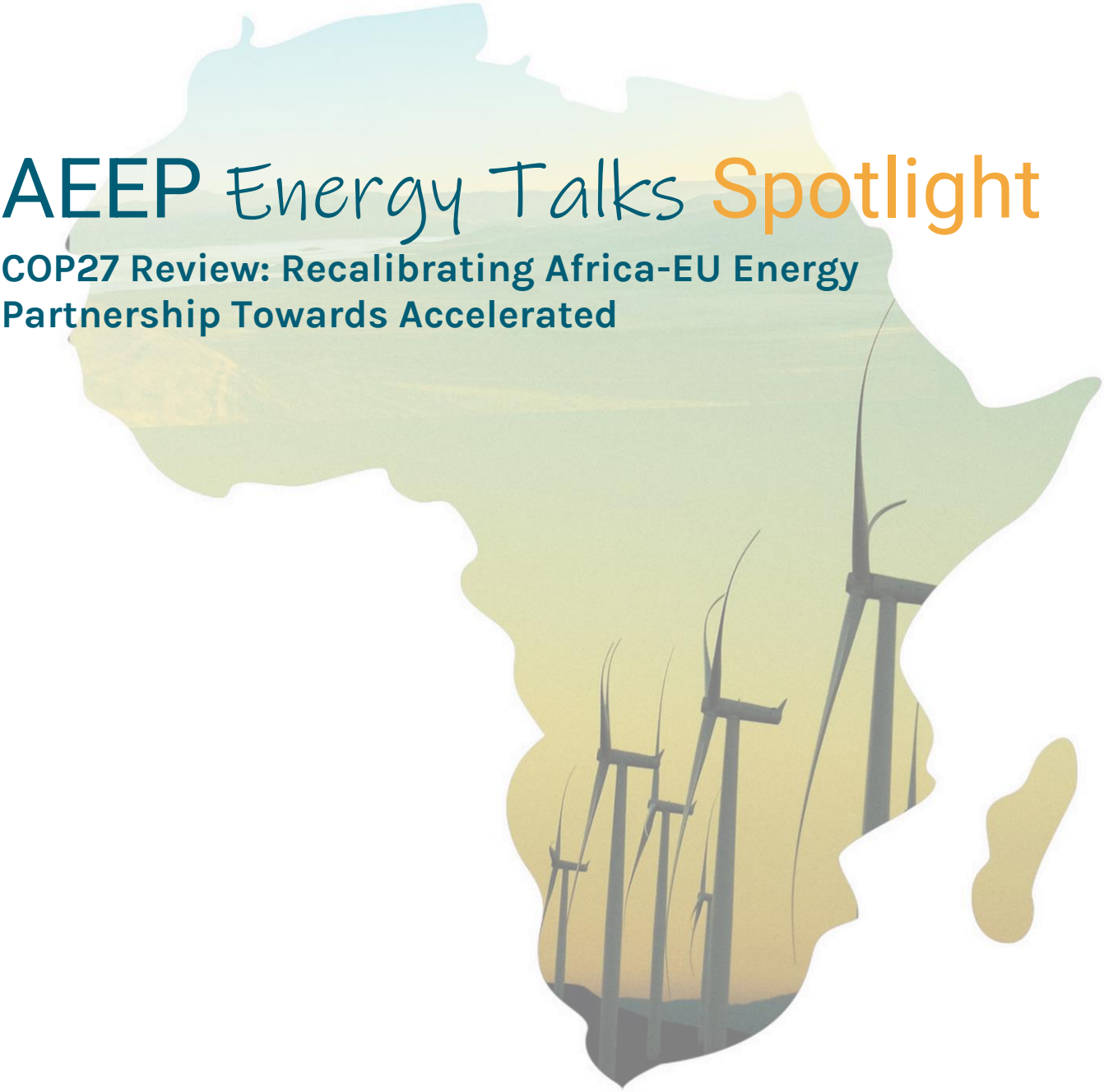
AEEP Energy Talks Spotlight

COP27 Review: Recalibrating Africa-EU Energy Partnership Towards Accelerated



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COP27 Review: Recalibrating Africa-EU Energy Partnership Towards Accelerated Implementation

Key findings from the 8th AEEP Energy Talks 06 December 2022.

SUMMARY

Post the 27th Conference of the Parties (COP27) in Sharm el-Sheikh, Egypt, in November 2022, the Africa-EU Energy Partnership (AEEP) hosted the 8th edition of the AEEP Energy Talks on the topic "COP27 Review: Recalibrating Africa-EU Energy Partnership Towards Accelerated Implementation".

The event on 06 December 2022 highlighted the energy outcomes from COP27 and the opportunities they bring to recalibrate the energy partnership between Africa and Europe. The panellists underlined the:

- importance of the recent investments made during COP27, towards the Africa–EU Green Energy Initiative;
- need for policymakers and project developers to map out diverse energy related projects that are in line with both the African Union priorities and the European Union aspirations;
- increased attention that was given to adaptation and loss-and-damage in the international climate agenda;
- need for an energy leaders group bringing together ministers from Africa and EU along with the major investors;
- how carbon markets can offer the opportunity to scale up financing for renewable energy across Africa;
- support for technology transition and concrete pledges for financial support for just equitable energy transition in Africa.

Introduction

The 27th Conference of Parties to the United Nations Framework Convention on Climate Change (COP27) dubbed as the African COP, held from 06 until 20 November 2022 in Sharm el-Sheikh, Egypt, offered a stage for climate and energy actors, along with the government officials, non-government organisations, and world leaders to address and showcase global climate action and reaffirm their commitment to limit global temperature rise to 1.5 degrees Celsius.

On 06 December 2022, AEEP convened the 8th Energy Talks where panelists discussed the key energy outcomes from the COP27 and the opportunities they bring to recalibrate the energy partnership between Africa and Europe towards accelerated implementation.

The panel featured representatives from European Commission (EC), African Union Commission (AUC), IRENA, African Climate Foundation (ACF), REN21, Africa-Europe Foundation (AEF) and Senegal.

Opening remarks

Moderated by Johan van den Berg, Head of Secretariat, AEEP, the AEEP Energy Talks kicked-off with opening remarks from **Mr Joseph Mwangi,** Acting Head of Energy Division, speaking on behalf of **Dr Kamugisha Kazaura,** Director Infrastructure and Energy, African Union Commission and **Mr Stefano Signore,** Head of Unit, DG INTPA, European Commission.

Mr Mwangi highlighted the importance of platforms such as the AEEP Energy Talks as powerful tools to deepen the energy and climate partnership between Africa and Europe. He added that COP28 adds another such platform, but also said that before next year's negotiations, Africa should refocus its international collaborations and partnerships.

In **Mr Signore's** introductory remarks, he emphasised the significance of the recent investments announced during COP27 towards the Africa-EU Green Energy Initiative, which would improve energy efficiency, increase partner countries' access to renewable energy sources, and expand energy access in Africa and Europe.

As an additional component of the EU-Africa Global Gateway Investment Package, he also emphasised the launch of the 'Initiative on Climate Change Adaptation and Resilience in Africa' and the importance of the ongoing development of the African Continental Power Systems Master Plan (CMP), which serves as the guide for the African Single Electricity Market (AfSEM).

Panellist's impressions on the importance of climate financing in Africa and role of the AU-EU Partnership

Mr van den Berg introduced the panellists, starting with **Mr Norbert Gorrisen,** who leads the International Policy Directorate at the German Federal Ministry for the Environment, and highlighted the importance of adaptation finance and access to finance in Africa. **Mr Norbert** further added the need for phasing down or phasing out fossil fuels and discussed the bottom-up approach for individual countries in Africa to find tailor-made solution for lowering their energy emissions. **Ms Rana Adib,** Executive Director, REN21, agreed and added that there should be ownership from African countries when speaking about their energy visions. **Ms Adib** further underlined the importance of the AU-EU partnership to collectively work towards equitable sustainable energy approaches.

From the observations from the COP27 African Ministerial Roundtable, **Mr Danglade** pointed out the need for an Africa-Europe Energy Leaders' Group to coordinate the energy transition between Africa and the EU. He continued by explaining that the AU's energy plans needed to be strengthened, particularly the AfSEM or the CMP. African nations should be supported for establishing or updating the existing energy transition plants (ETPs). He further added that ETPs that are not yet ready for European funding should be challenged by the EU counterparts and revised to comply with requirements for technical assistance and support, connecting it to the Africa European Energy Initiative or the RePowerEU initiative.

Energy expert from Senegal, **Mr Ousmane Sarr** raised his concerns regarding the slow progress in scaling up access to electricity in Africa and financing of renewable energy during COP27. He was, however, optimistic about how Africa can take advantage of the outcome of the Article 6 of the Paris Agreement to scale up the carbon markets through project funding and activities that advance climate change mitigation and adaptation on the continent.

Ms Faten Aggad, Senior Advisor Climate Diplomacy and Geopolitics, African Climate Foundation, further touched upon two specific climate finance issues, (i) cost of capital being too expensive and (ii) de-risking associated to transmission. According to **Ms Faten**, the latter relates to the need for hardcore infrastructure investments and calls for managing the financial issues around renewable energy in Africa to make the African countries an attractive destination. **Mr Raphael Danglade**, Senior Programme Manager, Africa-Europe Foundation agreed, and pointed out how various actors from Africa should get assistance from the European partners with the technology transfer and concession finance.

Lessons learnt from COP27 on medium and long-term African priorities and the need for faster and better implementation

The results of COP27 were polarised when shared on social media, said **Ms Adib** and noted that African countries need better differentiated discussions about Africa's energy transition. According to her there isn't just one African voice on this topic. She made this observation through reference to REN21's 'RENdez-vous Africa: Dialogue Series', which also gathers opinions from communities at grassroot level.

There is no one African voice, but we have common African problems, responded **Mr Sarr**. He suggested that moving from rhetoric to actual policy action, and linking it with the climate agenda, will be key for a faster and better implementation of the energy transition in Africa. He further referred to issues like universal access, concrete pledges on the possibility of attracting private financing, and financial support and technological transfer from the EU partners for just equitable energy transition.

The topic of 'de-risking game vs. risk-sharing', in which financial institutions have been terminating contracts without managing risk, came up during the panel discussion from one of the participants. **Ms Adib** responded by stating that it's not just about de-risking and risk-sharing, or about the financial aspect. It is about putting a value on what access to energy means and what renewable energy brings to the economies and societies as foundational elements. **Ms Adib** in her concluding remarks, stressed the need for fundamental structural changes and suggested that there is an opportunity for the African-European partnership to change the global rules when it comes down to economic and financial models.

The panellists also emphasised how various other industries may be supported by renewable energy, and how the current carbon markets present a chance to expand funding for renewables in Africa. They acknowledged that there is still potential for greater finance in the global system, but they also emphasised that this should not be used as a justification for delaying the energy transition.

AEEP Energy Talk Conclusions – COP27 Review: Recalibrating Africa-EU Energy Partnership Towards Accelerated Implementation

- AEEP Energy Talks are important platforms and powerful tools to deepen the energy and climate partnership between Africa and Europe.
- Investments announced towards the Africa-Europe Green Energy Initiative would improve energy efficiency, increase partner countries' access to renewable energy sources, and expand energy access in Africa and Europe.
- For lowering down the carbon emissions, the fossil fuels should be phased out and bottom-up approach should be adopted for individual countries in Africa to find tailor-made solution.
- Africa and Europe should collectively work towards equitable sustainable energy approaches.
- Forming an Africa-Europe Energy Leaders Group could help to coordinate the energy transition plans between Africa and Europe.
- For a faster implementation for the energy transition in Africa the rhetoric way should be replaced with the actual policy action in coordination with the climate agenda.
- European partners should support the African countries with the latest technology and provide concession finance for just equitable energy transitions.

About

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

Tap into more information

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