

Concept Note: CCDA X 2022

Just Transitions in Africa: Transforming Dialogue into Action

Context

The world is in the throes of a climatic catastrophe, an existential threat like none other, as its economies relentlessly continue to devour carbon budgets faster than it can restore or replenish. Unprecedented climatic disruption continue to amplify in both frequency and ferocity as low-likelihood, high-impact outcomes precariously take hold. Undoubtedly, climate change is the world's most urgent challenge. The planet is already feeling the effects of sustained inaction with temperature records increasingly being broken by large margins. New analysis from the World Meteorological Organization's (WMO's) most recent Global Annual to Decadal Climate Update underscores that the likelihood of crossing the 1.5°C global temperature threshold has risen significantly (WMO, 2022). There is now approximately a 50:50 chance that the world will warm by more than 1.5°C over the next five years, implying that temperatures between 2022 and 2026 will be between 1.1C and 1.7C higher than pre-industrial levels.

For years, the tendency has been to put off any concerted response to the climate threat, despite clear and growing scientific evidence. As is often the case, the urgent crowded out the important. Yet, WMO's new record adds to the disturbing and disruptive path that climate change has set for the globe. As long as nations continue to emit greenhouse gases, temperatures will continue to hit frightening heights, oceans will continue to become warmer and more acidic, sea ice and glaciers will continue to melt, sea levels will continue to rise, and our weather will become more extreme. The world needs to urgently respond to the evidence that we are hitting climate tipping points with equally urgent action to decarbonise the global economy and start restoring instead of destroying nature.

Evidently, the urgency of the climate crisis requires bold policy action without hesitation. This current decade is going to be pivotal to securing the future of the planet. To meet the targets enshrined in the Paris Agreement, the world collectively needs to be on course to have cut carbon emissions by almost half by 2030, with the sharpest cuts being made by the largest emitters, reaching net zero emissions by 2050 (IPCC, UN, 2021). On current plans, the UN estimates that we are on track to have reduced emissions by 1% compared to 2010 levels¹, highlighting the inadequacy in scale of ambition required to match the challenge at hand.

Africa will not be spared as climate change continues to eviscerate economies. Worse, the continent continues to be disproportionately affected given its peculiar vulnerabilities and low adaptive capacity, even though the continent has contributed the least to global warming (only 3.8% of global fossil fuel emissions in 2019; excluding South Africa and North African countries, the rest of Africa contributes only 1% of these emissions. This is compounded by unfavourable geopolitical headwinds as the Russia-Ukraine crisis contributes to weakening the growth prospects for its economies, coming at a time when the continent is reeling from adverse impacts of the COVID-19 pandemic, debt burdens, reduced fiscal space and heightened security risks. Indeed, storms, hurricanes and droughts continue to ravage communities and disrupt economic activities at both the local and national levels.

¹ <https://unfccc.int/news/climate-commitments-not-on-track-to-meet-paris-agreement-goals-as-ndc-synthesis-report-is-published>

As the world grapples with the triple crises of the ongoing COVID-19 pandemic, climate change and environmental degradation, as well as other shocks including internal conflicts, deteriorating macroeconomic conditions and trade disruptions related to the war in Ukraine, there is consensus that a green pathway which promotes carbon neutral investments, clean jobs and reduced pollution will guarantee sustainability. Pathways limiting global warming to 1.5°C with no or limited overshoot would require rapid and far-reaching transitions in energy, land, urban and infrastructure (including transport and buildings), and industrial systems (IPCC, 2021). These imply deep emissions reductions in all sectors, a wide portfolio of mitigation options and a significant upscaling of investments in those options. In response, an increasing number of governments are developing national strategies towards achieving a carbon-free future, and this is becoming the yardstick for leadership in the global arena.

Hence, the general direction of travel is clear: the world is heading towards a clean-energy economy, propelled by on-going recovery efforts from the COVID-19 pandemic. As such, it is not the need to transition to a carbon-neutral development future which continues to polarize the international community, but rather the speed, form, substance and scope of the transition. The scale of the task at hand should not be underestimated as there is no precedent for the transition countries are being called on to undertake in the next few decades. The shape it takes, the pace at which it develops, and the competitive positions of nations within it is contingent upon the policy decisions governments undertake now. The predominant perspective holds that those countries with the foresight to invest strategically in low-carbon technologies stand to gain the upper-hand in the economy of the future whilst concomitantly saving planet Earth via enhancing climate ambition.

Energy

Energy is the golden thread inextricably linked with all the sustainable development goals (SDGs), without which their attainment is next to impossible. It is the oxygen for production, industrialisation, growth and socio-economic development. There is wide-spread understanding that to achieve sustainability and green development pathways, the energy system as we know it will need to profoundly change. Crucially, 70% of the energy sector contributes to greenhouse gas (GHG) emissions and thereby the climate crisis. Hence, the energy transition has been at the forefront of global policy discourses surrounding the transition, seen as a crucial enabler of sustainable development and climate resilience. Accordingly, there have been incessant calls for an energy transition that can no longer be limited to incremental steps but a transformational effort, a system overhaul, based on the rapid upscaling and implementation of all available technologies to innovate for the future.

Yet, Africa has huge development gaps to close in numerous facets and needs to do so urgently as well as, crucially, at scale. The overwhelming majority of the global deficit in electricity access is in Africa. It remains the world's least electrified region, with inadequate, unreliable and generally expensive supply, severely constraining development aspirations. Considering its urgent growth, poverty eradication and sustainable development imperatives, widespread access to secure, affordable and reliable energy is an inherent and inalienable prerogative.

With 17% of the global population, Africa accounted for merely 3.2% of the over 27,000 terawatt-hours of electricity generated, and 3.4% of the primary energy consumed globally in 2019. Close to 600 million Africans still do not have access to basic electricity, hundreds of million more lack access to electricity for productive use. Nearly 80% of Africans (or 800 million) are without access to clean cooking fuels and technologies. According to the

International Energy Agency (IEA), the continent’s average per capita electricity consumption is only about 600 kilowatt hours (kWh) per year compared with a world average of 3,200 kWh; 6,100 kWh for the European Union (EU) and 4,600 kWh for China. It’s total installed capacity of roughly 233 GW is tantamount to 12% of that of China. Thus, the quantum of energy required to industrialize, energise the African Continental Free Trade Area (AfCFTA), improve health and education services, reduce poverty and increase inclusion, boost economic growth, and respond to population growth, increasing urbanization and the worsening effects of climate change so as to ensure that no one is left behind is massive. Addressing this urgent energy deficit² remains a pivotal priority of the continent. Without a more equitable approach that speaks to Africa’s realities and context, Africa’s economic development and shared prosperity will continue to be significantly constrained, putting at risk the attainment of the goals of Agenda 2063 and the 2030 Agenda.

Notwithstanding, African countries remain active members of the global community at the forefront of the climate challenge and are committed to the goals of the Paris Agreement, with all African countries having signed it. It is critical for Africa to overcome the mutually reinforcing challenges of solving its energy crisis and tackling climate change. The African continent will continue to pursue economic development to provide its population with the prosperity all people deserve, in an environmentally sustainable and socially equitable way. Delivering the conditions for increasing the shared prosperity of all Africans will remain the driving policy aim of African nations. A crucial element of this global climate leadership is ensuring the transition is just and equitable for all.

Just Transition

With regards to the notion of a just transition, the United Nations Framework Convention on Climate Change (UNFCCC) deliberations have centred on the International Labour Organization’s (ILO) “2015 Guidelines for a Just transition” that focuses on a negotiated approach between governments, employers and their organizations as well as workers and their trade unions. It describes it as a process “towards an environmentally sustainable economy, which “needs to be well managed and contribute to the goals of decent work for all, social inclusion and the eradication of poverty”. The Silesia Declaration emanating from COP24 in Katowice, Poland further emphasized the importance of jobs and the social cost of the transition. This forward-looking dialogue has been helpful in both understanding and identifying some of the real-world consequences of an energy transition and has been effective in highlighting important new dimensions. However, the current definition excludes some core aspects of the transition that are essential to African countries.

Increasingly, the prevailing narrative on just transitions in global policy discourses conveys it as a generally ‘win-win’ situation whereby growth need not be decoupled from a clean environment, particularly in the context of Africa as the continent is encouraged to harness its bountiful renewable energy resources, necessitating it to forgo further exploitation of its fossil fuel resources. Further, as Africa is largely ‘un-locked’ into carbon-intensive production processes, the argument is that it would make the transition more palatable by saving it from retrofitting woes that more advanced economies are contending with.

Yet, while Africa’s compliance to global climate ambition is without question, who bears the social and economic costs is of global significance. The ability to determine the speed, scale

² Meeting Africa’s energy demand will require substantially more investment - in the order of US\$ 2 trillion and particularly from the private sector - in new generation, transmission and distribution infrastructure, and new energy technologies and delivery systems. While support is needed from the international community to mobilize these investments, African countries will need to address policy, regulatory and uncertainty barriers to scaling up investments through domestic resource mobilisation.

and timing of the transition will matter, as will the relevant knowledge and skills to enable significant transition decisions to be taken. There has been criticism that the low-carbon development paradigm emphasizes the ‘green’ over the ‘justice’ elements, presenting a serious problem, as an unjust transition is inherently unsustainable. Hence, how should Africa situate itself in this global dynamic? Who directs the orientation of the transition and who defines the justice that anchors the transition? Significantly, has Africa positioned itself to capitalize on the opportunities presented by the transition?

Africa faces a profound developmental dilemma – as the continent most vulnerable to climate change, it will pay to be most ambitious in its climate change goals. Yet, concomitantly, it contributes the least to climate change on account of its low levels of industrialization and energy consumption, hence is in greatest need of rapid investment in infrastructure and industrialization. If this were to be based on business as usual approaches, Africa would contribute towards overshooting the 1.5°C goal, thus worsening its own vulnerability to climate impacts. Indeed, there is the very real danger of stranded assets, as the rest of the world divests from fossil fuels to cleaner energy sources. The pressure continues to mount, evidenced by increasing difficulties in securing investment as well as trading in carbon-related goods and services.³ Hence, there are complex socio-economic, technological and policy challenges to navigate compounded by a very uncertain international financing framework. Notably, the rapid mitigation undertones of the net-zero by 2050 paradigm remain concerning, notwithstanding the urgent necessity to deal with the climate change threat.

Indeed, there are formidable challenges in making the transition just. Transitioning away from fossil fuel-based energy systems will be disruptive, thus it must be done cautiously and ensure a truly just transition that embeds inclusivity, leaving no one behind. The prevailing narrative entails an expectation of all countries to set 2050 net-zero emission targets regardless of their historical or current contribution to the climate change phenomenon. However, this is a glaring dilution of the Common but Differentiated Responsibility (CBDR) principle enshrined in the 2015 Paris Agreement. Crucially, the ability to attain net-zero is a function of variables including technological capability, financial capability and even governance capability. Notably, natural gas needs to be recognized as a legitimate transition fuel. There is hypocrisy in that advanced economies in Europe and beyond continue to exploit their fossil fuel resources whilst Africa is being pressured to ‘leap-frog’ to clean energy systems more rapidly than its development imperatives demand. Tellingly, the Ukraine crisis has witnessed a huge regression by European nations in this regard. Thus, the onus remains on high emitting industrialized countries to transition faster than developing economies allowing developing nations more time and policy space based on national realities. On this, there should be no debate as it is indemnified by the Paris Agreement itself.

Many countries in Africa remain heavily reliant on diesel/Heavy Fuel Oil to meet their energy needs, and any opportunity to shift away from these expensive, high carbon emitting sources should be welcomed. Yet, as a cleaner bridging fuel, African countries with domestic natural gas reserves need to be able to develop these as part of their—and their neighbours’—strategies to meet national imperatives. Of course, these strategies need will need to be time-limited, but significant investment commitments nonetheless for: (a) clean cooking technologies that reduce carbon emissions, ill health and mortality; (b) increased power generation capacity that can be deployed alongside the scale up of grid-based and decentralized renewables; and (c) expansion of distribution networks for natural gas that minimize fugitive methane emissions

³ The European Union’s Carbon Border Adjustment Mechanism (CBAM) is the first major climate import tariff in the world set to come into effect in 2026, placing a cost on an array of products/services based on their carbon footprint. https://ec.europa.eu/commission/presscorner/detail/en/qanda_21_3661

and consider potential future applications for distributing green hydrogen, a fuel in which Africa can be a global leader. Investing in gas thus needs to be part of Africa's just transition strategy in helping it tackle energy deficits whilst concomitantly enhancing climate action. Essentially, there is need for gas producing countries to devise just transition plans as part of their revised NDCs whereas Africa ought to towards a continent-wide strategy for a just transition that includes transformative investments in gas.

As demonstrated by Nigeria's recently adopted Transition Plan, such strategies can help achieve the goal of eliminating energy poverty in the coming decade on the path to a Net-Zero emissions global energy system by mid-century, as laid out in the Paris Agreement. Given its significant potential for green hydrogen, Africa's use of natural gas as a transition fuel provides the added opportunity for the continent to transition from gas to a green hydrogen. With the support of partners, Africa aims to lead the world in the use of gas as a transition fuel that can be displaced by renewable energy and green hydrogen for industrial development. Finally, as Western countries seek urgently to reduce dependence on Russian oil and gas, the same African countries can also contribute to the global gas supply in the short term. Development finance should therefore look holistically at the potential for African countries to play a role in global gas markets alongside meeting the urgent development priorities on the continent.

Hence, there ought to be a more concerted effort by the international community to avoid blanket standards and policies that fail to appreciate the nuances, diverse realities and discrepancies in developing nations' needs as well as viable solutions and financing cost, premised on respective capabilities to accommodate various pathways to net-zero. Accordingly, historical responsibility, as well as financial and technological capabilities, would dictate that advanced economies put their own environmental house in order and do the 'heavy-lifting.' We need a wider understanding of justice in attaining a more inclusive, equitable and just transition. This includes recognizing the differing realities in different parts of the world and ensuring that transition pathways allow for differentiated approaches to common goals. It needs to drive the empowerment of women, youth, indigenous communities and vulnerable groups to shape their own destinies, mobilizing them as crucial actors in support of achieving socio-economic development.

Green Growth Opportunities

Indeed, the post-pandemic recovery presents a rare opportunity to accelerate climate action. The world can build back in a way that not only rapidly transforms and decarbonizes the global economy, but also promotes prosperity, resilience, and much greater equity. Accordingly, there are transitional opportunities Africa can capitalize on and must seize in embarking on transformative pathways to green development. One cannot let the 'perfect become the enemy of good' in the move to a carbon-neutral future: Africa cannot continue to lament on structural challenges or inequity issues and risk being left behind as it does not have the luxury to opt out. The continent will need to strategically harness low-carbon development pathways and benefit from green growth in a way that speaks to its imperatives of growth, industrialization and poverty eradication.

Notably, optimizing the post-COVID recovery by leveraging transformative green growth trajectories and recent breakthroughs that have made renewable energy more affordable supports job creation and economic multipliers, poverty eradication efforts and social justice while concomitantly reversing environmental degradation and building climate resilience is. Studies indicate global net employment gains of 0.5 – 2%, or 15–60 million additional jobs. In the African context, a recent study conducted in South Africa – one of many - by UNECA

revealed that a green recovery would deliver up to 250 % additional jobs in the short-term and as much as 420% greater economic value in the long term compared with traditional fossil fuel-based alternatives⁴. Indeed, the transition is already transpiring on the African continent as between 2010 and 2020, the continent increased its renewable energy capacity by 77% (REF AfDB)⁵. Further, the African Union Commission's (AUC) Green Recovery Action Plan, a strategic framework for delivering on Africa's goal for inclusive and sustainable development, concretely delineates critical priorities and interventions in harnessing the opportunities presented by green growth, namely in renewable energy; green and resilient cities; agriculture; biodiversity and nature based solutions; as well as climate finance and the need for a just transition whereby African countries require more development space, adequate financial support and crucially, just transition solutions cognizant of Africa's recovery program (AUC, 2021).

Significantly, local job creation must be an inherent part of a just and equitable transition. The global transition must be just, and in full alignment with the Paris Agreement which is built on the concept of equity. The Paris Agreement enshrines low carbon pathways as the ideal and meaningful way to keep global warming well below 2 degree centigrade above preindustrial levels this century, and is premised on the need to eradicate poverty and consider fairness and differentiation recognising that developing countries will take longer to peak their emissions. Renewable energy will play a critical role in Africa's energy transition. The millions of potential jobs created through this effort need to benefit the local labour market. The multi-country political declaration announced at COP26 in Glasgow on "Supporting the Conditions for a Just Transition Internationally" emphasized the re-training of workforces displaced by a shift towards renewables. In Africa, there will be a need for new industries and new energy infrastructure in energy poor contexts to benefit the local workforce, not just foreign developers and expatriate skilled labour. The creation of local jobs will make this energy transition more equitable and long-lasting. In addition, technologies that support regional integration and regional markets will be crucial. Some of these technologies will be developed outside of Africa and will need to be shared, and some innovations developed in Africa can be shared externally. Multiple technology transfer mechanisms will be needed to ensure that the entire continent has access to the latest innovations.

But this is no easy feat and will not transpire by default. It requires political will, strategic foresight, dedicated commitment, a renewed effort on all sides as well as a consistently coherent and holistic effort that is policy-based, incentive-based and investment-based. Africa will urgently need to develop consensus around contributions to the net zero goal, recognizing the special needs and circumstances of the continent, and put forward specific proposals for supporting the continent's transitions as pathways for carbon-neutral development will necessitate the mobilization of finance and technology on an unparalleled magnitude. The recently concluded Sustainable Energy for all (SE4All) Forum 2022 in Rwanda witnessed ten African governments united in clearly specifying principles that underpin a just energy transition for Africa⁶. This is commendable and a step in the right direction in developing a

⁴ <https://repository.uneca.org/handle/10855/43948>

⁵ <https://www.afdb.org/en/topics-and-sectors/initiatives-partnerships/africa-energy-market-place>

⁶ I. Make modern sustainable energy available to the entire continent. II. Support Africa in the deployment of gas as a transition fuel and the long-term displacement of gas by renewable energy and green hydrogen for industrial development, if financially and technically sustainable. III. Pursue a modern energy minimum of 1,000 kWh per capita consumption - middle income economies are consuming 2,500 kWh per capita and high-income economies 6,000 kWh per capita - in Africa, that also prioritizes a revolution in clean cooking. IV. Scale-up private and public sector investment to well over US\$ 2 trillion in new generation, transmission and distribution infrastructure and new energy technologies and delivery systems. V. Prioritize the creation of millions of local jobs in the new sustainable energy sector to benefit local economies, including through the creation of local supply chains and climate-aligned national energy transition plans. VI. Lift development finance restrictions that currently limit projects in Africa that can meet local development needs and ramp-up domestic resource mobilization. VII.

narrative which is distinctly African particularly as we head to COP 27. African countries should continue to proactively seize the opportunity to shape a global consensus on what is needed for it to transition justly by elevating African priorities.

Africa must be unequivocal in its ask of more time and policy space that embeds equity, sustainability and inclusivity at its very core. There is an urgent need for an ‘African agency’ in this realm as the continent can ill-afford to be on the periphery of the debate. Crucially, for Africa, the transition debate cannot necessarily be simply about decarbonization, but a range of imperatives namely poverty eradication, industrialization, job creation and dealing with job losses in addition to developing a pathway to net zero in line with the continent’s commitment to climate action. This should be African-led, African-owned and replete with African solutions. Above all, a truly just transition needs to be people-centred.

Notably, a growing chorus of African leaders who are united, boldly and assertively articulating what their nations, both collectively and in their respective countries, is vital in pursuing greater equity with developed economies. The transition will be unique in each country; hence countries will need to design their own clearly costed and investment-based just transition strategies – similar to Nigeria and South Africa - premised on their local context and development imperatives. Essentially, there are countries who are more capable of defining what the transition is going to be and how it will transpire. Thus, the key challenge for African countries will be to determine the trajectory of the transition on which they will embark upon, which will most likely entail contesting those dominant narratives that do not necessarily speak to their own local realities and contexts.

Africa needs to define and chart its own transition course and make it just and equitable as it sees fit. Above all, justice needs to be preserved, internalized and afforded the level of prominence it requires as the world looks to enhance climate ambition and hasten the transition. An inequitable and unjust transition is morally as well as economically indefensible. The exit from fossil fuels must be managed cautiously. Moreover, there will be need for exceptional innovation in unlocking available financial resources as well as the creation of new mechanisms, but one worth seeing through, given the gravity of the situation. Otherwise, the continent will find it exceedingly difficult to survive and risks being swept up as the rest of the world moves ahead with the transition.

Tracks

Although just transitions, green growth opportunities and resilience will be the cross-cutting themes of CCDA-IX, there will be parallel tracks organized by strategic sectors related to climate change. The tracks are:

- Just energy transitions
- Nature based solutions and carbon markets
- Adaptation and building climate change resilience
- Challenges and opportunities for climate financing
- Green growth opportunities and job creation
- Food systems and enhancing value chains
- Youth engagement

Catalyze a step-change in technology transfer mechanisms to ensure that the entire continent has access to the latest energy innovations, on fair terms.

The discussions during the parallel sessions will contribute to the cross-cutting themes and its conclusions will be incorporated in the final declaration of CCDA-IX. This call-to-action will be widely disseminated and taken to the climate global high-level events.

In order to provide a platform to confront these issues and formulate actionable recommendations, ClimDev-Africa partners consisting of Africa Union Commission (AUC), African Development Bank (AfDB), United Nations Economic Commission for Africa (UNECA) and the Pan-African Climate Justice Alliance (PACJA), in collaboration with the Government of Namibia, are convening the 10th Climate Change and Development in Africa Conference (CCDA-IX) in Windhoek, Namibia in October, 2022.

Objectives

CCDA-X aims to launch a continent-wide debate on the actions required to bring about a transition that is truly just for Africa as well as how the continent can develop appropriate frameworks to prepare for the just transition. Specifically, the conference objectives will include:

- Deliberate on the actions required for just transition in Africa, how to finance the transition, as well as the opportunities arising from the just transitions in other regions of the world
- Leverage African leaders' voices to mobilize greater international support for a green and resilient recovery in Africa, that includes job creation, enhanced food systems and value creation to benefit local communities via the deployment of sustainable energy to drive growth and investments
- Increase ambition in NDC (particularly NDC financing) by ramping up the offer on the quantity and the quality of finance for adaptation and mitigation
- Build momentum on stakeholder engagement and a wider coalition to support a more inclusive transition in Africa
- Provide a platform for country examples and best practices of just transition strategies on the continent

Format

The tenth Conference on Climate Change and Development in Africa will take place over three days convening a wide range of constituencies and actors engaged in climate change and development in Africa. By uniting different platforms, parallel sessions for dialogue and interaction, the Conference will facilitate and enrich the sharing of lessons, key research findings, outreach and policy uptake, as well as stimulate investment. Crucially, these discussions will crystallize a common position on Africa's approach to just transitions in the lead-up to COP-27.

In addition, there will be side events organized by specific stakeholders, as well as an exhibition fair to show innovations and initiatives related to the themes of the CCDA-X. As has been the tradition of previous conferences, these events will be self-organized forums for various partners and stakeholders to discuss topics that are in line with the theme of the Conference.

This iteration of the CCDA will continue to employ the hybrid model of participation, including virtual and in-person speakers and delegates, as a way to enlarge the outreach. All measures will be taken to guarantee a safe stay in Namibia for all participants that decide to travel. The use of masks will be compulsory, while social distancing will be kept and health and hygiene facilities will be available around the clock. Participants will be updated when registering on the requirements to travel to Namibia.

Participants

CCDA-X will gather a wide range of stakeholders and constituencies, including the following:

- Policymakers and technocrats, including African parliamentarians and representatives of the ministries of finance and economic planning of various African countries, the African Group of Negotiators on climate change;
- Research institutions and scientists: Climate Research for Development in Africa and academia, including universities, regional climate centres and research centres;
- Civil society organizations, including women groups, farmers, youth, indigenous, handicapped, IDP and refugee groups;
- Local governments, cities and regions' decision-makers
- Development partners;
- International organizations;
- The private sector.

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