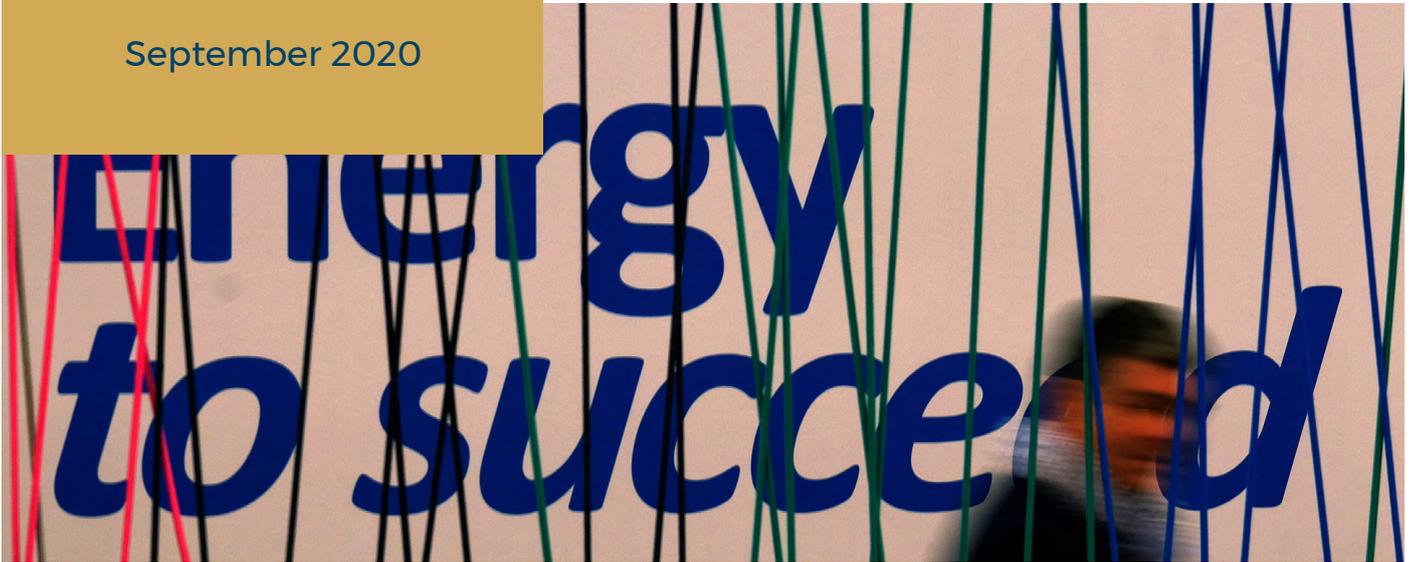


Policy Briefing

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Partnership for a Green Transition and Energy Access: Strategic priorities for Africa and Europe

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Recommendations

- It is essential that policymakers work to maintain progress on the green transition and expanding energy access as a central pillar of AU-EU cooperation, despite the socio-economic impacts of the COVID pandemic and the disruption it has caused to political and economic processes related to the regional partnership.
- While energy access remains a pressing concern, there is an equal need to focus on nexus issues relating to the green transition and energy access, including agriculture, the digital economy and trade.
- Addressing skills development, reskilling and employment creation in the context of the just transition should be prioritised to secure political support for the green transition. Gender mainstreaming should be a central element of such efforts.
- Special focus is required on how public finances and support by external partners can de-risk investment in renewable energy and energy efficiency in order to crowd in private sector investment.

Executive summary

This briefing presents key insights from a wider set of briefings produced through the project *Partnership for a Green Transition and Energy Access: Strategic priorities for Africa and Europe*, jointly implemented by the South African Institute of International Affairs and the Konrad Adenauer Stiftung's Regional Programme on Energy Security and Climate Change in Sub-Saharan Africa. The project sought primarily to amplify African perspectives on the green transition and energy access ahead of the upcoming EU-AU Summit. The briefing considers the impact of the COVID pandemic for the developing AU-EU partnership and highlights key policy messages emerging from the briefing series.

Introduction

The EU-AU Summit presently scheduled for October 2020 provides a key opportunity to reframe the political, social and economic partnership between Europe and Africa. Partnership around a green transition and energy access is viewed as a central component of an updated joint AU-EU strategic partnership.¹ The context of the COVID pandemic cannot be ignored – the pandemic represents an immense shock to social and economic systems and, beyond the immediate and evident social and economic costs, this is certain to have far-reaching systemic impacts that will shape processes related to economic development and the green transition. There is also a broader context that preceded the emergence of the COVID pandemic, yet remains central to the debate around AU-EU partnership on the green transition and energy access: the implementation of the Paris Agreement and achieving the Agenda 2030 Sustainable Development Goals; Africa's growing economic dynamism, paired with ongoing developmental challenges, including low levels of energy access; lowering costs and rapid uptake of renewable energy technologies, while at the same time fossil fuel resources continue to be exploited and remain a key part of many countries' energy plans; questions around managing a 'just transition', particularly as it relates to reskilling and employment; and the implications of stranded assets for countries with fossil fuel reserves.

This briefing provides synthesis insights from a series of publications developed through the project *Partnership for a Green Transition and Energy Access: Strategic priorities for Africa and Europe*, jointly implemented by the South African Institute of International Affairs and the Konrad Adenauer Stiftung's Regional Programme on Energy Security and Climate Change in Sub-Saharan Africa. The project sought primarily to amplify African perspectives on the green transition and energy access ahead of the 2020 EU-AU Summit. To this end, authors included stakeholders working in African regional institutions, universities, think tanks, as well as the private sector. While African authors were prioritised, perspectives from

¹ European Commission, *Joint Communication to the European Parliament and the Council: Towards a comprehensive Strategy with Africa*, JOIN (2020) 4 (Brussels: European Commission, 2020, <https://op.europa.eu/en/publication-detail/-/publication/55817dfb-61eb-11ea-b735-01aa75ed71a1/language-en>).

European researchers working on themes related to the green transition and energy access in Africa were also included.

Green transition and energy access in Africa: Assessing the state of play

Electricity access in Africa stands at 43%, which is significantly lower than comparable regions. By 2018, about 600 million people in Africa (almost half of the continent's population) did not have access to electricity.² While investment in both fossil fuel and renewable energy technologies is growing, this remains a small share of global energy sector investment. In 2018, Africa accounted for only 5.5% of global energy sector investment – about \$70 billion was invested in fossil fuels, \$13 billion in renewable energy, and \$13 billion on electricity networks.³

Africa has the world's youngest and fastest growing population. It is estimated that Africa will have a population of 2.4 billion inhabitants by 2050, with over half being under the age of 25.⁴ The continent has also experienced rapid urbanisation. The last two decades have seen the number of people living in cities increase by 90% and this trend continues over the next two decades. By 2040, 'an additional 580 million Africans will be living in cities, an amount greater than the entire population of the European Union today, and a pace of urbanisation that is unprecedented'.⁵

The green transition presents significant opportunities for Africa as it seeks to implement the development ambitions outlined in Agenda 2063. Growing populations and urban centres will generate demand for reliable and sustainable energy. Renewable energy can be ramped up significantly to meet this demand. Africa has immense renewable energy potential, though this is not reflected in current investment levels. The International Energy Agency emphasises that Africa has the richest solar resources of any region globally, but accounts for less than 1% of installed solar energy capacity.

Access to energy services have multiple economic and social benefits. This is clearly illustrated in the case of clean cooking. More than 70% of Africans lack access to clean cooking. Reliance on biomass and the resulting household air pollution is causing half a million premature deaths a year on the continent, as well as contributing to deforestation and other negative environmental impacts.⁶

2 Moussa Blimpo and Malcolm Cosgrove-Davies, *Electricity Access in Sub-Saharan Africa: Uptake, reliability and complementarity factors for economic impact*, (Washington, DC: World Bank, 2019).

3 International Energy Agency (IEA), *Africa Energy Outlook 2019, World Energy Outlook Special Report* (Paris: IEA, 2019), <https://webstore.iea.org/download/direct/2892>.

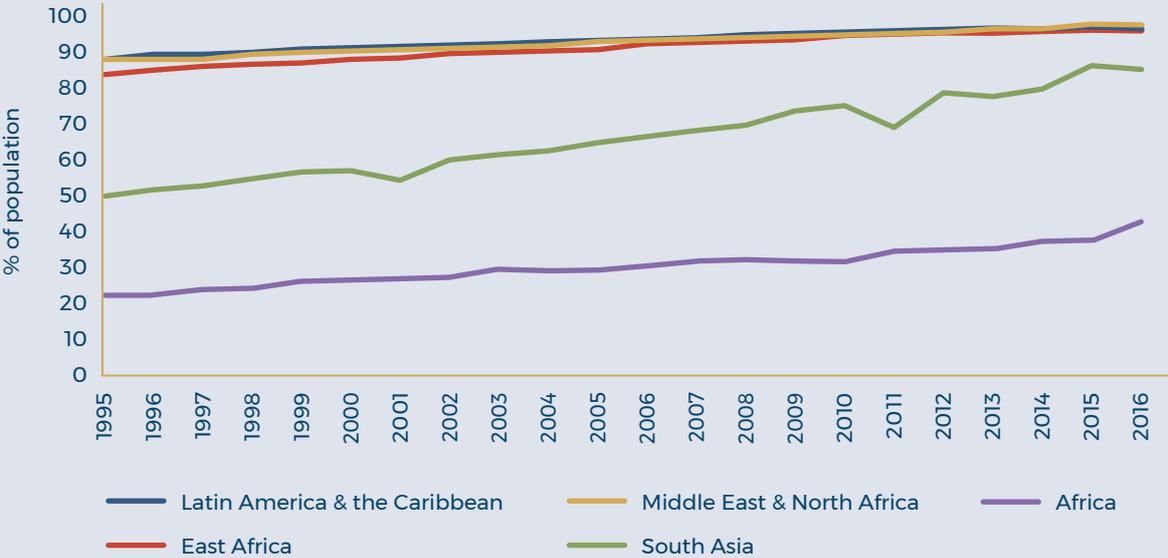
4 Agence Française de Développement, 'By 2050, More Than Half of Africa's Population Will Be Under 25 Years Old', <https://www.afd.fr/en/actualites/2050-more-half-africas-population-will-be-under-25-years-old#:~:text=Africa%20is%20now%20facing%20a,to%20nearly%202.4%20billion%20inhabitants>.

5 IEA, "Africa Energy Outlook 2019".

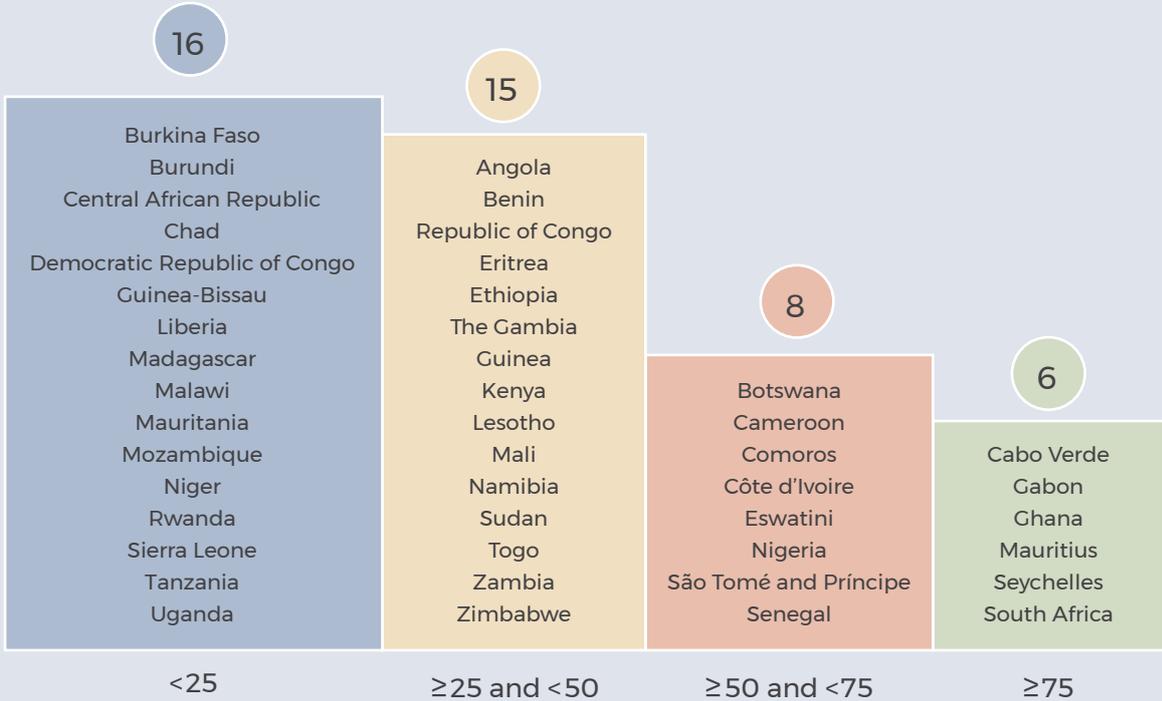
6 IEA, "Africa Energy Outlook 2019".

Figure 1 Access to Energy

a. Access to electricity



b. Households with electricity, latest available data (%)



Source: Moussa Blimpo and Malcolm Cosgrove-Davies, *Electricity Access in Sub-Saharan Africa: Uptake, reliability and complementarity factors for economic impact*, (Washington, DC: World Bank, 2019): 13.

Policy context

Energy partnership has long been an important theme in AU-EU strategic engagement. The 2007 Joint Africa-EU Strategy emphasises that Africa and Europe ‘have a clear common interest to address environmental sustainability and climate change’, also highlighting that climate action can link positively with economic growth, job creation, social stability, and the building of capacities for adaptation to, and mitigation of, negative effects of climate change. Enhanced energy access and the promotion of renewable energy are also emphasised.⁷ These themes are also highlighted in the subsequent action plans and roadmap for the strategy.

In the Africa region, energy access and access to climate change is highlighted in the AU Agenda 2063, various resolutions of the African Ministerial Conference on the Environment, and other regional frameworks. These issues have further become a key focus for regional institutions such as the AU Development Agency – New Partnership for Africa’s Development (AUDA-NEPAD) and the African Development Bank.

In terms of European policy frameworks, the new European Consensus on Development, adopted in 2017, is a blueprint that aligns the EU’s development policy with the 2030 Agenda for Sustainable Development.⁸ Environment and climate change are prominently integrated across the five pillars of this new policy framework (People, Planet, Prosperity, Peace and Partnership) and are the focus of the ‘Planet’ pillar. The EU’s Circular Economy Action Plan is designed around the recognition that scaling up the circular economy from front-runners to the mainstream economic players will make a decisive contribution to achieving climate neutrality by 2050 and decoupling economic growth from resource use, while ensuring the long-term competitiveness of the EU and leaving no one behind. Critically, the Action Plan emphasises that ‘the EU can only succeed if its efforts drive also the global transition to a just, climate-neutral, resource-efficient and circular economy’.⁹ Similarly, the EU’s Green New Deal identifies tackling climate and environmental-related challenges as the current generation’s defining task. Global partnerships are again emphasised as central to the EU’s strategic approach and leadership on the green economy. In this regard, Africa is highlighted as an important partner, with the Green New Deal emphasising that the Africa-Europe Alliance for sustainable investment and jobs will seek to unlock Africa’s potential to make rapid progress towards a green and circular economy, including sustainable energy and food systems, and smart cities.

The partnership approach and principles outlined above are clearly reaffirmed in the European Commission’s joint communication ‘Towards a Comprehensive Strategy with

7 AU Commission and European Commission, ‘The Africa-EU Strategic Partnership: A Joint Africa-EU Strategy’, 16344/07 (Presse 291) (Lisbon: Council of the EU, 2007): 15, https://africa-eu-partnership.org/sites/default/files/documents/eas2007_joint_strategy_en.pdf.

8 European Commission, ‘New European Consensus on Development: ‘Our World, Our Dignity, Our Future.’ (June 26, 2017): https://ec.europa.eu/europeaid/sites/devco/files/european-consensus-on-development-final-20170626_en.pdf.

9 European Commission, *Circular Economy Action Plan: For a cleaner and more competitive Europe* (Brussels: European Commission, 2020).

Africa', with partnership around green transition and energy access viewed as a central component of an updated joint AU-EU strategy.¹⁰ Finally, cooperation around climate change and enhanced resilience has been an important theme in recent commission-to-commission meetings between the AU Commission and the European Commission. In the joint communique emerging from a commission-to-commission meeting convened on 27 February 2020, the two Commissions underscored the need to work together in the development and implementation of programmes aimed at facilitating the implementation of Nationally Determined Contributions, enhancing capacity and development of clean technologies, improving access to climate finance and promoting investments in climate change related projects.¹¹

In addition to the abovementioned policy frameworks, there are a range of programmes, initiatives and platforms that have supported AU-EU cooperation on energy, climate and the green transition. Outlining these efforts is beyond the scope of this briefing, but key examples include the Africa-EU Energy Partnership and the Africa-EU Renewable Energy Cooperation Programme. Energy cooperation has also been supported through the EU Energy Initiative Partnership Dialogue Facility (EUEI PDF), which was founded in 2004 by the European Commission and several EU member states to promote sustainable energy for equitable development in Africa, Latin America and Asia. With the EUEI PDF programme closing in 2018, this work is now being taken forward through EUEI PDF's successor, the Global Energy Transformation Programme (GET.pro). Another important initiative in this area is the Africa-Europe High-Level Platform for Sustainable Energy Investments in Africa, which operates as a thematic task force under the Africa-Europe Alliance for Sustainable Investments and Jobs.

Priorities for AU-EU partnership

The language of green transition and climate is often dominated by a risk lens: concerns around issues such as stranded assets, disaster risk, food security, demographics, etc., are highlighted to underscore the urgency of a transition away from fossil fuel-based economies. While these issues undeniably require attention, more is required if the current policy frameworks, world views and incentive structures that underpin fossil fuel-based economies are to fundamentally shift. While African policy frameworks do underscore the importance of climate action and sustainability, the immediate concerns of many African governments are dominated by the need to achieve employment growth, industrialisation, modernisation of agriculture and broader socio-economic development. These concerns will undoubtedly loom even larger in the wake of the COVID pandemic.

¹⁰ European Commission, 'Comprehensive Strategy with Africa'.

¹¹ European Commission, '10th African Union Commission – European Commission Meeting – Joint Communique,' Statement/20/365, February 29, 2020, https://ec.europa.eu/commission/presscorner/detail/en/statement_20_365.

The COVID pandemic itself will undeniably feature prominently on the policy agenda as African and European policymakers work towards an updated AU-EU strategy. Stakeholders will need to ensure that momentum on the green transition and energy access is maintained even as policymakers engage with the implications of the pandemic. Questions around how a green recovery could play out in Africa, and the implications for Africa of Europe's commitment to green recovery, backed by significant stimulus measures, requires focused engagement. Of special interest to Africa is the debate in Europe in the aftermath of the pandemic around shortening supply chains and 'onshoring' in sectors such as pharmaceuticals, manufacturing and agriculture.¹²

While a range of platforms and initiatives are currently in place to support AU-EU collaboration on enhanced energy access and investment in renewable technologies, there is scope to further expand such efforts. Focus is required on supporting a favourable investment climate for renewables and using guarantees, insurance, financing and other mechanisms to de-risk investment in renewable technologies and crowd in private sector investment. Public finances and development funds can certainly contribute to addressing the need for renewable energy investment, yet their greatest potential lies in leveraging private sector resources to support the green transition.

A key theme emerging from the briefing series was the importance of engaging on nexus issues related to energy access and the green transition. For example, there is considerable potential to support enhanced agricultural production and agri-processing through expanding access to grid-based and off-grid electricity. The linkages between trade and the green transition also require attention, particularly in the context of the African Continental Free Trade Agreement. The ongoing policy debate in Africa around the trade in services and free cross-border movement of people can have significant implications for the skills requirements engendered by the green transition. Another example of a nexus theme is the important linkage between energy access and the digital economy. The impact of COVID has underscored the importance of access to the digital economy as a critical energy service, but the importance of the digital economy in supporting Africa's development and spurring job growth was apparent long before the emergence of the pandemic.

As many African states embrace renewable energy technologies and take advantage of growing support from global partners as well as the private sector, there will be a growing need to focus on ensuring progress on the green transition in fossil fuel-based economies. Many African states possess significant fossil fuel reserves and new discoveries continue to be made. These countries may be tempted to take advantage of green transition investments while at the same time continuing fossil fuel exploitation for local use and exports. Kenya, for example, is developing the continent's largest wind farm in the Lake Turkana region, but is also developing oil reserves in the same area. South Africa continues to support coal power production and exploration for offshore oil and gas reserves, even

12 Joanna Kenner, 'The Imperative to Diversify Value Chains Post-COVID-19', *Institut Montaigne Blog*, June 23, 2020, <https://www.institutmontaigne.org/en/blog/imperative-diversify-value-chains-post-covid-19>.

while it has revitalised efforts to expand the country's renewable energy programme, while Uganda, Tanzania and Mozambique continue with plans to develop their fossil fuel reserves. These trends will challenge policymakers seeking to support a more comprehensive transition on the continent.

While debates around the green transition tend to be dominated by efforts to expand the uptake of renewable energy technologies, and recognising that energy access remains a pressing concern in the Africa region, it is crucial that AU-EU cooperation around the green transition is not reduced solely to these matters. In the context of Africa's growing population and rapid urbanisation, sustainable city design can play an important part in reducing emissions from transport. The green transition should also prioritise nature-based solutions, restoration of ecosystem services and sustainable utilisation of the bioeconomy.

Conclusion

The disruption of the COVID pandemic undoubtedly presents challenges to maintaining progress on a new strategic AU-EU partnership, yet it also provides opportunities. With the EU-AU Summit now likely to be delayed, more time is available for dialogue to build consensus and ensure a strong voice for African stakeholders in the spirit of an equal partnership. The pandemic has also disrupted existing systems, processes and practices across social, political, economic and other dimensions, which will create opportunities to reassess, reframe and redesign for more effective outcomes. Such efforts are only likely to gain the necessary traction, however, if there is strong political buy-in to the view that the green transition can itself serve as a pathway through which Africa can achieve its developmental objectives and position itself strategically in the future global political and economic system.

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Cover image

A visitor walks past an advertisement at 'e-world', an energy and water fair on February 12, 2015 on the fairgrounds in Essen, Germany. Approximately 640 exhibitors presented gas, water, electricity and technology products related to the development of renewable energies (Patrik Stollarz/AFP via Getty Images)

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