

2018 AFRICAN UNION SUMMIT

ADDIS ABABA, ETHIOPIA
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SIDE-EVENT ON LOW-CARBON, CLIMATE-RESILIENT DEVELOPMENT

1.0 INTRODUCTION

The traditional Assembly of the Heads of State and Government of the African Union for 2018 will take place in Addis Ababa, Ethiopia, with corruption as the over-arching theme. The Summit, which will be held on 30th – 31st January 2018, will be preceded by various preparatory segments, convened by State and Non-State Actors as well as UN Agencies.

And for the conversations around low-carbon, climate-resilient, green development pathways, the Summit presents a defining moment to share different perspectives, particularly after the UNFCCC-COP23 in Bonn, Germany.

With climate change having acquired major political attention among other pressing priorities of the African leadership, it is essential that the gains so far attained be safeguarded through continuous engagement at the Summit, along other platforms such as African Ministerial Conference on the Environment (AMCEN) and Climate for Development ClimDev- Africa Programme. In this respect, the Committee of Heads of State and Governments on Climate Change (CAHOSCC), mandated at the highest level and currently coordinated by Gabonese President Ali Bongo Ondimba, becomes central political lever for coordination during the Summit, to ensure that decisions of the leaders embrace an inclusive paradigm.

As the first Pan African convention after the COP23, and based on the cross-section of stakeholders present during the Summit, Addis Ababa offers an opportunity to exchange ideas and reflections on Africa's victories during the Bonn Climate Change Conference, with a view of charting a collective path towards subsequent Global Dialogue processes on the subject. Indeed, this becomes urgent in view of

the highly-anticipated Facilitative Dialogue on the Paris Agreement, which will be at the centre-stage of all climate change discourses across the globe in 2018.

Emotive topics such as adaptation and transparency will shape discussions as countries continue to curve a unified action agenda where each of them knows exactly what it has to do and, crucially, can be held accountable to it. The theme around corruption, which will inform the AU agenda throughout 2018 is also relevant in the implementation of the provisions of the Paris Agreement, notably transparency and finance.

The AU Summit takes place less than two months after the African and European Union head of states and governments met in Abidjan, Cote d'Ivoire on 29-30 November 2017 for their 5th summit under the theme “Investing in youth for a sustainable future”. It was ten years since the adoption of the Joint Africa – European Union strategy and a key moment to strengthen their political and economic ties.

Key priorities discussed at the AU-EU Summit which came after COP23 included trade, investments, job creation, peace and security, and skill development. Conspicuously missing was a strong undertaking on climate change and just transition, though all priorities have an impact on the livelihoods of majority of African citizens who depend on natural capital, and particularly agriculture - a sector that continues to suffer under-investment and low productivity. The Summit also failed to discuss the energy agenda, a critical component in the realization of the African dream as visualized under vision 2063; the attainment of the investment and economic opportunities for the youth, as well as fighting climate change. During the summit, the new EU External Investment Plan (EIP) was presented. It intends to trigger €44 billion investments in Africa by 2020 thus creating new job opportunities for young people across the African continent, raising hopes on the region characterized with massive unemployment. However, safeguards and good governance systems still need to be established to ensure the EIP will deliver on its promise.

By accounting for more than half of the total Official Development Assistance (ODA), the EU (incl. members states) is the largest aid donor globally. It could play a key role in the reduction of poverty in Africa, particularly through transformation of agriculture. Increasing the collective ODA to 0.7% of Gross National Income (GNI) is a long-standing commitment of the EU and its member states; a commitment most recently re-affirmed in 2017 in the new EU development policy (the EU Consensus on Development). However, due to the economic crisis and

severe budgetary pressures among other factors in many EU member states, the 0.7% target has not been attained.

Honoring their commitment under ODA and climate finance has been a contentiously divisive issue between industrialised countries and their developing country counterparts. Already, there is a stand-off between the two blocs as they as they have differing views on what commitments are needed and how to deliver them. While developed countries claim to have delivered on their commitment on finance, a section of developing countries and civil society see inadequate money or worse, double counting and renaming of commitments made under ODA.

Further, during the COP23, developing countries expressed concerns on negotiation issues such as the need to give preference to the pre-2020 ambition, realizing progress on “loss and damage”, design of the 2018 facilitative dialogue, providing financial support for the Warsaw International Mechanism on loss and damage (WIM), the Adaptation Fund serving the Paris Agreement, financing for the LDC Fund (LDCF) and the Adaptation Fund (AF) and clarifying eligibility criteria for the GCF and GEF.

Despite the commitment and urgency expressed by parties towards Paris Agreement implementation, the negotiations were characterized by heightened North-South tension for the pre-2020 ambition, the Paris rulebook, agriculture, slow progress made on “loss and damage” in the negotiation, transparency and the role of the adaptation fund among other issues. Divergence on various issues was clearly communicated.

Shaping the conversations in Africa around AU’s 2018 theme on corruption will thus highlight importance of transparency not only on the part of developed countries, but also developing countries which should ensure money they receive reach people and communities at the frontline of climate change impacts, such as smallholder farmers, women, youth and indigenous communities. There has been disquiet on whether transparent structures and effective policy/legal frameworks exist to facilitate delivery of finance and technology at national and sub-national levels.

Illustratively, transparency on the form and level of support towards the energy agenda, particularly for Decentralized Renewable Energy (DRE) for productive use will play a key role helping the continent achieve its dream of equitable and inclusive?? economic development. More importantly will also be a discussion on EU’s investments in Africa’s clean and decentralized RE, particularly through Pan-

African development institutions such as the African Development Bank (AfDB) as well as support to initiatives such as the African Renewable Energy Initiative (AREI).

2. JUSTIFICATION

The AU Summits serve as rallying points for Africa’s mobilization, and the African CSOs will organize numerous side-events at the sidelines of AU Summits to ensure that climate change policy discussions are at the center of the leadership meeting.

The side-event, designed as a policy dialogue forum with various sectoral/thematic segments, will broadly reflect on the COP23 outcomes and particularly interrogate whether AU-CAHOSCC decisions, were captured in the final outcomes of the Bonn Conference. This will also be a forum to reflect on the work of other important platforms in Africa’s climate discourses, including AMCEN, AGN, CLIMDEV Africa Programme, among others.

Participants in various segments will discuss actions to take the continent forward in the build-up to the stock-take COP in Poland in December 2018, and propose issues to be taken forward in subsequent consultations across the continent. Important to note is the fact that the seventh edition of the Climate Change for Development Africa Conference (CCDA-VII), which brings together various stakeholders – governments, civil society, businesses and development partners – which seeks to galvanise African actions – will be held in 2018.

This Policy Dialogue will help set the agenda for future energy driven discussions, particularly the upcoming global review of SDG7 to be held in February 2018 in Bangkok, as well as setting priorities for engagement with the 2018 AfDB annual meeting to be held in Busan, South Korea among other climate change processes.

3. OBJECTIVES

- i. To examine and reflect on the COP23 outcomes, the NDCs, African (CAHOSCC, AGN, AMCEN) COP23 Position, the continent’s challenges and achievements and how lessons learnt can be used to inform future engagements.

- ii. To deeply examine the role played by various African platforms and initiatives, at both State and Non-State Actor levels in Africa's low-carbon, climate-resilient, green economy conversations, the 2018 African Union overarching theme and implications on African climate change dialogue processes.
- iii. To formulate concrete recommendations to the Summit of Heads of State and Government. Recommendations on various themes/sectors will be developed and shared for inputs among potential participants ahead of the side-event.
- iv. To review and discuss the draft Roadmap towards the UNFCCC Facilitative Dialogue and COP24, identify and define the action agenda for different stakeholders during the AU Summit and beyond.
- v. Present findings of Oxfam research paper regarding status of CAADP implementation, and the European Union's development aid to the agricultural sector in Africa. Identify and recommend appropriate actions for effective allocation and utilization of public resources and donor aid for the benefit of small scale farmers, with a focus on women.

4. EXPECTED OUTCOMES

- i. Consensus built on Africa's achievements and challenges in global on low-carbon, climate-resilient green development conversations, implementation of Paris Agreement and COP23, hence way forward agreed.
- ii. Understanding of the implications of COP23 outcomes and NDCs implementation for African development.
- iii. Clear understanding of global geopolitical dynamics, hence ability to approach the next engagement in an informed and experienced manner.
- iv. Recommendations to feed into the Summit of Heads of State and Government developed on various sectoral issues: Agriculture (identification of follow-up actions for improved cooperation between stakeholders on CAADP implementation), REDD+, Energy (a shift in energy investment in Africa (from fossil fuels into Clean & Decentralized RE) etc.
- v. A Roadmap and action agenda towards UNFCCC Facilitative Dialogue identified and defined.
- vi. Increased shared understanding of status of CAADP implementation in Africa, and the EU aid contribution to African agricultural development.

5.0 ORGANIZING APPROACH

The side-event will be organized under the auspices of CLIMDEV Africa Programme, through the partnership between PACJA, African Climate Policy Centre (ACPC) and Oxfam International. The event will be divided into segments, each focusing on specific sectors and/or thematic areas as follows:

(i) Segment one: Post-COP23 review and policy Dialogue on Climate Change

This will be dedicated to the reflections on the Bonn Climate Change Conference, key decisions, its outcomes and what this means for the African continent. Participants, both from Governments and Non-State Actors, will be invited to share their perspectives.

Convened under the Presidency of Fiji, a small island developing Nation, the COP was also referred to as “Loss and Damage” and “Island” COP so as to elevate loss and damage as an important negotiation issue. And for the African continent, both at Governmental and Non-State Actors levels, key negotiation priorities were to:

- Advance the Paris Agreement Work Programme “Rulebook”;
- Operationalize adaptation as provided under the Convention through elaborating the global goal for adaptation of the Paris Agreement;
- Increase the pool of finance for developing countries whilst advancing and enhancing direct access to support climate action;
- Accelerate the elaboration of the technology framework to support early implementation of capacity building provisions;
- Enhance pre-2020 action.

Experts and key leaders of various tracks in the African Group of Negotiators (AGN) as well as other key platforms will be invited to share their perspectives during the segment. Analysis from ACPC, AMCEN Secretariat and CCDU will also form part of the agenda.

The Segment will also be used to discuss and work out outline of priority activities and events, both in Africa and globally, in the lead-up to CCDA-VII and the 2018 Facilitative Dialogue to be spearheaded by UNFCCC at the end of the year.

(ii) **Segment three: Key COP23 decisions on agriculture and Oxfam study on the EU’s agricultural aid**

During this segment, Oxfam will present two research papers to showcase how the CAADP is being financed by African governments and donors, especially the EU. The findings will spur discussion on best policy and investment practices that could address the priorities of small-scale farmers.

The findings of the first study, “Financing Women Farmers”, commissioned by Oxfam on the status of CAADP implementation in Africa focusing on Ethiopia, Ghana, Nigeria and Tanzania, revealed that countries are failing to honor their Malabo commitment to allocate 10% of their national budget to the agriculture sector. According to the study, there is little evidence of resources and technical assistance reaching women farmers. Resources are being diverted to priorities other than smallholder farmers, and for the most part governments lack the capacity to deliver funding to them

The second study on EU agricultural aid to developing countries titled, “Missing out on small is beautiful: The EU’s failure to deliver on policy commitments to support smallholder agriculture in developing countries”, analysed more than 7,500 EU funded projects, with key findings showing that the EU ODA to agriculture does not reflect the EU’s policy priorities.

The EU is committed to support partner countries address food security challenges by dedicating support to small-scale agriculture, with a specific focus on women. However, according to Oxfam analysis, it is only a small portion of the EU agriculture aid which explicitly targets small scale farmers and women. The study reveals that between 2007 and 2015, the EU spent only 2-3 % of its aid on promotion of gender equality in agriculture. Apart from one year, the EU ODA has been consistently supporting industrial and export crops with higher budgets than food crops. A large portion of EU agricultural aid is not explicitly focused on real needs of the poor and marginalised. The EU spends 3.6 times more of agriculture aid in Europe than in Sub-Saharan Africa where it’s more needed. The presentation of the two research papers will be followed by a response from Panelists from various institutions involved in the agricultural sector. These include agriculture-based

producer associations, agribusiness, research and policy think-tanks and NGOs from across Africa.

It is recognized that mitigation of and adaptation to climate change depend to a great extent on the inclusive development of the small farm sector and climate-sensitive approaches. The research papers presented within the context of the “side-event on low-carbon, climate-resilient development side-event” is important as the sector accounts for the largest percentage of Africa’s GDP. Climate change is a threat to the food system and brings unpredictable challenges to agriculture. Conversely, industrial-scale agriculture is one of the main drivers of climate change. Opinion is already divided among stakeholders on what role the agricultural sector will play in the implementation of the NDCs under the Paris Agreement.

A breakthrough was achieved in COP23 when a decision on agriculture was made, with a Working Group put in place for the first time in the history of negotiations to make recommendations on future contributions on the sector to emission reduction.

African countries, which rely on rain-fed agriculture to feed its population, are tackling climate change manifested by shifting seasons, erratic rainfall and persistent drought. This has negatively affected ambitious programmes such as CAADP, which sought to increase agricultural productivity and enhance food security in the continent.

The prioritization of sustainable agriculture, food security and nutrition by the European Union in its development cooperation is a funding window which African countries suffering chronic budget shortfall exacerbated by climate crisis should explore.

However, the aid sector is increasingly channeling their funds through the private sector with a risk of more emphasis on promotion of donor countries’ business interests. This could limit the available aid for empowerment of poor and marginalized communities, especially small-scale farmers.

(iii) Segment three: Sustaining conversations on renewable energy and energy transition: what’s the progress on flagship renewable energy initiatives in Africa?

In a climate-constrained world, investment in fossil fuel-based energy sources no longer makes sense. Africa faces the dilemma of whether to rapidly revert to renewable energy, have a mix of both fossil fuels and renewables, or ignore the global call and continue in the unsustainable model of development pursued by industrialised countries which brought the crisis witnessed in the world.

What is evident, though, is the fact that the global community has shifted. Technological advancement and massive investment in the renewable energy sector has led to global prices coming down. Simultaneously, divestment in fossil fuels is gaining traction. In December 2017, President Macron of France hosted a Summit which saw the World Bank announce its plans to stop funding fossil fuel investments from 2019. Signals coming from this and other global processes should make African countries re-think their priority energy sources investment in oil, as it may not make economic sense in the long-run.

In Paris during the COP21 where the global community adopted the Paris Agreement, the G7 committed to allocate US\$10 billion into the African Renewable Energy Initiative (AREI), with the aim of curing chronic energy poverty by supporting decentralized, modern, off-grid and people-owned energy systems not only for lighting, but also cooking, driving smallholder agribusiness and charging mobile phones.

If implemented in its current design, the AREI will undoubtedly help alleviate energy poverty and contribute to African energy leapfrog. Many African stakeholders, however, are worried that, like other initiatives, the AREI may be a false promise which may not deliver on its goal. African people should not let this happen; from governments to non-state actors, honest conversations should be held to ensure that industrialised countries this time round are held accountable on their commitment.

Though the AREI has catalyzed considerable interest, there are various other initiatives scattered across Africa which are worth paying attention. In other words, the campaign around the shift to renewables should be broadened, and more importantly, coordinated to ensure that these renewables meet the need of the people.

Merely directly funding to renewables doesn't translate into addressing energy poverty and extending the reach.

Already, under the Tokyo International Conference for Africa's Development (TICAD), Japan has pumped US\$6 Billion into AfDB's Energy Programme, the "New Deal for African Energy". There has been concern on whether this money will be directed to fossil-fuel or renewable energy. The Obama Power Africa Programme is another initiative seeking to increase household with electricity in Africa whose future hangs in the balance following the election of Donald Trump, who has promised to cut any climate funding and withdraw from Paris Agreement.

Since the establishment of the AREI, PACJA and partners have spearheaded conversations aimed at building a critical mass of stakeholders – civil society (incl. indigenous people, youth and women), private sector, academia, etc. - to play a proactive role in the processes regarding the initiative. This culminated into the formation of the African Coalition for Sustainable Energy and Access (ACSEA), whose main goal is to ensure the rapid shift witnessed as RE become mainstream are guided by the vision of AREI.

This segment will build on the previous "Africa Consultative dialogue on renewable energy & transformation: making it work for people and communities held on the 22nd -23rd October 2017 in South Africa". It will as well endeavor to build on the women in energy conversation that was coincided with the launch of the Africa Women Energy Entrepreneurs Framework (AWEEF) during UNEA 3 in December 2017 in Nairobi. The framework was established following an AMCEN decision that was preceded by vigorous consultations between UN Regional Office for Africa and PACJA, climaxed by "Women entrepreneurs and sustainable energy workshop" held on the 24th June 2017 on the sidelines of AMCEN in Gabon.

In addition to serving as a moment to interrogate the progress made in renewable energy discourses in Africa, the segment will particularly set out to discuss what AREI portends for the region. Recommendations on renewable energy will be developed for onward submission to the AU Summit.