

Submission by the Republic of Zambia on behalf of the African Group of Negotiators

On the

Mitigation Work Programme Submission on 'Accelerating Just Energy Transition'

1. Introduction and background

At the UNFCCC COP 27 in Sharm El Sheikh, Egypt, the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (CMA 3), established a Sharm El Sheikh mitigation ambition and implementation work programme to urgently scale up mitigation ambition and implementation. According to CMA decision 1/CMA.3, paragraph 27, "the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement emphasizes the urgent need for Parties to increase their efforts to collectively reduce emissions through accelerated action and implementation of domestic mitigation measures in accordance with Article 4, paragraph 2, of the Paris Agreement".

The CMA requested Parties, observers and other non-Party stakeholders to submit suggested topics in line with the scope of the work programme referred to in paragraph 4 of FCCC/PA/CMA/2022/L.17, para. 12 to be discussed under the dialogues. The Parties further decided to invite Parties, Observers, and other non-Party stakeholders to submit their views on opportunities, best practices, actionable solutions, challenges and barriers relevant to the selected topics of the dialogues.

The African Group hereby submits its views in response to the decision by the CMA:

2. Opportunities

On the Opportunities, the African Group has prioritised the following:

- Facilitate energy as a key enabler of sustainable and inclusive growth through the implementation of countries NDCs and LEDS as Africa's flagship development programmes such as Agenda 2063 and the African Continental Free Trade Area (AfCFTA) are underpinned by the availability of predictable and secure energy.
- Accelerate sustainable energy access to more than 600 million Africans who do not have access to electricity, which corresponds to an electricity access rate (EAR) of just over 40%, the lowest globally.
- The prevailing and unprecedented global energy crisis underlines the urgency to rapidly transform energy systems and the need to accelerate just energy transition (JET) during this critical Decade of Action. The action matrix requires the massive deployment of all available clean energy technologies pathway which calls for scaling renewable energy options.
- Accelerated just energy transition (JET) offers an opportunity to set in motion a trajectory which is consistent with the thrust to keep global temperature rise this century to well below 2 degrees Celsius above pre-industrial levels, and to pursue efforts to limit the temperature increase to 1.5 degrees Celsius. It is pertinent to note that African countries have economies that are driven by carbon derivatives as far as energy is concerned, with the energy sector being the highest contributor to the continent's GHG emissions.
- Countries such as Nigeria, Angola, Ghana and Mozambique depend on the foreign currency and tax revenues generated predominantly from the production of oil and gas for global markets.
- In South Africa, the coal value chain accounts for 5% of GDP, and provides employment for about 200 000 workers.

Therefore, JET accelerating JET must be cognisant of Africa's unique as well as 'special needs and special circumstances.

- Support Low Emissions Development Strategies contribution to countries' NDCs efforts.
- Provide financing for just transition and accelerating sustainable energy access.
- Identify opportunities in the carbon markets to accelerate mitigation efforts.

3. Best Practices

- Share information of rapidly scaled-up renewable energy actions to inspire similar actions in other countries e. g. emerging green hydrogen technologies.
- Explore and scale up economic and non-economic energy incentives that have worked in other countries.
- Exchange information on successful sustainable energy policies that have worked globally.
- Provide platforms to match renewable energy projects & Finance.
- Identify key elements for replication and scalability and grow low carbon and sustainable development impacts related to renewable and clean energy access.
- Identify opportunities for gender lens investing and create economic opportunities such as creating green jobs and businesses, enhancing technology access, supporting local economies, ensuring social protection and labor rights, and contributing to economic, social, and environmental aspects of the

4. Actionable Solutions

Possible actionable solutions include:

- Double Africa's average annual energy sector investment needs to be around USD190bn/year.

- Ensure that financing is fit for purpose Review mechanisms to deal with debt relief, including credit rating. Alternative financing sources have been floated for just energy transition considering the debt situation: the Need for debt relief/restructuring; innovative financial instruments such as debt-swaps-for-climate; increase in Special Drawing Rights (SDR); and Extending the Debt Service Suspension Initiative (DSSI) to finance and accelerate just energy transition.
- Support Independent Power Producers (IPPs) who make up almost half of all planned power generation capacity in Africa.
- Governments remain vital players and should provide grant funding to leverage private sector financing in closing Africa's energy gap.
- Support exchange visits and skills development programmes.

5. Challenges and Barriers

In Africa, migration to renewable energy options is constrained by a number of factors. Severe interconnected structural challenges exist in many African jurisdictions in so far as addressing issues of JET is concerned. This is attributable to a multiplicity of factors such as *inter-alia*:

- Need to strengthen policy and institutional frameworks.
- Access to affordable and quality technologies.
- Access to foreign currency
- Lack of access to international grants and concessionary climate finance across the entire value chain including for feasibility studies.
- Short tenure and high interest rates for commercial or private sector financing.
- Redress Africa's historically constrained extractive nature of colonialism which undermined socio-economic development and infrastructural development.
- Accelerate deployment of clean power generation and energy efficiency measures at scale.

- Persistent challenges with access to, and total cost of, financing have constrained Africa's rollout of clean energy, limited integration across countries, and constrained critical expansion of Transmission, Distribution, and mini-grid infrastructure. Africa has accounted for only 2.4% of global renewable energy investment over the past decade.
- Africa's debt is growing while its quality of finance is declining, hence affecting energy financing.

6. Conclusion

Energy is indispensable to development. Achieving universal energy access and promoting the transition to a low carbon energy system is essential to achieving the SDGs and creating a more sustainable and equitable future. There is need for increased funding for technology research, development and deployment and such funding should ensure collaborations between global south and North. Technology transfer should be promoted at the early stage of the technology as a technology transfer at the latter stage is expensive for adoption. The MWP should support countries to turn the mitigation targets of their NDCs into investment plans to accelerate the implementation JET. For Africa to succeed in fulfilling its obligations to the Paris Agreement and delivering sustainable economic growth, there is a need for support from the global community as the continent is confronted with unique and special circumstances. Meaningful capital investments in energy sectors are urgently required. Public Finance, Private finance and blended finance are all key to JET and the UNFCCC process should facilitate increased flows of public funding to unlock more private sector financing. Hence, developed countries should continue taking the lead in submitting ambitious NDCs, implementing mitigation actions and providing climate finance for accelerated climate mitigation action by developing countries.