



COP27

SHARM EL-SHEIKH
EGYPT 2022



COP27 AFRICA JUST AND AFFORDABLE ENERGY TRANSITION INITIATIVE (AJAETI)

UNDER THE LEADERSHIP OF THE COP27
PRESIDENCY OF THE ARAB REPUBLIC OF EGYPT

With support
from



#JUST_AND_AMBITIOUS

www.cop27.eg



Introduction

The demands of the new global energy map provide a rare strategic opportunity for Africa to galvanize its Agenda 2063 for an “Africa We Want” by supporting economy-wide energy transitions that are just, equitable and leave no corner of the continent behind, while taking into account the social and economic needs and aspirations of the African population. This becomes especially important considering the number of Africans that still do not have access to energy, the energy requirements for Africa’s economic development to drive industrialization and support job creation, the innovations for low-carbon industrialization, the need to manage demand of exponential growth through greater energy efficiency, and the need to strengthen national and regional energy markets.

Implementing a global clean energy transition will not be the same everywhere. On the contrary, the energy transition will require different pathways, archetypes, and phases for energy transitions that are flexible, country/region specific and sustainable. Africa is extraordinarily diverse, and no single approach will advance its energy future. However, efforts must be made to build modern, resilient, and sustainable energy systems across the continent to avoid trapping economies and societies in obsolete energy systems that burden them with stranded assets and limited economic prospects.

The latest Tracking SDG7: The Energy Progress Report 2022 shows that 568 million people in Sub-Saharan Africa have no access to electricity and 900 million have no access to clean cooking fuels and technologies. Meanwhile, Africa has vast resource potential in wind, solar, hydro, and geothermal energy to meet its energy needs. Moreover, the continent possesses abundant mineral resources essential to the production of electric batteries, wind turbines, and other low-carbon technologies to support the global transition while creating local value. COP27 represents an opportunity for the energy transition in Africa to be bold and long-lasting. It is an opportunity to develop a new model of cooperation to meet the commitment to universal access by 2030 and energy demands of Agenda 2063. It will be critically important to establish a solid, broadly supported trajectory at COP27 for the just and equitable energy transition in Africa and become the reference point for African countries as well as global partners who will be needed to support this transition effort.

Objectives



1. To consolidate and facilitate technical and policy support that will make just and affordable energy transitions in all African countries financially viable, securing access to affordable energy by 2027 for at least 300 million Africans, contributing to SDG 7.1 target of universal access by 2030.



2. By 2027, transition 300 million people towards clean cooking out of the 970 million who do not have access to clean cooking fuels and technologies today, contributing to SDG 7.1 target of universal access by 2030.



3. Transition towards green energy by increasing the share of renewable electricity generation by 25 percentage points by 2027 and obtain a power sector based on renewables by 2063, in line with the “Africa We Want” Agenda.

The Initiative is framed around three key elements that are necessary for countries across the continent to accelerate preparation, financing, and implementation of their energy strategies:



First, it will maintain a collective leadership voice to promote holistic approach to energy and advocate for the needs of just and affordable energy transitions that span across different pathways as well as provide a peer mechanism that will monitor progress and enhance the objectives of the Initiative.



Second, it will ensure the access to technical assistance, advisory support and policy advice to governments at all levels for the different stages and phases of their transitions, which include energy infrastructure development, enabling frameworks, energy market structure, energy transition plans, project facilitation, development of local and regional supply chains, human capacity and skills enhancement, retraining of labor and SME development, and inclusiveness of communities to promote equitable approaches. Pillars of focus would include off-grid and grid-based renewable energy, energy efficiency, sectoral solutions (e.g., transport, industry etc.), entrepreneurship and technological innovation, and jobs and local value creation.



Third, it will facilitate access to and the transfer, application, and development of new technologies and innovative solutions (example: mini and smart grids, GH2) to harness the potential of and the opportunities for Africa in expanding its low carbon and renewable energy capacity.

To achieve these objectives, the Initiative will operate in four main areas of activity:

1. Provide an umbrella for the existing energy related initiatives in Africa working toward affordable, reliable, and sustainable modern access to energy, and catalyze action around possible gaps.
2. Develop archetypes of starting and end points to capture the diversity of the continent and outline possible strategies and potential energy mixes to set up just and affordable pathways from the fossil fuel for African countries. This will provide a blueprint to support countries in jump-starting their transition planning and implementation, provide a high-level structure that can be further tailored for a country's specific circumstances, taking into consideration current available resources, goals to increase energy accessibility with the lowest carbon and environmental footprint and manage and optimize socio-economic impacts of the transition.
3. Secure technical and policy support for transitions to be successful, including peer-to-peer exchange, and dissemination of best practices and case studies along the various dimensions of transition. Particular focus will be placed on the dissemination and deployment of Africa-tailored access solutions and business models to support sustainable livelihoods and advance socio-economic development. The Initiative will aim to empower not only the usual players, but also local communities, workers, youth, and women to support just and equitable approaches and promote entrepreneurialism and innovation.
4. The Initiative will strive to help governments at all levels to access the breadth and wealth of resource and support available across multiple organizations and initiatives within the energy transition space. To do so, the Initiative will play a coordination and facilitation role within the energy ecosystem. This will include linking countries with financing and investment options from other initiatives, development partners, development financiers and private capital.

Plan of Action

- At COP27, launch the Initiative with a group of African countries who will provide political leadership for the Initiative globally and domestically. Engagement with African ministers of Energy/ environment and partners will be done during preparations for Egyptian presidency of COP 27 and beyond.
- Map out, consolidate and align existing programmes and initiatives, starting with those working on increasing access to electricity and related ecosystems, to amplify action and identify technical and geographical gaps.
- Engage IEA and IRENA to provide possible pathways and scenarios for African countries, based on archetypes and resource endowments, for the most rapid and sustainable achievement of access. Initial pathways and scenarios will be showcased on the launch of the initiative, and the work will continue with IEA and IRENA with the different partners afterwards.
- Invite development partners to support technical assistance and capacity building across different aspects of the Initiative. Such support could be in-kind or financial, pledged initially at COP 27 and at regular intervals thereafter. The Presidency will initially maintain an inventory of resources and needs until the implementing modalities for the Initiative are in place.
- Define the implementing modalities for the Initiative to be finalized by SB meetings in 2023.
- Establish a monitoring and review system that would convene partners twice a year, at the technical level during the SB meetings in Bonn and at a leader level at COPs.

Governance & Operations

This Initiative will require the combined efforts of leading African governments, regional institutions (e.g. African Union, AfDB, AUDA-NEPAD, AfrEximBank), and funders (e.g., bilateral development agencies, multilateral development banks, philanthropic funds). A well-coordinated outreach will be needed to agree on the contours of the Initiative and co-create its details (management, decision-making, operational procedures, etc.).

To be effective, AJAETI must leverage the energy and expertise of African governments, regional institutions, funding organisations and technical partners through representative governance and an effective operating model. Specifically:

What is an appropriate institutional home for the Initiative?

We propose that the Initiative is hosted by an existing institution with an aligned mandate (e.g., a funding organisation) to maximise speed and efficiency of mobilisation.

How should the Initiative collaborate with the wider ecosystem?

We propose a variable model with some areas of activity delivered in-house (e.g., developing the archetypes) and others through partners (e.g., project finance, detailed pathways).

To whom should the Initiative be accountable?

We propose to constitute a board of no more than nine members comprising representatives of African governments, regional institutions, funding organisations, technical partners and the host organisation. The Board will set direction and oversee progress towards our objectives.

The Presidency will put forward detailed proposals for governance, operating model and organizational design before the end of the year based on the feedback received.

Next Steps

To participate in the initiative, all stakeholders are kindly invited to express their interest, by filling in this [registration form](#).

For further inquiries and Interested potential partners can also reach out to the COP27 Presidency at the following email address: initiatives@cop27.eg.

Annex: Overview of selected global, Africa-wide, and regional electricity-sector institutions and initiatives supported by development partners
(Source: BMZ and IRENA. The Renewable Energy Transition in Africa)

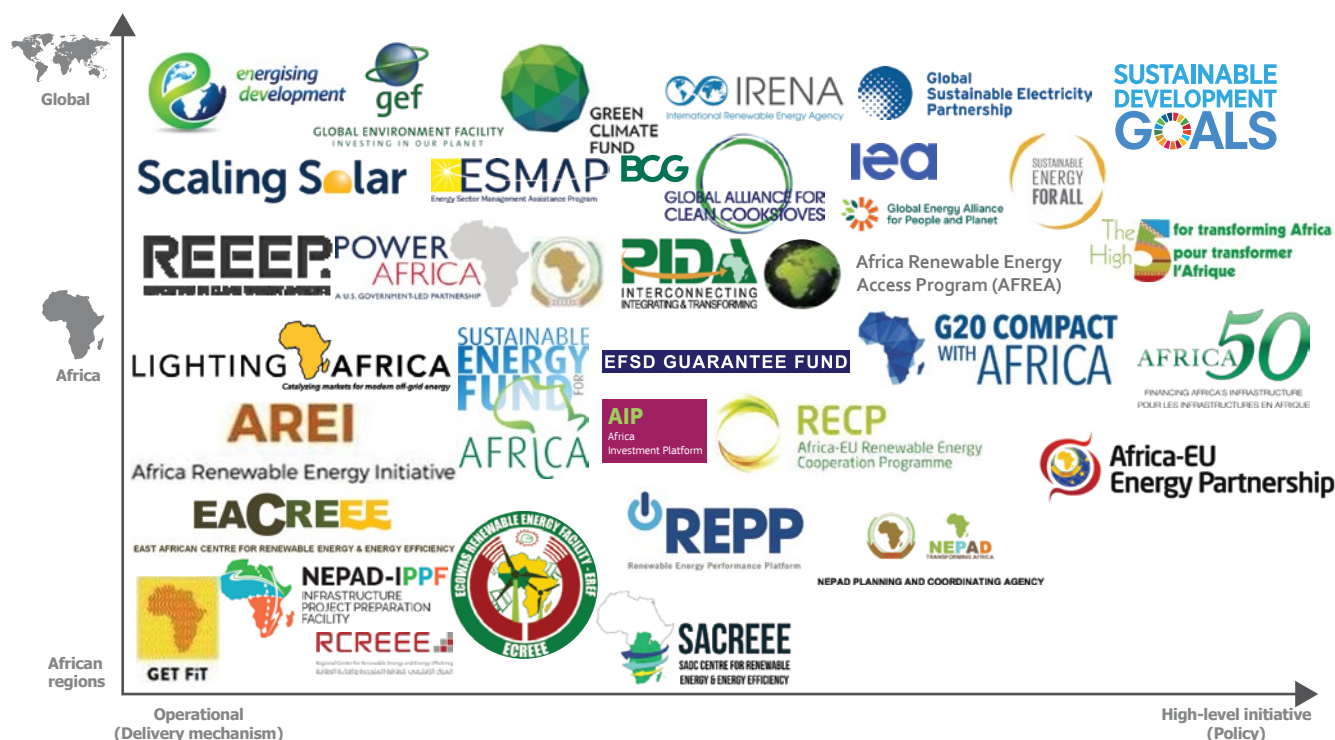


Figure 34 - Overview of selected global, Africa-wide and regional electricity-sector institutions and initiatives supported by development partners