

Adapting to Climate Change in Africa and Europe

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This report, which was commissioned by the <u>Africa-Europe Foundation (AEF)</u>, looks at how Africa and the European Union are adapting to the impacts of climate change, and how they might work together to their mutual advantage over the coming decade.

The first section defines key terms, then moves on to describe the current landscape for adaptation. This encompasses existing strategies across both continents, as well as the institutions, initiatives and funding instruments that are supporting action. The second section assesses the pros and cons of joint working, noting the 6th European Union – African Union heads of state summit, and the likely focus on adaptation in Egypt at CoP27 in November 2022. The third section makes a series of recommendations for future action, for consideration by members of the Africa-Europe Foundation expert working group on adaptation.

SECTION ONE: OVERVIEW

DEFINITIONS, NEEDS AND KEY INITIATIVES

What do we mean by the term 'adaptation'? The United Nations Framework Convention on Climate Change (UNFCCC) <u>defines it</u> as 'adjustments in ecological, social, or economic systems in response to actual or expected climatic stimuli and their effects or impacts. It refers to changes in processes, practices, and structures to moderate potential damages or to benefit from opportunities associated with climate change.'

In practice, adaptation involves locally specific actions across multiple sectors vulnerable to the impacts of climate change, such as agriculture and food systems, the natural environment, water, health, energy, cities and infrastructure. Its benefits fall into three broad categories: avoided losses (such as early warning systems that cut the costs of disasters, or high benefit-cost ratios for climate-proofed infrastructure), economic benefits (such as the financial benefits of reducing flood risk in urban areas), and social and environmental benefits (such as mangroves that are worth almost ten times their cost in terms of reduced coastal flooding, fisheries, forestry and recreation benefits).

The terms 'adaptation' and 'resilience' are often used interchangeably in the context of climate change, but they are not quite the same thing. The IPCC defines resilience as "the capacity of social, economic and environmental systems to cope with a hazardous event or trend or disturbance, responding or reorganizing in ways that maintain their essential function, identity and structure, while also maintaining the capacity for adaptation, learning and transformation". So whereas adaptation often involves the preservation of existing resources, resilience can be seen as a trait: 'reflecting a general ability to master challenges [and including] the ability to acquire new capabilities, perhaps emerging stronger from the struggle'.

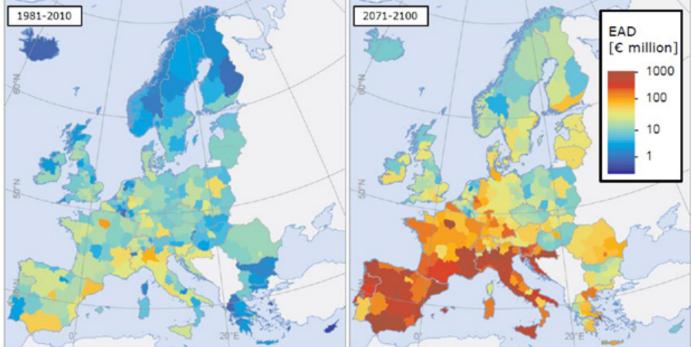
Any discussion of adaptation should also consider non-climate stressors that can undermine people's resilience and ability to adapt to a changing climate. As one recent UN report observes, climate risk is "a function of exposure and vulnerability to climate hazards. Current and future climate risks will not only be determined by changes in global temperature levels and associated hazards at the local scale, they will ultimately result from the combination of these hazards with the affected

systems' exposure and vulnerability". Pressures such as conflict, population growth, marginalisation, and a lack of access to healthcare, education, and/or economic opportunity can combine to mean that those most vulnerable to the impacts of climate change are least able to deal with them. Lord Nicholas Stern, author of the seminal 2006 Stern Review on the economics of climate change, summarises the situation for many people in low- and middle-income countries across Africa when he describes adaptation as 'development in a hostile climate'.

Although neighbours, their different latitudes mean that Europe and Africa are facing quite different adaptive challenges. The EU has a high capacity to adapt but also a significant quantity of existing infrastructure to retrofit or otherwise protect. Over 90% of EU citizens regard climate change as 'a serious problem', and economic losses from climate-related extreme events already average over €12 billion per year, rising to an estimated €170 billion/year (or 1.4% of GDP) if Europe sees temperature increases of 3°C. The maps in Figure 1 illustrate how coastal and southern areas are likely to see the most severe impacts of, and damages from, climate change, with recent wildfires, heatwaves and floods a worrying sign of things to come.

The EU has a well-established planning and reporting regime, and has been recognised as a 'pioneer in integrating considerations of climate risk into decision-making'. The 2013 Adaptation Strategy prompted action to boost resilience across member states (MS), and each now has a national adaptation strategy or plan on which they must report to the Commission every two years. Adaptation has been integrated into EU policies and budgets, and platforms like Climate-ADAPT support knowledge-sharing across the region. As part of Europe's Green Deal low-carbon transformation, the 2021 Adaptation Strategy builds on its predecessor and aims for the EU to be "a climate-resilient society, fully adapted to the unavoidable impacts of climate change" by 2050.

Figure 1: Expected annual damage to critical European infrastructure from climate change (€million/year) 1981-2010 2071-2100 EAD [€ million]



Source: 2018 European Commission report on the implementation of the EU strategy on adaptation to climate change

Africa, meanwhile, is a low emitter of greenhouse gases but one of the hardest hit regions in terms of the impacts of climate change. The latest research from the Intergovernmental Panel on Climate Change (IPCC) shows that Africa is already seeing more rapid surface temperature increases and rates of sea-level rise than other regions, and that under median (2°C) or high (4°C) global projections, parts of Africa are likely to see much higher temperature increases (see Figure 2). Accelerated action to limit global warming to 1.5°C is expected to substantially reduce damage to African economies, agriculture, human health, and ecosystems compared to higher levels of global warming. African biodiversity loss is projected to escalate with every 0.5°C increase above present-day global warming. Agricultural productivity growth has already been reduced by 34% since 1961 due to climate change, more than any other region of the world. Future warming will negatively affect food systems in Africa by further shortening growing seasons and increasing water stress. More frequent and intense precipitation in western and central Africa and drier conditions in southern regions will particularly affect the agriculture upon which 60% of Africa's people and over 20% of its combined GDP depend. Climate-induced disasters are forcing millions to leave their homes: the World Bank estimates that climate change could lead to the migration of 86 million people across sub-Saharan Africa by 2050. In 2019, the AU's Peace and Security Council identified climate change as 'a major security threat'.

Africa does have a continent-wide perspective on adaptation, but it is less detailed than the EU's adaptation strategy, and more subject to the implementation decisions of individual African nations. Agenda 2063, which is the African Union (AU)'s 50-year vision for 'an integrated, prosperous and peaceful Africa, driven by its own citizens, representing a dynamic force in the international arena', includes targets for ecosystem preservation and increased climate resilience in its current 10-year implementation plan. The AU post-COVID Green Recovery Action Plan also includes climate resilience in relation to cities, agriculture and finance. A more detailed AU Climate Strategy for the period 2020-30 is still in draft given the pandemic, but looks likely to tackle the goals of Agenda 2063 "by building the resilience of the African continent to the impacts of climate change". It talks about a 'stolen future' for young Africans, the disproportionate impacts of climate change on women, and poverty as an exacerbating factor in terms of climate vulnerability, but its prescription - at least in draft - is limited to setting out Africa's asks of the UNFCCC process, especially on finance, and calling upon member states to align their own strategies with this continent-wide vision. United Nations Environment Programme (UNEP) data suggest that around two-thirds of African countries have some kind of national adaptation law, strategy, policy or plan in place, yet to date, just seven (Burkina Faso, Cameroon, Ethiopia, Kenya, South Africa, Sudan and Togo) have submitted National Adaptation Plans (NAPs) to the UNFCCC.

The joint communique of the AU-EU Summit calls for a prosperous and sustainable Africa and Europe. It outlines that the Africa-Europe Investment Package attached to the summit will aim at boosting large scale sustainable investments, supported by Team Europe Initiatives, with due consideration to the priorities and needs of the African countries. This includes green transition, through supporting the implementation of the Nationally Determined Contributions (NDCs) and National Adaptation Plans (NAPs) of African Countries under the Paris Agreement to enhance mitigation and adaptation.

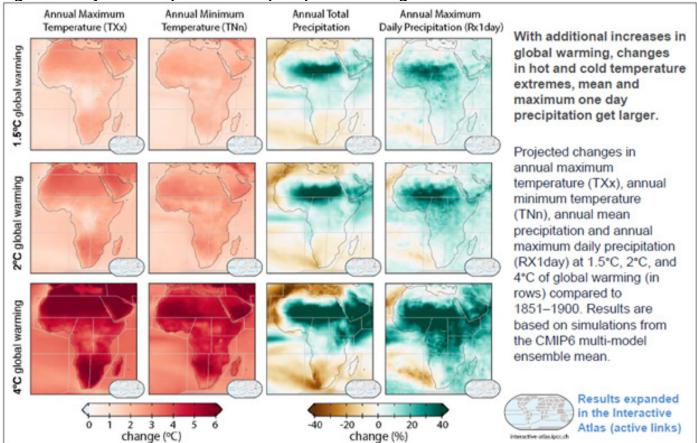


Figure 2: Projected temperature and precipitation changes in Africa under different scenarios

Source: IPCC Sixth Assessment Report, WG1, Regional Fact Sheet - Africa, 2021

At the Africa-Europe Heads of State Summit, February 17-18th, it was agreed to accelerate the green transition, including support to implementation of Nationally Determined Contributions (NDCs) and National Adaptation Plans (NAPs) of African Countries under the Paris Agreement. Investments will enhance capacity of partner countries to adapt to climate change, and substantially reduce disaster risk, by developing new climate and disaster risk finance solutions. New Global Gateway funding seeks to increase renewable energy generation, including use of renewable hydrogen, to support Africa's goal to generate 300 GW by 2030. The proposed investment package also commits to support Africa's ambition for a fair, just and equitable energy transition which ensures sustainable energy access for all, paving the way for the decarbonisation of the energy sector, including phase-out of unabated coal.

Multiple other pan-African initiatives seek to bring together Africa's regional institutions, development financing bodies, member states and donors to tackle the barriers to effective adaptation. These include the Africa Adaptation Acceleration Program (AAAP), which focuses on the 'triple win' of measures to address COVID, climate change and the economy via work on climate smart digital technology for agriculture and food security, infrastructure resilience, jobs for young people and innovative finance, and aims to mobilise \$25 billion for adaptation in Africa by 2025. The similarly-named Africa Adaptation Initiative, launched at the Paris climate summit in 2015 by African heads of state, focuses on climate information, strengthening policies and institutions and enhancing delivery and climate finance. Other initiatives include the Great Green Wall, which is 15% of the way through establishing an 8,000km 'green wall' across the width of Africa to bring life back to degraded landscapes; African Risk Capacity, which is an AU agency running an Africa-wide sovereign risk pool modelled on the successful Caribbean example, with 13 countries in its 2020/21 risk pool, and the

<u>Pan-African Action Agenda on Ecosystem Restoration</u> which highlights the resilience benefits of better protection and restoration of ecosystems.

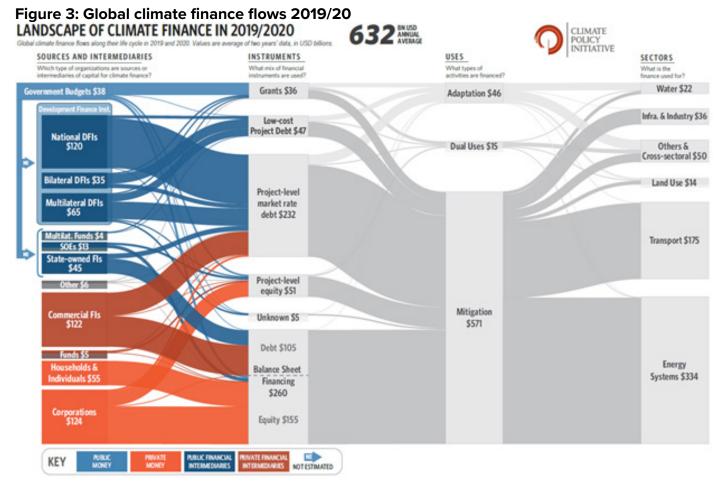
African leaders, civil society activists and companies are also active participants in global initiatives on adaptation. The Global Commission on Adaptation, which ran from 2018 to 2020, involved Akinwumi Adesina (President of the African Development Bank (AfDB)) and was supported by countries including Ethiopia, South Africa and Senegal. African NGOs are part of the Global Resilience Partnership, which tests and shares successful approaches to resilience, and African needs and experiences are a key element of the UN-led Race to Resilience coalition, which brings together a wide range of private, public and voluntary sector actors and aims to make 4 billion people more resilient to the impacts of climate change by 2030.

FINANCE

The costs of adaptation for different regions are hard to predict accurately, but are likely under all but the most optimistic scenarios to be higher for Africa than for Europe. UNEP puts the current costs of adaptation across Africa at \$7-15bn annually, and as high as \$50 billion annually by 2050 if global warming exceeds a 2°C pathway. This implies a current cost equivalent to \$5-11/person per year. Africa currently receives an estimated \$5bn/year in adaptation finance. Total climate finance to Africa is around \$15bn/year of which two-thirds goes to mitigation, whereas a study of Least Developed Countries shows a preference for a 2:1 ratio of funding in favour of adaptation. There have been fewer attempts to generate a single adaptation cost estimate for Europe than for Africa, but one 2018 study suggests that adaptation costs for Africa under a high-emissions scenario will be substantially higher as a percentage of GDP than in other regions - well exceeding 1% of GDP by the end of this century, versus less than 0.5% for Europe.

Financial support for developing countries is vital for their adaptation efforts, but international climate finance remains critically insufficient. Developed countries have not only fallen short of their 2009 UNFCCC commitment to mobilise \$100 billion each year for climate finance by 2020, but have also failed to get anywhere close to the 'balance' between mitigation and adaptation support that was called for by the Paris Agreement in 2015. Adaptation financing, as Figure 3 shows, is still just 7% of global climate financing (\$46bn of \$632bn total spending in 2020), rather than the 50/50 split implied at Paris and reinforced at last year's Glasgow climate summit. And things are moving in the wrong direction, with recent analysis of this global 'adaptation gap' suggesting that it is substantial, and widening.

Adaptation spending is complex and notoriously hard to measure accurately. Whereas mitigation has a single universal metric (a tonne of carbon dioxide equivalent (CO₂e)), adaptation is locally specific and can encompass many different sorts of activity. It also cuts across multiple sectors, and can sometimes be combined with mitigation: reafforestation, for instance, can sequester carbon (mitigation) and improve soil and water-based resilience (adaptation). This makes it harder for countries to pin down what their likely costs will be, and how they should be traded off against potential benefits. It can also slow down disbursement by donors, as adaptation projects can take longer to identify and approve. From a recipient perspective, myriad piecemeal funding sources make it hard for African countries to secure and/or control adaptation financing. Debates about the 'additionality' of climate finance - i.e. whether adaptation spending represents new and additional money, or is simply repurposed from within existing aid budgets - are another source of tension.



Source: Climate Policy Initiative, Global Landscape of Climate Finance 2021

Virtually all adaptation finance comes from public sources - 98%, according to the Climate Policy Initiative. Africa receives an estimated \$5bn/year in adaptation financing from such public (bilateral and multilateral) sources, with more of this going to Eastern and Western Africa than to other regions (see figure 4 below). Despite African countries' stronger demand for adaptation rather than mitigation finance, recent data suggest that 'substantially more climate-related finance' to Africa targeted mitigation (61%) rather than adaptation (33%, with the remaining 6% supporting both adaptation and mitigation). North Africa saw the biggest skew across the continent, with 83% of climate finance for mitigation.

The EU and its MS are a major source of financial and technical assistance to Africa on climate change, including adaptation. The Commission and the EU's 27 Member States provided over €23 billion in climate finance for developing countries globally in 2020, more than any other developed region - with close to half of this for either adaptation, or activities that had both adaptation and mitigation benefits. Europe's Green Deal may be a primarily domestic push towards low-carbon, climate resilient economies, but it also has implications for Africa. The new EU adaptation strategy prioritises Africa alongside Least Developed Countries (LDCs) and the Small Island Developing States (SIDS) in terms of external assistance, and the next round (2021-27) of the EU's principal external financing instrument will channel €29 billion to sub-Saharan Africa. Links between the continents are acknowledged in the new strategy, with adaptation described as 'a crosscutting element [of] external action, spanning international cooperation, migration, trade, agriculture and security'. There's also a 'NaturAfrica' component that will focus on biodiversity protection, and the European Investment Bank (EIB) is about to launch a development financing branch that will support African financial institutions in their recovery from the pandemic, including via support for climate-related investment.

Adaptation: 16,489 Eastern Africa: 5,630 World Bank: 5,825 African Development Bank: 2,612 European Bank for Reconstruction and Development: 441 em Africa: 4,816 European Investment Bank (EIB): 188 Green Climate Fund: 1,041 Global Environment Facility: 376 Climate Investment Funds: 178 – Adaptation Fund: 127 – International Fund for Agricultural Development: 754 Vorthern Africa: 2.619 EU Institutions (excl. EIB): 1,466 France: 1,572 United Kingdom: 1,313 Adaptation & Mitigat Simultaneously: 2,742 United States: 900 Germany: 697 Sweden: 308 Norway: 273 Canada: 231 Multilateral sources MDBs Climate funds Other multilaterals

Figure 4: Adaptation finance commitments to African countries and regions, 2014-18 (\$ millions)

Source: <u>Savvidou et al (2021)</u>, 'Quantifying international public finance for climate change adaptation in Africa', *Climate Policy*, 21: 8.

Other major sources include UN funds, bilateral and other multilateral donors and - increasingly - philanthropic foundations. As Figure 4 shows, the World Bank and AfDB are by some margin the largest multilateral donors to Africa on adaptation. The AfDB's current ten-year strategy focuses on inclusive and green growth and they are committed to spending 40% of project finance on climate change, with half of that on adaptation (a target they managed to exceed in 2020, spending over 60% of climate finance on adaptation). The most substantial UNFCCC-related source is the **Green Climate** Fund (GCF), established in 2010, which commits half its adaptation finance to those countries deemed most vulnerable to the impacts of climate change (African countries, LDCs and SIDS). As of October 2021, \$3.7 billion of the GCF's \$10 billion in approved funding was committed to projects in Africa. Only a fifth of the \$10 billion had been disbursed, though, and despite the GCF's 50/50 aspiration, adaptation funding is noticeably lagging. The Least Developed Countries (LDC) Fund, operated by the Global Environment Facility (GEF), was set up in 2001 and has made around \$1.7 billion in grants to date across 46 LDCs (33 of which are African). The Adaptation Fund, launched in 2007 and partly funded via a 2% levy on sales of Kyoto-era carbon trading credits, is solely focused on adaptation but is also much smaller than the GCF, with under \$900 million committed to projects to date. Bilateral donors - notably France, the UK, the US and Germany - make up another substantial chunk. Finally, philanthropic foundations are starting to direct increasingly large sums to action on climate change, including adaptation in Africa.

Addressing the shortfall in adaptation finance will involve both growing the pie and increasing the adaptation 'slice'. Increasing the sums available will involve donors stepping up to meet their headline climate finance commitment to mobilise \$100 billion/year for developing countries (including in Africa), increasing this from 2025 onwards, and - where appropriate - expanding the use of financial instruments such as guarantees (like this), climate bonds and the alignment of private finance flows. It will also involve increasing the proportion of that finance that is available for adaptation by pushing for implementation of 50/50 promises from Glasgow and strengthening links with other relevant flows such as disaster risk financing.

SECTION TWO: ASSESSMENT

Following the Glasgow climate summit last November, we are entering a decisive year for adaptation. CoP26 saw a deepened UNFCCC commitment to adaptation with the (re)launch of a global goal on adaptation, together with the Glasgow Sharm el-Sheikh work programme that will define it. It also pushed the question of loss and damage up the agenda, and concluded with strong language on the need for more developed country financing for adaptation. As the first African climate summit host since Marrakech in 2016, Egypt is expected to focus on the needs of African countries at CoP27. In the closing stages of Glasgow, their Minister of Environment signalled that she "looked forward to breakthrough at COP 27 on many critical issues including climate finance, adaptation, and loss and damage" in Sharm el-Sheikh this November. CoP27 will also be the next opportunity for countries to negotiate what should replace the current \$100 billion/year international climate finance target after 2025.

At the same time, the EU is looking to reset its relationship with Africa. Ursula von der Leyen's first visit outside Europe after taking office as President of the European Commission in 2019 was to Africa, and the EU has deliberately adopted the language of partnership in relation to Africa in recent years. This is partly in recognition of Africa's huge potential for innovation and growth, partly about resetting the power imbalances of the post-colonial period - and all with an eye to countering China's increasing political and economic influence across the continent. The EU's 2020 Africa Strategy, published just as the COVID-19 pandemic erupted, recognised the challenges faced by the continent (including in terms of its vulnerability to climate impacts), but also its massive potential, and tried to reposition the relationship between the two continents on more equal terms.

There are particular bilateral opportunities this year for the EU to expand and deepen its cooperation with Africa on climate change, including adaptation. The launch of the EU's €300 billion Global Gateway in December 2021 was seen by many as a European response to China's Belt and Road, and was explicitly framed by the EU as a complement to the US's recent Build Back Better World initiative. The climate strand is to invest 'in developing infrastructures that are clean, climate-resilient and aligned with pathways towards net zero emissions'. This has huge potential in the context of Africa's significant infrastructure gap. But it will be important to make sure that adaptation isn't lost in the push to help Africa on to a green growth trajectory. This month's (much-delayed) Sixth EU-Africa summit will give Europe the opportunity to set out what the Global Gateway will mean for Africa, and exactly how its focus on investment in connectivity and infrastructure might help build Africa's resilience to climate impacts.

Within the UNFCCC, the African Group of Negotiators continues to play a key role on adaptation. African negotiators view adaptation as 'structurally underfunded', are clear in their calls for 'new and additional' funding to fill this gap, and continue to push for recognition of Africa's particular vulnerability (beyond existing UNFCCC recognition of SIDS and LDCs). Whilst the Paris Agreement referred to a 'global goal' on adaptation back in 2015, it did so only in broad terms, and the African Group of Negotiators (AGN) has long called for a clearer definition and metrics. Glasgow's agreement of such a global goal, together with a two-year work programme to give it substance, offers developing country Parties - and particularly the AGN - the opportunity to attract more attention and funding to adaptation. The Glasgow Climate Pact also highlighted the persistent failure of climate finance to be split equally between mitigation and adaptation needs, urging developed countries to "at least double their collective provision of climate finance for adaptation" from 2019 levels by 2025. Discussion of post-2025 international climate finance has only just begun, but the AGN, together with the Like Minded Group of Developing Countries (which includes Algeria, Egypt, Sudan and Zimbabwe) is

already pressing for \$1.3 trillion/year by 2030, with half of that - \$650 billion/year - for adaptation.

The EU is a global leader on support for adaptation. As well as being a frontrunner in terms of overall provision of climate finance, the EU is a member of the Champions Group on Adaptation Finance that was launched at the UN General Assembly in the run-up to CoP26. At Glasgow, the bloc highlighted the amount of adaptation finance it had mobilised at the summit - including an eye-catching €100m pledge to the Adaptation Fund - and pointed to increased future support: "The EU reported that \$600 million has "come from Europe" for adaptation finance at this COP, and expressed willingness to engage on future commitments".

But there are still issues to address if the EU wants to build a genuine partnership with Africa, including on adaptation. Existing European climate finance to Africa may be substantial, but it's still low in relation to the level of need. Elements of it are skewed to middle-income rather than lowincome countries, and towards mitigation at the expense of adaptation. The EU's position on loss and damage - which was a big issue in Glasgow, and likely to be even bigger in Sharm el-Sheikh - is very different from that of the AGN. The EU will need to shift ground on loss and damage if it wants to rebuild trust with the most climate vulnerable countries, including many in Africa. At the strategic level, the EU's new Africa Strategy and Global Gateway initiative will also need to prove their relevance to Africa's pressing climate resilience concerns. There are concerns about some of the broader implications of Europe's Green Deal transition for Africa, particularly given the EU's status as Africa's largest trading partner. And whilst Von der Leyen's call for a "partnership of equals" is compelling, it isn't new. There have been previous EU attempts at a reset, with very similar language used in the 2007 African Union -European Union Summit in Lisbon, in that year's Joint Africa EU Strategy and in the 2017 Abidjan Declaration. The EU will need to show that it is willing to look past its own foreign policy and climate preoccupations, and pay more than lip service to African concerns about climate vulnerability if it is to make good on its latest partnership aspirations.

EU spending on climate finance in Africa continues to prioritise middle-income countries, and mitigation rather than adaptation. The ten biggest global recipients of EU institutional climate finance in 2018 included just three from Africa - and all three (Cameroon, Egypt and Morocco) were middle-income countries. Figure 5 below shows the variability of all climate finance across Africa. Mitigation finance tends to dominate across the board, but what is particularly striking is the fact that this is the case even in some low-income countries like Liberia and Ethiopia. The Commission has a reasonably good track record on the balance between mitigation and adaptation, spending a substantial €3.4 billion on African adaptation over the period 2014-2019. But the bloc's investment and development financing arms are heavily skewed towards mitigation. Just 23% (\$740m) of the EIB's climate investments in low- and middle-income countries were in adaptation in 2020, versus 77% (\$2.5bn) in mitigation. The European Bank for Reconstruction and Development (EBRD) was similarly unbalanced in low- and middle-income countries (just 21% or \$481m of investment was in adaptation in 2020, versus 79% or \$1.8bn in mitigation). This will have been partly driven by expedience: there are far fewer opportunities for lending, guarantees or equity investments in adaptation projects. But when over a quarter of international mitigation finance to one region (North Africa) is accounted for by a single solar project in Morocco that could export power to Europe, it appears that donor interests are affecting where, and how, climate finance is being allocated. So, in addition to pressure on the EU institutions and MS to fulfil their collective pledge to mobilise their share of the promised \$100 billion in climate finance, there's a clear opportunity for the EU to redress the balance on adaptation versus mitigation financing for Africa, and to push for other countries to do the same.

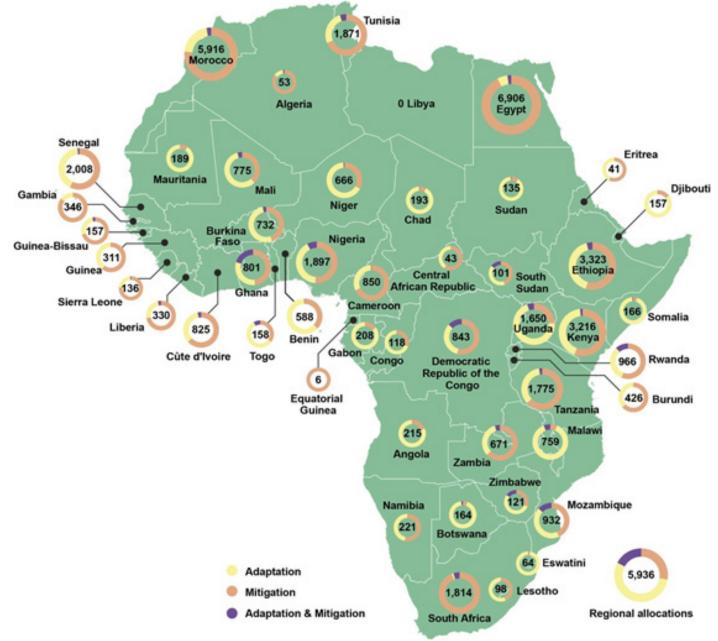


Figure 5: Total African climate finance commitments by country, 2014-18 (USD, millions)

Source: <u>Savvidou et al (2021)</u>, 'Quantifying international public finance for climate change adaptation in Africa', *Climate Policy*, 21: 8. Data from OECD DAC 2020.

The question of who pays for the loss and damage sustained by poor countries was a key debate in Glasgow, without substantive resolution - and is expected to feature heavily at CoP27. The definition of loss and damage, and its relationship to adaptation, remain contested. Many countries including African countries for whom temperature and precipitation changes are becoming increasingly hard to adapt to - see loss and damage as referring to the residual impacts of climate change after the limits to adaptation have been reached. But many developed countries argue that the phrase refers to all negative impacts of climate change, making it part and parcel of adaptation discussions. Following years of discussion at the UNFCCC, Paris put the idea of loss and damage permanently on the map as a third aspect of climate change, in addition to mitigation and adaptation, whilst explicitly precluding a liability or compensation basis to funding. Developed countries are wary of opening up another climate financing front, though, and despite pressure from the G77+China negotiating group, Glasgow failed to secure agreement to a loss and damage finance facility, committing instead to 'further operationalization' of the Santiago network. Whilst the EU has expressed support for action

(including finance) on loss and damage post-Glasgow, they are expected to continue to resist calls for this to be made on the basis of compensation or liability. As Jamaica <a href="https://nicharchied.nih.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google.google

There are questions about the implications for Africa of recent EU strategic initiatives, including on climate change. Some African policy-makers see Europe's new Green Deal as being imposed on them, and worry that "the ambitious pact will create a new type of protectionism by imposing new non-tariff barriers, such as the carbon border adjustment mechanism that may affect access to the European market". They are also concerned that Europe's focus on mitigation and the circular economy might shift political attention away from adaptation and its financing. The EU's recent Africa Strategy has yet to convince some African leaders that the EU will match its partnership rhetoric with action, whilst other commentators were concerned that - as with the Green Deal - it prioritised technology and climate mitigation, potentially "at the expense of agriculture, the informal sector, human development and climate adaptation". The Global Gateway, meanwhile, has huge potential to help build climate resilience across Africa's nascent infrastructure, but the EU will need to show that this is a priority.

Both the EU and Africa need to recognise their counterpart's quite different - and complex organisational landscapes for joint working to succeed. At regional level, the EU and the AU are very different institutions - and previous attempts at partnership have sometimes underwhelmed when the AU has signed up to EU initiatives without sufficient buy-in from African states. Yet at national and sub-national level, there are myriad examples of successful joint working on climate resilience. Several European MS are amongst the most active donors globally on climate adaptation (including France, Germany, Sweden, and until recently the UK). European and African city-level efforts to build resilience are thriving, and learning from each other, through the global C40 and ICLEI partnerships. Scientific knowledge-sharing efforts benefit from the existence of European and African centres of excellence, and strong academic research programmes. Civil society groups - including youth groups - are increasingly coming together across both Europe and Africa to press for faster action on mitigation, adaptation, and to push for a reframing of climate action under a justice (rights) as opposed to a more traditional development assistance approach.

Building a stronger partnership between the EU and Africa on adaptation will demand that the EU listens to Africa, builds trust, finds the right counterparts - and above all, avoids overpromising and then under-delivering. Europe should be wary of the risks of using its "financial muscle and technological standards to impose its foreign policy and geopolitical interests at the expense of Africa's own development aspirations." Africa's huge vulnerability to climate impacts and urgent need for increased international support are driving its emphasis on adaptation and related issues at the UNFCCC, and beyond. Whether at the February EU-Africa summit, or at CoP27, African leaders and negotiators are unlikely to respond well to an approach that ignores their priorities. Whilst the EU may be a leader amongst donor nations on climate finance, if a preoccupation with mitigation dominates its climate discussions with Africa, it is significantly less likely to achieve the strong partnership it seeks.

SECTION THREE: RECOMMENDATIONS

2022 will see a high degree of opportunity for the EU and Africa to deepen their partnership on adaptation to climate change - and for the Africa-Europe Foundation to play a valuable mediating role. Following straight on from CoP26 in Glasgow, the European Union – African Union heads of state summit in February agreed joint action to enhance capacity for adaptation, including support to the interlinked goals of adaptation, mitigation, food security and rural employment of the pan-African Great Green Wall initiative. Such concrete examples of partnership should provide a positive underpinning for wider joint action (on other aspects of climate, and beyond), and a goodwill down-payment ahead of Egypt's hosting of CoP27 in November.

But to achieve this, it will be important to acknowledge the different priorities of the two continents, and the practical difficulties of 'landing' partnership work at the right organisational level to make sure it works in practice. The EU will need to be very sure that it is able to deliver the commitments made, and will need to show Africa that it is genuinely focused on meeting its own funding promises (both volume and balance of finance), as well as committing to mobilising other developed country donors. Otherwise, there is a risk of damaging rather than building trust, and of adding to confrontation in Sharm el-Sheikh this November. The recommendations below are alive to these issues, and grouped into four broad categories: partnership, finance, wider influence, and sectoral joint working.

PARTNERSHIP

Whilst the EU's new Africa Strategy, Green Deal and Global Gateway mean that it has a lot to say and offer to Africa at the forthcoming summit, the EU focus on the net zero transition and Africa's renewable energy potential "should not come at the expense of a strong signal on climate change adaptation and environmental protection". African countries are amongst the world's most vulnerable to climate shocks, and are already suffering billions of dollars in losses each year from extreme weather events. It will be important for the EU to listen to, and show that it is actually hearing, Africa's call for accelerated support to cope with these impacts. This could involve:

Offering the AU support to complete its delayed Climate Strategy, and jointly assessing the points of contact and divergence between that and Europe's new Adaptation, and Africa Strategies. As part of their Global Gateway conversations, the EU may also wish to explore whether Africa wants, needs or is ready to develop its own Green Deal as the next step in implementing its climate strategy.

Overcoming the challenges of institutional asymmetry between Europe and Africa by mainstreaming joint working on adaptation across multiple institutions, governance levels and geographies. Both the EU and Africa can learn from their past attempts at partnership working - and make sure that any EU-Africa cooperation on adaptation is mainstreamed through multiple points of contact, to avoid it getting stuck on the shelf in a summit communiqué. This could include regional climate diplomacy (e.g. with the LDC group (33 of whom are African), and the V20 (48 of the world's most vulnerable countries, including 17 in Africa) as well as the AGN), bilateral cooperation between European and African countries, academic collaboration, data-sharing partnerships (building on the EU's Green Deal commitment to share all data from EU scientific lighthouses such as Copernicus and the European Marine Observation and Data Network), city-level partnerships and citizen mobilisation.

Thinking about where the EU might be able to meet Africa halfway within the UNFCCC negotiating process - for instance, on loss and damage. Egypt will see a strong push from developing countries,

including the AGN, on loss and damage. Compensation may be a red line for the EU, but a 'plan B' approach of solidarity funding at scale, separate from existing adaptation funding channels, may provide a workable compromise (and Scotland/Wallonia have already committed funding on this basis). EU Solidarity Funds may provide a useful model for this, with "wealthy countries <u>paying into a joint fund</u> that is then allocated to countries facing losses and damages on the basis of need, or when their capacity limits are reached".

Remembering the extent to which EU support for Africa's broader development will assist with climate resilience. This is particularly important at a time when the COVID pandemic continues to assault both continents, African countries are struggling to vaccinate their populations, and aid budgets globally are under threat. Europe's readiness to unlock greater investment for vaccine rollout, and establish vaccine manufacturing in a set of African hubs would help grease the wheels of climate diplomacy.

Considering whether action across other fora would help build closer ties between Europe and Africa. Any partnership on adaptation has the potential to play into the broader politics of the climate negotiations, where Europe is keen to mobilise other countries, including African nations, to call for greater mitigation ambition from the big emerging economies. Looking more broadly still, gestures such as European support for additional African membership of the G20 (beyond just South Africa), or <u>support for more African resolutions</u> at the UN General Assembly, would be further demonstration that the partnership rhetoric is more than skin-deep.

FINANCE

The EU may be a global leader on climate finance, but as Africa's adaptation gap continues to widen, there are several areas for action on finance. These relate to i) the available volume of international climate finance for Africa, ii) the balance of this finance between mitigation and adaptation, iii) the targeting of the most vulnerable countries within Africa, and iv) the quality of that adaptation finance and the systems used to make sure it reaches the most vulnerable and marginalised people within each country.

The first issue is expanding the available volume of finance. Anger in Glasgow about the missed \$100 billion pledge has focused attention amongst negotiators, civil society and leaders across the world. Without evidence that the developed world is willing to meet its promises - and increase the sums pledged from 2025 onwards - developing countries will be unwilling to continue ramping up ambition in their Nationally Determined Contributions (NDCs, or plans to cut greenhouse gas emissions). The EU needs to focus on increasing Commission and MS climate finance to reach its <u>fair share</u> of the \$100 billion, and to look at whether a sufficient proportion of this finance is reaching African countries. Part of this expansion could involve better harnessing of disaster risk financing (including sovereign, meso- and micro- <u>index insurance instruments</u> that trigger when particular rainfall or temperature parameters are breached, and potentially <u>catastrophe bonds</u>) as well as the expansion of <u>shockresponsive social protection</u> mechanisms - all of which are good ways of prepositioning finance to ensure a speedy response when disasters hit, and of reducing the overall cost.

Although public finance will remain the mainstay of adaptation, there may also be ways to increase the contribution of private finance to investment in climate resilience - for instance, via green bonds, which have so far only seen <u>limited take-up</u> across a handful of African countries. This could be <u>pushing at an open door</u>, given that the EU is currently looking to establish a uniform green bond standard domestically, and the Commission has expressed interest in working with Africa on green finance. The EU and its lending arms may also want to look at whether they can engage with

other initiatives launched at Glasgow that will see efforts to pull private finance into resilience efforts across Africa. For instance, the UN Economic Commission for Africa (UNECA)'s new <u>Liquidity and Sustainability Facility</u>, which aims to reduce borrowing costs for African governments and encourage the issuance of green bonds, and African countries' <u>Africa Green Finance Coalition</u>.

Second is the question of balance. CoP26 shone a spotlight on the perennial question of where scarce climate funds are spent, and whether adaptation is getting its fair share. Even if the Commission is doing well on its 50/50 adaptation/mitigation target, not all MS (France, Italy and Spain in particular) are in the same boat, and - as Section Two noted - the EIB and EBRD are heavily mitigation focused. This may partly be a question of instruments, with fewer opportunities for private sector lending for adaptation, but the balance can still be improved. This could include setting higher targets for adaptation spending (as the EIB has recently done), looking for adaptation co-benefits and/or exploring ways of harnessing private capital to build resilience, as discussed above.

Third is the question of more equitable allocation across African countries and sectors. The EU has an uneven track record when it comes to climate resilience support for Africa, with too much of its finance flowing to middle-income rather than low-income countries, as well as to mitigation at the expense of adaptation. No single donor or bloc has the control to make sure that others are allocating in line with need, rather than historical links, political expedience and/or perceived benefit for the donor. But more clarity on the per-capita allocation of climate finance across Africa, and within that the per-capita allocation of money for climate resilience, would be a good starting point. And in terms of sectoral balance, the current concentration of international adaptation finance in the agriculture and water sectors (which together formed 50% of all adaptation support to Africa over the period 2014-18 – see Figure 6) is understandable, given the clear impacts that temperature and precipitation changes have on both sectors, but means that other areas - such as health, education and infrastructure - are comparatively neglected. The Commission, EIB, EBRD and MS should each consider the overall balance of donor assistance to different sectors, and in particular whether the EU's Green Deal and Global Gateway could be used to mainstream climate resilience into previously underserved sectors like infrastructure.

Agriculture development 1,450

Agricultural water resources 1,682

Agricultural water resources 20ther 4813

Agricultural Water supply and administrative management 2976

Agricultural Water supply and 2976

Figure 6: Total international public finance to Africa that targets adaptation, by sector (USD, millions), 2014-18

Source: <u>Savvidou et al (2021)</u>, 'Quantifying international public finance for climate change adaptation in Africa', *Climate Policy*, 21: 8. Data from OECD DAC 2020.

The final finance-related recommendation relates to its quality. This is partly a matter of whether commitments materialise as disbursements, and at what rate, and partly of the financing channels used in-country. Disbursement rates in Africa - at least for multilateral channels - are persistently much lower for adaptation than mitigation projects. For example, the disbursement rate for adaptation spending committed to Africa by the Green Climate Fund was 0% over the period 2014-18. Even for more established funds, it was still well below full disbursement - e.g. 16% for the GEF, 68% for the Adaptation Fund and 75% for the Climate Investment Funds. Multilateral donors can help this by simplifying accreditation procedures for direct access to grants by national entities from developing countries, and supporting subnational delivery. The choice of funding channel in-country also matters. Increasing the direct financing of existing country-owned structures, decentralised finance channelled through local government and community-based adaptation can all support the end goal: making sure that adaptation finance reaches the poorest and most vulnerable people across Africa, at a time and in a form and volume that is appropriate to their needs.

INFLUENCE

Given its leading role on climate policy and generous climate finance contributions, the EU is also well-placed to influence other developed nations and its own private sector on factors affecting climate resilience ahead of CoP27. This could involve several elements: putting pressure on other donors to increase their climate finance contributions; supporting increased scrutiny of the quality of carbon market projects across Africa, and working with the private sector to ensure their investments in Africa are climate-resilient.

Putting pressure on other donors to fill the significant global gap in international climate finance.

Tensions are already high over the failure to meet the 2020 \$100 billion mark, but are likely to increase further in Egypt and beyond as developing nations push for a substantial post-2025 commitment. With one foot in Africa and the other in Europe, and given both continents' current focus on developing their own adaptation and resilience strategies, the Africa Europe Foundation is well-placed to encourage the EU to use its moral, convening and diplomatic authority to influence other developed countries to step up at CoP27 and beyond.

Harnessing the power of transparency as voluntary offset markets explode post-Glasgow. CoP26 saw the agreement, at long last, of the detailed 'Paris rule book' arrangements for voluntary carbon markets, enabling companies to buy offset credits globally. As businesses rush to sign up to net zero, there is a risk that these projects - many of which will involve resilience as well as mitigation benefits - will be poorly planned or overseen, and will not ultimately benefit local communities. EU support could help African countries to ensure that these are monitored, designed well and genuinely benefit local communities. Likewise, engagement with EU-based businesses could be used to remind them that offsets should be ancillary to, and not substitutes for, core-business mitigation efforts.

Focussing European private investment on climate resilience as well as mitigation. As private sector finance to Africa increases, and as Global Gateway investment gets underway, the EU may also wish to focus on ensuring that private sector finance from EU-based companies and investment funds (e.g. sovereign wealth; insurance) are fully aligned with Paris - including its adaptation dimension.

SECTORAL PARTNERSHIP

This year will offer multiple opportunities for the EU to spell out how its new Global Gateway will benefit Africa, and in particular how it can support much-needed investment into climate resilience across key sectors such as water and broader infrastructure.

Water is a central feature of climate impacts and adaptation in Africa, with millions of people across the continent dependent on groundwater availability, low levels of effective management or storage, and climate change already causing increased variability in both rainfall and temperatures. One area the AEF could explore with European and African counterparts is whether this is a sector in which EU Global Gateway funding and/or expertise could usefully be concentrated.

Many African countries are still building much of their infrastructure for the century ahead, which gives them the opportunity to leapfrog straight to climate resilient design, as opposed to the EU's vast retrofitting task. But this has a price tag attached. Building in climate resilience from the start is more expensive (one estimate puts it at an additional upfront cost of around 3% of a project), albeit with a high cost-benefit ratio of around 1:4. And capacity and financing for adaptation planning are generally much lower than they need to be. As part of the Global Gateway offer, European financing institutions should evolve their external portfolios to encompass adaptation, despite the "less appealing returns, longer time horizons and less certain risk profiles than mitigation actions [using] de-risking mechanisms such as guarantees, technical assistance and better risk assessments". This ties in well with the AfDB's current strategic focus on sustainable infrastructure.

Europe may also want to look at how its new <u>adaptation</u> and <u>soil</u> 'missions' under the Green Deal might generate regional lesson-learning and a platform for mutual exchange that could be valuable for African counterparts - and what these missions could learn from existing African attempts to tackle the transboundary impacts of climate change. The climate mission aims to support 200 European regions to adapt to climate impacts and the soil mission will focus on reducing

desertification and soil erosion, and increasing soil carbon. Both are recent, and concrete, examples of how Europe is providing ancillary support to those most vulnerable to the impacts of climate change. Their focus on citizen engagement, pathway modelling, coherent risk management planning and its comprehensive take on the sectors affected, may be of interest to African governments and/or regional institutions seeking to tackle similar threats from climate change. Likewise, Africa's growing experience of climate-resilient agriculture, its <u>Great Green Wall</u> attempt to build more resilient landscapes in the Sahel, and expertise in community-based adaptation could be valuable sources of learning for European communities tackling similar issues as temperatures rise and precipitation variability increases. Learning the lessons of experience with common mitigation interventions, such as afforestation in Africa, would be of considerable value also to EU organisations testing out similar responses. As Box 9.2 of the AR6 WGII report for Africa shows, savanna grasslands are often wrongly identified as being "degraded", and planted with exotic and native tree species, causing a loss of soil carbon stores, reduced access to grazing, a fall in eco-tourism potential and lower water availability.

CONCLUSION

The latest report from the 6th Assessment of the IPCC makes very sobering reading, with evidence showing significantly greater climate impacts across the globe than had been anticipated, especially in Africa. The scale of damage to ecosystems, infrastructure, livelihoods and health rises even faster as the planet breaches 1.5C of global heating. Accelerated actions today make a very significant difference to the depth of impacts. Hence, major emitters face a major challenge to achieve climate neutrality more rapidly. At the same time, making effective provision for the costs of adaptation becomes ever-more necessary.

Forging a genuine partnership between the EU and Africa on adaptation will involve both sets of actors recognising the others' priorities, and meeting each other halfway - with a clear opportunity for the Africa-Europe Foundation (AEF) to help mediate these conversations. In particular, it will require the EU to see that its focus on mitigation cannot come at the expense of meaningful, sustained and carefully targeted support for climate resilience, given Africa's overwhelming needs. Recognition of the huge asymmetries between the continents, and a greater ability to listen by the EU could unlock a better relationship, given what it is asking of Africa in terms of its low-carbon transition and broader support for ambitious NDCs at the UNFCCC. It will also involve ensuring that any potentially negative consequences for Africa of the EU Green Deal are recognised and addressed, not least to make sure that the EU isn't undermining Africa's own economic stability and ability to withstand climate shocks. To move beyond the transactional and into a real political alliance, there will need to be what the former UNECA Executive Secretary has described as a shift from 'how Europe could help Africa' to 'how we can help the planet together'.