



REPUBLIC OF KENYA



CONCEPT NOTE

AFRICA CLIMATE SUMMIT,
4TH – 6TH SEPTEMBER 2023, NAIROBI, KENYA

Theme:

“Green Growth and Climate Finance for Africa and the World”

INTRODUCTION

Kenya will co-host the inaugural **Africa Climate Summit (ACS)** with the African Union Commission (AUC) in Nairobi from 4th to 6th September 2023.

The ACS will bring together leaders from Africa and beyond; development partners; intergovernmental organisations; private sector; academia; civil society organisations; women and youth to design and catalyse actions and solutions for climate change in Africa by providing a platform to deliberate on the nexus between climate change, Africa's development reality, and the need to push for increased investment in climate action globally, and specifically in Africa.

Africa's real GDP per capita has grown slowly at only 1.1% annually since 1990, with significant slowdown in the last decade¹. Africa already accounts for ~10% of global GHG emissions if one includes all land-based emissions – similar levels as Europe². In addition, Sub-Saharan Africa could experience a ~2x increase in people (~750M people) exposed to climate hazards (heat, drought, flooding) under a 2°C warming scenario by 2050³. Therefore, while the continent needs to continue the global discussions to finance resilience actions, there is an additional need for Africa to drive a Green Growth

¹ World Bank, UN Department of Economic and Social Affairs, McKinsey Global Institute - Reimagining Economic Growth in Africa

² EDGAR - EDGAR - Emissions Database for Global Atmospheric Research, UN FAO, UNFCCC, McKinsey - Green Africa

³ Woodwell Climate Research Center, NASA NEX, International Labour Organization, IHS Markit, SEDAC, NCAR IAM

agenda that sets bold ambitions, both for economic prosperity *and* climate action.

The ACS will present a bold and ambitious new African vision for a Green Growth agenda that optimises the continent's abundant human and natural resources, and integrates enhanced climate positive growth. It is an opportunity to promote effective climate action that enhances livelihoods, accelerates growth and help Africa avoid being locked out of international markets and lock in emission intensive development.

In addition, the ACS will be different, as it structures the agenda around *solutions*, mobilising attention and traction, whilst highlighting how the different topics intersect. The climate positive framing focuses on the opportunity first and does not ignore the challenges. Instead, it presents the challenges in the context of the opportunity and allows stakeholders to continuously see the potential benefit of overcoming challenges and identify the constraints that need to be resolved in order to unlock the opportunity.

The Climate summit will ensure Africa's voice is elevated globally and integrated into existing international fora such as UNGA, G7/G20 processes, and UNFCCC COP 28 among others. The Summit will be held concurrently with the **Africa Climate Week** (4 - 8 September 2023) hosted in partnership with the United Nations Framework Convention on Climate Change (UNFCCC) Secretariat, an annual UNFCCC-led event to promote actions that allow to course-correct and achieve the Paris Agreement goals and objectives.

THE OPPORTUNITY IN AFRICA

Africa is the continent of the future. The youngest and fastest urbanizing continent with a population set to double to 2.5 billion by 2050, a continent of immense potential in clean energy, arable land, critical minerals, and natural resources.

Africa is already demonstrating strong momentum in driving green growth. For example, there are green hydrogen projects being scaled in Egypt, South Africa, and Namibia, some countries have 90%+ renewable energy (e.g., Kenya), and several countries are leading in nature conservation (e.g., Botswana, Tanzania). **Africa needs to capitalise on this existing momentum by (a) driving a holistic Green Growth Agenda that takes advantage of its vast resources, and (b) securing Climate Finance tailored to Africa's needs to achieve its growth ambitions.**

(a) Green Growth Agenda for Africa:

Africa's renewables potential is 50 times the global anticipated electricity demand in 2040; however today, renewable energy accounts for 10% of electricity generation mix, and only 20% of the total installed electricity

generation capacity in Africa in 2019⁴. It is home to 30-40% of the world's minerals - including those needed for green energy transition/ batteries (e.g., over 40% of global reserves of cobalt, manganese, and platinum⁵). Africa has 60% of the world's remaining uncultivated arable land⁶, that when sustainably exploited can help the world attain food security. Africa's nature-based biophysical potential alone, at 1.5 GT CO₂e, can meet up to 30% of global need (e.g., the Congo Basin stores carbon equivalent to three years' worth of global greenhouse gas emissions). There needs to be a change to Africa's narrative on climate change to be a growth agenda.

This Agenda will focus on 5 core growth thrusts (see *Exhibit* for an illustrative Green Growth framework for the continent):

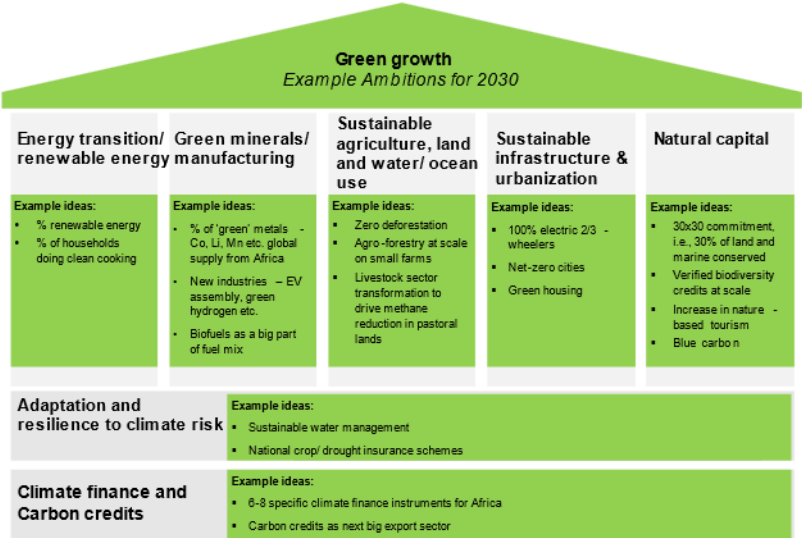
- Energy transition/ renewable energy
- Green minerals and manufacturing
- Sustainable agriculture, land and water/ ocean use
- Sustainable infrastructure and urbanisation
- Natural capital

supported by 2 important cross-cutting levers:

- Adaptation and resilience to climate risk
- Climate finance and Carbon Credits

Specifically, this Summit will showcase private sector investments focused on the business opportunities that are opening up on the continent through such a Green Growth agenda.

Illustrative Green Growth Agenda for Africa



⁴ IRENA, 2020

⁵ McKinsey, Reimagining economic growth in Africa: Turning diversity into opportunity

⁶ African Development Bank, Feed Africa

(b) Climate Finance for Africa:

Green growth plans cannot be delivered without substantial injections of capital. Financing flows remain orders of magnitude below what is needed (e.g., longstanding pledges of \$100 bn public flows into the Global South remain unfulfilled), and progress towards climate compatible growth is undermined by the growing debt crisis in many countries on the continent. COP negotiations between industrialised and developing countries have to date been unable to unlock this impasse. The Climate Action Summit offers an opportunity to rally Africa behind a renewed development vision towards climate compatible growth, and a desire for investment capital (not “aid”) through a collective ask on specific financing needs. The Summit offers a pivotal moment to rally African Heads of State and global financial sector leaders (both public and private) around a specific set of financial investment “instruments” that are tailored towards growth opportunities on the continent. The outputs from the Summit will also aim to provide important input and direction to the ongoing work on global financial institution reform, especially since we expect the global IFIs (MDBs and DFIs) and sovereign/ pension funds to support such a growth agenda with corresponding shifts in their own pathways.

OBJECTIVES AND DELIVERABLES OF THE SUMMIT

The Summit provides an opportunity for an African Leaders **Nairobi Declaration on Green Growth and Climate Finance**, and for a Call to Action for African Union Member States and supporting partners to champion its delivery. It seeks to launch a new ambition for Africa and invite partnerships with the rest of the world. The Summit serves as a platform to showcase progress, exchange perspectives, and begin to converge on common priorities for global discussions (incl. UNGA, G20, WBG and IMF Annual Meetings, and COP28 and beyond). It will enable African countries to define detailed plans, shape their associated tools and investments, inform and push for reforms of the international financial architecture, share innovation, knowledge, experience, and practical approaches to deepen and expand understanding of climate challenges and opportunities, and enable Africa to renew its vision and become more assertive in pursuing a climate and development agenda through a unified approach.

The expected outputs (non-exhaustive) of the Summit are:

- i) African Leaders Nairobi Declaration on a Green Growth and Climate Finance Agenda for Africa - this would include a commitment to a broad framework for Green Growth and specific commitments (e.g., Energy transitions, 30x30 Nature commitments, Carbon Credit regulatory frameworks)

- ii) Pathway to a new global financial deal that includes 6-8 “at-scale” and fit-for-purpose financing instruments/products to be delivered by DFIs, MDBs and private financiers that serve specific growth goals, e.g., carbon credit project development facility, green manufacturing facility, nature financing facility, reskilling/ jobs transition facility etc.
- iii) Investment commitments, including showcasing multi-billion \$ worth of green investment deals on the continent across all sectors (including energy, nature, manufacturing etc.)
- iv) Announcements on tangible progress on ongoing major continent-wide/ global initiatives (e.g., Bridgetown, ACMI, Desert to Power), and new partnerships/ initiatives
- v) Roadmap for implementation of key declarations/ announcements

SUMMIT'S CALL TO ACTION

The Summit is a high-level event that will bring together leaders and investors from Africa and beyond to champion a new positive, climate-compatible vision for Africa. The Summit aims to take an opportunity-driven lens and recognise Africa's potential to realise growth without increasing emissions.

African Union Member States and supporting partners are called to champion the delivery of the Green Growth Agenda and Climate Finance plan, and are invited to present transformative opportunities for partnerships that can drive growth, and attract substantial new finance and investment. The Declaration and outputs will aim to not only benefit Africa but also serve the world's ambition on climate action, and be presented for consideration at the next UN General Assembly, COP28, and other major forums for further discussion.