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PUNKI MODISE: A COP28 wish list for Africa

The private sector must be a part of the solution given the magnitude and urgency of the climate challenge

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by PUNKI MODISE



Picture: Ralf Vetterle/Pixabay

The African delegation to the world's flagship annual climate conference will have a clear set of objectives in mind in 2023, including securing commitments from wealthy nations to support the continent in a way that does not worsen its already precarious fiscal position.

COP28, which is being hosted in Dubai from November 30, comes as the effects of climate change grow more acute. Extreme weather records have fallen across the globe in 2023, including in Africa. Thousands lost their lives in flash floods in Libya, while the drought in East Africa worsens, for example.

As the concentration of greenhouse gases in the atmosphere continues to increase, we are sitting on a time bomb. And while we all know what needs to be done to avoid the worst fallout from climate change, the world continues to drag its feet.

The first global stocktake will be completed at COP28. This is an opportunity for the world to assess the progress made in meeting the terms and conditions of the international treaty on climate change adopted in Paris in 2015.

COMMITTED TO CHANGE
SELECTED G20 MEMBERS' NET ZERO TARGETS

| Country | Source | Target year | Covers all sectors & gases | Transparent information on carbon removal | Published plan | Review process | Annual reporting |
|--------------|--------------|-------------|----------------------------|---|----------------|----------------|------------------|
| SA | Policy | 2050 | ✗ | ✗ | ✗ | ? | ✗ |
| Russia | Law | 2060 | ✓ | ✓ | ✓ | ✓ | ✗ |
| Brazil | Policy | 2050 | ? | ✗ | ✗ | ? | ✗ |
| China | Policy | 2060 | ? | ✗ | ✓ | ✓ | ✗ |
| India | Policy | 2070 | ? | ✗ | ✗ | ? | ✗ |
| Argentina | Policy | 2050 | ✓ | ✗ | ✗ | ? | ✗ |
| Japan | Law | 2050 | ✓ | ✗ | Inconclusive | ✓ | ✓ |
| Turkey | Policy | 2053 | ? | ✗ | ✓ | ? | ✗ |
| Saudi Arabia | Announcement | 2060 | ? | ✗ | ✗ | ? | ✗ |

STATUS Fulfilled ✓ Partially fulfilled ✓ Not fulfilled ✗ Not determined ?

Graphic: KAREN MOOLMAN Source: CLIMATE ACTION TRACKER

Some notable progress has been made in recent years despite the wide range of conflicting interests at play, and African countries will be looking to build on that at COP28. The overarching aim will be to ensure advanced economies make good on the promises they have made at prior COPs.

That includes a commitment to operationalise a loss and damage funding facility, which would be used to assist developing countries in responding to climate disasters. The rationale is that developing nations have contributed little to climate change but are bearing the brunt of it and are ill-equipped to cope.

Acknowledging Africa's unique circumstances will be an important step in upholding the principle of differentiated responsibility, and would recognise the continent's vulnerability to climate change as well as the need for support for mitigation and adaptation.

Several African nations put forward the need to consider the special needs and circumstances of the continent as part of the COP27 agenda. However, it did not enjoy consensus and the proposal will be made again at COP28.

Africa and its peers elsewhere in the world will want to see a funding facility that has sufficient resources behind it and that disburses relief funds effectively, equitably and quickly.

Many African nations will also be looking for progress in terms of climate change adaptation and mitigation financing. In 2009 wealthy nations agreed to mobilise \$100bn in climate finance every year. Yet they continue to fall well short of this target, which was not sufficient in the first place.

Further, recent landmark agreements between donor countries and the likes of SA, Indonesia and Vietnam have been slow to get off the ground. That is partly because these deals have been heavily skewed towards loans, and developing nations are already in difficult fiscal positions in the aftermath of the Covid-19 pandemic and the surge in global interest rates.

There is clearly a need to consider different funding mechanisms and mixes to ensure the cost of capital is manageable. This is particularly important for Africa, where just two countries are rated investment grade by ratings agency Moody's as of the first quarter of 2023.

Further, funding agreements are overlooking the critical issue of adaptation. To date no targets have been set for adaptation funding or adapting to the effects of climate change, and parties are not agreeing on indicators. Many African nations will again push for the doubling of finance for adaptation.

Meanwhile, another impediment to the implementation of just energy transition agreements is the lack of institutional capacity in recipient countries, which is critical to the development of bankable and feasible projects. Here, the financial sector has an important role to play.

The private sector, more broadly, must be a part of the solution given the magnitude and urgency of the climate challenge. In recent years the finance industry has been preparing itself for this role, having introduced green bond frameworks and launched sustainable finance expansion programmes, for instance.

For our part, Absa is already past the halfway mark in achieving its goal of mobilising a cumulative R100bn in sustainable finance by the end of 2025. We are also working with corporate clients to help them transition to lower-carbon premises and operating models. Through industry associations, we are working with the public sector and development finance institutions to develop the technical capacity needed for the energy transition.

All of this means Africa is showing up more strongly at COPs and other important forums. We believe this stronger representation went a long way towards the agreement for a loss and damage facility at COP28. But there is still plenty of room for improvement, and the urgency of climate action cannot be overstated.

We must co-ordinate our efforts and make clear that climate action in Africa must tick other boxes as well for it to be just. All agreements and projects must contribute simultaneously to economic growth, job creation and our collective sustainability objectives.

The global stocktake will be in sharp focus at COP28. It is not a light discussion; it is a predetermined process to meaningfully assess progress, or lack thereof, and we already know we are not on track to limit global warming sufficiently. The outcome of the process will likely place pressure on governments, particularly developing nations, to accelerate ambition in their next round of climate action plans.

Encouragingly, Africa now has a bigger voice at global climate discussions, and it is time to put it to use. As we move to low-carbon energy sources we must ensure that we safeguard the livelihoods of those now employed in traditional industries.

A just transition is imperative, as is broadening access to affordable energy.

- *Modise is chief strategy & sustainability officer at Absa Group.*