

## COP27: Mobilising a transition agenda that leaves no one behind



In a side event to the Summit of Heads of State and Government at the United Nations Framework Convention on Climate Change Parties (COP27) taking place in Sharm el-Sheikh, Egypt, which brought together Tony Blair, former British Prime Minister and Executive Director of the Institute for Global Change, Akinwumi Adesina, President of the African Development Bank (AfDB), Rick Duke, US Deputy Special Envoy for Climate and Mafalda Duarte, CEO of Climate Investment Funds (CIF), President Filipe Nyusi said that “Mozambique has no coal plant to close”, and it is one of the most exemplary countries in the South-

ern Africa region in terms of reduction of carbon emissions. Contributing to the discussion on the theme “Mozambique leading the Energy Transition in Southern Africa”, Nyusi said that a large part of the country’s energy matrix is made up of clean energy sources. The President noted the focus on hydropower, whose investments may be around US\$50 billions, pointing to the proven potential to be explored as M’panda Nkuwa project with a capacity of 1500 MW, Mpanda Nkuwa North with 900 MW, Cahora Bassa North with 1245 MW, Lupata with 650 MW, Boroma with 200 MW and Chemba with 600 MW.

The President highlighted the importance of the Mpanda Nkuwa dam project, with an investment of about US\$4 billion, whose development is at an advanced stage. “The project includes the high voltage power transmission line that may supply the region, contributing to the implementation of Regional Economic Integration, job generation and the trade balance,” the Head of State said.

Hydropower continues to be the largest renewable energy source in terms of installed capacity. By 2021, the global installed capacity (excluding pumped hydro) reached 1,230 GW, 40% of the total renewable energy capacity<sup>1</sup>. Other renewable energy technologies, such as bioenergy, geothermal, solar thermal and ocean energy, have also grown rapidly over the past decade, albeit from a small base. The combined installed capacity of all these renewables reached 166 GW by 2021, 86% of which is bioenergy.

Tony Blair said that Mozambique has a substantial amount of fuel reserves, however, given the emergency of reducing carbon emissions, it is necessary to support countries like Mozambique to develop their economies using clean energy. “The potential of the Zambezi for hydropower is unquestionable. Mozambique will need, in addition to public investment, the support of international cooperation and private investment to supply energy to the region,” said Blair.

The AfDB President came out in favor of the right model of financing to accelerating universal access for African countries. Akinwumi Adesina said it is not possible to talk about reducing emissions or using renewable energy sources without investment. “Africa has the largest reserves of renewable energy sources in the world. We need to transform this potential into power generation for industrial development. To achieve this goal, it is crucial that climate finance in the form of concessions is considered,” Adesina said.

It is estimated that most climate finance for Africa comes in the form of loans. This approach is problematized by the NGO Southern Africa Trust

which questions some focus on profits from global climate change investments. “It is increasingly clear that Africa-West relations in the energy transition will not work if they are driven by a neoliberal financial system built on subsidies, cost externalization and corruption. We cannot achieve a just transition using tools of neoliberalism”<sup>2</sup>. The real struggle for Africa, it seems, is how to overthrow the patriarchal capitalist system promoted and protected by global financial institutions, corporations and the global elite who want to control and direct the trajectory of the energy transition based on profit, marginalization, and poverty. (Southern Africa Trust 2022).

Rick Duke, US Deputy Special Envoy for Climate, congratulated the Mozambican President and his government for improving the atmosphere for private investment as a reinforcement to public capital through the passage of the new Electricity Law.

The Climate Investment Funds (CIF), which is supporting the energy transition in South Africa, has announced that it will increase its investment in Mozambique in the scope of climate finance. CIF acts not only in the energy sector, but also in the component of resilience to climate change and in the conservation area (preservation of the Miombo forest). Mafalda Duarte called for greater coordination of the countries in the region to not only share policies but also find synergies for financing the energy transition.

This panel debate organized on 8<sup>th</sup> November, was moderated by Damilola Ogunbiyi, CEO and Special Representative of the UN Secretary General for Sustainable Energy for All and Co-Chair of UN-Energy. The event was organized by the NDC Partnership. The NDC brings together over 200 members, including over 115 countries, developed and developing, and over 80 institutions to general ambitious climate action to help achieve the Paris Agreement and the Sustainable Development Goals (SDGs). Governments identify their NDC implementation priorities, and the type of support needed to translate these into concrete policies and programmes. Based on these requests, the association offers a tailored package

<sup>1</sup> IRENA, World Energy Transition Outlook 2022 pp 42

<sup>2</sup> Posição defendida por Dr. Claude Kabemba na publicação *Climate Change and the Just Energy Transition: IS AFRICA TRAPPED?* da Southern Africa Trust pp 5 [https://knowledgehub.southernafricantrust.org/site/assets/files/2334/climate\\_change\\_and\\_the\\_just\\_energy\\_transition.pdf](https://knowledgehub.southernafricantrust.org/site/assets/files/2334/climate_change_and_the_just_energy_transition.pdf)

of expertise, technical assistance, and financing. This collaborative response provides developing countries with efficient access to a wide range of resources to adapt and mitigate climate change and promote more sustainable development.

In 2018, with support from the NDC Partnership, World Bank and Camões Institute, the Government of Mozambique undertook an extensive consultative process at provincial and national levels, which led

to the development of a medium-term implementation plan (2020-NDC Roadmap 2025) describing a comprehensive approach to climate action in the country. Mozambique is currently improving its NDC, increasing its quality and ambition. NDC has supported the process by directly contributing technical and financial resources to improve emissions projections, costing, analysis of adaptation actions and coordination of partners providing support. Mozambique has been a member of NDC since 2017.

## Natural Gas as a transitional energy

The Government of Mozambique is clear about the path it must follow regarding global commitments to reduce carbon emissions and using of cleaner energy sources<sup>3</sup>. President Nyusi reiterated, on 7<sup>th</sup> November, at the COP27 plenary, the role of natural gas in the global contribution of energy transition and the use of the gains from exploitation for the reduction of inequalities. “For us, a just energy transition is an exercise to social inclusion,” Nyusi said.

The President called on more developed countries to disburse funds in a balanced way. The importance of funding for the prevention and mitiga-

tion of the effects of climate change is a narrative espoused also by other African leaders, who subscribe that developed countries should support countries vulnerable to climate change, especially sub-Saharan African countries, in their recovery in the face of extreme weather events fueled by climate change.

During his opening speech at COP27, Egypt’s president advocated for accelerating the world’s energy transition and UN Secretary-General António Guterres said the climate crisis is the result of human action, calling for the limitation of such harmful activity to halt the effects of climate change.

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<sup>3</sup> Vide discurso do Governo na conferência CDD *Just Energy Transition* em Julho de 2022, em Maputo: [https://www.yumpu.com/pt/document/view/67362979/conferencia-just-energy-transition-relatorio-pt\\_pp13](https://www.yumpu.com/pt/document/view/67362979/conferencia-just-energy-transition-relatorio-pt_pp13)



## South Africa launches an ambitious investment plan for just energy transition



On 7<sup>th</sup> November, during the World Leaders' Summit at COP27, the South African President Cyril Ramaphosa launched the new Energy Transition Investment Plan prepared by his government, as set out in the political declaration, announcing a long-term Just Energy Transition Partnership (JETP). The plan covers the power sector, electric vehicles, and green hydrogen.

For its part, Brussels<sup>4</sup> said that “a ‘Just’ approach underpins the plan, with the aim of ensuring that those most directly affected by a coal transition - workers and communities, including women and girls - are not left behind. The plan identifies \$98 billions<sup>5</sup> in financial requirements over five years to kick-start South Africa’s 20-year energy transition. Investment from the public and private sectors will be required.”

European Commission President Ursula von der Leyen said that: “for the EU, the climate transition needs to be fair. This partnership, with new investments, aims to ensure that no one is left behind.”

The Chancellor of the Federal Republic of Germany, Olaf Scholz, argued that “the adoption of the investment plan is a milestone towards an environmentally neutral and socially just economy in South Africa. Germany is contributing \$1 billion, including a substantial part through donations, to a support package from the international donor community worth \$8.5 billion.”

The President of the Republic of France, Emmanuel Macron, was pleased to confirm that France has just made available a €300 million concessional policy support to South Africa, as a first step

<sup>4</sup> [https://ec.europa.eu/commission/presscorner/detail/en/STATEMENT\\_22\\_6664](https://ec.europa.eu/commission/presscorner/detail/en/STATEMENT_22_6664)

<sup>5</sup> <https://www.thepresidency.gov.za/speeches/remarks-president-cyril-ramaphosa-during-jetp-investment-plan-meeting%2C-un-climate-change-conference-2022>

towards fulfilling its \$1 billion commitment to support decarbonization in South Africa.

The initial \$8.5 billions International Partnership Group Financial Support (IPG) financing package includes:

US\$2.6 billions through the Climate Investment Funds' Coal Transition Investment Plan (CIF ACT)

- US\$1.8 billion from the UK
- 1 billion from the EU
- US\$ 1 billion from Germany
- 1 billion from France
- 1 billion from the USA;

The work to arrange the application of the \$8.5 billion will continue in the coming months. In addition to the \$8.5 billions, the World Bank Board recently approved the Eskom Just Energy Transition project, which is providing \$0.5 billion of funding in support of the Just Energy Transition in South Africa.

The European Union is committed to becoming the world's first climate neutral bloc by 2050. This requires significant investments from the public and private sectors of the member countries. The European Green Deal Investment Plan will mobilize public investment and will help unlock private funds through EU financial instruments, notably InvestEU, resulting in at least €1 trillion in investments.

The COP27 is playing a leading role in supporting the least developed countries to move away from fossil fuels and trigger a fair and clean energy transition. Meanwhile for the African continent, increasing access to energy and reducing poverty are urgent priorities, because only then can true energy justice be achieved.

It is important to underline that the concept of just transition is not merely a technical process of moving from a fossil fuel-based system to a low carbon system. It is a political process. A just transition would require the creation of political coalitions between social and environmental movements, minority groups, trade unions, people employed in the energy sectors and engaged local communities. Here, another key factor is also relevant, as the Human Development Report 2020 notes: "By contract, energy justice usually focuses on access to energy as a human right" ... "In a way the idea of a just transition gets to the core of sustainability."<sup>6</sup>

CDD works to drive faster sustainable actions to achieve SDG 7 - access to energy at prices that are not prohibitive for the population, reliable, sustainable and modern for all by 2030 - ensuring that no Mozambican is left behind in the energy transition process<sup>7</sup>.

<sup>6</sup> Conceito explicado no relatório de Desenvolvimento Humano 2020 pp 35 <https://hdr.undp.org/system/files/documents/global-report-document/hdr2020ptpdf.pdf>


<sup>7</sup> Leia mais sobre a advocacia do CDD rumo a uma transição energética justa, no relatório sobre Transição Energética em Moçambique: Oportunidades e Desafios [https://justenergytransition.cddmoz.org/wp-content/uploads/2022/07/CDD\\_Report\\_Energy-Transition-in-Mozambique\\_2022.pdf](https://justenergytransition.cddmoz.org/wp-content/uploads/2022/07/CDD_Report_Energy-Transition-in-Mozambique_2022.pdf)



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