

Specifically, the event aims to identify lessons learned when designing appropriate policy, regulatory frameworks, incentive mechanisms and climate resilience for enhanced renewable energy deployment, drawing on experiences from across the continent and globally. The event will address the role that climate finance could play in the effort to mobilise foreign and domestic private sector and public investments to finance sustainable development in Africa. Africa's huge natural resource base can be fully optimised through a green industrialization pathway that addresses poverty issues and ensures food, energy and water security, thereby guaranteeing inclusive growth and prosperity and thus contributing to the attainment of Africa's Agenda 2063.

#### 4. SESSION DESIGN AND PARTICIPATION

The event will begin with opening remarks from the Executive Secretary of the Economic Commission for Africa, the Executive Director of the United Nations Environment Programme and the Director-General of the International Renewable Energy Agency. The remarks will be followed by presentations which will frame the subsequent panel discussion.

At the end of the panel discussions, the discussants will provide a synopsis of the key messages as well as new issues emerging from the discussion.

The session will conclude with a closing statement that outlines the way forward for transformative financing for renewable energy deployment and climate resilience in Africa.

#### 5. EXPECTED OUTCOMES

The expected outcome of the event is an enhanced understanding on how to frame a blueprint on policy and regulatory frameworks to support and attract investments for low-carbon climate-resilient development in Africa beyond 2015.

## About ClimDev-Africa

The ClimDev-Africa Programme is an initiative of the African Union Commission, the Economic Commission for Africa and the African Development Bank. It is mandated at the highest level by African leaders (African Union Summit of Heads of State and Government). The Programme was established to create a solid foundation for Africa's response to climate change, and works closely with other African and non-African institutions and partners specialized in climate and development.

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13-16 JULY 2015 • ADDIS ABABA • ETHIOPIA  
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A Side Event of the **Economic Commission for Africa**

**Unlocking Transformative Financing for Renewable Energy and Climate Resilience in Africa:**

*From Evidence to Widespread Replication*

**Africa Hall, Congo Building, ECA**  
**Tuesday 14 July 2015**  
**6–8 p.m.**



United Nations  
Economic Commission for Africa

## 1. ABSTRACT

The event aims to highlight experiences and evidence on the ground on mobilising transformative financing to invest in low-carbon climate-resilient development in Africa, building on lessons learned from countries such as South Africa and Ethiopia. The objective of the discussions is to frame a replicable blueprint that African countries can use to develop strategies for unlocking and catalysing public private partnerships, domestic resources, foreign direct investment and climate finance for renewable energy deployment in support of sustainable and inclusive development on the continent beyond 2015.

## 2. CONTEXT

The sustainable development goals to be adopted by world leaders in September 2015 embody a global vision of managing social, economic and environmental systems in a sustainable way to ensure wealth creation and enhanced human well-being, while addressing the impacts of climate change. This requires bold measures which include transformative change in policies and practices to promote decarbonisation of economic growth. Low-carbon climate-resilient development requires a paradigm shift that stimulates a governance architecture that promotes inclusive growth, equity and shared prosperity.

The dual dynamics of structural transformation and green growth in Africa speak exactly to this paradigm shift aimed at attaining sustainable development on the continent. For this to happen, access to modern energy forms and services and resilience to the shocks posed by climate change are essential. Renewable energy has a key role to play in this context. Yet, the continent's huge and widely distributed renewable energy resources remain largely underinvested owing to a combination of factors which include a lack of appropriate policy and regulatory frameworks to signal and stimulate investments. Although several billion dollars' worth of investments have already been deployed in various clean energy projects in Africa,

there is still an investment gap of over USD 50 billion per annum in order to ensure a transformative low-carbon, climate-resilient and socially inclusive energy future.

Having the right policy instruments, incentive mechanisms and regulatory frameworks in place to establish markets, as well as appropriately designed risk mitigation measures are essential requirements to attract the huge private and public sector investments needed to unleash the potential of the continent's renewable energy resources. Furthermore, the risks and challenges posed by climate change have to date not been integrated into investments in energy infrastructure; yet, these investments need to be calibrated to the potential risks posed by climate change.

A number of African countries have embraced development options which can steer the continent towards blue and green economies. Some African countries, such as Ethiopia and South Africa, have already demonstrated how having the political will to promote sustainable development, supported by enabling partnerships, policy and regulatory frameworks can readily mobilise and leverage domestic and foreign investments in transformative low-carbon energy and climate resilient development. To assist other African countries towards replication of these successes, a number of questions need to be answered. For example:

- What is the framework for a blueprint on the means of implementation for inclusive green growth evolving from the experiences of these pioneering countries?
- Some countries have adopted various policy instruments to support investment in renewables, including feed-in tariffs and public tenders. Germany, one of the pioneers of feed-in tariffs, has now conducted a pilot on public tenders for its Energiewende (the energy transition). Should African countries be considering feed-in tariffs? If so, under which circumstances?
- What is the role and nature of the partnerships that Af-

rican countries need to enhance and accelerate structural transformation for green and inclusive growth towards Agenda 2063 and within the context of the Sustainable Development Goals?

- Compelling scientific evidence suggests that Africa will be the most affected region by climate change in spite of its limited responsibility in causing it. What are the desired outcomes of the post-2015 climate agreement that would compel developed nations to assist Africa overcome challenges imposed by a changing climate?
- What special instruments and resources should be made available to African Small Island Developing States (SIDS) who are particularly vulnerable to adverse impacts of climate change?
- Some progress has been made in the climate negotiations with regards to climate finance, resulting in the establishment of multilateral climate finance mechanisms and instruments such as the Adaptation Fund and the Green Climate Fund. What role should these mechanisms and instruments play in leveraging the huge volume of private and public sector investments needed for low-carbon climate-resilient development in Africa?
- Over the last three years, there has been tremendous growth in the capitalisation of green bonds. What options exist to operationalise green bonds in Africa and how could flows from global green bonds be directed to finance green growth in Africa?
- Going forward, what specific roles should African governments, development partners and the private sector play to accelerate Africa's leapfrogging of green growth?

## 3. OBJECTIVE

The side event aims to elaborate a framework blueprint for sustainable development in Africa by highlighting and promoting best practices for unleashing the huge investments needed to finance low-carbon, climate-resilient green and inclusive development in Africa beyond 2015.