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New opportunities for EU-China-Africa trilateral cooperation on combatting climate change

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Briefing Paper 3/2017

New Opportunities for EU-China-Africa Trilateral Cooperation on Combatting Climate Change

Summary

The entry into force of the Paris Agreement under the United Nations Framework Convention on Climate Change (UNFCCC) on 4 November 2016 is a milestone towards safeguarding an opportunity for our species to live in peace and dignity on this planet. It is the first universal, legally binding instrument requiring both developed and developing countries to tackle climate change as a joint responsibility. While developed countries reconfirmed their obligation to provide support to developing countries under the Paris Agreement, there is also a growing recognition of the importance and potential of new partnerships among and with developing countries through South-South and trilateral cooperation.

The European Union (EU), having shown considerable leadership in forging the Paris Agreement, also expressed its intent to work trilaterally with China and African countries to support the treaty's implementation. The new EU strategy on China proposes to turn what is often perceived as EU-China competition in Africa into "greater cooperation" and to pursue "joint approaches" to "speed up the implementation of the Paris Agreement wherever possible, including the implementation of Nationally Determined Contributions" (European Commission, 2016).

Cooperation on addressing climate change has been part of China's Africa policy since 2006, and China has been increasingly supporting African countries through South-South cooperation as well as trilateral cooperation with the involvement of United Nations entities. In 2015, China committed to significantly scaling-up its efforts in the area by pledging 20 billion Chinese yuan (CNY) (USD 3.1 billion) to its recently established South-South Cooperation Climate Fund, which will focus on supporting African countries.

Trilateral cooperation between the EU, China and African countries should be guided by Africa's priorities. There are 53 African countries that have communicated their national plans on addressing climate change under the Paris Agreement through the submission of so-called (Intended) Nationally Determined Contributions ((I)NDCs). Based on an analysis of (I)NDCs and a review of existing partnerships and recent pan-African developments, this briefing paper proposes for EU-China-Africa trilateral cooperation to initially focus on renewable energy. The African Union's newly launched Africa Renewable Energy Initiative (AREI) provides a possible entry point at the regional and national levels. The EU and China should build on their existing pledges of support for AREI and jointly explore with African partners the development of pilot projects towards AREI's goal of installing at least 10 gigawatts (GW) of new and additional renewable energy generation capacity by 2020 and establishing the Africa Renewable Energy Institute. The single largest pledge in support of AREI by an EU member state has been made by Germany, which is well positioned to spearhead the proposed trilateral cooperation by building on its technical expertise and its G20 Presidency objective to support Africa's development, including in the area of renewable energy.

1 The EU's new focus on trilateral cooperation with China and Africa

Already in 2008, the EU proposed to establish a trilateral EU-China-Africa policy dialogue on peace and security, infrastructure, sustainable management of the environment and natural resources, as well as agriculture and food security. This first attempt towards trilateral cooperation failed, as it was perceived by the African side as imposing European standards rather than adapting to African policy priorities (Stahl, 2015). Previous studies on trilateral cooperation between the EU, China and Africa identified a number of challenges, such as for the EU and China to find common ground for cooperation with African countries due to differences in development policy concepts, instruments and modalities; competing economic interests; and a lack of African voices in the debate. However, these differences do not preclude cooperation in those areas in which the EU and China can find agreement. Opportunities exist, for example, in multilateral development cooperation on environmental protection (Grimm, 2014).

A proclamation of a recently renewed intention by the EU to trilaterally cooperate on climate change with China and Africa can be found in the EU-China joint statement on climate change issued in 2015. Specifically, China and the EU agreed to explore opportunities to cooperate on capacity-building as well as low-emission and climate-resilient investments in other countries. In June 2016, the High Representative of the Union for Foreign Affairs and Security Policy, Federica Mogherini, proposed to cooperate with China in Africa, including on fighting climate change and its consequences. The EU has acknowledged that China is a leading investor in Africa and that it has an interest – just as much as the EU does – in making the continent more resilient and prosperous. Through its new China strategy, the EU intends to turn what is often perceived as EU-China competition into greater cooperation by recognising China's increasingly important role in international development cooperation and the prominence it gave to the 2030 Agenda for Sustainable Development during its G20 Presidency. This provides the EU with an opportunity to step up its engagement to work together with developing countries and to advance bilateral and multilateral development cooperation to support the implementation of the 2030 Agenda with the aim of establishing a donor-to-donor partnership with China and to promote practical engagement in Africa. Furthermore, the EU proposes to pursue "joint approaches" with China to speed up the implementation of the Paris Agreement wherever possible, including supporting the implementation of Nationally Determined Contributions in other countries.

2 China-Africa cooperation on climate change

China has a long history of cooperation with African countries reaching back to the 1950s. However, the first reference to China's South-South cooperation on climate change (SSCCC) in an official policy document can only be found in "China's Africa Policy", published in 2006, which states that China will promote cooperation with Africa on climate change by increasing scientific and technological cooperation, including on the utilisation of solar energy. China's first white paper on foreign aid, published in 2011, confirms the prominent role of African countries in China's South-South cooperation, highlighting climate change as a new area of China's foreign aid. In 2009, China and African countries agreed to include cooperation on addressing climate change as one of the new areas for cooperation under the Forum on China-Africa Cooperation (FOCAC), which serves as the main platform for collective consultation and dialogue on political, economic and socio-cultural cooperation. At FOCAC's fifth Ministerial Meeting in 2012, China and African countries expressed satisfaction with the progress in cooperation in protecting the environment and addressing climate change in recent years and underscored the willingness to continue exchanges and cooperation in these areas. China pledged to continue to support African countries in building capacity for climate change adaptation and mitigation and for sustainable development. China's second Africa policy paper, published shortly before the 2015 FOCAC Summit, in Johannesburg, stipulated cooperation on climate change as being one of the six areas for which China's assistance would be primarily used, and that China will boost and consolidate cooperation with African countries under the UNFCCC. In the FOCAC Johannesburg Declaration and Action Plan, China and African countries acknowledged that climate change is exacerbating existing development challenges in Africa and is placing additional burdens on the national budgets and efforts of African countries to achieve sustainable development. China and African countries reiterated their intention to strengthen their policy dialogue on climate change as well as deepen cooperation in tackling climate change, in particular as regards climate change monitoring, climate risk and vulnerabilities reduction, strengthening resilience, promoting adaptation, support for mitigation in terms of capacity-building, technology transfer as well as financing for monitoring and implementation.

As part of its INDC pledge under the Paris Agreement, China established its own fund dedicated to SSCCC. In September 2015, China's president, Xi Jinping, committed CNY 20 billion (about USD 3.1 billion) towards the capitalisation of China's South-South Cooperation Climate Fund. The pledge is a significant increase from China's previous spending on SSCCC of about USD 30 million per year. Even if spent over 15 years, it would represent a more than six-fold increase per annum (Weigel, 2016).

China has been implementing an increasing number of SSCCC projects in Africa, as listed in China's report titled "China's Policies and Actions on Addressing Climate Change", which has been published annually since 2008, as well as in white papers on foreign aid published in 2011 and 2014. China has signed bilateral agreements on

"Complimentary Supplies for Addressing Climate Change" with Benin, Burundi, Cameroon, Egypt, Ethiopia, Ghana, Madagascar and Nigeria; implemented projects on bio-energy with Guinea, Sudan and Tunisia; on solar and wind power with Ethiopia, Morocco and South Africa; and on capacity-building on low-emission industrial development and energy policies, water resources management and conservation, forestry, desertification prevention and control, early warning systems and satellite weather monitoring in many African countries. In addition, China is progressively working with United Nations organisations to implement SSCCC projects and programmes in a trilateral setting with African partners. Examples include projects on enhancing the resilience of agribusiness against changing rain and weather patterns in Uganda; sharing expertise and technologies for renewable energy generation in Burundi, Ghana and Zambia; and supporting drought management and desertification control in Ethiopia and Kenya.

3 African countries' priorities for climate action

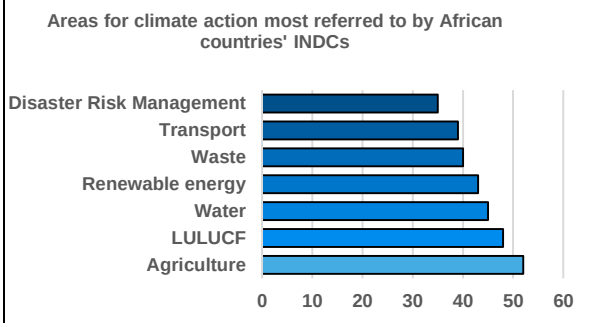
In the run-up to the adoption of the Paris Agreement, 53 of the 54 African countries submitted (I)NDCs that capture the climate actions that each country is willing and able to take. All of these countries specified goals or targets for the reduction of greenhouse gas emissions, as well as for how to adapt to current and future adverse effects of climate change. The World Bank's INDC database shows that the most common areas in which African countries intend to take climate action are agriculture; land use, land use change and forestry (LULUCF); water; renewable energy; waste; transport; and disaster risk management.

4 Opportunities for a new climate trilateralism between the EU, China and Africa

Among the priority areas for climate action identified in African countries' (I)NDCs, renewable energy seems to be the most suitable area for initiating trilateral cooperation, given the extensive previous experience of each partner in the EU-China-Africa triangle regarding cooperation with the other two. In addition, African countries have emphasised renewable energy as being an important area for the continent's response to climate change with the launch of the Africa Renewable Energy Initiative. AREI is the first continent-wide Africa-owned and Africa-led initiative to accelerate the scaling-up and harnessing of the continent's huge renewable energy potential. AREI aims to coordinate existing renewable energy initiatives; achieve at least 10 GW of new and additional renewable energy generation capacity by 2020, and 300 GW by 2030; and establish a pan-African renewable energy institution for research and training.

The EU and China have established various strategic energy cooperation mechanisms, including on renewable energy. Currently, the EU-China Energy Dialogue, the EU-China High-Level Energy Meeting and the Partnership on

Figure 1: Priority areas for climate action, as referred to in African countries' (I)NDCs



Source: World Bank (s.a.)

Urbanization constitute the three main institutional mechanisms for energy cooperation. The EU can also tap into its extensive experience in cooperating with African countries in the area of renewable energy, for example through the Africa-EU Energy Partnership and the Africa-EU Renewable Energy Cooperation Programme (RECP), which aim to catalyse the development of African renewable energy markets. The EU has already pledged support for AREI and recently announced its intention to sign a joint declaration with AREI on renewable energy in Africa as well as specific declarations to cooperate with Mozambique and Zambia on the implementation of AREI. The "Africa-EU Joint Declaration on Renewable Energies in Africa" states that the EU will mobilise support to facilitate investments that will increase the generation capacity on the African continent by at least 5 GW by 2020.

China also has considerable experience in working with African countries on the proliferation of renewable energy technologies as a means for addressing climate change. Furthermore, the China Renewable Energy Society (CRES), which is affiliated with China's State Council, has confirmed its interest to enter with AREI into a comprehensive cooperation agreement on the implementation of AREI's action plan.

Hence, a timely and concrete action to kick-start trilateral cooperation on addressing climate change could be for the EU to support the implementation of AREI jointly with China. Such cooperation could take place at the regional or national level, for example, through direct support for increasing installed renewable energy capacity and/or for establishing the Africa Renewable Energy Institute. This pan-African institute will be the backbone of AREI's support to African countries for developing renewable energy policies, industries, and technical vocational education and training (TVET). An EU-China-AREI trilateral cooperation on the establishment of the institute could combine the EU's strength in renewable energy policy, technology and TVET with China's recent experience in building a renewable energy industry and its vast expertise in renewable energy projects in African countries.

5 A way forward

First and foremost, trilateral cooperation must be guided by Africa's policy priorities. From African countries' (I)NDCs, it is clear that renewable energy constitutes a priority area. Support for the implementation of AREI is an excellent starting point for trilateral cooperation, as it provides an Africa-led roadmap for the proliferation of renewable energy on the continent for the first time. However, the EU's new approach to foster a climate trilateralism with China and Africa should build on lessons learnt, including those from the EU's previous failed attempt on trilateral development cooperation in 2008. Furthermore, any trilateral cooperation needs to equally engage all partners from the outset and throughout the cooperation.

In particular, the EU could consider initiating a trilateral pilot project at the regional level through RECP and the AREI Independent Delivery Unit with China's CRES. However, given the institutional constraints of RECP as a multi-donor programme, it may be more practical to explore possibilities for a trilateral cooperation pilot project from the EU side through one of its member states. Germany may be an ideal candidate for such a project, given its strong commitment to AREI with the largest single pledge to the initiative to date (USD 3 billion until 2020) and its extensive experience in trilateral cooperation as well as in supporting climate action in China and in African countries in the area of renewable energy. Germany could consider utilising its unique position as Vice-Chair of the China Council for International Cooperation on Environment and Development (CCICED) to initiate a dialogue on trilateral cooperation under CCICED's recently established Task Force of South-South Cooperation together with African partners. Furthermore, such trilateral cooperation would be an excellent opportunity for China and Germany to demonstrate the tangible results of their G20 Presidencies' continued commitment, in 2016 and 2017 respectively, to promoting the use of renewable energy in Africa.

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