

INFORMATION & COMMUNICATION DIRECTORATE

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COP29 High Level Dialogue: AU Commissioner Highlights Unlocking Finance for Energy in Africa

June 24, 2024 - London: The COP29 Presidency convened its second high-level consultation meeting on energy transition in London, United Kingdom. Hosted by Mr. Michael Mainelli, Lord Mayor of London, City of London Corporation, and co-chaired by COP29 President-Designate Mukhtar Babayev and IEA Executive Director Fatih Birol, the meeting focused on the critical financial strategies necessary to achieve global climate objectives. Notable participants included African Union Commissioner for Infrastructure and Energy Amani Abou-Zeid; Germany's State Secretary and Special Envoy for International Climate Action Jennifer Lee Morgan; Ireland's Minister for the Environment, Climate, Communications and Transport Eamon Ryan; COP26 President Sir Alok Sharma and Special Adviser to the United Nations Secretary General on Climate Action and Just Transition Selwin Hart. They joined other global energy, climate and finance leaders in

addressing the critical issue of scaling up financing for clean energy. The second dialogue focused on securing the necessary financing for renewable energy, with a particular attention to emerging and developing economies. High borrowing costs and various risks are preventing capital from reaching these crucial renewable energy initiatives.

According to the International Energy Agency (IEA), to stay on a 1.5-degree Celsius pathway, clean energy investments need to double to \$4.3 trillion by the early 2030s, with significant increase required in emerging markets and developing economies. These regions, which currently receive insufficient renewable energy investments, need a six-fold rise in funding.

Achieving these targets will require a joint effort from all financial sectors, including



governments, banks, and private investors. Public financing alone will not suffice, necessitating an extraordinary mobilization of private capital. Strategies include developing renewable energy initiatives that align with investor expectations and increasing concessional finance to attract private investments.

Representing Africa was H.E. Dr Amani Abou-Zeid, African Union Commissioner for Infrastructure and Energy – who reiterated her pivotal statement made in the first high-level consultation meeting held in Paris in May 2024: *“The Climate Agenda is our Development Agenda”*- underscoring the transformative potential of integrating climate action into Africa's development agenda.

Commissioner Abou-Zeid also welcomed the inclusion of longstanding African priorities at the highest level of discussion. *“For years, The African Union has been heralding and championing issues of grids and clean cooking as well as turning our critical minerals into development minerals and It is gratifying to see these issues gaining such prominence,”* she noted.

Commissioner Abou-Zeid urged governments, financial sector actors, and industry to collaborate in scaling up bankable renewable energy projects. *“Governments play a crucial role in providing effective leadership and creating a conducive environment through long-term policies and transparent tendering processes. Financial sector actors, including Development Finance Institutions (DFIs), should focus on reducing debt costs and reassessing risk perceptions. Industry actors should innovate to lower the costs of low-carbon technologies and prioritize technology transfer and capacity building”*, she said.

Regarding leveraging limited public finance to unlock private capital, Commissioner Abou-Zeid stressed the importance of strategic government policies that build investor confidence through clear, consistent visions and robust regulatory frameworks. *“Governments should mitigate legal risks and invest in critical infrastructure such as transmission and distribution systems to attract private sector investments”*, she added.

Development finance institutions (DFIs) also have a pivotal role to play in mobilising finance for energy transitions, particularly in developing regions. *“A key step DFIs should take would be to leverage public and private capital effectively and prioritise investments in local currencies to mitigate currency risks”*, she said.

Commissioner Abou-Zeid reaffirmed the importance of addressing the crucial issue of critical mineral in Africa, emphasising the environmentally detrimental extraction conditions prevalent on the Continent. *“While critical minerals are essential for the clean energy transition, their extraction in Africa often occurs under unsustainable and environmentally damaging conditions,”* she said.



The inclusion of critical mineral issues in the COP29 agenda would reflect a true global commitment to fostering a just and sustainable energy transition. *“Collaborative efforts are essential to ensure that mineral resources are responsibly extracted and contribute positively to global climate goals”*, she added.

On the sidelines of the meeting Commissioner Abou-Zeid held a productive meeting with Ambassador Majid Al Suwaidi, COP28 Director- General. The discussion centered around the Global Climate Finance Framework and strategies for working with the African Union to advance its implementation. Commissioner Abou-Zeid also met with Ditte Juul Jørgensen, Director General of Energy at the European Commission to discuss the role of critical minerals in the energy transition.

For more information:

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