

## **Climate Policy Initiative – Written evidence (ZAF0051)**

Evidence to the House of Lords International Relations and Defence Committee's inquiry: The UK and Sub-Saharan Africa—prosperity, peace and development co-operation.

### **1. Is climate change sufficiently embedded into DfID's programming in Sub-Saharan Africa? Is the appropriate share of UK ODA funding for Sub-Saharan Africa allocated to tackling climate change?**

- a. CPI does not analyse individual countries' programming in detail – we analyse global climate finance flows using global databases. However, CPI's *Global Landscape of Climate Finance* highlights an urgent need for increased, high quality mitigation and adaptation finance in sub-Saharan Africa.
- b. Our findings do however show that the UK currently allocates the largest share of its bilateral ODA to sub-Saharan Africa (on average 30% between 2015 and 2017), which is well above the average among DAC members (21% in 2017).
- c. Furthermore, DFID's focus on adaptation spending is likely appropriate given SSA's high level of vulnerability to the impacts of climate change. DFID provided approximately USD 220m to adaptation related activities (out of USD 5.4b total climate finance), USD 9.5m to mitigation related activities (out of USD 10b), and USD 145m in multiple objectives projects on average in 2017/18 in Sub-Saharan Africa. DFID provided half of the global spending recorded on disaster risk management (USD 100m on average per year), which is quite important given there is a disproportion of DRR allocation in Sub-Saharan Africa in general compared to other regions.
- d. While we understand the policy of mainstreaming climate change across DFID programs, we would recommend that it does not negate the need for dedicated projects focussed on climate.

### **2. How can climate finance be better managed and utilised to meet climate challenges in Sub-Saharan Africa?**

- a. We cannot comment generally on SSA but we do run a program in Kenya to support the government in its implementation of its climate strategies. We welcome the announcement of the UK and Kenya strategic partnership, which includes action on climate. Supplementing climate finance with political engagement has the greatest chance of success and in-country led climate action.

- b. A challenge in Kenya is the lack of inter-ministerial communication on NDC implementation. This is a political issue that needs senior engagement and could be a priority under the UK Government – Kenyan Government climate partnership.
- c. Getting Kenya to sign up to the UK’s powering past coal alliance would also be a success as they still have coal in their pipeline of projects despite evidence that it is a higher cost development pathway.
- d. There is a need for innovation in climate action, in particular for adaptation finance. Our Global Innovation Lab for Climate Finance is developing blueprints for blended finance instruments that help to mobilise private investment in mitigation and adaptation, with high leverage and very low running costs. We recommend establishing a Sub-Saharan wide climate innovation lab to build in-country capacity and regionally appropriate structures.

**3. Is it appropriate for ODA be used to develop oil and gas infrastructure in low-income countries in Sub-Saharan Africa, and for the Government to encourage UK private investment in these sectors?**

- a. We were concerned to learn that in February 2020, 90% of the UK-Africa summit’s energy deals were in fossil fuels. These are export credits (not ODA).
- b. There is now strong evidence that the lowest cost development pathway is often not oil and gas, and continued subsidy for these sectors is delaying our low-carbon transition. Subsidising investments in these technologies in developing countries can create stranded assets as well as dependency on imported fuel.
- c. UK support should focus on cost-effective low carbon development which can support the least developed countries with clean electricity. There needs to be an assessment on the appropriate technologies (e.g. many of these countries are dependent on hydro which increases vulnerability to drought).
- d. As COP 26 president, the UK is urging ambition on climate and providing leadership on updating NDCs to improve chances of meeting the commitment in the Paris Agreement. Continuing to fund and subsidise fossil fuels goes against this message and locks the poorest countries into fossil fuel dependency.
- e. The UK’s position and leadership on ‘Powering Past Coal’ is very impactful.

**4. Are there any other issues you would wish to draw our attention to?**

a. CPI is the Secretariat for the Cities Climate Finance Leadership Alliance (the Alliance) is a multi-level and multi-stakeholder coalition aimed at closing the investment gap for urban subnational climate projects and infrastructure.

**b. African cities should be in the centre of the UK's climate-related activities in Africa**

- i. Over half of global population growth is expected to take place in Africa between now and 2050.
- ii. With increasing concentrations of people and infrastructure, African cities are particularly vulnerable to problems caused by the impacts of climate change. This is particularly true for flooding and extreme heat.

**b. Climate finance is essential for African cities to achieve a green transition – there are opportunities.**

- i. IFC found over USD 1.5 trillion in climate investment opportunities in Sub-Saharan African cities, with the highest share in green buildings (USD 768 billion), electric vehicles (USD 344 billion), and public transportation (USD 159 billion).

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