

# PILLARS FOR INCLUSIVE, SUSTAINABLE AND RESILIENT GROWTH AND INNOVATIVE SOCIO-ECONOMIC MODELS POST COVID-19 PANDEMIC IN THE MEDITERRANEAN AND AFRICA

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## Policy Session on Green Transition in the Mediterranean and Africa: What opportunities and challenges post the Glasgow Climate Pact?



**Moderator: Dr. Cinzia Alcidi**, Director of Research, Head of the Economic Policy Unit at the Centre for European Policy Studies (CEPS), Belgium

### Speakers:

- **Dr. Connell Fullenkamp**, Practice Professor and Director of Undergraduate Studies in the Economics Department at Duke University, US
- **Dr. Nathalie Hilmi**, Head Environmental Economics at Centre Scientifique de Monaco
- **Mrs. Fatuma Hussein**, Programme Manager at Power Shift Africa, Kenya
- **Dr. Cynthia Echave**, Project Coordinator and Senior Researcher at the Euro-Mediterranean Economists Association (EMEA), Spain

# POLICY SESSION ON GREEN TRANSITION IN THE MEDITERRANEAN AND AFRICA: WHAT OPPORTUNITIES AND CHALLENGES POST THE GLASGOW CLIMATE PACT?

## Introduction

2021 has been a decisive year in respect of post-Covid economic recovery policies, with a strong emphasis on the transition towards a decarbonised, inclusive economy but, above all, one that is resilient to climate change. The first release of the IPCC's Sixth Assessment Report, presented in public in August 2021, once again placed the progressive advance of climate change and the advances developed by the scientific community at the forefront of the agenda. The findings, highlighted in the report, are not encouraging and emphasise the need for effective and efficient action. However, unplanned, non-consensual haste could have even more disastrous consequences. One example is the transition from a fossil energy model to a model based on clean and renewable energy sources. The transition requires a series of mechanisms and standards that make it possible to move from one stage to the other, so that the losses are minimal and the change is effective. However, the economic model is often governed by rules that are not based on exact sciences but on socio-political circumstances. This factor makes the transition to a greener economic model more complex, but not impossible. |

This EMNES policy session is dedicated to the debate on the policies that will have to support and be consistent with the EU green deal, but also with the externality that it entails in the Mediterranean region and Africa for trade, alliances of cooperation and local planning. The panel includes experts in different areas of regional knowledge and experience. The session discusses the climate pact achieved at COP26 in Glasgow and its impacts on the Mediterranean and Africa, the role of the nature-based solution to accelerate the green transition, how to finance the green transition, etc...



**Dr Fullenkamp** presented reasons for “COptimism” despite the disappointment after COP26 in Glasgow. COP 26 showed that governments will not be the leaders in every aspect of climate change, despite the importance of their role. There was a growing sense that the private sector and NGOs will have to take the lead on climate change. He provided some evidence that the private sector was taking this leadership role seriously. ESG investing, carbon-

reduction commitments and the full acknowledgement that nature was an ally in combating climate change, not just a victim of it.

He then provided an example of how the private sector could take on leadership in nature-based solutions. “Nature-based solutions” were based on the creation of new markets for nature’s services. It had already started in the carbon markets, such as carbon capture and could go beyond land-based forests, such as mangroves, kelp, seagrass, elephants, whales, other keystone species, other nature services (biodiversity), and supporting markets (insurance). They were important sources to fight climate change by building markets around them. They created a positive and inclusive vision for fighting climate change and support for conservation and the restoration of nature and biodiversity for the communities where the

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resources were located. This was a positive policy that could fight climate change in a job creating way and, particularly, in supporting low-income populations who were taking care of nature. He believed that the Mediterranean and Africa could become a centre for nature-based solutions. The Mediterranean Sea, for example, needed conservation and restoration and could benefit from carbon capture.



**Dr. Nathalie Hilmi** presented the key assessment of the risks associated with climate change in the Mediterranean region. In this area, both natural ecosystems and human livelihoods were affected by climate change. The climate risks had an impact on water and agriculture, marine ecosystems, terrestrial ecosystem, health and energy. To mitigate climate change, governments and key actors needed to collaborate together to improve the policies, to assure the well-being of future generations in the region.



**Mrs. Fatuma Hussein** presented the African view on climate change. The African continent was the one most affected by climate change, whilst contributing the least to it proportionally. COP26 had showed there was progress in the right direction to fight climate change but more could be achieved, especially on the financing part for Africa. Also, the focus on the historic reference to fossil fuel reduction, went in the right direction. Africa could take the lead in climate change because the cost of shifting to green energy was reducing. However, in Africa, there was the challenge to reduce energy poverty whilst addressing climate change. Therefore, we need to make sure that the transition was equitable and aligned with development objectives. Without green financing, technology from rich countries was impossible in Africa. Also, the discussion on transition needed a longer timeline for Africa. Regarding public policies, governments could not take the lead on climate change alone; economic interests needed to take centre stage, underlining the role of civil society and the private sector. The African COP27 would be an opportunity for everyone to act with an equitable transition.



**Dr. Cynthia Echave** emphasized the vulnerabilities of the MED and Africa regarding climate change. Climate change would affect marine heatwaves, water scarcity, food security, ecosystem fragility and the governance and resilience capacity of African countries. COP26 underlined that Climate Change was a common concern for humankind and it was important to ensure the integrity of all ecosystems (including forests, oceans and cryosphere). It underlined the urgency of scaling-up action: finance, capacity building and technology transfer. Also, it was urgent to further integrate adaptation into local, national and regional planning.

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She highlighted the importance of the urban model in Africa and that it was important regarding climate change. The urban population in Africa was projected to triple by 2050, increasing by 0.8 billion. African countries were experiencing some of the world's highest rates of urbanisation rates. Many of Africa's evolving cities were unplanned and had been associated with the growth of informal settlements, inadequate housing, basic services and urban poverty. This underlined the importance of planning mobility networks, as well as energy and water networks in urban areas, in a framework of climate change. There was a need to respect the balance between development and the biocapacity of territories. When speaking about resilient urban planning, we talked about keeping the demand of resources in balance with biocapacity, putting in place strategic connectivity, the integration of nature-based solutions and enhancing community awareness.

She then presented the EMEA initiative on Sustainable Transition (STI) for the Mediterranean and Africa with a trans-disciplinary approach, bringing together key players involved in the thinking, planning and setting up of sustainability actions and accelerating green transition in the Mediterranean and African countries, as well as bringing research, policy and decision makers into systemic and transformative thinking. This initiative had the following pillars: (1) territorial resilience, (2) green transition (related to economic activities and business models), (3) sustainability leadership (women and young people as the driving force for the initiative).

The discussion covered the following topics:

- The role of government and the private sector: complementarity or a crowding out effect? There was a need to find a way to leverage what the public sector can do to include the private sector, such as green energy PPP, that was beneficial for everyone. There was a need for cooperation between the private and public sector. In Africa, what was required was for governments to improve the environment for green investments. And the role of the private sector was key.
- How could a market for nature-based solutions be developed quickly? Cooperation between governments and private sector. The challenge was to build trust between them, in order to create nature-based markets and the re-development of natural resources.
- Should there be a cap on natural resource extraction? In COP26, there were engagements to reduce resources extraction. There was a need to limit the use of resource but they must be managed closely with territorial development. Proximity to services was important, to reduce the pressure of distribution over long distances.
- Putting a cap on resources led to increase in prices, so how to balance short term costs and long-term benefits? Innovation was the answer. It was important to innovate, to reduce the price of resources via urban planning, a new human-centric approach to the design of cities, alternative sources of energy, etc.

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- To what extent had public awareness of climate change contributed to making new models work? The vulnerable communities and societies in Africa were those most affected by climate change. They needed to be involved, engaged and empowered. There was a need to engage the community discussion with civil society, experts and government. Also, letting people tell their own stories about how climate change had impacted their lives was powerful. Participatory processes needed to improve to that there was better trust between the different actors.
- Would the COVID crisis have an effect on climate change? From an urban planning perspective, it had a huge impact, because we had come to realise the importance of the public and private spaces. There was an acceleration in the number of bicycle lanes and pedestrian spaces in cities. The pandemic had been a time of introspection and people were more open to ways of going forward in the future. From the African perspective, governments were reorienting their policies, such as reducing non-green investments.