



Ministero degli Affari Esteri
e della Cooperazione Internazionale



**Encounters
with Africa
2021**

ENCOUNTERS WITH AFRICA

Rome – 7-8 October, 2021

CONCEPT NOTE

INTRODUCTION

Recent United Nations reports on the state of the planet and projected climate scenarios have highlighted an alarming situation caused by the indiscriminate exploitation of our planet's resources. In recent months, extreme natural events have made all too apparent this dismal situation that, if left unchanged, could cause irreparable harm to our societies.

With its dire impact on our health and economy, Covid has brought an additional element of fragility that has severely tested our preparedness and resilience. This challenge, like the environmental crisis, affects all continents, countries, and populations.

The African continent is among the areas of the world that are most severely affected by the consequences of these threats and, at the same time, among the areas that have contributed the least to our planet's current crisis. Emissions from all 54 African countries account for 1% of global emissions and Africa includes five out of ten countries that are the most impacted by the effects of climate change globally, including floods, desertification and fires.

This year Italy has the historic opportunity to focus the attention of the international community on the urgent need to tackle environmental and energy-related issues through a coordinated approach during its G20 Presidency - inspired by the three "Ps", *People, Planet, Prosperity* – and its partnership with the UK for COP26. In this context, priority will be given to a long-term approach to increase resilience among the most vulnerable countries in responding to the challenges of environmental protection and inclusive and sustainable post-pandemic economic recovery. This approach is consistent with the commitments enshrined in the 2015 Paris Agreement, the Sustainable Development Goals of the United Nations 2030 Agenda, and the African Union Agenda 2063. Finding solutions to these problems is in everyone's interest, implementing an effective multilateralism that goes beyond a welfare-oriented vision and aims to promote investments, employment opportunities and a green economy for Africa.

On a bilateral level, Italy is currently deeply committed to laying the foundations for a real energy and ecological transition on both sides of the Mediterranean, focusing in particular on human capital development, infrastructure construction and the creation of synergies between Italian and African production systems. The positive impact this will have on future generations in Africa must also be considered. For several years, Italy has been a global leader in terms of foreign direct investment in Africa and among the Continent's main energy partners. In its Three-year Programming and Policy Planning Document 2019 - 2021, the Italian Development Cooperation has identified management of natural resources, environmental protection and fight against climate change as priority action areas. In this context, grants to Africa totaled approx. 160 million euros in 2020, with the aim of considerably increasing this figure in 2021, as well as of allocating more and significant resources to environmental projects.



Moreover, in its humanitarian work, Italian Cooperation is increasingly focused on supporting disaster risk reduction projects.

For these reasons, in line with the strategic approach described in the 2020 Italian policy document, "A Partnership with Africa", the Ministry of Foreign Affairs and International Cooperation has decided to dedicate the third edition of the Italy-Africa Ministerial Conference, "Encounters with Africa", to environmental issues. Furthermore, a different format has been chosen. In addition to States and International Organizations, participation will also be extended to businesses, NGOs and research institutions that distinguish Italy's presence in Africa and help create the conditions to make substantial steps towards a more sustainable, inclusive and greener future.

EVENT AIMS

The aim of "**Encounters with Africa**" is to provide a forum for exchange and dialogue between Ministers of Foreign Affairs, representatives from International Organizations and civil society, in order to identify common approaches to deal with challenges related to energy, climate, the environment, and sustainable development in the African continent. In fact, these issues are a foreign policy priority today, due to their importance for the health, economic growth and security of present and future generations globally. To this end, "Encounters with Africa" aims to:

- **Support African energy needs for a more inclusive society.** Over 600 million people in Africa still do not have access to electricity. Therefore, policies must be implemented to enable the Continent to have the necessary infrastructure and technologies to ensure its energy self-sufficiency and meet the level of demand that is expected to grow at twice the global average, driven by its booming population growth. Access to energy is a prerequisite for the development of a modern digital economy. Widespread availability of basic services, first and foremost education and access to water, is also necessary to combat poverty, extremism and marginalization, especially among the most vulnerable segments of the population, such as women and young people. "Encounters with Africa" will address these issues through a comprehensive approach to promote solutions aimed at improving the living conditions of African populations.
- **Promote environmental protection through ecological transition.** The sustainability challenge in Africa is not only linked to environmental protection, but it also requires the promotion of a new model for economic growth, infrastructure construction, income distribution, and foreign debt reduction based on endogenous development. Africa cannot be expected to pursue the same ecological transition goals that apply to industrialized countries – which are endowed with capital and know-how - without adequate assistance. In addition, African countries virtually have had no historical responsibility for man-made global warming. From this perspective, innovation processes should be fostered through a leapfrogging model, to promote the digitization of African economies, their integration into international markets, as well as vocational training for working age women and youth. "Encounters with Africa" will promote an exchange of views between institutional and



private players to identify development methods that enable Africa to meet Paris Agreement targets and accelerate its progress in implementing the 2030 Agenda.

→ ***Strengthen the partnership between Italy and Africa for mutually beneficial development.***

The conference will provide an opportunity to reinforce the historic ties between Italy and Africa, also regarding environmental protection and green growth. Given global consumers' growing attention to environmental sustainability, it is essential that production processes on the African continent comply with environmental standards, and that they receive technological support from industrialized countries. In the renewable energy sector, and energy transition in particular, Italy can boost African development thanks to its extensive experience and know-how in renewable sources, the fight against energy scarcity and grid efficiency. The need for cooperation to reach sustainable development goals and the excellence of Italian manufacturing and skills in key industries - such as infrastructure, renewable energy, health and agri-food – provide ample scope to strengthen this partnership. Additional favorable factors include the complementary roles of Italian and African private partners in value chains and the ease with which Italian businesses have traditionally become integrated into Africa's economic context.

"ENCOUNTERS WITH AFRICA" AND THE ITALIAN G20 PRESIDENCY

The third edition of the Italy-Africa Ministerial Conference, "Encounters with Africa", takes place during Italy's G20 Presidency and the Italian partnership with the UK for COP 26. This is a unique opportunity to focus on themes related to energy, the environment, climate and sustainable development, as expressed in Italy's G20 priorities: "People, Planet, Prosperity".



PEOPLE **Human Centered Development.**

The pandemic has dramatically impacted African economies, as they have been severely affected by free-falling raw material prices, business lockdowns and the vulnerability of informal economic sectors. Any future recovery must be human centered for this crisis to become an opportunity to build a new development model for Africa. Organizations such as the United Nations Economic Commission for Africa (UNECA) have repeatedly highlighted how expanding access to potentially abundant renewable energy solutions in the African continent could fundamentally contribute to the post-Covid recovery of African countries and improve the quality of life of millions of people, also in the long term.

According to the International Labor Organization, de-carbonizing the economy could create 60 million additional jobs by 2030. African leaders also have the historic opportunity to coordinate their efforts in responding to the pandemic to achieve, among others, Sustainable Development Goal 7, i.e., building more robust and efficient energy infrastructure systems, as well as adopting decentralized energy solutions that rely on green energy sources.



To make the most of these opportunities, women and young people must be fully involved. They are an enormous source of human capital that is still undervalued and one of Africa's main assets. Through investments in training, technology and innovation, sustainability can become an "opportunity multiplier" for the most vulnerable groups in terms of employment, education and health. This would also lead to greater social and political empowerment, by revitalizing local economies that have traditionally suffered from a lack of robust production facilities, reducing pockets of marginalization, and contributing to create alternatives to migration towards Europe. The key is to promote a cooperative approach that is increasingly based on the creation of real employment opportunities through self-sustaining processes.



The Future of Energy, the Future of Our Planet.

For Africa, renewables are not just an abundant natural energy reserve. They are readily available tools to establish a new sustainable development model that can positively affect health, literacy and schooling, relationships between overcrowded cities and rural areas, mobility, and access to telecommunications and digital infrastructures that are also powered by sustainable sources.

Africa's energy transition will have a powerful impact globally, and its scope can be gleaned from an initial evidence. According to data from the International Renewable Energy Agency (IRENA), Africa's power generation capacity grew by 40% between 2015 and 2019. In the East Africa Rift Region alone, solar and wind energy, for example, recorded the fastest growth rate, averaging 115.7% and 71.6% annually. The energy transition requires constant cooperation from all stakeholders involved in environmental impact, workforce enhancement, cost distribution, technology use.

In this context, Italy is at the forefront when it comes to sharing know-how and technologies to foster the development of local models that enhance local resources. Italy can help define a consistent and integrated strategy that is also aimed at supporting cross-border and trans-national cooperation to find new areas for mutually beneficial initiatives. In recent years, Italy has been among the leading European investors in Africa (with Direct Investments totaling 24.5 billion euros in 2018), while at the same time helping to promote economic opportunities and local development, also through vocational training. In this regard, it is worth mentioning an initiative by the Italian Ministry for Ecological Transition, aimed at signing Memorandums of Understanding to reinvest the proceeds from carbon emission auctions in African countries in order to finance environmental protection and sustainable development projects.

A key factor is Italian excellence in all relevant industries involved in achieving a full ecological transition. The agri-food industry, for instance, has a potential market in Africa that could reach 1 trillion euros by 2030 according to African Union estimates. Moreover, Italian companies are global leaders in the energy industry. In this context, the "Pact for Export", promoted by the Italian Ministry of Foreign Affairs and International Cooperation, was recently signed by relevant Italian ministries and business leaders. It will provide a framework to boost economic and industrial cooperation



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through events such as business forums, workshops and country presentations, as well as incoming business missions from Africa to major international trade fairs in Italy.



Encounters with Africa 2021 PROSPERITY

Green Growth and Finance as Drivers of Development.

To achieve these goals, a long-term vision is required, based on cooperation between public and private sectors, businesses and institutions to develop sustainable finance models.

Addressing the deficiencies of the current financing system will be a crucial step in speeding up the green transition in Sub-Saharan Africa. The primary obstacles include insufficient investments in climate policies, imbalances between financing mechanisms, and inadequate tools to deal with debt crises and promote a green recovery. More initiatives are needed to match projects with credit providers including private lenders and development banks.

Current data shows a marked tendency to provide climate funding to developing countries through non-concessional loans, which only generate more debt and have a negative impact on long-term debt sustainability. For this reason, mobilizing all possible resources to finance Africa's ecological and energy transition will be crucial. First and foremost, the Debt Service Suspension Initiative (DSSI) and the more recent Common Framework for debt treatments beyond the DSSI, promoted by the G20, will free up liquidity in the budgets of African countries to fund a post-pandemic recovery that is also based on the green transformation of production activities. Another important step will be leveraging existing and insufficiently accessible financial instruments, such as Special Drawing Rights, in light of the new 650 billion USD general allocation that was approved thanks to the efforts of the G20 under the Italian Presidency. More innovative forms of financing should also be considered, such as green bonds, to raise additional private capital to reach energy-transition and environmental-protection targets. The pledge made by industrialized countries during the Conference of the Parties to the UN Framework Convention on Climate Change is worth mentioning in this context. The pledge calls for 100 billion USD to be made available to developing countries each year for adaptation and mitigation projects: a goal that is still far from being reached.

To ensure that these sources of financing generate development in the long run, disposable liquidity will have to be invested in infrastructure construction to improve access to electricity produced from sustainable sources, to foster the development of online banking, to provide incentives for new business formation and to disseminate literacy and training, including distance learning. The inclusion of "Encounters with Africa" within the broader context of Italy's G20 Presidency will lead to a full synergy among all relevant initiatives emerging from the different forums.



EVENT STRUCTURE

The event will be introduced by an opening plenary session with remarks from the President of the Italian Republic, Sergio Mattarella, followed by four interactive thematic panels.

The first two panels will take place in the morning simultaneously:

- 1) "Renewable Revolution;
- 2) "Shaping the Energy Future of Africa".

The next two panels will take place in the afternoon, again simultaneously, following a luncheon offered by the Minister to the Heads of Delegation:

- 3) "Sustainable and Green Finance: a Road Towards a More Inclusive Future."
- 4) "Moving Forward Together: Towards an Inclusive Society for Women and Youth."

Each panel will include two sessions. During each session, panelists will deliver a speech followed by a discussion and in-depth analysis involving Ministers, representatives from International Organizations, businesses, NGOs and research institutions, moderated by a journalist.

A final plenary session is scheduled, with closing remarks from the Italian Minister of Foreign Affairs and International Cooperation, Luigi Di Maio.

EXPECTED OUTCOMES

During panels and sessions, distinguished guests will learn about how Italy can contribute and what it can do in partnership with African countries on energy, environmental, climate and sustainability issues, to foster a post-pandemic recovery and stimulate greater social and economic cooperation as equal partners.

Post-pandemic economic and social recovery, energy transition and sustainability are the three pillars that will support Africa in the near future. With appropriate support policies, Africa could actually become the first continent to experience economic and industrial growth based primarily on clean energy. This, in turn, will have an impact on many aspects of human and social development: from access to drinking water, to education, to the creation of new jobs and alternative forms of consumption, as well as the emancipation of women.

In this context, Italy will make the most of this opportunity to highlight the necessary capabilities to launch useful cooperation initiatives for both the African continent and the Italian economy.

Our country is required to make an additional "systemic" effort at a political, institutional and industrial level, to export the energy chain to other countries, launch structured capacity building initiatives and share strategies, plans and resources for a post-pandemic recovery.

Thus, "Encounters with Africa" is an opportunity to establish a Europe-Mediterranean-Africa axis: an area of competitiveness, multidimensional cooperation and development based on solidarity, inclusion and sustainability.