

ANNUAL REPORT 2022



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This Report is an account of the work of APRI – Africa Policy Research Institute - in 2022. APRI is an independent and nonpartisan African think tank based in Berlin, Germany. It researches key policy issues affecting African countries and the African continent. APRI aims to provide insights to the German and European Union policy making process on Africa.

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note from the executive director

I am delighted to share with you the APRI - Africa Policy Research Institute - 2022 Annual Report. The year started against the backdrop of African economies regaining their footing from the COVID-19 pandemic, assessments of the impact of the Russian invasion of Ukraine to Africa, and the great anticipation of the Conference of Parties (COP) 27 returning to Africa. Such geopolitical complexities continue to underscore how African governments must design and implement policies that meet their strategic objectives for socio-economic development.

Our core thematic areas - Africa's climate agenda, Africa's digital agenda and economy and society - are our focus as the only Africa-focused think tank in Germany. Throughout the year, we published evidence-based policy briefs, research papers, and articles, and hosted events and participated in global and regional discussions in these areas, bringing to the table strong African-centric policy-oriented perspectives.

I hope you will enjoy reading this Annual Report, which contains a summary of our achievements towards realizing our Strategic Plan in 2022. With your support, I am excited about what 2023 holds.

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Executive Director - APRI

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Africa's climate agenda: What next for the continent?

Although it was the fifth time the Conference of Parties (COP) was being held in Africa, COP27 was touted as the 'African COP'. Beyond its location in Egypt, it was seen as a chance for Africa to make a strong case for discussions on ways to make the current climate finance structure meet Africa's needs. With the effects of climate change becoming increasingly visible and the impacts in Africa, and globally, more obvious, the debates around climate finance continue to attract critical focus. From a socio-economic perspective, climate finance is a key component in enabling Africa make tangible gains towards becoming more climateresilient, being the continent that has contributed least to climate change yet faces the harshest of its consequences.

Climate Finance

At the core of climate finance is the design and implementation of climate finance policies that address the development needs of a country. While developed countries committed to a collective goal of mobilizing USD 100 billion per year by 2025 for climate action in developing countries, this commitment has not yet been turned into action. If and when it does, the incentives and returns for Africa must be clear and quantifiable. And herein lie the policy debates. What sort of climate finance contributes directly to Africa's policy goals and sustainable job creation and should therefore be prioritized? We initiated the Climate Finance <u>in Africa projec</u>t and published the <u>Climate Finance in Africa Flagship Report</u> – in partnership with the Africa Centre for Energy Policy (ACEP) and Zambia Institute for Policy Analysis and Research (ZIPAR). The project set out to investigate the emerging climate policy arena associated with implementing nationally determined contributions (NDCs) in Ghana, South Africa, and Zambia.



Launch of our climate finance report at COP27, Sharm El Sheikh, Egypt. L to R: Moderator Prof Yacob Mulugetta with panelists Dr Lily Odarno, Dr Linda Ogallo, and Dr Olufunso Somorin

Africa's climate agenda: What next for the continent?



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Event: "Closing the gap" – Financing Africa's Climate Agenda" at the German parliament on 12 October 2022. L to R: Moderator Tomi Oladipo (left) with Director of the African Climate Foundation, Saliem Fakir, H.E. Khaled Galal Abdelhamid, Ambassador of the Arabic Republic of Egypt in Germany, Jennifer Lee Morgan, State Secretary at the Federal Foreign Office, Dr Karamba Diaby, MP of the German Bundestag, and Dr Olumide Abimbola, Executive Director of APRI.

We presented the report at a <u>high-level event in the German parliament</u>, held in-country launches in Ghana, South Africa, and Zambia, as well as at <u>COP27 in Egypt</u>. In addition, we developed a <u>factsheet</u> and <u>policy brief</u>, and hosted in-country discussions in the three countries. We analyzed the status of climate change in the three countries, reviewed their regulatory and policy environment, mapped the climate financing flows, and identified gaps in implementing their NDCs. We then shared our preliminary and final results with key stakeholders in each country.

The report identifies country-specific issues - Ghana must attract investment towards green businesses and ensure its targets under the NDC are met, South Africa should continue to play an active role in regional climate diplomacy and build on its capacity for institutional innovation shown in the Just Energy Transition Partnership (JET-P), and Zambia must address gaps in technical capacity and institutional coordination structures hindering NDC implementation and the uptake of climate finance. While the report touches on Ghana, South Africa, and Zambia, the challenges it contains are reflected across the continent. Therefore, we argue two points. First, to contribute to mitigating climate change, Africa must consider alternative sources of financing to implement its NDCs. Second, to support a just transition, climate finance for Africa from the international community needs to go towards climate adaptation.

Africa's climate agenda: What next for the continent?



CALIN STAN/Unsplash

A Just Transition for Africa: A COP27 Knowledge Product

Addressing the climate crisis inevitably touches on aspects of equity and justice within society and requires collective political discourse on how energy is produced and how it is consumed globally. What, therefore, does a 'just transition' look like in the context of Africa? Our <u>five-part thought piece series</u> published in partnership with the African Climate Foundation in the run up to COP27 in Egypt discusses a just transition for Africa.

We make the following recommendations in the series. First, given that it has become more challenging to mobilize external financing, African countries must closely scrutinize volumes of climate finance flows being offered as loans at commercial rates rather than concessional ones. We propose policy reform options such as establishing clear accounting rules and common reporting standards for the global climate financing community and improving the technical capacity of African governments. Second, to mitigate the socioeconomic challenges presented in the current global decarbonization agenda, we recommend a concerted effort towards maximizing potentially untapped opportunities of regional coordination through an African Green Deal. Third, we call for more focus on urban climate adaptation, and fourth, we demonstrate how Africa should be positioning itself for a market share of clean energy value chains in the future. Finally, we highlight how local and national governments must support small-scale and locally led agricultural production to improve food systems resilience.

Africa's climate agenda: What next for the continent?

Green Transition and the AfCFTA

The dire impact of climate change and global warming has contributed to the urgent need for energy transition strategies such as prioritizing the decarbonization of global energy systems. To the extent that it is practical, a 'just transition' should also support a 'green transition'.

In a webinar, editorial, and policy brief in partnership with the Heinrich Böll Foundation, Washington D.C. office, we looked at the opportunities presented under the African Continental Free Trade Area (AfCFTA) to shape the transition of African economies to green growth, climate change mitigation, and adaptation.

We analyze the place of AfCFTA within the emerging global climate agenda and Africa's own emerging climate agenda and provide recommendations on how African governments and development partners in the European Union and the United States of America can support Africa's climate change objectives through the AfCFTA. We recommend that policymakers increase climate financing and the deployment of climate-related technology with African countries so that they can utilize the AfCFTA to achieve climate objectives.

We also argue that initiatives like the European Green Deal must be aligned with the AfCFTA and with African realities.

Climate Adaptation in West Africa

With a focus on three West African countries (Ghana, Nigeria, and Senegal), our new project Climate Adaptation Strategies, Initiatives and Practices: Issues and Pathways in West Africa highlights the adaptation components of NDCs and other national and local frameworks and strategies for climate adaptation. We are collaborating with local actors to develop and share knowledge to inform efforts to balance climate actions with the goals of sustainable economic development and job creation. During in-depth interviews, our partners from West Africa explain what needs to be in place to facilitate equal participation of men and women in climate adaptation and the role of women in green recovery and building green economies. They also discuss why it is a fallacy to frame the energy crisis in Europe as an 'opportunity for Africa', the implications of renewed interest in Africa's energy resources, and why the focus must be on how Africa can leverage climate action to pursue long-term sustainable development prioritizing the agriculture, energy, and water sectors.

Connecting the economy and society to sustainable development

A key feature of sustainable development is a holistic approach to the economy and society - the two are interconnected. This interconnectedness informs our approach to the economy and society program.

We published an <u>op-ed for the German</u> <u>weekly Newspaper Die Zeit</u> in which we considered Germany's planned International Climate Initiative for a sustainable planet and acceleration of the global energy transition under the country's G7 Presidency. We argue that this is an opportunity for Germany to lead in climate diplomacy by providing a blueprint for how external actors can effectively partner with Africa.

We also hosted a <u>webinar</u> to discuss our key policy recommendations from a <u>study on G7-Africa climate relations</u> and how the club can be designed to increase multilateral support for African countries. We recommend that Germany moves away from piecemeal approaches and instead forges strategic partnerships with African countries for economy-wide solutions, including providing ambitious funding for adaptation and

mitigation in form of grants instead of loans.

Finally, we looked at the link between poverty and inequality and environmental problems and at socio-economic issues. The economy and society must be included in policy debates around sustainable development. Some socio-economic issues that directly impact society include political election cycles, which influence economic policies, economic governance, and external debt issues, often swinging between economic populism and economic prudence. The effect of elections on the economy and society cannot be understated.

In 2022, we initiated an <u>elections hub</u> and tracked elections in Angola and Kenya. We analyzed the campaign promises and campaign dynamics against a backdrop of pressing national socio-economic priorities such as education, food security, healthcare, and infrastructure development in the two countries. We also looked at potential regional and continental implications from the outcome of the elections.

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...economy and society must be included in policy debates around sustainable development...

Connecting the economy and society to sustainable development

The hub will continue to provide a comprehensive policy knowledge base for political campaign trends and election outcomes for governments in Africa.

On the issue of external debt, our economy and society program began by looking at how African countries' credit ratings have deteriorated, resulting in high interest rates and debt accumulation, and the implications of these changes on the cost of servicing debt. We subsequently published two policy briefs: <u>Africa's Debt Landscape: Scope for Sustainability</u> and <u>How are the 'Big Three'</u> <u>Rating Agencies Impacting African countries?</u>

That African countries restructured their external debt 60 times between 1950 and 2017, reached 149 agreements with the Paris Club, and have restructured domestic debt at least 18 times since 1980 clearly captures the issues at hand. In the past three decades, African countries, like others in developing regions, have accumulated high external debt to manage liquidity problems, spur economic development, and achieve the sustainable development goals. We analyzed this debt burden in the context of both legacy donors and emerging interest from China and the Gulf Arab States and provided

recommendations for policy options for debt restructuring. We conclude that common concerns when it comes to credit ratings in the African context include potential conflicts of interest, unreliable methodologies, and a lack of understanding of African economies. Therefore, our recommendations include the incorporation of the appropriate transparency, accountability and governance principles, the need for agencies to invest more in understanding the specific present contexts of the countries they are rating and to limit unsolicited credit ratings, and the inclusion of private creditors in traditional debt relief mechanisms.

Finally, we hosted a <u>webinar</u> that discussed how debt in Africa is structured and what can be done to deal with the attendant challenges.

Are current debt relief initiatives adequate for the new African debt landscape?

The digital revolution in Africa

In January 2023, <u>media</u> reports highlighted allegations of how Kenyan workers were paid less than \$2 per hour to wade through data to remove sexual abuse, hate speech, and violent content for ChatGPT owner OpenAi, who will potentially receive \$10 billion worth in investments from Microsoft. Such ethical issues, which come with Africa's quest for digitalization and datafication, are not new. Agbogbloshie, a former wetland in Accra, Ghana, continues to be the world's largest illegal e-waste dumping site.

These examples represent the exploitative micro digital labor, illegal e-waste dumping, inaccurate and biased facial recognition systems, poor labor protection policies for gig workers, and a host of other digital adoption challenges that must have the attention of and action by policymakers in Africa.

Given Africa's central role in the global artificial intelligence (AI) supply chain, our Africa's Digital Agenda program analyzed the emerging AI policy trends and what key considerations must be made for the continent. We published a policy brief to provide an evidence base for how

policymakers can guide adoption, advance Africa's place in Al global governance, and protect African societies from harm and exploitation.

Our recommendations include proactive policy efforts to be taken by African governments to ensure a safe and inclusive Al infrastructure, involving local communities in decisions around the design and deployment of Al systems that may affect them, and building data and technology skills amongst policymakers and workforces on the continent. Such an infrastructure would, for example, involve local communities in decisions around the design and deployment of Al systems that may affect them and build data and technology skills amongst policymakers and workforces on the continent.

...prioritize safe and inclusive Al infrastructure...

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SPECIAL REPORTS

How the Russian invasion of Ukraine affects Africa

When Russia invaded Ukraine in February 2022, largely interpreted as a cold war between the West and Russia, it sparked conversations about Africa's place in this geopolitical crisis. With the stakes high that the continent might inadvertently become a pawn in the war, it was important to consider the effects of the war on African countries. We tracked news reports covering Ukraine and Africa and published a series of articles that looked at three topics: the impact of the global energy transition on Africa's energy policy, how "neutral" service providers of digital technologies can and have become powerful governance actors and what this means for designing digital laws and regulations that advance Africa's political and socio-economic development goals, and options for (re)negotiating Africa's relationship with the West amid an evolving geopolitical landscape.

EU-Africa: Towards a policy fit for purpose

In collaboration with the Office of the Green Party of the European Parliament, we hosted a <u>virtual side event</u> at the sixth AU-EU Summit built on a <u>volume</u> we published: Towards a Policy Fit for Purpose between Africa and Europe. The event set out to explore how the relationship between Africa and Europe has changed over the last two decades and, therefore, the need for updated strategies to shift the relationship beyond development aid and towards a long-term partnership. In its relationship with Europe, Africa needs to have one voice, collated from regional blocs. Our recommendations include encouraging the subsidiarity of regional blocs such as ECOWAS, East African Community (EAC), and Southern African Development Community (SADC) so that social and political issues are dealt with at a localized level before being addressed on the global stage. In addition, we argue for a more deliberate rights-based approach in migration and mobility that serves the interests of both continents.

APRI IN THE NEWS



Op-ed for the German weekly newspaper Die Zeit on the occasion of Germany's G7 presidency: The new German government must walk its talk on climate diplomacy in its Africa policy

Stakeholders explore ways to advance locally-led adaptation in climate change -**Ghana News Agency**

APRI-Africa holds workshop for advancing locally-led adaptation in Ghana

- My Joy Online (Ghana)

Stakeholders explore pathways, strategies and shared ambitions for advancing locally-led climate adaptation - **B&FT** Online, Ghana

Experts seek homegrown solution to climate change - The Guardian, Nigeria

Develop proposal to access funds: Govt. stakeholders advised - Graphic Online, **Ghana**

The Echo from the Colonies: APRI Executive Director quoted by Germany's <u>Tagesspiegel</u>

EU makes US\$170 billion play to rival China in Africa: APRI Executive Director quoted by **South China Morning Post**

What Development Minister Schulze reveals on her first trip to Africa: APRI Executive Director quoted by **DW**

How the G7 Can Support Africa's Climate Agenda: APRI co-author's op-Ed with Carnegie Endowment for International Peace for **Project Syndicate**

Africa can use great power rivalry to its benefit: **The Conversation Africa** reposts APRI Fellow's paper

Energy: Africa's stand at COP27: Article by APRI researcher on **Africa Renewal**

The **Globe & Mail** quotes from APRI's Angola election reporting

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