

Climate Leadership from the Global South



Mar 14, 2024 MAR ANDRÉS CAMACHO and SOIPAN TUYA

With vast solar, wind, hydro, and geothermal resources, Africa and Latin America have a central role to play in the clean-energy transition. But while countries like Colombia and Kenya have made impressive progress, additional financing – and thus reforms to the international financial system – is sorely needed.

BOGOTÁ/NAIROBI – Last month, the International Energy Agency’s ministerial gathering took place in Paris, while the African Union, which recently joined the G20, held its annual summit in Addis Ababa. Both fora recognized the urgent need to fulfill the commitments made at last December’s United Nations Climate Change Conference (COP28) in Dubai, not least to triple installed renewable-energy capacity by 2030. But the challenges ahead are substantial.

COP28 identified many actions that are crucial to achieving net-zero emissions by 2050. Beyond the sharp increase in renewable-energy capacity, these include doubling the rate of energy-efficiency improvements by 2030, phasing down the “unabated” use of fossil fuels, and providing financial support to developing countries as they work to expand energy access and advance economic development.

Africa and Latin America have a central role to play in fulfilling the world’s net-zero ambitions. Both regions boast

abundant renewable-energy potential, thanks to vast solar, wind, hydro, and geothermal resources. By leveraging these, Africa and Latin America can make rapid progress in reducing their carbon emissions, enhancing energy access, and stimulating sustainable economic growth.

Our countries, Colombia and Kenya, are already making significant strides toward a cleaner energy mix. Though Colombia has massive oil and gas reserves, hydropower generation accounts for nearly 70% of its electricity production. And the government is committed to increasing the share of renewables in the energy mix further by 2030. By harnessing wind, solar, biomass, and geothermal, Colombia can diversify its renewable-energy portfolio and further reduce its reliance on fossil fuels.

Colombia is also taking direct action to accelerate the phaseout of fossil fuels. The government recently announced a ban on the issuance of new licenses for oil and gas exploration, and has signaled its intention to address the negative effects of fossil-fuel extraction. These measures will not only curb carbon emissions, but also help protect the country's vulnerable ecosystems and rich biodiversity.

As for Kenya, it is emerging as a renewable-energy success story in Africa. Using its vast geothermal, wind, solar, and hydroelectric resources, Kenya has raised the share of renewables in its electricity generation to a whopping 94%. Its geothermal sector has achieved remarkable growth, making it Africa's leading producer of geothermal power. And now, Kenya is helping its neighbors, Ethiopia and Djibouti, to harness their own geothermal resources as well.

Underpinning Kenya's progress are government efforts to implement supportive policies and create an enabling environment for private investment. The Kenyan government's forward-thinking approach has not only resulted in expanded energy access for its people; it has also created jobs and

local industries, thereby advancing economic development and opening up opportunities to collaborate with others. Kenya is a founding member of Accelerated Partnerships for Renewables in Africa, an initiative that aims to bolster the energy transition in African countries, with support from Denmark, Germany, and the United Arab Emirates.

Colombia and Kenya's achievements should be highlighted and celebrated to motivate and guide other countries in their own clean-energy transitions. Those with fossil-fuel resources, for example, must follow Colombia's example in limiting oil and gas exploration.

But Colombia and Kenya are not only passive models for others to follow; they are also active global leaders. If their clean-energy transitions didn't already make their commitments apparent, their recent decision to join the Beyond Oil & Gas Alliance – an international coalition of governments and partners working to facilitate the fossil-fuel phaseout – should make them so.

Still, financing is key if the world is to realize its clean-energy ambitions. Low investment in Africa is a major challenge. A recent BloombergNEF report shows that in 2021, just 0.6% (\$2.6 billion) of the \$434 billion invested in renewable-energy projects went to African countries. A sharp increase in funding flows from rich countries to clean-energy sectors in both Africa and Latin America is urgently needed.

Beyond direct financial support from rich countries, the global financial system – including the International Monetary Fund and multilateral development banks – must urgently be reformed, so that it is fairer and more efficient. Only then can this system deliver enough financing to meet the growing needs of developing economies. Coordinated action to ease the debt burdens on developing economies is also vital.

At COP28, the Global South demonstrated solidarity and a

commitment to cooperation. By sharing knowledge and best practices, developing economies can drastically accelerate the clean-energy transition. But, if the world is to succeed at combating climate change and safeguarding our collective future, bold action to ensure adequate financing is essential.