

# **CLIMATE STRATEGIES AND THEIR FINANCING: A COMPARATIVE ANALYSIS OF THE AFRICAN UNION CLIMATE STRATEGY AND THE EUROPEAN GREEN DEAL**

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**Paper**

**submitted by**

**Katharina Brucker, Madeleine Ebinger, Philipp Hamm,  
Daniela Villani, Tim Widmaier**

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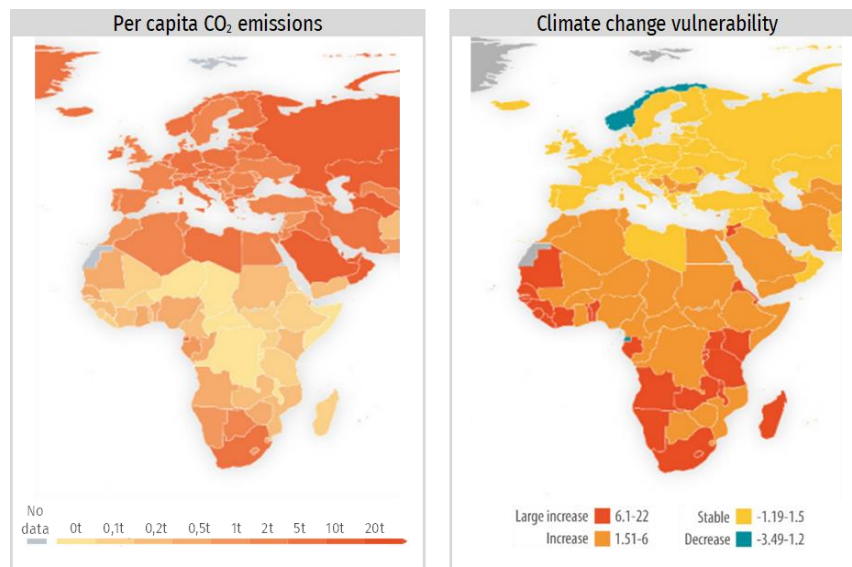
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## **1. Introduction**

Although Africa is responsible for only 3% of global greenhouse gas emissions since the industrial revolution (Ritchie 2019) and represents not more than 6% of the global energy demand (Pichon 2022, p. 6), the continent is one of the most vulnerable to the consequences of climate change worldwide (cf. Figure 1). CO<sub>2</sub>-emissions as a cause and the impact of climate change on the continent's population are out of balance, because on the other hand Europe's emissions are eleven times higher than Africa's (Ritchie 2019). Therefore, Europe is responsible for a third of the global emissions, but the vulnerability of the continent itself, compared to Africa, is very small (cf. Figure 1).

**Figure 1: Comparison of main causes and main affected by climate change**



Own illustration based on Pichon 2022, p. 2

“Despite common commitments, several observers note discrepancies between the EU and African approaches” (Pichon 2022, p. 10) in the fight against climate change. This paper deals with the mentioned differences between the strategies and compares the AU Climate Change and Resilient Development Strategy and Action Plan (2022-2032) with the European Green Deal of the EU, guided by the question: What strategies are the AU and EU pursuing in the fight against climate change and how are they financed? Climate protection is a major global challenge that requires a high volume of investment, which is why this paper deals not only with the climate protection strategies of the AU and EU but also how these are financed.

Employing a multifaceted method, the analysis conducts a thorough review of grey literature to grasp the current landscape of climate change strategies and their financing in the African and

European contexts. Subsequently, expert interviews (EI) provide an understanding of the strategies' structures, their financing, and any potential challenges. Interviews were conducted with a senior Commission official of the EU and Jean-Paul Adam, former Director for Technology, Climate Change and Natural Resources Management in the United Nations Economic Commission for Africa. Furthermore, interviews with an employee of the GIZ African Union as well as with Dr. Marc Ringel, Chairholder of the European Chair for Sustainable Development and Climate Transition at Sciences Po, Paris, were conducted. All in all, this paper will provide recommendations for action for the AU and the EU on how they can optimise their climate strategies. Moreover, this paper also provides strategic approaches to financing a climate strategy for the Unions as well as other interested actors.

## **2. Introduction into the African Union and the European Union**

Driven by a long-standing desire for regional unity, African nations formed the Organisation of African Unity (OAU) in 1963 to achieve independence and self-determination. The OAU's successor, the African Union (AU), established in 2002, reflects a shift towards economic integration and development across the continent (AU 2023a).

The AU's structure bears a resemblance to the European Union (EU), a more established supranational organisation (bpb 2022). However, the AU adapts this model to reflect the specific needs and circumstances of the African continent. The Assembly serves as the supreme decision-making body of the AU (AU 2017). The Executive Council implements the decisions made by the Assembly (AU 2023b), while the dynamic core of the AU lies in the Commission. The EU Parliament possesses legislative powers, whereas the AU's Pan-African Parliament (PAP) fulfils an advisory role (EU n.d.a; AU 2024b). Financial institutions like the African Central Bank, envisioned as a counterpart to the EU's European Central Bank (ECB), are still under development (AU n.d.c).

The international context within which the AU and EU operate presents both similarities and stark differences. A key distinction lies in the economic development levels of their member states. The EU represents a bloc of mostly developed nations with a robust economic foundation (World Population Review 2024). This economic strength is shown in its high ranking of the EU's economy, trade, and investments (European Commission n.d.a).

In contrast, the AU encompasses a diverse array of member states with varying economic trajectories. This disparity in development levels significantly impacts the AU's capacity to address

global challenges like climate change (AU n.d.d). The AU relies heavily on international donors, including the EU, to secure the financial resources necessary to implement its programmes and initiatives (bpb n.d.).

Another significant difference resides in the political structures of these two regional blocs. The AU functions as an intergovernmental organisation where consensus among member states is paramount for decision-making (AU 2023; bpb n.d.). This focus on consensus can sometimes lead to slower progress compared to the EU, which operates as a federal structure (EU n.d.b). The EU empowers supranational institutions like the European Commission with significant legislative power, enabling a more streamlined and centralised approach to policy formulation and implementation (EU n.d.c).

Historical responsibility for climate change also presents a point of distinction between the AU and EU. The EU, a major historical emitter of greenhouse gases, carries a greater burden for its past contributions (European Environment Agency 2024). This disparity in historical responsibility shapes the approaches of these two regional entities to climate action and financing. The EU prioritises emissions reduction strategies and the development of green technologies (European Commission 2021). In contrast, the AU, with its member states disproportionately vulnerable to the effects of climate change, focuses on adaptation strategies to mitigate the impact on its citizens and infrastructure (AU 2022, p. 2).

The AU, drawing inspiration from the EU model, has evolved into a key player in promoting African unity, peace, security, and sustainable development. Despite differences in economic development, political structure, and historical contributions to climate change, both the AU and EU share a commitment to tackling this global challenge. The next section of this research paper will delve deeper into the specific climate change strategies and financing mechanisms employed by both entities.

### **3. The climate protection strategies of the AU and EU**

The following examines the climate protection strategies of the African Union and the European Union, focusing on their approaches to combating climate change. The AU's Climate Change and Resilient Development Strategy and Action Plan 2022-2032 (AU Climate Strategy) and the EU's European Green Deal (EGD) will be analysed to compare their strategic frameworks.

This analysis explores the AU's comprehensive strategy aimed at creating a climate-resilient Africa and the EU's ambitious policy framework targeting climate neutrality by 2050.

### **3.1. AU’s Climate Change and Resilient Development Strategy and Action Plan (2022-32)**

The AU’s Climate Strategy is a ten-year strategic planning document with the vision of creating a sustainable, prosperous, equitable, and climate-resilient Africa (AU 2022, p. 6). Implemented in February 2022 (Chevallier et al. 2022, pp. 2-3), the strategy sets the goal of “providing a continental framework for collective action and enhanced cooperation in addressing climate change issues that improves livelihoods and well-being, promotes adaptation capacity, and achieves low-emission, sustainable economic growth” (AU 2022, p. 6). Mr. Adam of the UN described the strategy as a concept that African countries must implement in their own national climate policies. The Climate Strategy includes nine guiding principles that steer the AU and its member states in all areas. The GIZ expert particularly emphasises “a people-centred approach”, which is one example of these principles. The goals are to be achieved in consideration of the guiding principles and by concentrating on four strategic intervention axes, in which intervention areas and suggested actions are described. Furthermore, a monitoring and evaluation plan will define benchmarks and indicators to measure progress (Pichon 2022, p. 5).

**Figure 2: Subject Areas of the Second Axis**

| Axe 1 | Axe 2: Adopting Pathways towards Transformative Climate-Resilient   | Axe 3 | Axe 4 |
|-------|---|-------|-------|
|       | a) Food systems under a changing climate                            |       |       |
|       | b) Protecting land-based ecosystems                                 |       |       |
|       | c) Low-emission energy and infrastructural systems                  |       |       |
|       | d) Resilient mobility and transport systems                         |       |       |
|       | e) Inclusive, low-emission and resource efficient industrialisation |       |       |
|       | f) Building low-carbon, resilient urban areas                       |       |       |
|       | g) Enhancing resilient water systems                                |       |       |
|       | h) Building a climate-resilient African blue economy                |       |       |
|       | i) Digital transformation   |       |       |

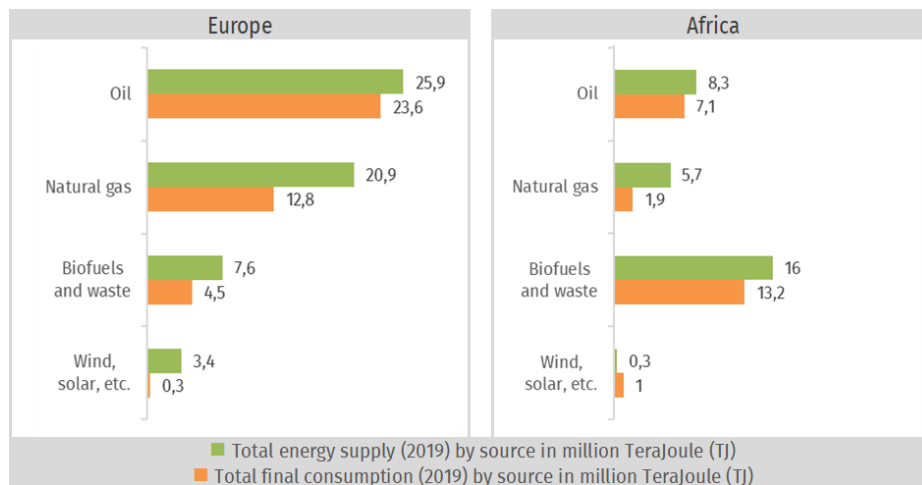
Own illustration based on AU 2022, pp. 38-56

The first axis, “Strengthening Policy and Governance”, emphasises areas such as coordinated regional climate action, forward-looking governance, and long-term planning, as well as improved climate literacy and awareness, which are necessary for climate-friendly development (AU 2022, p. 7). “Adopting Pathways towards Transformative Climate-Resilient”, the second axis, identifies the most important changes that need to be achieved to counteract climate change in the economic and social sectors. In line with the United Nations Framework Convention on Climate Change Action Pathways (AU 2022, p. 7), nine systems for transformation and recommendations for central intervention strategies in priority areas are explained (AU 2022, p. 37; Pichon 2022, p. 6).

The third axis, “Enhancing the Means of Implementation towards Climate-Resilient, Low Emission Development, Including through Climate Finance”, is characterised by climate financing and resource mobilisation, the establishment of security mechanisms for damage and loss, technology transfer, awareness creation, especially for vulnerable groups such as women and young people, and the development of capacities (AU 2022, p. 59). “Leveraging Regional Flagship Initiatives”, the last section, focuses on African programmes and flagship initiatives that work towards climate resilience (AU 2022, p. 7).

Due to the better data situation of the EGD, the axes of the AU Climate Strategy are used as a reference basis. “Adopting Pathways towards Transformative Climate-Resilient” (Axis No. 2) is analysed for its best comparability with the EGD. The first axis isn't as comparable due to policy and governance differences between AU and EU member states, the third one because it focuses on implementation options rather than thematic focus, and the fourth because it involves individual projects in Africa. In the focus axis, two of the nine subject areas are used for the explanations, as they are also of great importance in the fight against climate change in the European context and have a high media presence on both continents, for example, the end of combustion engines in the EU (Tagesschau 2023) and the sale of old cars to Africa (Esenlaub and Eckert 2023) or the idea of transporting solar power across the Mediterranean to Europe (Stock 2022).

**Figure 3: Energy supply and consumption of Europe and Africa**



Own illustration based on Pichon 2022, p. 7

The first subject area, “Low-Emission Energy and Infrastructural Systems”, is important because universal and reliable access to renewable energy from solar and wind as a multiplier that could drive the economy of the entire continent, as Mr. Adam of the UN explained. Even though the continent has a variety of opportunities for the use of renewable energies, only 0.8% of the supply



is based on wind and solar energy (cf. figure 3). Half of Africa's countries do not have a reliable source of electricity (AU 2022, p. 44), and only 20% of African households have access to clean technologies and fuels for cooking (Pichon 2022, p. 6). An intervention area is therefore to improve access to energy efficient solutions by promoting the suggested action policies and organisational frameworks, providing access to modern cooking fuels, and focusing on efficiency interventions on electricity use for cooking (AU 2022, p. 45). Solar energy, in particular, will be a leading source of energy in Africa by 2030. But in order to make the various sources usable, a considerable amount of investment in the expansion and infrastructure of renewable energies must be made by both the state and the private sector (AU 2022, p. 44). One way to achieve this is through the intervention area “competitive auctions” (AU 2022, p. 45). Significant investment in renewable energy infrastructure is required. Furthermore, the use of renewable resources could also support carbon removal technologies, which would benefit climate resilience and economic development (AU 2022, p. 44).

“Resilient Mobility and Transport Systems”, the second subject area, focuses on mitigation, adaptation, and planning. The most important measures to mitigate climate change include the electrification of vehicles, improving fuel standards, and regulating the import of used vehicles (AU 2022, p. 47). Especially the research on green and efficient fuel options is mentioned as a suggested action in the first intervention area, “Build climate-aware transport planning capacity” (AU 2022, p. 49). When it comes to adaptation, the focus is on improving the resilience of road infrastructure (AU 2022, p. 47). Planning priorities are to build climate-smart, transport-oriented cities with low-emission infrastructure, which will require collaborative efforts and international financial support to achieve sustainable development. In particular, the intervention area mentions changes to the requirements of project financing for development banks in order to reduce emissions and resilience or to enable the use of other means of transport (AU 2022, p. 48).

### **3.2. The European Green Deal**

The European Green Deal (EGD) is an ambitious policy framework initiated by the European Commission with the vision of making Europe the first climate-neutral continent by 2050. Introduced in December 2019, this strategy aims to foster a modern, resource-efficient, and competitive economy while addressing urgent climate and environmental challenges (European Commission 2019, pp. 2-3).

One of the main goals of the EGD is to achieve net-zero greenhouse gas emissions by 2050. As an intermediate milestone, the EU aims to reduce greenhouse gas emissions by at least 55% by 2030 compared to 1990 levels. A fundamental principle of the EGD is the decoupling of economic growth from resource use, promoting a circular economy where resources are minimised and waste is reduced through reuse, recycling, and sustainable production processes. Furthermore, the EGD emphasises an inclusive transition involving all people and regions. Beyond Europe's borders, the EGD also pursues global environmental goals, encouraging international climate action and cooperation to address climate change on a worldwide scale.

Strategic areas covered by the EGD include climate and energy, environment and oceans, agriculture, transport, industry, finance, research and innovation, and the New European Bauhaus. Each area plays an important role in achieving the EGD's ambitious goals (European Commission 2021).

All in all, the EGD aims to create a resilient and inclusive economy that thrives within the planet's ecological limits by setting ambitious targets and integrating various strategic areas. The question that remains is how this framework will be implemented. To get an impression of that, a sample of the EGD's implementation strategies in the areas corresponding to the two already selected sub-items of the second AU axis is described below.

Regarding the EU's climate, energy, and transport policies, it is important to notice that energy production and consumption (cf. figure 3) are responsible for more than 75% of greenhouse gas emissions in the EU and therefore require a decarbonisation of the energy system in order to achieve the EU's climate targets. The Commission's objectives include integrating energy systems, expanding renewable energy systems, promoting innovative technologies, improving the energy efficiency of products, decarbonising the gas sector, empowering consumers, and using offshore wind energy. To achieve the 2030 energy and climate targets, EU member states must draw up national energy and climate plans (NECPs) for the period 2021-2030, setting out their approach to energy efficiency, renewable energy, emissions reduction, interconnections, and innovation. Key initiatives include the Energy Systems Integration Strategy, the Offshore Renewable Energy Strategy, the Renovation Wave, and the Trans-European Energy Networks. In response to the Russian aggression against Ukraine, the EU Commission also launched the REPowerEU plan, which aims to reduce dependencies and speed up the green transition (European Commission 2024).

This dependency can also be harmful to the transportation sector as global oil and fuel prices are pushed up. Resilient mobility is also so important because the transport sector is an economically significant sector that employs around 10 million people across the EU and contributes to 5% of overall GDP. As part of the EGD, the EU plans to modernise crucial transport infrastructure, improve freight handling terminals, and shift cargo to cleaner transport modes like trains and waterways (European Committee of the Regions 2022, pp. 57-58).

The Trans-European Transport Network (TEN-T) connects 424 major cities with ports, airports, and railway terminals, aiming to reduce travel times and enhance connectivity. The revised TEN-T will require passenger railways to support speeds of 160 km/h or faster by 2040, implement the European Rail Traffic Management System (ERTMS) across the network, and develop secure parking areas every 150 km for professional drivers. Additionally, major airports must connect to long-distance rail, and cargo terminals must improve capacity (Directorate-General for Mobility and Transport 2023). Adina Vălean, Commissioner for Transport, stated, "This is a landmark agreement for the EU. Europe needs a transport network that addresses the mobility concerns of our citizens and businesses, both sustainable and resilient" (Vălean 2023).

## **4. Financial Background**

An important key factor for successfully implementing a climate strategy in real life is ensuring the respective financing. As there can be different approaches to this, the following examines how the AU and the EU finance the implementation of their climate strategies.

### **4.1. Financing the AU Climate Strategy**

The AU Climate Strategy itself does not provide a binding financial management plan. Instead, it lists different options for climate financing, which can be implemented by each member state of the AU individually (EI employee of the GIZ African Union, 13.06.2024; EI Jean-Paul Adam, 24.06.2024).

Firstly, financial resources can come directly from a country (so-called “bilateral climate finance”). According to the AU, African governments invest approximately 3.4% of their GDP in national climate adaptation actions, like agricultural support programmes. However, national climate adaptation programmes as well as the inclusion of climate finance into national budget planning are still in their early stages in Africa and therefore not yet fully established. Another source for climate financing can be “multilateral sources” that pool funding contributions from

different stakeholders, as development banks and international public funds, like the Green Climate Fund, do. Lastly, the AU Climate Strategy also names innovative options for climate financing, like carbon markets and private equity, but does not further specify their implementation (AU 2022, p. 59-60).

All in all, the AU itself does not seem to provide a special fund for implementing the AU Climate Strategy. Instead, the AU seems to play a coordinating role in financing the AU Climate Strategy (EI employee of the GIZ African Union, 13.06.2024; EI Jean-Paul Adam, 24.06.2024). For example, by organising exchange platforms like the African Climate Summit, the AU helps its member states find cooperation partners for financing their climate actions (EI employee of the GIZ African Union, 13.06.2024). The AU Climate Strategy also indicates that public funds will probably not be sufficient to take adaptation measures against climate change in Africa quickly (AU 2022, p. 60). Therefore, the AU Climate Strategy suggests a blended finance approach by involving the private and public sectors (AU 2022, p. 60). For this, public-private partnerships and private sector investments, like green bonds, should be supported (AU 2022, p. 60).

Generally, the AU faces difficulties regarding sustainable climate financing while costs for financing climate actions are rising rapidly (AU 2022, p. 59). For example, between 2019 and 2020, only approximately US\$ 11.4 billion was invested in climate adaptation in Africa - and thus not being enough - while it is estimated that Africa may need as much as US\$ 1.7 trillion by 2035 to adapt to the effects of climate change (Trautman S. et al. 2023, p. 5). Moreover, Africa's climate financing is also challenged by high borrowing costs for African countries when taking a loan to finance climate actions, for example (Trautman S. et al. 2023, p. 4). This is, among other reasons, due to the lack of precise data regarding the implementation of climate adaptation measures as well as climate finance, which makes it more difficult for African countries to demand accountability from donors (AU 2022, p. 60). The lack of precise data regarding climate finance in the AU comes about especially as a result of member states of the AU not having the means "to measure, report, and verify" the financing of their climate actions (AU 2022, p. 60).

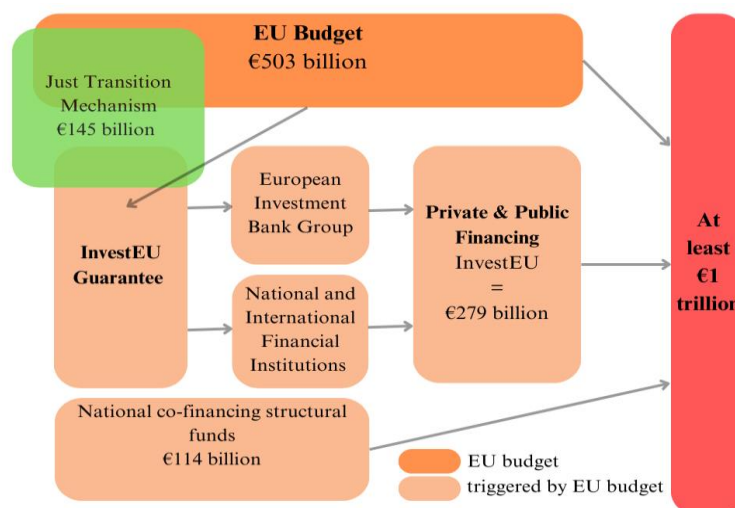
Moreover, climate financing in Africa is challenged by non-regular financial contributions to the AU from its member states (AU n.d.e) and member states being already indebted (Trautman S. et al. 2023, p. 4). Lastly, climate financing of the AU is also challenged by industrialised partners not meeting their pledges, as within the Paris Agreement, where \$100 billion annually was pledged but not achieved in the time required (EI Jean-Paul Adam, 24.06.2024). This problem contributes to

unpredictable access to financial resources for African countries (EI Jean-Paul Adam, 24.06.2024). Therefore, to ensure the financing of the AU Climate Strategy, the AU relies “on collective global action to mobilise the necessary capital for both development and climate action” as pointed out by the African Heads of State and Government during the African Climate Summit 2023 in Kenya (AU 2023c, p. 5, Nr. 51).

#### **4.2. Financing the European Green Deal**

The financing of the EGD is found in the European Green Deal Investment Plan (EGDIP) (European Commission 2020a, p. 1). The EU Commission has therein committed to mobilising at least one trillion euros in sustainable investments between 2021 and 2030 (European Commission 2020a, p. 5). This requires a mix of EU budget funds and further private and public investments triggered by the EU budget. A main component of this financing is the allocation of 30% of the multi-annual EU budget (2021-2027) and the NextGenerationEU recovery instrument for green investments. All in all, the spending financed by the EU budget accumulates to €503 billion in the period 2021-2030 (European Commission 2020a, p. 5).

**Figure 4: Financial overview EGD**



Own illustration based on European Commission 2020a, p. 5

In order to support the transition to a climate-neutral economy, EU member states have to use a minimum of 37% of the funds from the €672.5 billion Recovery and Resilience Facility (RRF) for climate-friendly investments and reforms, which must be compatible with EU environmental targets (European Commission n.d.b). Another 30% of NextGenerationEU funds will be issued through European green bonds. Additionally, EU cohesion policy plays an important role in

mobilising investment for the Green Deal. Member states must channel at least 30% of the European Regional Development Fund (ERDF) and 37% of the Cohesion Fund into measures to achieve climate neutrality by 2050 (European Commission n.d.a).

Both public and private investment in green projects is necessary; therefore, the EU has started the InvestEU programme. To benefit from this programme, at least 30% of investments have to contribute to the realisation of climate targets. It will bring at least €279 billion of public and private investments through risk reduction of investment operations by creating a guarantee from the EU budget (European Commission 2020b). However, the European Commission knows that the planned transformation cannot only be financed by EU funds but must also be funded by public-private finance, which is highly volatile and uncertain (EI Dr. Marc Ringel, 11.06.2024).

The Just Transition Mechanism provides significant funding to fairly support regions in their transition to a green economy (EBRD n.d.). The financing volume lies at €143 billion through the EU budget, co-financing from member states, InvestEU, and the European Investment Bank (European Commission 2020a, p. 6).

## **5. Comparison**

Having examined the AU Climate Strategy and the European Green Deal as well as their financing, the following aims to elaborate on their similarities and differences in order to provide recommendations for action afterwards.

### **5.1. Comparison of the climate protection strategies**

The EGD aims for climate neutrality in Europe by 2050, with an interim goal to reduce greenhouse gas emissions by 55% by 2030 compared to 1990 levels. In contrast, the AU's strategy focuses on creating a continental framework for collective action and increased cooperation to improve living conditions, promote the ability to adapt, and achieve low-emission, sustainable economic growth. The initiation of the AU Climate Strategy is a significant milestone for the continent, laying the foundation for joint climate actions (Chevallier et al. 2022, p. 9). However, the strategy primarily serves as a “framework” (AU 2022, p. 4), therefore, it is not binding, as the GIZ expert confirmed. Significant further work is required to coordinate and support its implementation (Chevallier et al. 2022, p. 9). This ongoing effort necessitates a robust communication and information system to keep all partners and actors informed, as well as active involvement from regional organisations. Additionally, the strategy's success will depend on leadership from the AU Commission and its

partners to maintain momentum and translate the framework into “tangible action[s]” (Chevallier et al. 2022, pp. 10-11). A challenge is the lack of capacity of the AU Commission, the lack of resources to coordinate and progress the implementation of the strategy (Chevallier 2022, p. 9) and the lack of an appropriate measurement, reporting, and verification mechanism (Pichon 2022, p. 9). Therefore, “the adoption of the African Climate Change Strategy should be seen as the first, but not final, major outcome of the policy process” (Chevallier et al. 2022, p. 9).

In contrast, the EU's Green Deal is a comprehensive action package with binding measures and enforceable sanctions. The EGD has received criticism regarding its global impact and ambition levels. The EU contributes only 7.3% to global emissions, and reducing this to zero would have a limited global impact unless major emitters like the USA, India, and China also take significant action. However, Europe’s leadership in climate action can create moral pressure on other countries, supporting climate-positive political forces in other places. Furthermore, the EU can drive technological advancements and innovations, making climate-friendly solutions more attractive and affordable globally (Fuest 2022). This could lead to spill-over effects that spread to other countries, especially to Africa (Pichon 2022, p. 10). A critical point is that reduced fossil fuel demand in the EU could lower global prices, potentially increasing fossil fuel consumption elsewhere. Therefore, it is crucial for the EU to foster international collaboration to enhance global climate action. Critics from GreenPeace argue that countries like India are more likely to contribute to climate protection if Europe leads by example. They also claim that the targets of the EGD are insufficient, with calls for a 65% reduction in greenhouse gases by 2030 to meet scientific recommendations. The focus should be on achieving substantial and comprehensive greenhouse gas reductions (Sadik 2020).

In conclusion, while both the AU and EU strategies have ambitious goals, they differ significantly in their implementation frameworks and enforceability. Critiques highlight the need for stronger global cooperation, higher ambition levels, and the potential for Europe’s leadership to promote broader climate action. The AU’s strategy requires substantial coordination and resource mobilisation, whereas the EGD faces challenges in ensuring its global impact and meeting higher emission reduction targets.

## **5.2. Comparison of the financial background**

Although the AU Climate Strategy, entered into force in 2022 (Chevallier et al. 2022, pp. 2-3), and the European Green Deal, entered into force in 2021 (Heinrich Böll Stiftung 2024), are relatively

new strategies, there are few similarities but some major differences in their approaches to financing.

Firstly, an important difference is the availability of data regarding climate finance. During the research for this paper, it was striking how little data the AU is providing about precise investment amounts in climate action as well as about financial resources. In contrast, the EU seems to have a better-established monitoring system and therefore is able to provide a precise overview of the financing of the EGD with a concrete 10-year financing plan (European Commission n.d.b). Due to the differing data situation regarding the AU's and the EU's climate financing, the following will only focus on the general approaches to climate financing instead of concrete numbers.

Another important difference can be identified regarding the respective provisions of climate financing that are binding for the EU's member states, whereas the AU Climate Strategy provides only suggestions for climate financing and is therefore non-binding (EI employee of the GIZ African Union, 13.06.2024; EI Jean-Paul Adam, 24.06.2024). This might be because the AU, compared to the EU, is a relatively new organisation where climate financing is still at the beginning (AU 2022, p. 60). Another reason could be that the AU is currently not as sustainably financed as the EU, since member states of the AU are not as regularly and fully paying their membership fees (AU n.d.e), for example. Therefore, the AU is more dependent on external donor funding from the private sector and international organisations, which can make the financing of long-term climate action more uncertain. As a result, with the AU's non-binding finance approach, its member states have more freedom in choosing the financial instruments that suit their climate actions the most. However, this could lead to less and slower realisations of climate actions since a country would have a higher administrative effort, not only having to manage implementation but also financing on its own. In this context, it must also be noted that the EU itself provides funds for its member states to finance their climate actions (European Commission 2020, pp. 6-7), whereas the AU does not seem to provide any funds itself (EI employee of the GIZ African Union, 13.06.2024; EI Jean-Paul Adam, 24.06.2024). Contrary to the AU, the EU also provides the possibility for guaranteed private investments through the European Green Deal Investment Plan (European Commission 2020, p. 8).



Nevertheless, the research for this paper also showed a similarity, namely that the AU as well as the EU try to follow several different funding options (Gancheva et al. 2021, p. 9; AU 2022, p. 59-60) with a focus on public-private finance and, in doing so, also consider innovative financing measures like green bonds. The focus on public-private finance in both strategies could stem from the immense funding needed to combat climate change. Despite the similarity, the comparison of the financing demonstrates that there are varying approaches to climate financing, as displayed in the AU and EU strategies.

## **6. Conclusion**

The analysis of the climate protection strategies of the African Union (AU) and the European Union (EU) reveals distinct approaches to combating climate change. Based on this comparison, several recommendations can be made. For the AU, it is crucial to strengthen governance and institutional capacities by enhancing the AU Commission's ability to coordinate and implement the Climate Strategy through adequate resources and developing effective measurement, reporting, and verification mechanisms to monitor progress. Additionally, translating recommendations into concrete measures is essential. Expanding renewable energy and sustainable mobility is another key area, with a focus on increasing investments in solar and wind energy through competitive auctions and private sector incentives, promoting electric vehicles, and improved fuel standards to reduce transportation emissions.

For the EU, strengthening global climate cooperation is vital. This includes expanding international partnerships to support global climate action, assisting developing countries in implementing climate projects, and promoting technological innovations. Active participation in international climate negotiations to set ambitious global targets and reinforce Europe's leadership role is also recommended. Furthermore, promoting innovation and technology remains important, with continued investment in research and development to advance new climate-friendly technologies, including renewable energy and carbon removal solutions. Expanding infrastructure for sustainable mobility and enhancing projects to decarbonise transport and increase system resilience are equally significant.

In the following, this paper will also give recommendations for the financing of climate change strategies. However, as both strategies are relatively new and evaluations regarding financing are not yet available, this paper will provide universal recommendations for action for financing a

climate strategy that can be put into practice not only by international organisations but also by countries or smaller coordinating actors. Firstly, it is important to establish a monitoring system that gathers, evaluates, and provides data regarding financing acquisitions and progress. Transparency regarding climate financing can be crucial for receiving financial support from external donors, for example.

Since the fight against climate change requires an immense financing volume and long-term investments, a mix of private and public funding is recommended. Most of the public funding should come from a secure source, such as the coordinating actor itself. Thereby, the risk of non- or slower realisation can be minimised since the implementing actors can focus more on executing the strategies than having to secure financing entirely on their own. Moreover, public third-party financing, especially in the current geopolitical conditions, can be highly volatile and uncertain when financing long-term climate actions. In light of the high financing volume, private funding should also be included when planning climate action. Boosting private green investments through funds and investment strategies can lead to innovation and a more balanced financing structure.

Moreover, it is also recommended to commit to less ambitious but more realistic goals to (re-)build trust between a country receiving financial support and its external donors. With this approach, external donors might provide more financial support as they feel more certain that their funds will indeed contribute to the achievement of the targets set (EI Jean-Paul Adam, 24.06.2024). Lastly, this paper recommends organising regular events for the coordinating actors as well as the implementing actors to report and exchange their experiences and current state of play on climate finance. In doing so, best practices may be exchanged, new funding possibilities may arise, and successful implementation can be secured.

In summary, while both the AU and EU have ambitious climate goals, they face different challenges and adopt varied approaches. The AU needs stronger institutional support and resource mobilisation, while the EU should enhance its global leadership and increase its ambition levels. Through mutual learning and cooperation, both organisations can more effectively combat climate change, since “climate change is here to stay” (EI senior Commission official, 19.06.2024).

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