





Flash News

P2A hosts a Green Talk with climate experts about COP26

DECEMBER 2ND







Counselor of Foreign Affairs at the Permanent Mission of Morocco to the UN

Positive Agenda Advisory hosted a Green Talk to discuss the main learnings of COP26 in terms of adaptation finance, loss & damage and Morocco's and North Africa's narrative.

WHAT ARE THE MAIN VICTORIES FOR MOROCCO / AFRICA OF THE COP FROM YOUR POINT OF VIEW?

- The climate issue has risen politically and is becoming increasingly mainstream in the media and public opinion.
- The climate-energy-policy Nexus has been strengthened by the COP.
- At the United Nations in New York, **different states and organizations (for instance the UNDP and Triple-C) approached the Moroccan delegation** to support initiatives, especially related to adaptation. In fact, the UK solicited Morocco for multiple initiatives and events at COP26.
- The COP resulted in the implementation of the Paris guidelines, namely article 13, and article 6. The Paris Agreement is now operational and there has been no deviation towards 2°C.
- COP26 served as an opportunity to **boost the Small Island States Climate Commission** (launched at COP22) by Morocco and Seychelles. The participation of SIDS was encouraging. This flagship event was also able to federate other African countries that see in South-South cooperation as a real vector.

WHAT ARE THE MAIN FAILURES FOR MOROCCO/AFRICA?

- The SIDS expected from developed countries the creation of a facility for Loss & Damage during the COP. It was however rescheduled for the forthcoming COP27 in Africa.
- National and regional governments raised \$356 million for the Adaptation Fund instead of \$100 billion. It's still a big amount considering it's founded on volunteering, but it's still not enough.

IS THE DICHOTOMY BETWEEN CLIMATE RESPONSIBILITY AND INDUSTRIAL DEVELOPMENT STILL RELEVANT?

- The principle of "common but differentiated responsibilities" is eroding when you see that China will catch up with Europe in terms of emissions by 2025.
- Smaller emitting countries such as African states have more **moral and exemplary responsibility** than geophysical ones. While **2% to 4% of their GDP** goes to adaptation.
- The long-term objective for these small emitting countries is to create a **competitive advantage with a decarbonized energy mix** since their emissions are not the main cause of global warming.
- Despite traditionally energy-intensive industries such as aeronautics, automotive, and port activities, Morocco announced the
 ambition to reach 52% of the installed electrical capacity from renewable sources by 2030. This shows that the dichotomy is
 crumbling.
- Morocco has one of the best NDCs in the world, perfectly aligned with the 1.5°C goal.
- Morocco has been the eighth largest recipient of climate finance from richer countries in 2018 and 2019, receiving some \$603m. Egypt received \$87.4 m worth of climate finance flows in 2018 and 2019.
- Green hydrogen is now presented as a **game-changer for industry and transportation** in Morocco and Egypt.

A COP27 FORECAST: TOWARD WHICH NARRATIVE?

- Today, heads of states that depend exclusively on hydrocarbons are publicly admitting that **decarbonization is the way of the future** (at the Middle-East Green Initiative that brought together the majority of Gulf countries). We are witnessing a global political recognition of the effects of global warming.
- The COP26 and everything that orbits around it show that the climate issue is becoming an exceptional area of cooperation.
- The 2050 deadline for net-zero emissions is less important to Egypt since it is aligned with China and India. In fact, Egypt is part of the Like-Minded Developed Countries group.
- COP27 will inherit the issues of post-Covid economic and resilient recovery. The Egyptian recovery plan is not green enough and the public funding allocated to hydrocarbons is more important than that allocated to renewables.
- Egypt will certainly focus on the principle of **"common but differentiated responsibilities"** and on the **water-climate axis** because of their vulnerability to water scarcity.





Assessment of Morocco's progress in the context of COP26



DECEMBER 2ND

Context

In the latest Policy Center for the New South podcast, Uri Dadush (senior fellow and researcher at the PCNS and consultant to the World Bank) and Rim Berahab (senior economist) assess Morocco's progress in the context of COP26.



"THERE IS IMPROVEMENT BUT NOT ENOUGH"

- The specific objectives such as those relating to the share of renewable energies and electric generation capacity are below the target (set for 2020).
- Recent years' experience suggests that energy efficiency that is energy use per unit of GDP is not improving significantly.
- Natural gas remains a tiny source of energy in Morocco.
- Morocco became **more dependent on coal** in recent years in electricity generation.
- **Energy subsidies** are being cut but some remain.
- Morocco needs to improve its energy efficiency and clean energy use in households, construction, and the industry sector. New technologies can significantly improve the emission situation of the steel and aluminum sectors.



THE IMPLICATIONS OF COP26 FOR MOROCCO AND DEVELOPING COUNTRIES

- For Morocco, the main implication is the acceleration of phasing out coal but unfortunately, it should not expect much new financing to come soon.
- The \$100 billion that was promised has not been forthcoming.
- In common with many other countries, the essence of the change that Morocco needs to engineer is the electrification of end-use sectors and green electric generation.
- Coal can be replaced by a combination of **renewable energies** and **cleaner natural gas** which is plentiful in the region.
- Solar and wind power where Morocco has a large potential can compete with traditional fuels quite cost-effectively.



THE EU CBAM IMPLICATIONS FOR MOROCCO AND DEVELOPING COUNTRIES

- Morocco is especially exposed to the EU carbon tax because the EU is its most important trading partner and the Kingdom of Morocco exports many of its products including fertilizers.
- This mechanism faces a lot of resistance from other countries and could violate the World Trade Organization rules. Therefore, it is not a foregone conclusion that will materialize into concrete actions. It however still suggests that the regulatory environment for polluting products that are highly traded is going to become more and more difficult.
- Targeting trade is **not the best way to promote green products**. Protectionism is always tempting and countries who depend on energy exports and high carbon-emitting manufacturers could retaliate.



SHOULD DEVELOPING COUNTRIES & MARKETS SET UP THEIR CARBON MARKETS?

- Carbon markets have big distributional implications especially in sectors where the green premium is very high. It's not the best solution for every circumstance.
- Taxation can be a viable solution if countries tax emissions at the level of domestic consumption, not trade. By definition, there won't be a discriminating effect on trade and the tax will be leveled at the consumption level and applied to everyone equally.
- It is a more effective vehicle for reducing carbon because **consumption drives carbon**.
- **Best option:** Specific sector regulations that identify the real opportunities of decarbonization.







Flash News

New sustainable trends in Moroccan agriculture for 2021-2022

DECEMBER 2ND



Morocco implements solutions in response to regular and structural water deficits caused by drought and thus global warming.

- Mr. Mohammed Sadiki, Minister of Agriculture, Fisheries, Rural Development, and Water and Forests launched on Friday, November 12th in Ain Sbit (Province of Khemisset), a program of direct seeding of cereals of the agricultural campaign 2021-2022.
- With this program, the Ministry devotes itself to sustainable and eco-efficient agriculture in alignment with the new strategy Generation Green 2020-2030.
- With 30,000 hectares under direct seeding today in 2021, the **goal by 2030 is 1 million hectares**.
- The adoption and deployment of adaptation approaches combining techniques and cultivation practices that allow better use of water is an essential direction of the Generation Green strategy. Indeed, according to the UN, Morocco is considered water-stressed with only 500 cubic meters of freshwater per capita per year, compared to 2,500 cubic meters in 1960.



The Ministry of Agriculture has put in place several incentives to boost Moroccan agriculture.

- **Seeds**: subsidized prices for **1.6 million quintals** of certified cereal seeds.
- Irrigation: equipping 45,000 hectares of farms with localized irrigation systems and modernizing collective irrigation networks over an area of 107,000 hectares as part of the National Irrigation Water Savings Program (PNEEI).
- Agricultural insurance: extension of the agricultural multi-risk climate insurance for cereals, beans, and oilseed crops over an area of 1.2 million hectares against 1 million hectares during the previous campaign.
- Encouragement of investments: granting of incentives under the Agricultural Development Fund (FDA)
- **Financing:** A financial envelope of **8 billion dirhams** is dedicated to the financing of the current campaign against 4 billion in previous campaigns, with the launch of new products "Tasbig FDA" and "Tasbig Tasdir".

Seen on social media

The AfDB Group and Morocco signed a financing agreement of more than 114 million euros for resilient agriculture

Food Magazine.Ma @FoodMagazineMa - 2h

#Agriculture résiliente et #inclusive : le #Maroc et la BAD @AfDB_Group
signent un accord de #financement de plus 114 millions d'euros
foodmagazine.ma/?p=4894

#reeilience #generationgreen



Morocco plans to stop the overexploitation of groundwater to save 2 billion cubic meters











Egypt bets on green hydrogen



Egypt is moving its green agenda forward ahead of COP27.

• Egypt's Minister of Petroleum and Mineral Resources **Tarek El-Molla** confirmed during the COP 26 summit that the Arab country aims to reach 42% renewables in its energy mix by 2030.

Green hydrogen

 Scatec (a Norwegian company) and its consortium composed of OCI NV, Fertiglobe, The Sovereign Fund of Egypt, and Orascom Construction have selected Plug Power as the electrolyzer technology provider for a 100MW green hydrogen facility in Egypt.



- The electrolyzer will be built at the Egyptian Basic Industries Corporation (EBIC) in Ain Sokhna and is expected **to be the largest facility in the world** when it comes online.
- It could benefit from a **competitive advantage** and become a global hub for supplying **green fuel to ships** as the **Suez Canal** accounts for about 15% of the global shipping traffic.

Blue hydrogen

- Egypt will also focus on the expansion of blue hydrogen in the short and medium-term as a low-carbon fuel. To that end, the African country is also undertaking studies on the opportunities in carbon capture and storage (CCS).
- Natural gas, a bridge fuel, represents **65% of Egypt's hydrocarbons** consumption.

A memorandum has also been signed between Israel and Egypt to pave the way for increased exports of liquefied natural gas:

- The agreement is part of their efforts to reduce greenhouse gas emissions.
- The memorandum also includes the possibility of reusing a pipeline to transport hydrogen.

Seen on social media

Plug Power was selected to deliver 100 MW electrolyzer for Fertiglobe in Ain Sokhna



Egypt and Israel signed a deal to increase natural gas exports and potentially hydrogen



