

Africa Climate Week 2021

Track 1 – Session 2

National actions and economy wide approaches: Green recovery and low carbon, climate resilient development

Date: Monday September 27, 2021.

Time: 12:00 PM – 2:00 PM (Eastern Africa Time)

Platform/Link: Social 27 (zoom)

Session design: Panel.

Context

The global COVID19 pandemic has put Africa into its first recession in three decades. This recession has disproportionately affected women-led businesses and exacerbated the existing structural vulnerabilities of African countries. The continent has shown remarkable resilience and innovation in responding to this unprecedented pandemic. Despite the robust responses, the pandemic has rolled back many years of development gains on the continent and put at serious risk the chances of many Africans making progress towards the achievement of their SDGs. Many African countries were already in, or approaching debt distress with widening fiscal deficits. The pandemic has worsened the situation and puts many African countries in a situation of serious lack of liquidity, making it more difficult to mobilise needed investments to rebound out of the triple health, economic and environmental crises arising from the compounding of the COVID-19 pandemic and the climate change emergency that was already costing Africa on average 5% of their GDP in economic losses.

However, as the world shifts from the emergency response to recovering from the pandemic, we have an opportunity to change our course towards a sustainable, inclusive, and resilient development pathway by aligning recovery investments with climate strategies. There are opportunities for a green recovery which could catalyse the recalibration of Africa's development model in favour of building resilience to climate change and developing sustainable value chains anchored in effective deployment of the continent's abundant renewable energy resources, building of sustainable infrastructure, and renewal of Africa's natural capital, anchored on the need for a just transition towards higher climate ambition. Africa's Green Stimulus Programme¹, led by the African Union Commission and adopted in January 2021, as well as the Africa Green Recovery Action Plan² have underlined Africa's ambition for coming out of the COVID-19 pandemic stronger, more prosperous and more resilient to climate change impacts, while providing huge opportunities for mitigation of climate change. Alongside the impacts of the pandemic, the pressure of public debt is increasing for African countries. This heightens the challenges for an inclusive recovery, and for addressing the gender inequalities that have been amplified during the pandemic. The associated Green Recovery Action Plan prioritises resource mobilisation for the green recovery. The opportunities for a green

¹ <https://wedocs.unep.org/bitstream/handle/20.500.11822/34409/AGSP.pdf?sequence=3>

² The Africa Green Recovery Action Plan aims at supporting African countries with their national recovery plans and regional initiatives such as the Africa Green Stimulus Plan. The plan has five priority areas, namely: climate finance; renewable energy, energy efficiency and national just transition programmes; nature-based solutions and focus on biodiversity; resilient agriculture; and green and resilient cities.

recovery, based on green investments, include more employment and value addition, as well as entrepreneurship entry points for women and youth.

A recent report by the UN Economic Commission for Africa and Oxford University on a green recovery for Africa shows the enormous benefits that could be realised if African countries are supported to mobilize and prioritize stimulus packages on green investments³. For example, a case study on the Republic of South Africa shows that green investments in renewable energy, sustainable transport solutions, and nature-based rehabilitation could deliver 250% more jobs and 420% more value added in the economy compared to traditional fossil-fuel investments. For the Democratic Republic of the Congo investment in renewable energy, nature-based solutions and improved urban transport solutions result in 130% more jobs and 280% more value added in the economy.

However, African countries face some serious constraints in mobilizing resources to invest in a green recovery and climate adaptation. These include reduced revenue generation, rising debt burdens, and the flight of capital away from what are perceived to be riskier African markets. Initiatives such as the Debt Suspension and Servicing Initiative (DSSI), as well as additional concessional resources from multilateral development banks and bilateral donors have been important in helping low-income countries. But there is an urgent need to find innovative ways of reducing the burden States and leveraging limited public resources to mobilize private sector finance to invest in climate action and green recovery. Financing that has been made available has been mobilised slowly relative to the scale of the emergency, with 56 billion USD committed in 2020 but only 35 billion disbursed by the end of the year. The allocation of USD 650 billion of SDRs may potentially provide important additional resources to invest in a green recovery. For this to be effective, there is need for innovation, speed, and scale⁴. African countries will need strong support to actualize a green recovery and build resilient economies. This requires an enabling environment, including through capacity building on green recovery for government institutions to plan, design, finance, implement and evaluate green recovery projects.

Objective

Session 2 will bring together senior policy makers, development partners, the private sector and civil society to explore innovative ways in which a green recovery and enhanced climate action could be actualised as scale and speed to strengthened African economies and build resilience. The session will also showcase African-led innovative initiatives for leveraging limited public resources for green and climate resilience investments on the continent. The session will also discuss strategies that can be deployed to unlock climate finance ahead of COP26; draw attention to the enormous benefits of investing in green recovery actions for African member states; explore resilient development pathways by aligning COVID-19 recovery investments with climate strategies; and interrogate the concept and implementation of a just transition agenda that delivers for people, planet, and prosperity in Africa, while emphasizing the inclusion of an effective strong gender component in any green recovery package to secure a sustainable and inclusive recovery.

³ <https://repository.uneca.org/handle/10855/43948>

⁴ For example, The UN Economic Commission for Africa has established the Liquidity and Sustainability Facility (LSF) that aims at lowering the cost of borrowing for African countries by through leveraging of public resources such as the on-lending of SDRs (e.g. by G20 countries) to increase the demand for African sovereign bonds. This will in turn increase the liquidity of African countries through enhanced market access and reduced cost of borrowing, thus enabling qualifying countries to accelerate investments in support of the SDGs through green and sustainability bonds. <https://www.uneca.org/stories/eca-launches-lsf%2C-a-vehicle-for-debt-management-and-fiscal-sustainability>

Agenda

Time	Session	Moderator
12:00 - 12:10	Opening remarks. <ul style="list-style-type: none"> Mr Jean-Paul Adam, Director, Technology, Climate Change, and Natural Resources Management, United Nations Economic Commission for Africa Dr Harsen Nyambe, Head, Environment, Climate Change, Water and Land Management at the AUC 	Dr James Murombedzi Officer-in-Charge, African Climate Policy Centre, ECA
12:10 - 12:55	Keynote presentation <i>Actualizing climate action and a green recovery in Africa</i> Mr Jean-Paul Adam, Director, Technology, Climate Change, and Natural Resources Management, ECA Ministerial statements (tbc) <ul style="list-style-type: none"> H.E. Olavo Correia, Vice Prime Minister and Minister of Finance, Cabo Verde S.E. Arlette Soudan-Nonault, Ministre de l'environnement du développement durable et du bassin du Congo, Coordonnatrice technique de la Commission Climat du Bassin du Congo, République du Congo H.E. Ahmed Shide, Minister of Finance, Federal Democratic Republic of Ethiopia H.E. Barbara Creecy, Minister of Forestry, Fisheries and the Environment, Republic of South Africa 	
12:55 - 13:45	Panel discussion What are the challenges and opportunities for a green recovery in Africa? How can limited public resources be best leveraged to finance green recovery and ambitious climate action in Africa? What lessons from the global response to COVID-19 pandemic for enhance climate action in Africa? What are some of the initiatives in Africa for green recovery and building of resilience? Panellists: <ul style="list-style-type: none"> Mme Larissa Sosthène Kouadio, Conseiller Technique, Ministère de l'Economie et des Finances, Cote d'Ivoire 	Wanjira Mathai Vice President and Regional Director for Africa, World Resources Institute

Time	Session	Moderator
	<ul style="list-style-type: none"> • Mr Ali Zerouali, Cooperation and International Development Director, Masen, Morocco (tbc) • Ms Leah Wanambwa Naess. Senior Policy Officer, Directorate of Sustainable Environment and Blue Economy, African Union Commission • Ms Zeenat Guness-Gulbar, Permanent Secretary, Ministry of Energy and Public Utilities, Mauritius • Ms Teddy Mugabo, Chief Executive Officer, Rwanda Green Fund (FONERWA), Rwanda (tbc) • Dr Fatima Denton, Director, United Nations University Institute of Natural Resources in Africa (UNU-INRA) (tbc) • Martha Melesse, Senior Program Specialist, Sustainable and Inclusive Economies, IDRC • Mr Tanguy de Bienassis, Energy Investment and Finance Analyst, Energy Supply and Investment Outlooks, IEA (tbc) <p>Q & A / Discussion</p>	
13:50 - 14:00	Conclusions and Closing Remarks	Mr Jean-Paul Adam