



**Financing  
the transition to inclusive  
green economies in Africa**

**Financer la transition  
vers des économies vertes  
inclusives en Afrique**

 United Nations  
Economic Commission for Africa

# Bulletin 1

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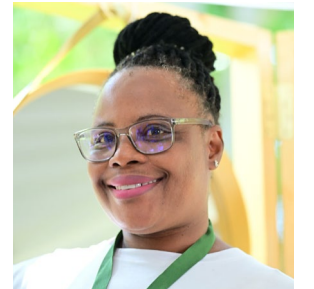
**BULLETIN 1**  
#CoM204

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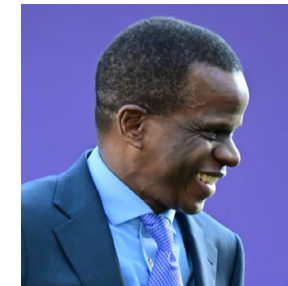
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The Republic of Zimbabwe





Africa must harness its resources to solve problems in a world where it does not get a fair deal, says Zimbabwe Minister Mthuli Ncube

## Let's fight for a brighter future



Africa has suffered disproportionately from global challenges and the vagaries of the international financial system, which means it needs to look inwards for solutions, says Zimbabwe's Minister of Finance, Economic Development and Investment Promotion, Mthuli Ncube.

He was addressing the opening session of the Committee of Experts at the 56th Session of the Economic Commission for Africa Conference of African Ministers of Finance, Planning and Economic Development, in Victoria Falls, Zimbabwe.

His remarks addressed the theme of the event: Financing the transition to in-

clusive green economies in Africa: Imperatives, opportunities and policy options.

Ncube said implementing the theme required a "whole government" approach, given the multi-faceted challenges it brings.

Key to driving the transition is domestic revenue mobilisation and leveraging Africa's own resources such as its tax base, its valuable arable land and investible commodities. There is also a need to drive private sector investment in climate change adaptation and mitigation projects.

He called for a relook at the international financial architecture, which has often marginalised Africa's interests and ensure it is fit for purpose.

### PUBLIC DEBT RATIOS

GDP IN 2012  
**28.8%**

GDP IN 2022  
**59.1%**

The continent's limited fiscal and monetary policy space to respond to shocks means it is often highly dependent on international financial institutions.

"It is worth mentioning that African countries are growing and geo-political tensions and the impact of climate change have had a financial impact on the continent." Additional financing mechanisms are needed to meet this growing demand.

But debt distress is rising, he said. In Sub-Saharan Africa, the level of indebtedness stood at a high \$833 billion as of 2022 and public debt ratios have increased from 28.8% of GDP to 59.1% from 2012 to 2022.

He pointed out that access to finance is tightening in the current environment and becoming expensive as advanced economies raise interest rates to fight inflation and international investors become more risk averse.

Official financing flows are also trending downward. All this makes it tough for countries to roll over their maturing debt, forcing them to make difficult policy choices.

He reminded delegates that Africa's greenhouse emissions only account for about 5% of the total but African countries are disproportionately affected

## L'Afrique doit résoudre ses propres problèmes

by climate change impacts.

But the future is hopeful. "Africa can be a global powerhouse for climate action and offers an opportunity for investments for the continent to be a green industrial hub. It is important to unlock the renewable energy resources that we have on our continent."

Africa needs to use its natural resources to foster industrialisation and economic diversification, ending the export of raw materials, and to promote digital transformation.

"I encourage all technocrats and government officials to freely share ideas and policy suggestions that will guide governments in decision-making," he concluded.

Les Africains doivent creuser profondément pour trouver des solutions à leurs propres problèmes dans un monde qui, depuis la dernière réunion de la Conférence des ministres, s'est enfoncé dans la fragilité économique, le changement climatique, les conflits et la méfiance.

L'Afrique n'a malheureusement pas été épargnée par ces tendances mondiales, a déclaré Antonio Pedro, Secrétaire exécutif adjoint, Appui aux programmes, de la CEA, lors de la séance d'ouverture de la réunion du Conseil des ministres.

"Les problèmes auxquels nous sommes confrontés aujourd'hui sont particulièrement aigus parce que le système financier mondial est inadéquat et a complètement laissé tomber l'Afrique.

"Il nous est également rappelé que nous avons la capacité de créer nos propres solutions à tous nos problèmes.

"Nous avons également une occasion unique de transformer activement nos pays en passant à des économies inclusives, à faible émission de carbone et économes en ressources.

(SUITE À LA PAGE SUIVANTE)



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“Dans la pratique, cela peut être réalisé en combinant les engagements environnementaux avec l’action climatique, les engagements socio-économiques avec l’éradication de la pauvreté et la réduction des inégalités. Et nous devons cesser d’être des exportateurs de matières premières.

**Les points d’entrée transformateurs qui peuvent avoir des effets catalytiques et multiplicateurs sont les suivants :**

- Transformer d’urgence les systèmes alimentaires de l’Afrique et donner la priorité au développement des chaînes de valeur.
  - Améliorer l’accès à l’énergie et la rendre plus abordable
  - Accroître la connectivité et l’inclusion numériques
  - Réformer les systèmes éducatifs pour les jeunes.
  - créer des emplois et renforcer la protection sociale.
- Il a déclaré que les gouvernements devaient s’attaquer d’urgence à la crise de l’emploi en menant des politiques industrielles intégrées et globales et des stratégies de développement du secteur privé qui créent des emplois pour les jeunes.



## Zimbabwe takes over Bureau Chair

Zimbabwe has been appointed head of the Bureau of the 56th Session of the Economic Commission for Africa’s Conference of Ministers of Finance, Planning and Economic Development.

The election of the Bureau Chair took place on the opening day of CoM24 in Victoria Falls, Zimbabwe, with Andrew Bvumbe taking over the role from Uganda’s Rebecca Otengo. He adopted the agenda and programme of work for the 42nd meeting of the Committee of Experts.

Bvumbe, Permanent Secretary of Zimbabwe’s Ministry of Finance and Investment Promotion, thanked the ECA for the appointment and his predecessor for her hard work in the post over the past

year. He urged delegates to prioritise action and results to move beyond the talk of Africa’s potential.

The Bureau represents Africa’s five subregions and comprises a chair, three vice- chairs and a rapporteur. Bureau members are elected at the commencement of the first meeting of each session, normally on a rotational basis, according to subregion.

Zimbabwe represents Southern Africa at the Bureau in 2024. The first Chair is Egypt for North Africa while Central Africa was still consulting on its nomination for second Chair. Cote d’Ivoire is the third Chair representing West Africa while Uganda remains the rapporteur.



## COMMITTEE OF EXPERTS AT WORK





# Africa's resources must counter funding gaps

African countries face a mix of challenges in their quest to finance the transition to green economies.

According to Hanan Morsy, Deputy Executive Secretary and Chief Economist at the United Nations Economic Commission for Africa, the continent is highly vulnerable to the effects of climate change, despite being the least responsible for it.

She noted that while Africa needs about \$2.8 trillion to finance its nationally determined contributions, only about \$300 billion has been made available to the continent, leaving a \$2.5 trillion financing gap.

With so many African countries at risk of debt distress, the inadequacy of financing further heightens their vulnerabilities.

"The financing that comes to Africa for clean energy technology is only 2% of the global financing available and this can lead us into a vicious cycle where we have investment shortfalls that actually make us more exposed to climate change.

This erodes the fiscal space, compounding other challenges and increases the cost of financing. For many African countries, this means choosing between investing in social services or climate action and servicing debts.

Addressing these challenges will require action at all levels. Morsy proposed that countries must mobilise more domestic revenue and private sector capital, establish financial frameworks for sustainable development and utilise green, blue, and sustainability bonds to fund development projects.

As a continent, Africa must also build agile multi-country frameworks to manage disasters and leverage carbon assets. Green industrialisation, particularly in mineral value chains and carbon credit markets, will enhance competitiveness and trade opportunities, she said.

Furthermore, Africa's potential in the battery and electric

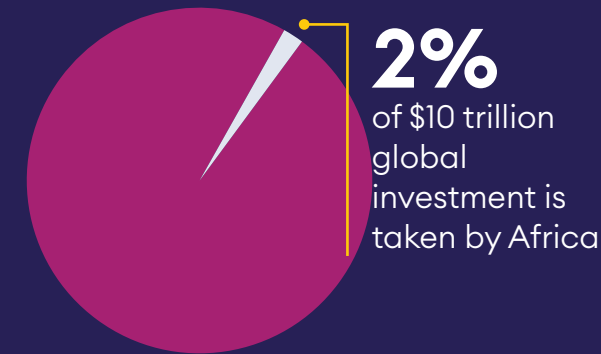
vehicle value chain presents opportunities for sustainable job creation, with regional partners collaborating on establishing value chains and special economic zones to foster innovation and growth in the sector.

To address financial challenges effectively, Morsy said it will be necessary to scale up concessional finance, bolster the capacities of multilateral development banks, strategically allocate development funds and implement robust debt resolution frameworks.

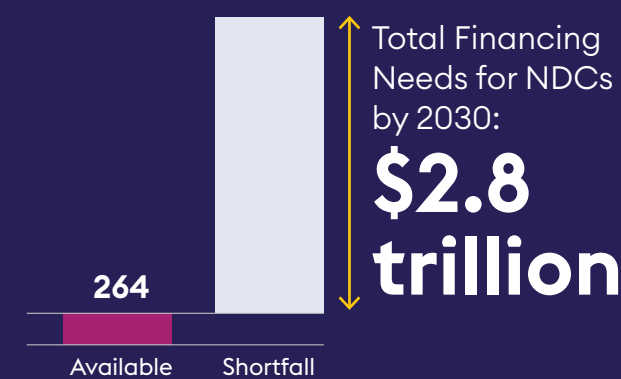
Africa's vast resources, Morsy said, present an opportunity to finance its transition to sustainability. "Africa has a potential to address a third of global needs. We need to leverage the vast renewable energy resources that we are blessed with and make sure that we are compensated for solving the problems of climate change," she insisted.



## GLOBAL CLEAN ENERGY TECHNOLOGY INVESTMENT, 2015 - 2022 (USD BN)



## AFRICA'S FINANCING NEEDS FOR NDCs BY 2030 (USD BN)



## Voices from CoM2024



**Adam Elhiraika**  
Macroeconomics and Governance Division Director, ECA

We need leaders to bring new ideas and shift the focus of policy making and implementation to really create opportunities for the just transition that Africa needs.



**Stephen Karingi**  
Director for Regional Integration and Trade Division, ECA

Although the share of intra-African trade is still low, much of the trade is in value added goods so we have something to build on.



**Andrew Bvumbe**  
Ministry of Finance and Investment Promotion

We are always talking about Africa's potential. We now need to move to action and results.



The failure of most signatories to ratify the Free Movement of People protocol is a major challenge for the success of the African Continental Free Trade Area (AfCFTA), says Stephen Karingi, Director, Regional Integration and Trade Division of the ECA.



## Free trade faltering but some bright spots – Karingi

To date only four countries have ratified the protocol even though many more countries have signed up to it, he told delegates at the Council of Ministers meeting in Victoria Falls.

Karingi said that the benefits of the AfCFTA have yet to be felt but trade has started to take place under the Guided Trade Initiative with 31 Member States signed up.

Negotiations on key protocols have been completed and adopted. These include investment, competition policy, intellectual property and, most recently, digital trade.

Thirty-six countries have also signed up to the Single African Air transport Market.

But it is not all good news. Intra-African trade as a share of global trade declined from 2021 to 2022, remaining at less than 3%.

Intra-African exports declined from 18.22% in 2021 to 17.89% in 2022, while imports declined from 12.81% in 2021 to 12.09% in 2022.

On the upside, a significant portion of Africa’s exports currently are value-added products. “So this gives us something to build on.”

High debt levels in Africa are affecting the success of free trade by curtailing available resources, while challenges in peace and security in parts of the continent are affecting the movement of goods across the region.

Karingi urged finance ministers to sign off and gazette the

instruments needed to conduct trade under the AfCFTA and planning officials to drive the regulatory overhaul required for trade under various protocols.

This would really help to advance the implementation of the initiative, he said.

The continuing rollout of the Pan African Payments and Settlement System (PAPSS), which facilitates cross-border payments, will bring down the high costs of trading and ease concerns about foreign exchange availability.

He called for more to be done to drive infrastructure investment to enable trade efficiency in the digital and energy spaces.



## SME VOICES

A group of local Zimbabwean craft businesses and tour operators are selling and marketing their products to attendees at the ECA Conference of Ministers Summit. We spoke to a few of them.

### PAULINE PHIRI

Usually, Pauline Phiri can be found selling traditional clothing and jewelry at the Women’s Curio Market in Victoria Falls, where she is one of over a dozen women selling their arts and crafts to visitors to the resort town. But for now, she is at the Elephant Hills Hotel.

Alongside many of her peers, Pauline is excited for the opportunity to encounter people from different parts of the continent at the summit.

“We are looking forward to meeting customers, taking orders and making money.”



### SHARON NCUBE

Sharon Ncube from the Jafuta Foundation is showcasing works from several rural women the organization supports in Matabeleland Province as part of its income-generating projects.

“Our projects support women working in sewing, embroidery, beading and making jewelry from recycled wire.”

The organization also supports young girls and women in a sanitary hygiene programme and strengthens access to clean water and sanitation for communities.

### CALVIN PHIRI

Calvin Phiri’s stand is adorned with hundreds of carvings made of local materials such as soapstone and leopardstone.

Elephants with their tusks raised to the sky, lions waiting for prey, antelopes made of waxed wood – his art showcases creatures found in and around Victoria Falls, demonstrating both his individual skills as well as traditional methods from the region.

Trained formally, Calvin says cooperatives take turns at events such as this. “I am very excited to be representing my cooperative at the market this time.”





## Africa needs radical shift to address poverty

Africa “needs a new social contract” to address poverty, says Adam Elhiraika, the Director of the Macroeconomics and Governance Division of the Economic Commission for Africa (ECA).

In a wide-ranging presentation on key recent economic and social development trends on the continent, he highlighted both risk factors as well as opportunities while challenging the continent’s leadership to do more to solve longstanding issues.

“Growth remains very limited in Africa compared to Africa’s potential and resources,” he said.

The dependence on raw commodity exports remains a key obstacle to meaningful progress, increasing the vulnerabilities of

African economies by keeping them bound to the fluctuations of commodity prices globally.

Africans are also reeling from the impact of high food prices as a consequence of Russia’s war against Ukraine. High inflation averaged 18.3% in 2023. Higher interest rates, which led to an increase in national debt, are also causing more hardship for Africans.

Addressing the gap between Africa’s potential and resources is critical given its real costs to

Despite challenges, a silver lining of the past year has been the particularly strong performances of some countries

millions across the continent. Elhiraika pointed to potential areas where this gap can be addressed, starting with governments reducing trade costs in Africa, including by implementing the African Continental Free Trade Agreement.

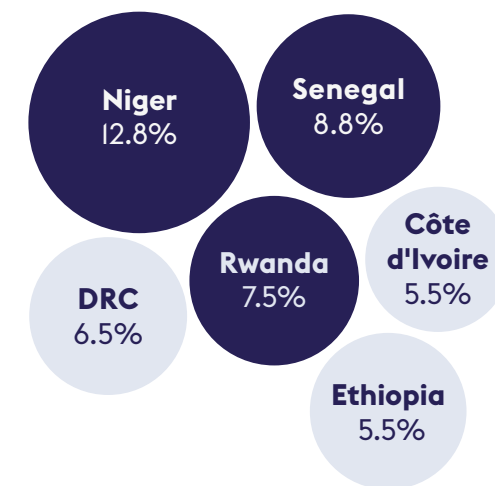
Stronger tax collection is another, and the ECA has enabled African countries to strengthen capacity and share knowledge in this regard.

Yet despite challenges, a silver lining of the past year has been the particularly strong performances by some countries, led by Niger, whose oil exports are projected to add a robust 12.8% to the country’s economy in 2024.

Inflation is also set to decelerate in the short and medium term while foreign direct investment has risen across most subregions.

It is anticipated that regional economic growth will accelerate in 2024, peaking at 3.5% and reaching 4.2% in 2025.

### TOP GROWTH PERFORMERS IN 2024



Elhiraika stressed the urgency of devising innovative approaches to address the problems Africa faces. “We need a shift in production systems, consumption systems, technology and we need new leaders to bring new ideas and shift the focus of policy making and implementation to really create opportunities for the just transition that Africa needs.”



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## Address barriers to women’s progress – Saxena

Addressing legalistic and institutional barriers that keep women from reaching their full potential are pivotal to the continent’s drive toward its development aspirations. “Education is crucial to meet Africa’s development aspirations by preparing young Africans for jobs,” affirmed Saxena.

She noted that the division has been supporting member states to develop more effective policies that are responsive to domestic needs, including social protection systems. Simultaneously, governments need to ensure that youth have opportunities to build the skills that they need to thrive in the future.

Kicking off the afternoon session on Day 2 of the COM2024 Summit, Sweta Saxena, the Director of ECA’s Gender, Poverty and Social Policy division, reviewed the outcomes of the 5th session of the Committee, held in November in Addis Ababa.

Among the outcomes and recommendations from the

session was the need for governments to review the accessibility, affordability and applicability of educational policy. “Education is crucial to meet Africa’s development aspirations by preparing young Africans for jobs,” affirmed Saxena.

She noted that the division has been supporting member states to develop more effective policies that are responsive to domestic needs, including social protection systems.

Saxena underscored the need for a holistic approach to gender equality rather than piecemeal responses. “Gender equality is not necessarily about spending more money. Gender equality a lot has to do with a lot of the institutional and legalistic barriers that prevent women from achieving their full potential,” she said.



# ECA assists countries to improve capabilities

In the past year, the ECA has supported countries in Africa to strengthen their capacity to mobilize resources and streamline their development plans to meet Agenda 2030 and Agenda 2063.

This was in addition to the organization's efforts to reform the global financial architecture to boost the profile of climate-responsive financing.

This was according to a review of the ECA's key activities and achievements from April 2023 to February 2024 by Said Adejumobi, the director of ECA's Strategic Planning, Oversight and Results Division.

The issue of carbon markets came up in the discussion, which hold significant economic value if utilized in an inclusive and effective manner.

To strengthen African countries' capacity to unlock this value, the ECA has been consulting countries about how to develop and operationalize a framework for carbon markets.

Adejumobi said the institution is also helping countries to better quantify the positive impact of migration on their economies.

"Often immigration is criminalized on our continent, and we see it in a negative dimension. But migrants contribute substantially to the economies of their host countries."

It is developing a national digital trade integration index to monitor progress on digital trade and supporting countries to improve their statistics, reform their tax systems and develop capital markets.

Adejumobi detailed ECA's work across five priority areas. Highlights included the adoption of the Integrated Planning and Reporting system (IPRT), which has enabled countries to streamline national develop-

ment plans with the Agendas 2030 and 2063. The IPRT won the 2023 International Standards of Accounting and Reporting Honours.

Adejumobi called attention to the need to measure and identify illicit financial flows, noting: "What you cannot measure, you cannot fix. How do we measure illicit financial flows and how do we plug holes in our national economies?"



## AT A GLANCE ECA's work in climate resilience

The ECA supported the organization of the Africa Climate Summit last year held in Kenya, which culminated in the Nairobi Declaration on climate financing, investment and green industrialization in Africa.

This formed one of ECA's key areas of interventions - climate resilience, energy transition and blue economy.

The ECA offered support to the African Group of Negotiators at the COP28 Climate Summit and towards the operationalization of the loss and damage fund.

It also played a key role in supporting the Moroni Declaration in June 2023 in Comoros, on the integration of the ocean and climate with regional value chains.

The institution extended country-specific support, such as assisting Cape Verde to make progress in debt-for-nature swaps, providing technical support to Zambia to establish emission baselines, and supporting the use of alternatives to chemicals in small-holder farming to help reduce greenhouse emissions in Sao Tome.

Additionally, the ECA supported the African Island States Climate Commission in developing a road map to assist members to access sustainable climate finance.

## Snapshot of Upcoming Events

### Saturday | 2 March

#### Side Events

- Sustainable green financing mechanisms for Africa
- Promotion of inclusive, effective tax cooperation at the UN
- Enabling investment in clean energy resources in Africa

### Sunday | 3 March

#### Side Event

- Fostering prosperity through Artificial Intelligence

### Monday | 4 March

- Opening of Ministerial Segment
- 2024 Adebayo Adediji Memorial Lecture
- Economic Report on Africa Presentation
- Round Table on global financial architecture reforms
- Round Table on technology for development

### Tuesday | 5 March

- Round Table on green trade and future of Africa



# Luttons pour un avenir meilleur

L'Afrique doit exploiter ses ressources pour résoudre les problèmes dans un monde où elle n'est pas traitée équitablement, déclare le ministre zimbabwéen Mthuli Ncube.



L'Afrique a souffert de manière disproportionnée des défis mondiaux et des caprices du système financier international, ce qui signifie qu'elle doit se tourner vers l'intérieur pour trouver des solutions, a déclaré Mthuli Ncube, ministre zimbabwéen des finances, du développement économique et de la promotion des investissements.

Il s'exprimait lors de la séance d'ouverture de la 56e session de la conférence des ministres africains des finances, de la planification et du développement économique de la Commission économique pour l'Afrique, à Victoria Falls, au Zimbabwe.

Ses remarques portaient sur le thème de l'événement : Financer la transition vers des économies vertes inclusives en Afrique : impératifs, opportunités et options politiques.

M. Ncube a déclaré que la mise en œuvre de ce thème nécessitait une approche "pangouvernementale",

compte tenu des défis à multiples facettes qu'il soulève.

La mobilisation des recettes nationales et l'exploitation des ressources propres de l'Afrique, telles que son assiette fiscale, ses précieuses terres arables et ses produits de base investissables, sont essentielles pour mener à bien la transition. Il est également nécessaire de stimuler les investissements du secteur privé dans des projets d'adaptation au changement climatique et d'atténuation de ses effets.

Il a appelé à revoir l'architecture financière internationale, qui a souvent marginalisé les intérêts de l'Afrique, et à s'assurer qu'elle est adaptée à son objectif.

La marge de manœuvre limitée du continent en matière de politique budgétaire et monétaire pour répondre aux chocs signifie que les pays africains sont souvent très dépendants des institutions financières internationales.

"Il convient de mentionner que les pays africains sont en pleine croissance et que les tensions géopolitiques et l'impact du changement climatique ont eu un impact financier sur le continent. Des mécanismes de financement supplémentaires sont nécessaires pour répondre à cette demande croissante.

Mais la détresse de la dette s'accroît, a-t-il ajouté. En Afrique subsaharienne, le niveau d'endettement atteindra 833 milliards de dollars en 2022 et les ratios de la dette publique sont passés de 28,8 % du PIB à 59,1 % entre 2012 et 2022.

Il a souligné que l'accès au financement se resserre dans le contexte actuel et devient plus coûteux à mesure que les économies avancées augmentent les taux d'intérêt pour lutter contre l'inflation et que les investisseurs internationaux deviennent plus réticents à prendre des risques.

Les flux de financement officiels ont également tendance à diminuer. Tout cela fait qu'il est difficile pour les pays de renouveler leur dette arrivant à échéance, ce qui les oblige à faire des choix politiques difficiles.

Il a rappelé aux délégués que les émissions de gaz à effet de serre de l'Afrique ne représentent qu'environ 5 % du total, mais que les pays africains sont touchés de manière disproportionnée par les effets du changement climatique.

Cependant, l'avenir est prometteur. "L'Afrique peut être une locomotive mondiale pour l'action climatique et offre une opportunité d'investissement pour que le continent devienne un centre industriel vert. Il est important de débloquer les ressources en énergies renouvelables dont nous disposons sur notre continent".

L'Afrique doit utiliser ses ressources naturelles pour favoriser l'industrialisation et la diversification économique, mettre fin à l'exportation de matières premières et promouvoir la transformation numérique.

"J'encourage tous les technocrates et fonctionnaires à partager librement leurs idées et suggestions politiques qui guideront les gouvernements dans la prise de décision", a-t-il conclu.

## Voices from CoM2024



**Antonio Pedro**  
Deputy Executive Secretary (Programme Support), ECA

It is clear that we face seemingly insurmountable obstacles – but our resolve and collective action must equal the task at hand.



**Karima Bounemra Ben Soltane**  
Director, ECA African Institute for Economic Development and Planning

If we don't give opportunities to our young people to participate, to live decently, to become entrepreneurs and to be part of the decision-making process, we won't go very far.



**Eunice Kamwendo**  
Director, ECA Subregional Office for Southern Africa

We need to drop the begging bowl and go back to industrialisation so we can own our development.