



United Nations  
Economic Commission for Africa

# 2024 Economic Report on Africa: Investing in a Just and Sustainable Transition in Africa

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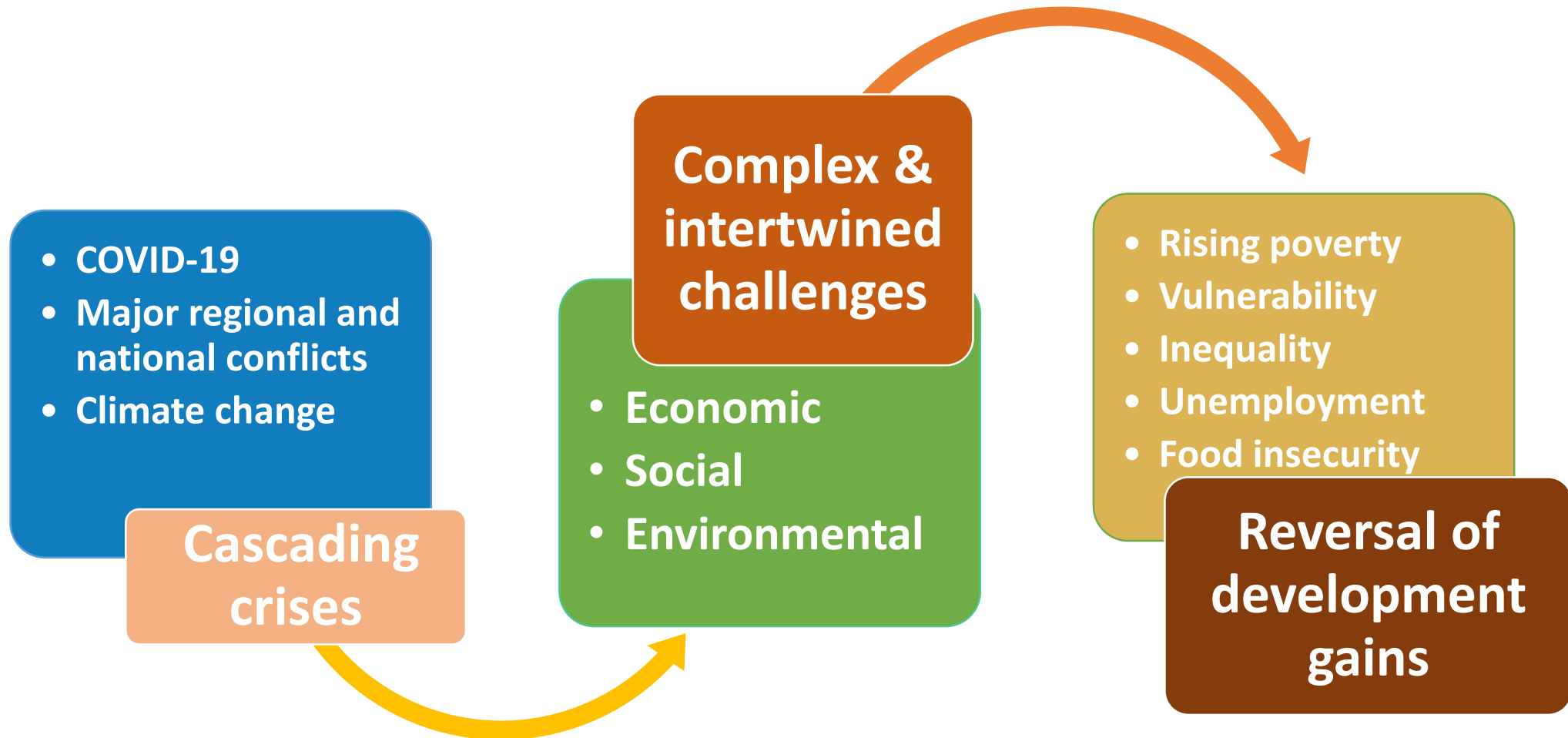


*April 2024*

# Outline

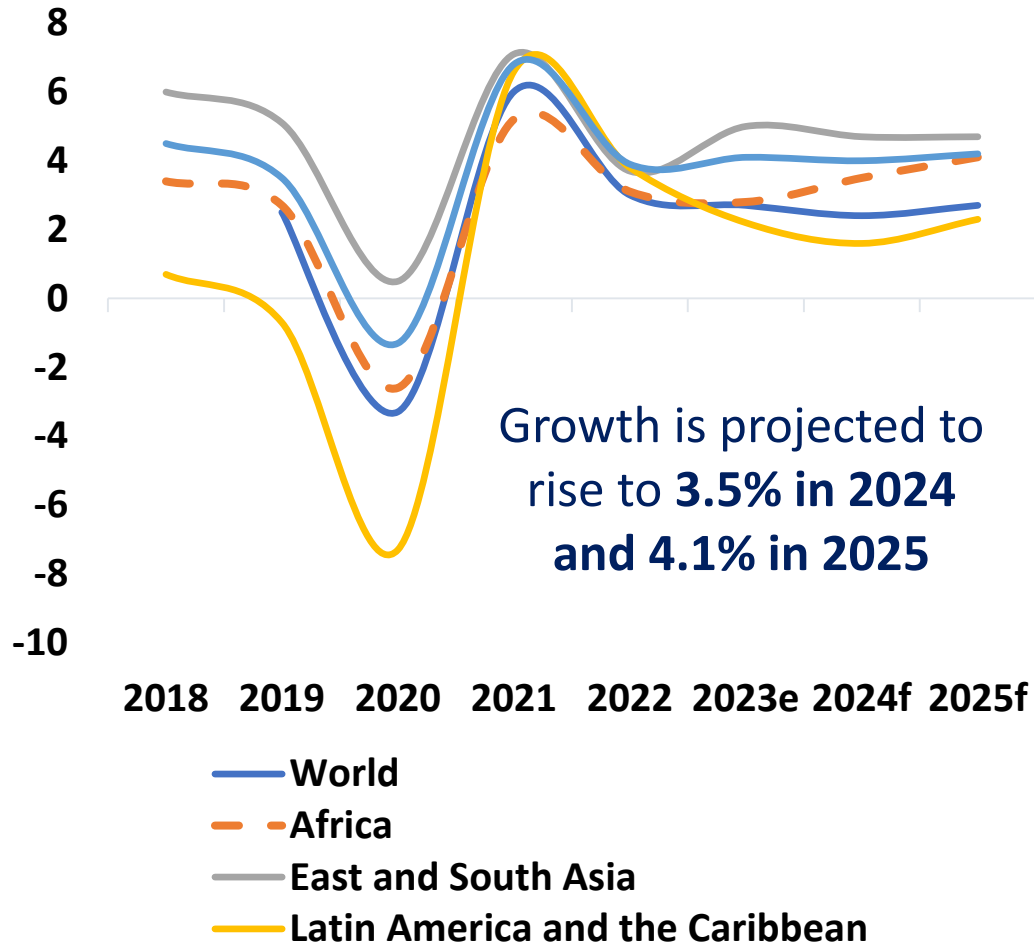
- I. Context to ERA 2024 theme ‘Just and Sustainable Transition’ (JST)**
- II. JST: motivation, framework**
- III. Drivers of JST in Africa – Africa can leapfrog**
- IV. Strategic Investment Opportunities & Financing**
- V. Key Policy Recommendations**

# I. Context to the ERA 2024 theme



# Africa shows resilience amid multiple global shocks...

GDP growth in Africa and other global regions, 2018-2025



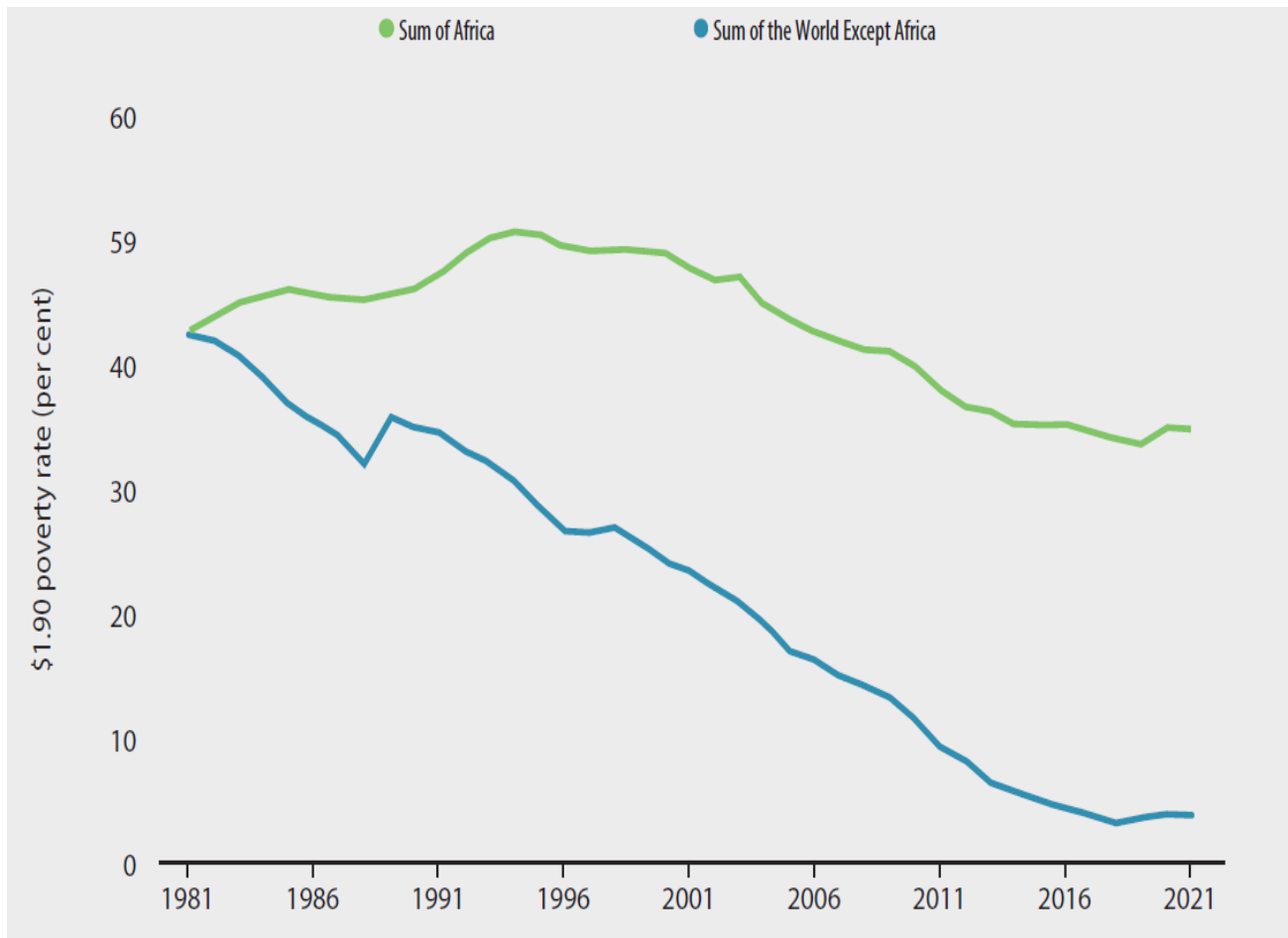
Public debt levels returned to pre-MDRI levels (above 60% of GDP), but refinancing risks are elevated

Low capacity to finance health, education, sustainable infrastructure, and the energy transition.

Rising poverty, inequality, hunger & unemployment. Vulnerability to poverty is also elevated.

# ...but social indicators have been deteriorating

## Extreme poverty rate in Africa and globally, 1981-2021 (SDG1)

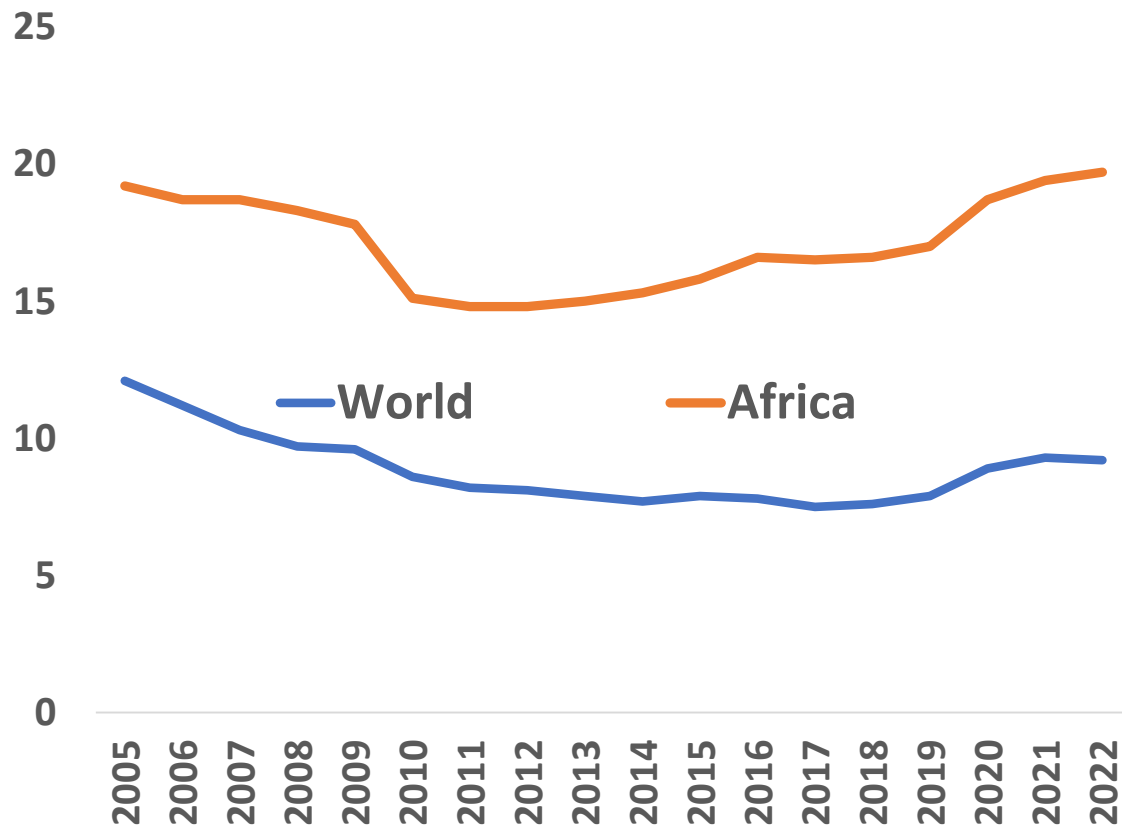


- Based on a recent ECA study, 476 mln. Africans (or about 1/3 of population) will be in poverty in 2024, about 50 mln. more than before COVID.
- Share of poor in total population in Africa is significantly higher than in the rest of the world.
- The capacity to tackle poverty is constrained by low poverty-reducing effect of growth.

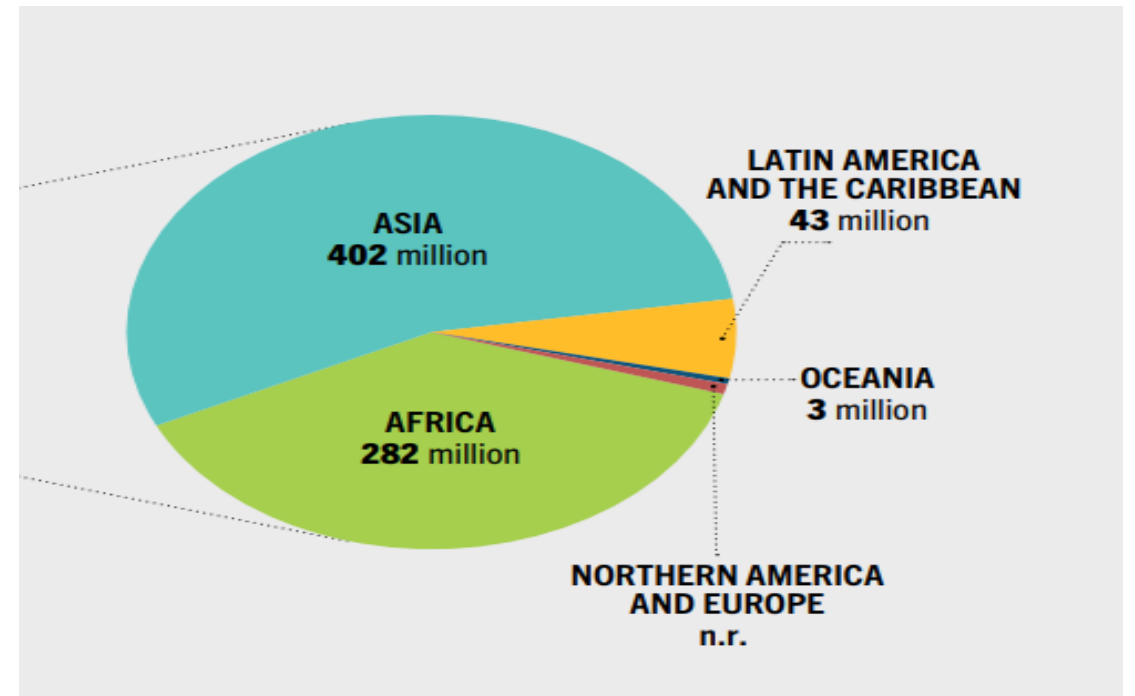
Source: UNECA and Institute for Security Studies (2022).

# Prevalence of hunger (in total population) elevated since 2019 and virtually unchanged since mid 2000s

## Prevalence of undernourishment, % (SDG 2)



In 2022, about 1/3 (282 mln) of the people affected by hunger (735 mln) were in Africa.

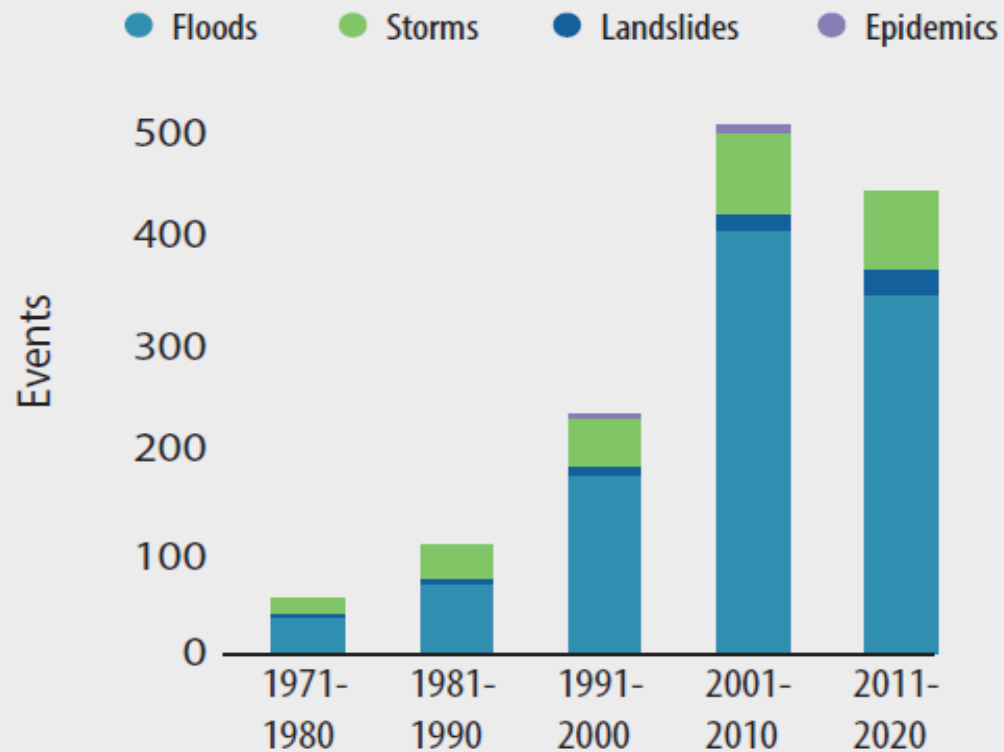


Climate change can have major impact on agriculture and food security.

# Risks associated with climate change are rapidly rising

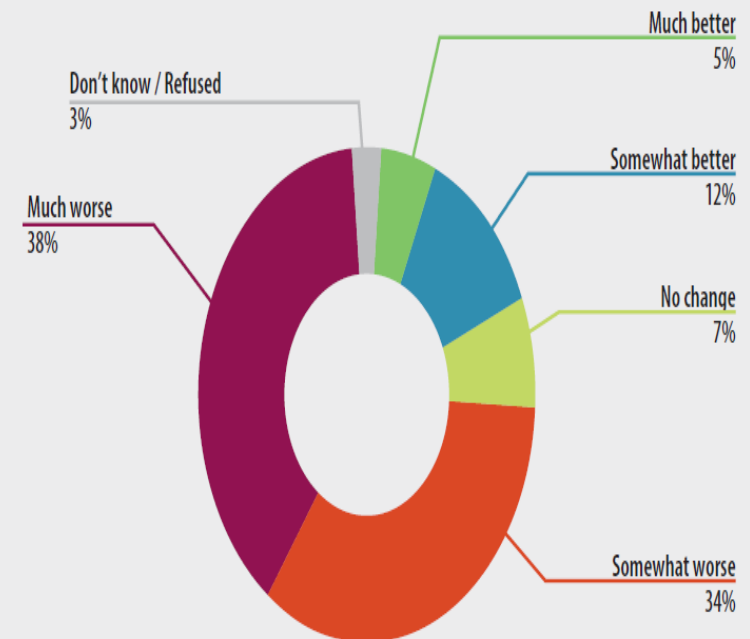
## Rising frequency & intensity of extreme weather conditions in Africa (SDG3)

a. Rain-related disasters



## African population is increasingly aware of the impacts of CC

Respondents who are aware of climate change were asked:  
Do you think climate change is making life in country better or worse, or haven't you heard enough to say?  
(Respondents who are not aware of climate change are excluded.)



## II. Just and sustainable transition (JST) - framework

The threat from triple planetary crisis (CC, biodiversity loss, and pollution) has triggered **global sustainability transition**.

**Africa needs JST** to address its unique challenges and needs JST.

- **Definition:** JST is an alternative pathway of **inclusive, low carbon, & resource-efficient development** where new technologies & approaches replace past ones.

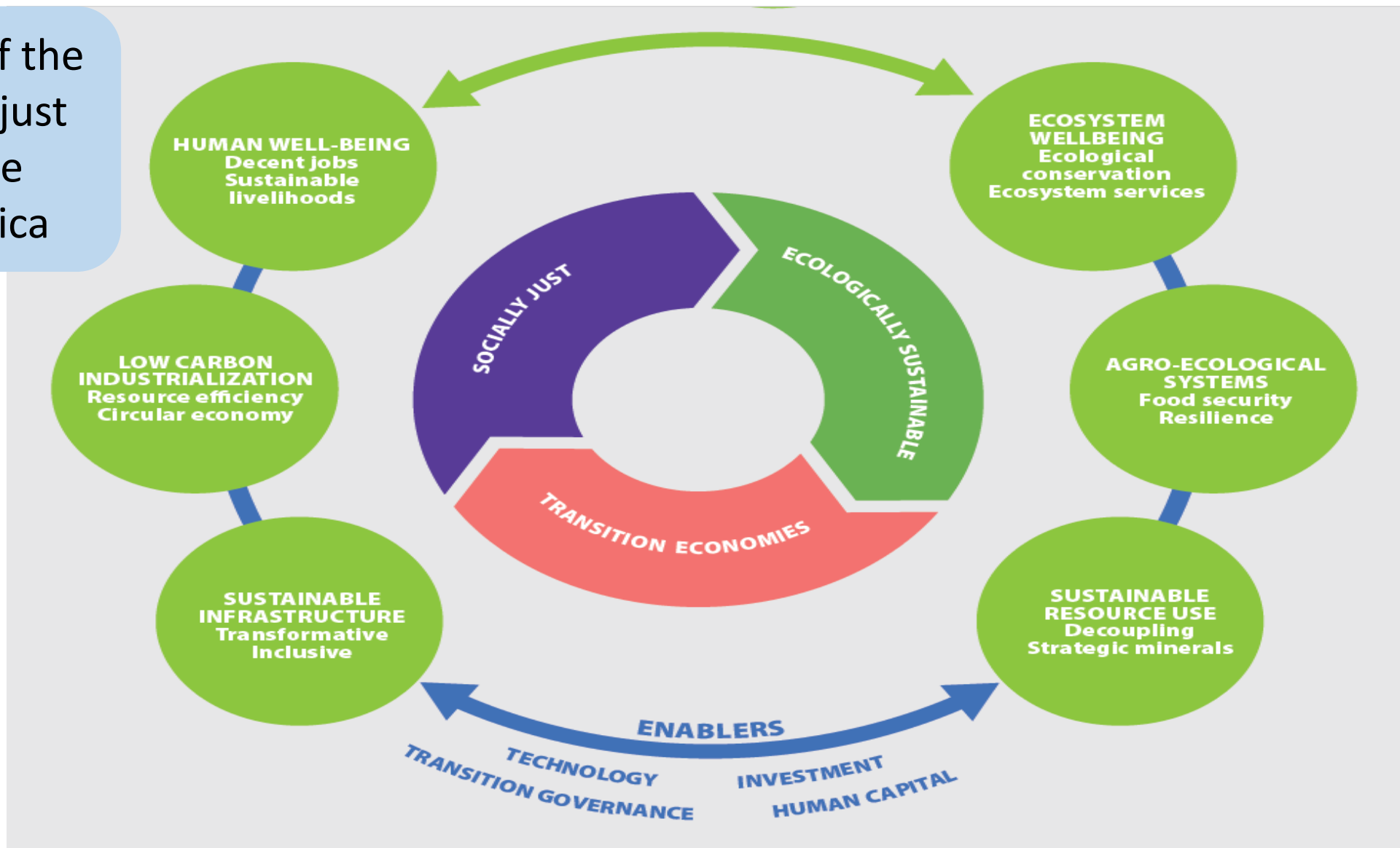
**Closing energy gap is a priority.** Transition away from fossil fuels will not be abrupt, as stated in the African Common Position. In MT, **RE is a compelling option for Africa.**

- Achieving JST cannot be done with ‘business as usual’ approach
- JST in Africa needs fundamental shifts of economic, governance & technology-systems
- To succeed, JST needs to be guided by African-informed narrative & needs and be African-led
- Achieving JST requires transformative leadership
- African countries can seize the leapfrogging opportunities due to:
  - Africa’s early stage of development,
  - natural resources & human endowments,
  - African Continental Free Trade Area.



# II. Just and sustainable transition (JST) - framework

Key dimensions of the framework for a just and sustainable transition in Africa



# III. Africa has the potential to leapfrog

## Just Energy Transition

- 600 million people without access to electricity in 2021
- Gradual transition to renewable energy
- Effective social policies and economic diversifications

## Shift to Collaborative Governance

- New governance infrastructure and governance based on collaboration and coordination
- Collaboration between different levels of government and institutions, civil society, private firms, and citizens

## Leverage critical minerals

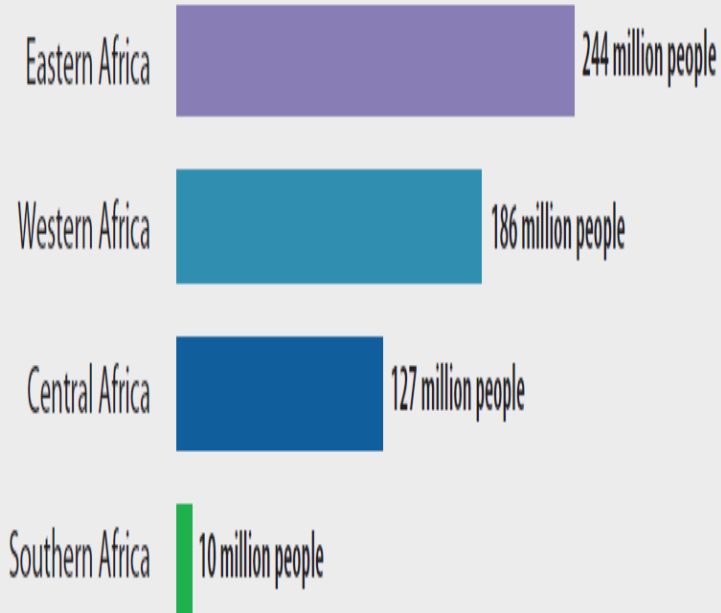
- Africa has 30% of the world's critical mineral reserves
- Shift from raw critical-mineral exports to mid- or end-stage processing and value addition
  - Build transformational infrastructure

## Harness Frontier Technology

- The disruptive technologies bring major opportunities for JST in Africa via leapfrogging
- Dynamic innovation ecosystem that enables development and application of new disruptive technologies

# Closing the energy gap and JET are a key priority

## People lacking access to electricity (mln).



Source: IRENA.

- RE at the center of energy systems and sustainability transition
  - Av. electricity consumption in Africa is 500kWh per year, vs. 13,000 in North America; low CO2 emissions
- Just aspect: Africa's JET path must differ from other regions - Africa needs to balance decarbonization with closing energy gap.
- Broadly, just transition strives for socially just world while disconnecting growth from rising levels of resource extraction and consumption.
- Also critical: securing a fair share in global value chains and creating decent jobs for growing youth populations.

# IV. Africa's untapped opportunities for investment in a JST

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Renewable Energy

Battery and Electric-Mobility Value Chains

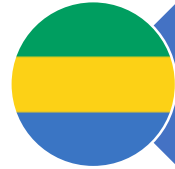
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Carbon-Credit Markets

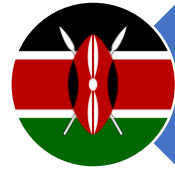
Sustainable Infrastructure

T

Circular Economy



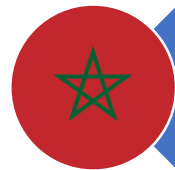
Investing in sustainable forest management (Gabon)



Investing in geothermal development (Kenya)



Investing in renewable energy development (South Africa)



Sustainable finance for an ecological transition (Morocco)



Investing for green growth (Senegal)

# Africa faces a wide funding gap in implementing its JST

**To close the funding gap, JST requires:**

**Underfunding and fragmentation  
of climate finance**

Enhanced private sector participation and innovative financing

More involvement of the multilateral development banks

Innovative national and subregional sustainable finance mechanisms

Reforming the global financial architecture

Adopting responsible investment

# Key policy recommendations



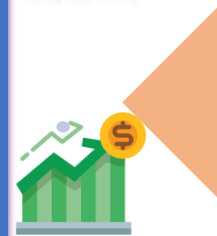
Strategic Planning: Develop action-oriented strategies for JST and integrate them in national development plans



Financing: Establish a national mechanism for financing JSTs, backed by the national bank or treasury



Leveraging Natural Capital: sustainably managing & leveraging natural resources, including critical minerals



Support drivers of JST: multilevel collaborative governance, human capital, and leapfrogging technologies essential for JSTs



Build partnerships: Build effective multi-stakeholder partnerships at national, regional & global levels

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***Thank you!***

Ideas  
to  
Action