



**Financing
the transition to inclusive
green economies in Africa**
Imperatives, opportunities
& policy options

Fifty-sixth session of the Economic
Commission for Africa Conference of African
Ministers of Finance, Planning and Economic
Development

SIDE EVENT

**organized by the Private Sector Development and Finance
Division and the Technology, Climate Change and Natural
Resources Management Division**

Enabling investment in clean energy resources in Africa to transform the continent and achieve global climate ambitions

BACKGROUND

Africa has the potential to lead the world in green growth and climate solutions, especially given its abundant clean energy sources and critical mineral resources. Around \$3 trillion is required for implementation of the ambitious nationally determined contributions submitted by African States under the Paris Agreement, which represents a huge opportunity to invest in clean energy projects. The Economic Commission for Africa estimates that, in order to meaningfully address the chronic lack of access to energy on the continent, approximately \$500 billion needs to be invested by 2030 in the power sector alone and a further \$2 trillion by 2050. In terms of driving forward the global energy transition and the move towards net zero, Africa can leverage the African Continental Free Trade Area to enable production of electric battery precursors in the Democratic Republic of the Congo with significantly lower costs and emissions than in other major global centres for that technology. However, less than 2 per cent of the approximately \$11 trillion invested in clean energy worldwide since 2014 has flowed into Africa. Moreover, African financing, public and private, has played little part in investment in the clean energy transformation of the continent. Furthermore, African Governments have little fiscal space available to address their numerous development needs, owing to the long-lasting socioeconomic effects of the coronavirus disease (COVID-19) pandemic, climate change

and global geopolitical tensions. It is, therefore, necessary to reset and innovate in order to mobilize the investment needed for the African renaissance.

OBJECTIVES

One aim of this side event is to explore ways of optimizing the realization of the clean energy potential of Africa. Another aim is to examine innovative ways of leveraging limited public resources to accelerate large-scale private sector investment in clean energy, with a view to making it available to more people and to taking climate action. In addition, the side event will feature discussion of the policies, the enabling environment and the types of global partnership needed for the efficient use of African financing, public and private, to catalyse investment.

EXPECTED OUTCOMES

The discussions during the side event are expected to enhance understanding of how Africa can define, own and lead its clean energy transition and transformation agenda. Participants will learn how to address energy access, inclusive and resilient development, and climate action in ways that accelerate investment flows, in particular from the private sector, while making the most of the challenges and opportunities presented by the global drive for net zero.



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TARGET AUDIENCE

The target audience is mainly government ministers responsible for financial, environmental, energy and industrial policy, as well as representatives of the private sector, development partners, academia and civil society.

For further information, please contact:

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