



POLICY BRIEF

Africa's climate and development future

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Climate change-related scarcity, poverty and weak rule of law could exacerbate socio-economic and political instability in Africa. Climate investments can help meet some of the continent's socio-economic needs. Still, a just transition is needed to ensure that redistribution of wealth and social well-being are at the forefront of development. This policy brief recommends a common African position on using climate investments to build resilience and encourages multi-faceted and multi-actor engagement.

Key findings

- ▶ Agenda 2063 scenarios that show significant growth potential for Africa, for example, with the advent of the African Continental Free Trade Agreement and robust manufacturing, may come with increased carbon emissions if pursued in a fossil fuel driven paradigm.
- ▶ The combination of climate change driven scarcity and non-climate-related drivers such as inequitable distribution and poor management of resources, poverty, resource scarcity, and a less than effective security architecture combined with a weak rule of law, can fuel socio-economic and political instability in Africa and create paths to more conflict.
- ▶ Africa has about 30% of the world's mineral reserves needed for the global shift to low-carbon technologies. Countries holding an abundance of these mineral resources could use their resource base to move up the value chain and position themselves as manufacturers of green technologies and products. But they will need to avoid the 'resource curse' that has plagued many African countries in the past.
- ▶ There are synergies across climate change adaptation, macroeconomic objectives, and development outcomes for African countries. Climate investments can help meet some of Africa's socio-economic needs.

Recommendations

- ▶ A common African position is needed on using climate investments as a tool to build economic and social resilience and putting climate change at the heart of all diplomacy and multilateral discussions. Without this, demands for greater consideration of Africa's needs are unlikely to yield results.
- ▶ While climate investments and development are essential, redistribution of wealth and overall social well-being must be at the forefront of the development process. Without a just transition, without justice and equity, even new development pathways could entrench vulnerabilities and perpetuate disparities within and across countries.
- ▶ African agency should not be seen as emanating only from government, but should be multi-faceted and multi-actor. African stakeholders and policymakers need to accelerate and foster a strong understanding of the influence of climate change on the continent's development.
- ▶ African agency should engage the global climate finance architecture to do away with the artificial boundaries between tackling climate change and development and to ensure that climate finance aligns with the needs and priorities of African countries rather than of those who manage the flow of finance.

Introduction

Africa faces considerable challenges regarding both development and climate change. At the same time, the continent is massively wealthy when it comes to the resources needed for a just transformation to renewable energy, both for itself and for the world. And its potential for economic development to benefit all its people is substantial. Stakeholders need to ensure the two work hand in hand in order for Africa to capitalise on its inherent power.

Building resilience in a changing climate

The African Union's (AU) Agenda 2063 has established an ambitious strategy for a prosperous Africa based on inclusive and sustainable development. Agenda 2063 is aimed at being Africa's blueprint and master plan for transforming the continent into a global powerhouse of the future.

A recent review notes that despite challenges during the COVID-19 pandemic, implementation of Agenda 2063 continued,¹ with significant achievements over 2019. The review also notes that there is a positive upward trend for most of Agenda 2063's 20 goals for the continent as a whole, with an overall score of 51% against the 2021 targets compared to the 32% score registered in 2019. The report highlights the need to bridge infrastructure gaps, accelerate industrialisation, increase agricultural productivity, and create climate-resilient economies.

Climate resilience underpins the sustainable realisation of Agenda 2063. The African Development Bank (AfDB) calls climate change an existential challenge to Africa's development. The International Monetary Fund notes that one-third of the world's droughts occur in sub-Saharan Africa, and the frequency of storms and floods is growing fastest in this region relative to other regions of the world.²

Africa is incurring disproportionately higher negative impacts from climate change. This is partly because of the increased intensity and frequency of climate change-induced hazards, high dependency on natural resources, and low levels of readiness to adapt to climatic shocks resulting from insufficient and inadequate infrastructure, basic services, and governance systems. In addition, the manner in which climate change-related stressors interact with economic, social, environmental and political factors plays a big role.³ The impacts interact

and sometimes reinforce each other, magnifying the cumulative effect.

Climate change intensifies many of Africa's existing challenges. Chief among these is the degradation of natural resources in the context of population growth and mobility through internal displacement, voluntary movement, food insecurity, humanitarian disasters, water stress and livelihoods. Most sectors that livelihoods and development efforts focus on are climate-sensitive, including agriculture, tourism, energy and water resources.

There is a danger that responses, African and global, to climate change put the realisation of Agenda 2063 at risk

Where climate change-driven scarcity interacts with non-climate-related drivers such as inequitable distribution and poor management of resources, poverty, resource scarcity, and weak rule of law, it can fuel socio-economic and political instability and lead to more conflict.

Besides affecting the prospects of human capital development, it has adverse impacts on inclusive growth in the long term. The limited resilience and low adaptive capacity of African countries to the negative impacts of climate change are already resulting in lower growth and development. AfDB, United Nations (UN) Environment Programme and UN Economic Commission analysis for Africa shows lower GDP per capita growth ranging, on average, from 10% to 13%, with Africa's poorest countries displaying the highest climate adaptation deficit.⁴

Not only is climate change itself derailing Africa's development, but there is also a danger that responses, African and global, to climate change put the realisation of Agenda 2063 at risk. The Institute for Security Studies' (ISS) own work under its African Futures and Innovation (AFI) programme shows that just as development elsewhere in the world has increased carbon emissions, Africa will be similar. With its burgeoning population and huge demands for improved livelihoods, and better prospects especially through Agenda 2063, the continent will increase its carbon contribution.

People take refuge on the roofs of buildings following flooding caused by Cyclone Idai in Mozambique



Source: World Vision/Flickr

The AFI programme has modelled Africa's development prospects and potential, focusing on 14 sectors for each African country, region, regional economic community and country income groups within the timeline of the African Union's Agenda 2063. The analysis involves forecasts for the current development pathways as well as 11 sectoral scenarios namely the Stability, Demographic, Health/WaSH, Agriculture, Education, Manufacturing/Transfers, Leapfrogging, Free Trade, Financial Flows, Infrastructure and Governance scenarios, and a Combined Agenda 2063 scenario that consists of the combination of all scenarios.⁵

Delivering on Agenda 2063 would release about 297 million tonnes more carbon by 2043 than in the current development trajectory



AFRICA NEEDS TO
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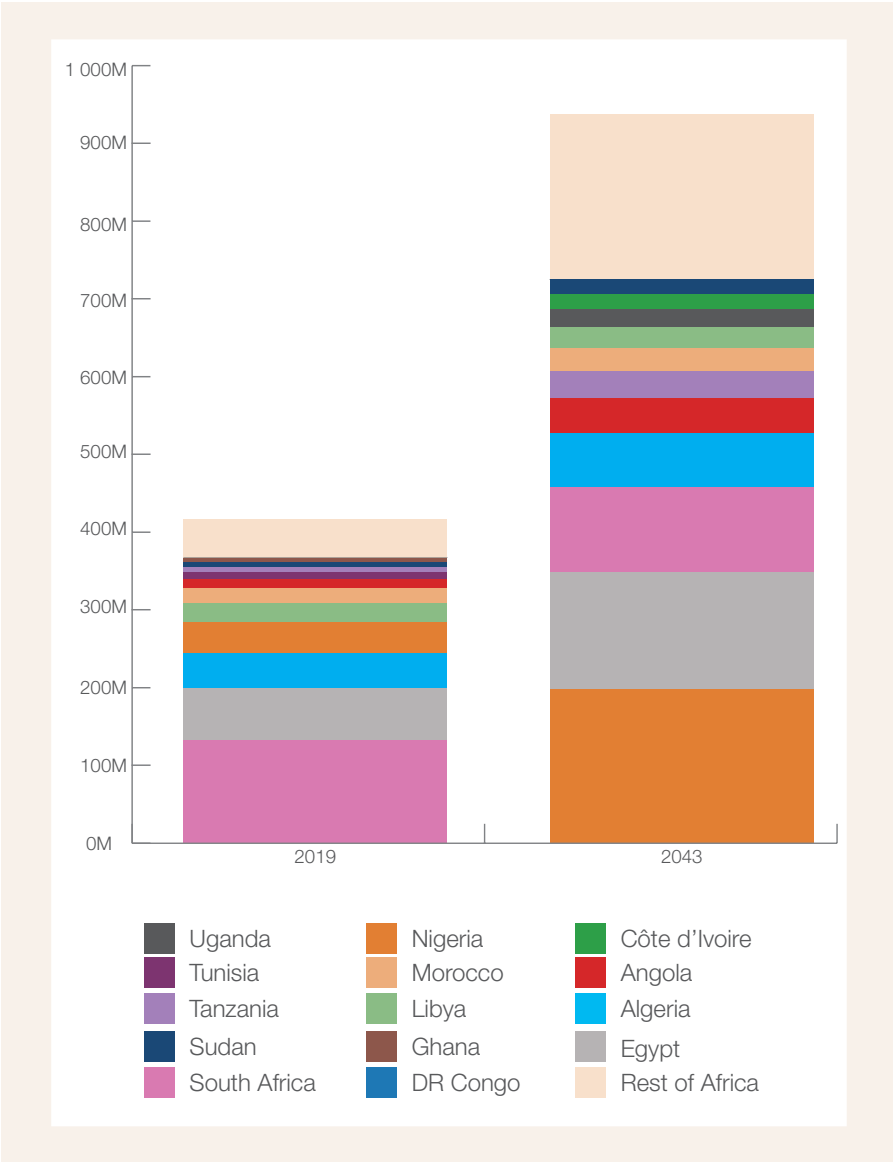
The analysis⁶ shows that delivering on Agenda 2063 would result in the release of about 297 million tonnes more carbon into the atmosphere by 2043 than in the current trajectory of development. Emissions would grow rapidly thereafter as growth accelerates. This means Africa would contribute closer to 12% than 9% to global carbon emissions by 2043 – and close to 30% by 2063. It also means that by 2043, Africa would have added around 1.2 billion tonnes more carbon to the atmosphere (in addition to the carbon emissions forecast in the current development trajectory).

A different way of looking at Africa's carbon emissions over long time horizons is that in the Combined Agenda 2063 scenario if Africa is forced to pursue a

High-Carbon growth path; Africa will be a larger emitter than the 27 European Union countries in 2030. It could overtake the United States in 2039, India in 2046 and China in 2056.⁷

There's an imminent risk of hitting the 1.5°C⁸ temperature rise in the near term, and therefore a need to step up efforts and pursue the most ambitious path to mitigating climate change. At the same time however, there's an urgent need for development in Africa – and this could be constrained by climate change, as development comes with significant carbon emissions.⁹ Such scenarios, with their substantial growth potential, include the implementation of the African Continental Free Trade Agreement (AfCFTA) and manufacturing.

Chart 1: Carbon emissions from Africa's major contributors in 2019 and 2043



Source: International Futures (Ifs) 7.63 initialised from Carbon Dioxide Information Analysis Center, AFI¹⁰

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Climate investments and Africa's socio-economic needs

It isn't in Africa's long-term interests to be locked into high-carbon pathways. The vision of Agenda 2063 to pursue development is correct, and the monetising of Africa's fossil fuel assets in the way that high-income countries did for their own development is very tempting. It is also hard to ignore the reality that while African countries are being discouraged from using their own fossil fuel resources to pursue development, many developed countries continue to expand fossil-fuel use.

In regions such as Europe, for example, current events such as the Russian invasion of Ukraine mean that energy security is being prioritised and conventional coal plants are being brought back online to address intermittency of supply from wind and high gas prices. However the science of climate change is undeniable. The conventional model of high-carbon development is neither feasible nor sustainable in an increasingly resource- and carbon-constrained world.

African countries are discouraged from using their own fossil-fuel resources for development, while developed countries expand fossil-fuel use

Moreover, high-carbon pathways will pose a risk to African economies. International Energy Agency forecasts indicate that global oil prices will drop by a third by 2050 while carbon prices will increase at least fivefold worldwide. Decreasing fossil fuel prices presents a clear revenue risk to African countries. Moreover, the introduction of carbon pricing to tackle climate change poses risks for countries that follow a high-carbon pathway. Their exports will no longer be competitive with those from nations that have transitioned to or followed the low-carbon development pathway.

Climate investments can help meet several socio-economic needs on the continent. Tackling climate change through actions in mitigation and adaptation could go hand in hand with industrial development that boosts growth, creates jobs and reduces poverty. It's estimated that Africa has 30% of the world's mineral reserves that are critical for the global shift to low-carbon technologies such as solar, electric vehicles, energy storage, green hydrogen, and geothermal. These include lithium, graphite, nickel and cobalt.¹¹

The World Bank foresees an exponential increase, of nearly 500% by 2050, in the production of minerals, such as graphite, lithium and cobalt, to meet the growing demand for clean energy technologies.¹² This rise in demand creates an opportunity for countries that hold an abundance of these mineral resources to leverage their resource base to move up the value chain and position themselves as manufacturers of green technologies and products.



THE HIGH-CARBON
DEVELOPMENT MODEL IS
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INCREASINGLY CARBON-
CONSTRAINED WORLD

Gecamines owned artisanal cobalt mining site, Democratic Republic of Congo



Source: Fairphone/Flickr

Governments could make access to these critical minerals contingent on investments that meet Africa's climate and development priorities, including local value chains, greater localisation of green technologies, and adaptation to climate change.¹³ This could also be linked to continent-wide green industrialisation objectives through mechanisms such as the AfCFTA.¹⁴ The development of local value chains based on green technologies that are critical for the global energy transition to tackle climate change could also help achieve export diversification for African countries.

Responding to climate change is an opportunity to bridge the energy deficit that is crucial to Africa's socio-economic development. Lack of access to energy is only one of the challenges the continent faces, but it remains the most significant obstacle to socio-economic development.

Access to affordable and reliable energy enables the provision of basic services such as health and education, and food security through increases in agricultural productivity and reduction of food losses. It also promotes industrial development, and the generation of livelihoods in these areas.

The development of renewable energy sources holds immense benefits for African countries that rely on fossil fuel imports and lack national distribution networks. International Renewable Energy Agency and AfDB analysis suggests that when accompanied by an appropriate policy basket, a systematic shift away from fossil fuels towards renewables or renewable energy systems could lead to substantial benefits. It could see a 6.4% increment in GDP, 3.5% more economy-wide jobs, and a 25.4% higher welfare index between 2021 and 2050.¹⁵

It could also result in greater fiscal stability. For African countries that are dependent on energy imports, renewable energy could reduce vulnerability to the external shocks caused by movements in the price of fossil fuels.¹⁶

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A young worker lifting a solar panel in Namibia



Source: UNESCO-UNEVOC/Charity Thebuho

There are synergies across climate change adaptation, macroeconomic objectives, and development outcomes. For example, reducing the weather sensitivity of crops through improved seeds can benefit agricultural productivity even without climate change. Building the resilience and capacity of the tourism sector, which many African countries rely on, to adapt to climate change impacts and mitigate emissions could improve national revenues while increasing local employment and reducing poverty. Improving irrigation systems and expanding access to drinking water and sanitation would support better health, nutrition and education while reducing poverty during prolonged dry spells and water shortages.¹⁷

Available platforms

African leaders are starting to recognise that climate change isn't just another challenge the continent has to deal with. This recognition is reflected in the growing number of dialogues that link climate change to other pressing issues facing Africa.

For example, the AU Peace and Security Council (PSC) has initiated an analysis of the effects of climate change on peace and security under a climate-security-development-nexus banner. The PSC recognises that climate security threats are multidimensional and that climate risks manifest as food and water insecurity, livelihood loss, and failures related to the management of natural resources and displacement.

The AU's Green Recovery Action Plan sets out five priority areas for emboldened action that include: (i) improving climate finance, (ii) supporting the just transition to renewable energy, (iii) nature-based solutions and a focus on biodiversity, (iv) resilient agriculture, and (v) green and resilient cities.



REDUCING THE WEATHER
SENSITIVITY OF CROPS CAN
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PRODUCTIVITY EVEN
WITHOUT CLIMATE CHANGE

The Kigali Communique outlines seven transformative actions to set Africa on a pathway to economic prosperity and net zero carbon emissions. African countries have converged over the need for increased and more transparent funding with a commitment to the pledge of US\$100 billion and to double adaptation funding to US\$40 billion. They're also focusing on carbon markets that work for Africa with clear rules and carbon trading returns, and on issues of loss and damage.

Access to minerals critical for low carbon transition could be linked to broader continent-wide green industrialisation objectives through the AfCFTA

There is a continued need for transformational strategic thinking to build a climate-resilient, resource-efficient, inclusive, and industrial African economy. For example, access to minerals that are critical for low carbon transition could be linked to broader continent-wide green industrialisation objectives through the AfCFTA. This transformational thinking requires a more nuanced approach than the current narrow focus on governance approaches and mechanisms within the United Nations Framework Convention on Climate Change (UNFCCC)¹⁸ which is restricted by its mandate to setting out the legal framework and principles for international climate change cooperation.

Continental, regional, and national structures should use the full range of avenues available to them. The climate agenda needs to pervade development cooperation, trade, conflict prevention, and humanitarian assistance, to name a few. There's a need for the continent's climate dilemma

Tea picker, picking tea along Kenya's Tana River watershed



Source: CIAT/GeorginaSmith



THE AU'S GREEN RECOVERY
ACTION PLAN SETS OUT
FIVE PRIORITY AREAS FOR
EMBOLDENED ACTION

HE Moussa Faki Mahamat, Chairperson of the AU Commission addresses a side-event at COP27 in Sharm El Sheikh, Egypt



Source: African Union

to be acknowledged within all multilateral and bilateral structures, along with the recognition that Africa is a potential global climate asset.

While Africa has greater agency in international affairs today, its influence still does not match the scale of challenges. African countries typically continue to be policy recipients and not formulators, and victims, not lead participants, of responses to climate change.¹⁹

Continental visions must go beyond declarations of intent and avoid the pitfalls of the past. There is a need to develop a common African position on using climate investments as a tool to build economic and social resilience and putting climate change at the heart of all diplomacy and multilateral discussions. Without this, demands for greater consideration of Africa's needs are unlikely to yield results.

At the same time, the 'resource curse' that has plagued many countries on the continent that are rich in extractive resources must be avoided. Related to this is a critical need to ensure that unlike in the past, the continent's resources go towards building broad-based wealth for its people. Greater investments will be needed to ensure that transparency, accountability, inclusivity, and effective resource management prevail.

A just transition is vital. While climate investments and development are essential, redistribution of wealth and overall social well-being must be at the forefront of the development process. Charting new development pathways away from fossil fuels must ensure that risks and responsibilities are managed so that one set of actors is not marginalised or bears heavier risks. Without justice and equity, even new development pathways could entrench vulnerabilities and perpetuate disparities and fragmentation with and across countries.



CLIMATE FINANCE MUST
ALIGN WITH THE NEEDS AND
PRIORITIES OF
AFRICAN COUNTRIES

A radical shift is needed in the approach to finance. Climate-related investments are currently locked within the negotiations at the UNFCCC. It's also often treated as a form of aid support, particularly when it comes to climate change adaptation.

Artificial and unhelpful boundaries have been created to distinguish between development and climate change adaptation. Important examples include the requirements of establishing the climate rationale for seeking funding or making the case for climate additionality beyond 'business-as-usual' development. The climate finance architecture largely ignores the fact that in Africa, tackling climate change and development goes hand in hand.

Another key concern is that climate finance frequently takes the form of loans requiring recipients to pay back the money with interest. This burdens African countries that are already over-indebted, and allows developed countries to evade their responsibility of shouldering the damage caused by climate change. Climate finance must align with the needs and priorities of African countries rather than of those who have been set up to manage the flow of finance.

African agency should not be seen as emanating only from government, but should be multi-faceted and multi-actor. It needs to involve labour, the private sector and business, civil society, academia and the research community.

African stakeholders and policymakers need to accelerate and foster a strong understanding of the influence of climate change on the development of the continent. This must then be matched by appropriate policies and programmes that permeate all levels of the African socio-political landscape, from decision makers (public and private) to all parties in the major stakeholder groups.

Notes

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