

AFRICAN DEVELOPMENT BANK GROUP



SUSTAINABLE DEVELOPMENT THE AFRICAN PERSPECTIVE TO RIO+20

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Statement at CDU/CSU Parliamentary Group

Berlin – July 06, 2011

Good afternoon Ladies and Gentlemen,

1. Let me say at the outset how delighted I am to be here; in Berlin – a historic city, where much of Europe’s history has been written and to see so many old friends.

Thank you members of the Bundestag CDU/CSU Parliamentary Group. In particular a special thanks to the Chairman Volcker Kauder, Vice Chairman Dr. Christian Ruck and thank you for your kind words.

2. Thank you in particular for this initiative at which you saw fit to invite me – and the distinguished South African Trade and Industry Minister Rob Davies as well as other eminent Africans – a testimony to the strength between Germany and Africa.
3. Germany plays a major role at the Bank, it is now the third non-African shareholder of the African Development Bank – and the second largest contributor to its concessional window – the African Development Fund– in addition, Germany is the initiator of a major initiative, housed in the Bank; entitled “Making Finance work for Africa” – born at the G8 Summit at Helligendam.

4. Mr. Chairman, Dr. Ruck, you said it all

Two decades after Rio – another “Earth summit” will convene in June next year in Rio. At the Rio 1 Summit, a commitment was made by all nations to “meet the needs of today without compromising those of future generations”.

5. I understand Rio II is meant to assess progress, secure a renewed commitment, in the context of the green economy and poverty eradication.
6. No continent has more at stake in, this endeavour, than our continent of Africa: because we
 - (i) are the continent most affected – most vulnerable to the fragile environment
 - (ii) we are the region where poverty and environmental degradation are strongly correlated and

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(iii) we are least able to cope – with the impact of climate change, whether it is violent storms, floods and epidemics, unpredictable weather, desertification etc.

7. In short, because we are a continent whose economies and livelihood is still very much dependent on natural resources, whether it is land, water, marine, or forestry resources.

8. Africa is now a continent of 1 billion people – we will be 2 billion in 2050. At the time of Rio 1 only 28% of Africans lived in urban areas – today the average is 40% - and in some countries getting close to 50%.

9. In short, this is a young, a rapidly urbanizing continent, a fast growing population. A challenge and an opportunity.

10. The challenge of how to provide for livelihood, fight poverty – taking advantage of emerging opportunities in a sustainable way – whether it is energy, infrastructure, food sanitation. We see enormous opportunities in the green economic path, provided there is level playing field – and we are able to be part and parcel of that industrialization process.

11. Mr. chairman, Ladies and Gentlemen,

RIO 1 fathered, so to speak, the Kyoto protocol. We hope the post 2012 landscape clarifies after Durban COP 17. It is said often that Africa has contributed little to global greenhouse emissions, but bear the brunt of its impact. It is no exaggeration that climate change and environmental damage is one of the big threats to our achievements, our economic security. If nothing was done, in the next two decades, 100 million Africans would be pushed below the poverty line.

12. Let me illustrate with respect to the Congo Basin. In this region live around 145 million Africans, nearly half of whom living below a \$/day. But in this basin also exist 80% of species not to be found elsewhere on planet earth; a major source of biodiversity. But between Rio 1 and today – an area equal to the size of Finland has disappeared – due to human activities slash and burn agricultural practices, following on logging activities and charcoal producers.

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13. By the way, staff tell me the emissions thereby produced by these practices equal to annual emissions from aviation and shipping.
14. Mr. Chairman, between Copenhagen, Cancun – progress is steadily being made, but it is painfully slow. We are proud that Africa will host COP 17 in Durban. The roadmap to capping emissions to scientifically determined levels is critical for all, for low income countries – and for fighting poverty in Africa – and for mankind at large.
15. We must do everything possible so that both Durban and RIO + 20 build the needed momentum; in particular that COP 17 can unlock funding mechanisms - the Climate Fund agreed in Cancun. You will probably know that Africa was poorly served by the mechanisms under the Kyoto protocol, accessing no more than 12% of resources available – and – the adaptation fund has not worked as well as was expected. That is why we are keen to see the Climate Fund being agreed upon – but with a governance structure, with mechanisms, that are accessible to Africa, better than in the past.
16. I was privileged to serve on the UN High Level Advisory Panel on climate change funding. We concluded that it was technically feasible to raise the 100 bn mainly from private sources and the carbon markets provided political will existed. We, like other institutions are working closely with, and supporting the work of the Transitional Committee at the UNFCC Secretariat in Bonn.
17. Mr. Chairman, Ladies and Gentlemen,

Protecting the environment, dealing with climate change, moving to a low carbon economy – is a common responsibility for the whole of humanity. It is a common, but differentiated responsibility.
18. If we are to protect the environment, preserve planet earth for future generations – developed countries will have to agree to bear the overwhelming responsibilities across the whole range of issues:
 - environmental protection
 - cutting emissions
 - adaptation

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- technology
- and finance

19. At the time of RIO 1; the economic situation and social conditions in Africa were challenging; a term “Afro pessimism” was even coined; reflecting deepening poverty, disease burden, debt, macroeconomic imbalances, etc.
20. As we reconvene for RIO 2; the landscape, while still difficult – is somewhat different. While the picture is patchy there is now a broad consensus that in the last decade, Africa has made the fastest progress, the fastest in 50 years. Words like “the time of Africa”, the “African Miracle” have been used.
21. If you exclude North Africa which is undergoing revolutionary related, temporary economic disruptions- the rest of Africa will grow at 5.6%- a dozen countries- above 7% -and a few countries will see double digit growth. Next year, barring major setback in the global economy, African economies will grow on average at 6.5%.
22. We fully understand- this is from a low base, population is growing- and that the impact on poverty and sustained increase in real per capita income- will take time. But I know of no one- who today disputes the fact Africa-since 2000, has developed a new economic momentum, which even the recent financial crisis, food crisis could not wholly interrupt. The Africa of today has aspirations for trade and investments, better manage its natural resources.
23. This said there are risks and vulnerabilities the global economy, food price volatility, internal political disruptions etc.
24. In addition African peoples are not looking simply for impressive headline strong economic growth, it must be also inclusive, resilient and sustainable.
25. The Arab Spring, shows us that economic growth which is not anchored in strong institutions, robust governance, greater freedoms, that does not deal with inequalities, disparities, whether rural- urban, religions or gender- that does not manage diversity and political exclusion is bound to fail.

Mr. Chairman, Ladies and Gentleman,

26. Much of our recent economic momentum is explained by a combination of internal and external factors:

- a benign global economy and a strong demand for our commodities
- cumulative effects of economic reforms and much improved economic stewardship
- a greater role for the private sector, supported by an enabling state
- fewer conflicts and a reduced number of fragile states
- ever growing economic integration.

27. These are areas central to the work of the African Development Bank, which is Africa's leading development financial institution:

- economic integration- for economic political diversity and stabilization
- private sector development- to create wealth
- infrastructure- to promote trade, lower costs of doing business
- promoting governance and institutions- to lower risks
- supporting fragile states and these coming out of conflicts because of spillovers effects.

28. During the recent financial crisis, the Banks played a countercyclical role to minimize damage and we received the strong support of the German Authorities, through the BMZ, and sister institutions in Germany such as the KFW.

Let me conclude:

29. As we move towards Durban COP 17, and Rio+20. We seek to consolidate those achievements, minimize our vulnerability. We are very much aware that, we remain very much a natural resource driven economy- resources which are depletable, which have often lead to the so called" resource" curse– even source of war.
30. The paradox of a continent with 60% of the world's cobalt, 31% of the bauxite, 60% of the remaining arable land, ample availability of renewable energy sources (hydro, geothermal, wind sun) ad yet- with installed energy capacity less than that of Spain, with $\frac{3}{4}$ of our population lacking access to energy.
31. As we deal with these issues- we know that the carbon intensive pathway pursued by rich countries is not sustainable for our planet.
32. Our relative underdevelopment probably presents us with an opportunity to leapfrog to a green economy- But that calls for an enduring partnership- at all levels, both public and private.
33. Green growth creates huge opportunities, in agriculture, energy, infrastructure, waters, sanitation etc. but it requires large upfront investment and delivers return only over many years. It is an opportunity we wish to seize as I am sure Minister Davies, will show you in case of South African Renewable Initiative.

Mr. Chairman,

34. For low income countries, a green economy is not an "all or nothing" approach. Low Income Countries want to be sure that new opportunities are opened by the green economy but without closing up the chances of growing their economies, with what is available today.

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35. The green economy, must be contextualized in the unequal world where low income counties find that the “ladder has been thrown away”.
36. A week ago in Malabo, the African Union Summit discussed issues of (i) empowering the Youth of Africa (ii) Rio + 20 and Durban. They discussed the needs for funding adaptation, Red ++, anchored in an agenda of providing hope and opportunity for the year.
37. As you can see this matches very well with our discussion here today. The African Development Bank is fully engaged here, financing major programs in renewables, adaptation, Lake Chad, Lake Victoria and many more and as a host of the Congo Basin Forest Facility.
38. Today, I have spoken about my continent as if it was one entity we know that we are 53 countries and from July 9, 54 nations. We are a diverse continent and conditions differ from country to country, form region to region. But we share a common destiny.
39. Like you here in Europe, we are working everyday for great economic integration, for much the same political, economic reasons as the European integration. Think of what a prosperous continent of 1 billion, young continent brings to the world trade, for investment, for jobs especially in ones anchored in the green economy.
40. Let me end here by thanking you all for this opportunity and for listening to me. Thank you.

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