



**UNITED NATIONS
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African Economic Conference

Remarks

by

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Excellency, Ato Meles Zenawi, Prime Minister of the Federal Democratic Republic of Ethiopia,

Excellency, Dr. Jean Ping, Chairperson of the African Union Commission,

Excellency, Dr. Donald Kaberuka, President of the African Development Bank,

Mr. Tegegnetwork Gettu, Assistant Administrator and Regional Director of the

UNDP Regional Bureau for Africa,

Honourable Ministers,

Ambassadors and Heads of International Organizations,

Distinguished Ladies and Gentlemen

I am delighted to welcome you all to Addis Ababa for the 2011 African Economic Conference especially as this distinguished gathering demonstrates its continuing importance as a leading platform for engagement between policymakers, development experts and researchers working on African economic and development issues.

Before going into the body of my remarks, let me express with utmost sincerity our sincere appreciation to His Excellency Prime Minister Meles Zenawi for his intellectual leadership on global and regional development issues and for demonstrating yet again through his presence here a continued willingness to share his carefully considered insights with us.

Our theme for this year's conference - Green Economy and Structural Transformation - is particularly relevant, apt and compelling. Just yesterday, the Ministerial segment of the African Preparatory Meeting for the Rio+20 Conference which has the 'green economy' as one of its themes opened in this very hall and it is useful for us to hear the views of a wider constituency before heading to Brazil for the global Conference next year. It is also important to deliberate on

the 'green economy' at a high-level intellectual gathering such as this because there is still concern in some quarters about what it means for sustainable development agenda agreed upon in Agenda 21.

We can of course address this concern by clearly defining what we mean by the green economy and to show that it does not subtract or detract from sustainable development but rather further deepens our ability to promote the balanced integration of its economic, social and environmental pillars. In so far as the green economy means improving economic and social well-being while ensuring that production processes and consumption patterns do not further damage the environment then there would be no need to quibble about its import.

Indeed, it is now evident to all concerned that mankind needs to move from old resource intensive methods of growth in which progress has been at the expense of the environment to one in which productivity is boosted by using and managing natural resources more efficiently and effectively. Moreover, economic activity must take account of long-term consequences for the environment and the need to preserve our common heritage for future generations while promoting improved social conditions. Building a green economy is therefore an important element of the solution.

Let me state however that commitment to building a green economy brings its own challenges. Although switching to a green growth path may enable leap-frogging of dirty and inefficient technologies, there are more fundamental dilemmas to grapple with including costly adaptation and path dependence. Radical changes would be required in behaviour from government, firms and consumers and matched by sufficient financial resources if this approach is to succeed. We also face a predicament in the sense that while the pressing priority

for most African countries is to promote growth that creates jobs the immediate effect of on-going growth is a short-run increase in demand for food, energy, and water that may further burden the environment.

It is against this background that we must examine how best the green economy can bring about structural transformation in Africa. In doing so, however, we must note that Africa has been growing quite steadily since the turn of the new Millennium with growth rates averaging about 5%. We therefore need to take this situation into account as we try to shift to a green growth trajectory, and especially as our major development partners are also grappling with debt, unemployment and slow growth. Moreover, we must strive to ensure that our growth processes provide job opportunities for young people and give them hope for the future.

In other words, to ensure that the green economy contributes to structural transformation in Africa, we have to overcome some of the challenges I have just outlined. It would also mean providing a persuasive vision for the green economy, promoting green growth, determining key sectoral priorities and establishing frameworks for coordination at national and international levels.

If the green economy is to drive a process of structural transformation it would be important to convey a clear vision to all stakeholders of what it entails and what is required to bring it about. Creating awareness about the concept is an important and necessary first step in meeting this very important requirement, just as it would be necessary to highlight its potential contribution to growth and structural transformation.

Quite fortunately, Africa has an abundance of natural resources such as minerals, fisheries, forests, wind, hydro and solar which provide it with options for their

long-term use in an eco-friendly manner. Similarly, it is possible to drive a green growth agenda through well-targeted investments in renewable energy and manufacturing processes that minimize pollution and release of hazardous and toxic waste. This also points to the opportunities that abound in recycling and proper waste management.

The green economy would also need to be properly coordinated with on-going processes and must therefore be integrated in national development plans and strategies. African countries like Ethiopia, Kenya, Morocco, Rwanda and South Africa to mention but a few are good examples of how the green economy could be used to create jobs, generate energy and aim towards carbon-free targets. In addition, governments also have a role in establishing policy frameworks that will prioritize investments in the green economy and create incentives to overcome negative externalities and encourage private actors to embrace the idea.

It is also important that international governance of the environment promotes rather than hinders green growth. There is legitimate fear that a green economy may allow for trade protectionism and the imposition of additional policy conditionalities but this need not be the case if we promote and adopt global norms that make it easier to produce and trade in green goods. Additionally, since developed economies have the resources and technological capabilities needed to undertake required changes, serious consideration should be given to how best to assist African countries to implement agreed outcomes including through the provision of accessible finance, building of local capacities, and access to green technologies.

I hope that your deliberations here will contribute to addressing some of the issues I have raised so that the green economy contributes to the structural transformation of African economies.

I wish you a very productive conference and thank you for your kind attention.