

# GREEN GROWTH IN AFRICA

**Supporting Africa's Transition to Green Growth**  
SNAPSHOT OF THE AFRICAN DEVELOPMENT BANK'S ACTIVITIES



AFRICAN DEVELOPMENT BANK GROUP



## TRANSITIONING TO GREEN GROWTH: A STRATEGIC OBJECTIVE FOR THE AFRICAN DEVELOPMENT BANK

The African Development Bank's (AfDB) Strategy for 2013 to 2022, "At the Center of Africa's Transformation", seeks to promote high quality growth in Africa. This is to be achieved through a focus on inclusive growth and an emphasis on sustainability through a gradual transition to green growth.

### *Definition and Guiding Principles*

*The AfDB defines green growth as "the promotion and maximization of opportunities from economic growth through building resilience, managing natural assets efficiently and sustainably, including enhancing agricultural productivity, and promoting sustainable infrastructure."*

*Green growth is essentially about empowering countries to realize their development objectives and growth targets while (i) maximizing natural resource use efficiency, (ii) minimizing waste and pollution, and (iii) strengthening the resilience of livelihoods and economic sectors.*

## WHY GROW GREEN?

Promoting green growth and building greener economies is about ensuring human well being in a rapidly changing world. Over the recent decade Africa has transformed itself economically. With average growth rates of five percent or more, the continent is increasingly seen as an important driver of the global economy. Newly inter-connected and knowledge-based economies in Africa present new opportunities and avenues for development. There are prospects for technological innovation, new industries, increased production and consumption, and higher levels of prosperity.

However, considerable challenges remain. Africa is still the poorest continent on average. Large portions of its population have inadequate access to the goods and services required to meet basic human needs such as food security, energy, clean water and sanitation. The benefits of growth have been uneven and the gap between rich and poor is widening in several parts of the continent. Population growth, urbanization and shifting consumption patterns place pressure on Africa's natural capital. As well, pollution, waste, environmental degradation and climate change pose challenges to its sustainable development.

Many of the development decisions taken today on infrastructure, energy systems, food production and education, will have long-term consequences. An economic model focused on green growth seeks to identify sustainable development pathways that strengthen synergies between economic, social and environmental objectives.

## THE AfDB'S WORK ON GREEN GROWTH

The AfDB's work on green growth is carried out across departments and broadly organized in three work-streams: strategic and conceptual framing; awareness and capacity development; and pilot activities at the country level.

### Framing green growth

AfDB produces knowledge publications on green growth in the African development context for use by decision makers and development practitioners. Recent publications include the "Facilitating Green Growth in Africa, Perspectives from the African Development Bank", "African Development Report (ADR) 2012: Towards Green Growth in Africa", and "Africa Ecological Footprint Report (2012, with WWF)". In order to develop green growth-related knowledge and analytical products, the Bank engages with a number of partners and networks, such as the Green Growth Knowledge Platform.

### Awareness and capacity building

This emerging conceptual work is coupled with a focus on internal awareness and capacity building. In 2013, the Bank ran a series of internal training workshops at its headquarters and field offices. In Nairobi, Pretoria, Tunis and Abidjan, the Bank brought together resident representatives, country economists and other specialized field staff to familiarize them with green growth and early lessons learned from pilot activities. These staff in turn engage with decision makers in the Bank's regional member countries.

The Bank is in dialogue with several of its partners and member countries on green growth. For example, in 2013, the Bank and the Organization for Economic Cooperation and Development jointly organized the workshop Green Growth in Africa: Concepts, Tools and Strategies for Building Greener Economies and a Sustainable Future, hosted by the Government of Zambia. The meeting brought together 120 participants from 19 African countries, inter-governmental organizations, donor agencies and civil society.

### Piloting green growth at country level

The Bank is working with several of its regional member countries on mainstreaming green growth into national development planning. This includes providing technical assistance for integrating green growth into Poverty Reduction Strategy Papers (e.g. in Sierra Leone) and developing green economy road maps and action plans (e.g. in Mozambique and Kenya). Building on the Bank's systematic efforts to address climate change in its Country Strategy Papers (CSPs), green growth principles are also increasingly being reflected in CSPs (e.g. Mauritius). Further scoping work on green growth is underway in Cape Verde, Morocco and other regional member countries.

At the project level, green growth is about enabling more efficient, resilient and sustainable development outcomes through appropriate technology and practices. The Bank's Integrated Safeguard System (ISS) is a step in this direction. The use of various innovative financing instruments hosted by the AfDB can help lower upfront investment costs, reduce risks for private sector investments, and, hence, facilitate the transition to green growth.



## GREEN GROWTH-RELATED FUNDING INSTRUMENTS AT THE AfDB

● With regards to natural resource management, the **African Water Facility (AWF)** prepares investment projects and programmes aimed at catalysing financing for sustainable water infrastructure. It also funds projects which build resilience and promote the efficient and sustainable management of Africa's water resources. The **Congo Basin Forests Fund (CBFF)** focuses on sustainable practices in forest management and supports central and local governments, as well as institutions from the private sector concerned with Congo Basin forest conservation.

● In the renewable energies sector, the **Sustainable Energy Fund for Africa (SEFA)** supports private sector investments in small- and medium-sized clean energy and energy efficiency projects. The **Africa Renewable Energy Fund (AREF)** focuses on the development of small- to medium-sized renewable energy projects producing between 5 MW and 50 MW. The **Global Environment Facility (GEF)** greens the Bank's projects and programs through co-financing in the areas of international waters, biodiversity, chemicals and waste, and land degradation. Climate change mitigation and adaptation are also addressed under the GEF.

● The **Climate Investment Funds (CIF)** pilot country transformations in clean technology, sustainable management of forests, renewable energy access and climate resilient development. The **ClimDev-Africa Special Fund (CDSF)** was designed to address **climate risks management**, by financing the provision of high-quality climate information in Africa to decision makers.



## PROJECT EXAMPLES

● **In the water sector**, the AfDB, through the CIF, provided financing for the Baixo Limpopo irrigation and climate resilience project. The purpose of this project was to provide climate resilient infrastructure for increased agricultural productivity in the area. The expected results are a 150% increase in incomes and a 42% reduction in poverty in the region.

● **In the energy sector**, the Menengai geothermal steam field development project exploits the geothermal potential of Kenya, where 84% of the population does not have energy access. It aims at providing power to about 500,000 households and 300,000 businesses. The project was approved in 2011 and is expected to be completed in 2016. It is co-financed by the AfDB (through the ADF and the CIF), the French Development Agency, the European Investment Bank and the Government of Kenya.

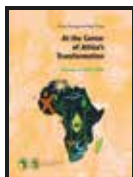
● **In forestry**, the Bank invested in three innovative projects through the Forest Investment Program (FIP) in 2013. The aim was to help reduce emissions from deforestation and forest degradation (REDD+) through sustainable forest management and conservation. One of these projects involved engaging with local communities in Ghana with REDD+. The purpose - in addition to reducing deforestation and forest degradation - is to financially benefit local communities.



## EARLY LESSONS LEARNED

Early movers on green growth have demonstrated that high-level political commitment coupled with a long-term development vision is needed at the country level. They place an emphasis on more programmatic development approaches that seek to integrate development objectives across sectors. Improved diagnostics, information and monitoring are also important to green growth development planning. They are necessary to evaluate a country's natural resource wealth, assess risks to sustainability and monitor progress. An economy can only assess the quality and sustainability of its growth if development progress is defined and monitored across appropriate economic, social and environmental criteria.

## AfDB publications related to green growth

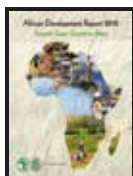


### African Development Group. At the Center of Africa's Transformation. Strategy for 2013-2022

Inclusive growth and the transition to green growth represent the overarching objectives of the Bank's Strategy for 2013 to 2022

### Facilitating Green Growth in Africa: Perspectives from the African Development Bank (2012)

Presented at the Rio+20 conference, this paper provides a brief definition of green growth and explains why the concept is relevant to Africa. It also explores how green growth can be achieved, highlighting some of the tools and focal areas that will have the greatest impact. Finally, it shows how the AfDB has promoted green growth through its own initiatives and in its project portfolio.

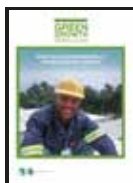


### African Development Report 2012. Towards Green Growth in Africa (2013)

This report discusses the necessity and feasibility of transitioning to green growth in Africa. In addition, it highlights why green growth is an important development paradigm for managing the challenges of the 21st century, such as environmental degradation, climate change, population growth and the transformation of markets.

### Africa Ecological Footprint Report. Green Infrastructure for Africa's Ecological Security (2012, with World Wildlife Fund)

This report takes stock of the health of Africa's ecosystems, as well as trends in resource use patterns. It also lays out recommendations for implementing green development pathways for Africa.



### Green Growth in Sierra Leone. Investing in Sound Economic Growth (2014)

Aimed at donors and private sector investors alike, this 8-page booklet summarizes the green investment opportunities within Sierra Leone's recently launched 2013-2018 Poverty Reduction Strategy Paper, known as the "Agenda for Prosperity".

### Sierra Leone - Transitioning towards Green Growth: Stocktaking and the Way Forward (2013)

This document was designed to assist the Sierra Leonean government and national stakeholders to in considering the challenges and opportunities for mainstreaming inclusive green growth into their 2013-2018 Poverty Reduction Strategy Paper, known as the "Agenda for Prosperity".



# GREEN GROWTH IN AFRICA

#### Additional Resources:

##### Green Growth:

<http://www.afdb.org/en/topics-and-sectors/initiatives-partnerships/green-growth-initiative/>

##### Energy:

<http://www.afdb.org/en/topics-and-sectors/sectors/energy-power/>

##### Environment:

<http://www.afdb.org/en/topics-and-sectors/sectors/environment/>

##### Climate Change:

<http://www.afdb.org/en/topics-and-sectors/sectors/climate-change/>

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