

Powerful opportunity for Africa in green recovery

● *Crises such as Covid-19 can be used to reduce fossil fuel dependence*

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As governments around the world unleashed unprecedented fiscal packages to tackle the economic fallout of the Covid-19 pandemic, they sought to provide lifelines to their citizens. But these packages could also be used to turn economic recoveries into green recoveries. And in one region the opportunity is particularly powerful: Africa.

The arguments for African nations to embrace such an approach are compelling. While the continent is responsible for just 6% of global greenhouse gas emissions it is disproportionately exposed to the risks of climate change.

With many countries heavily dependent on agriculture, higher climate volatility, rising water scarcity and the occurrence of extreme events such as droughts and floods will have a devastating effect on local livelihoods and regional food systems. This is already affecting much of Sub-Saharan Africa as, for example, drought takes hold in much of eastern and southern Africa.

While these developments demand immediate responses, African governments also need to recognise that in designing recovery programmes they can shift towards a green economy while shoring up their economies and generating employment.

This will not come without challenges. For example, many African countries lack the modelling capabilities needed to make risk and cost-benefit assessments or to assess trade-offs between economic and climate priorities. Countries often struggle to secure on-the-ground financing for scaling up green projects and infrastruc-

ture. Weak or overly complex governance structures and stakeholder networks also hamper progress.

Moreover, there is no one-size-fits-all solution for designing a green recovery package. Our research has identified seven country archetypes that should shape the different responses to crisis recovery in the context of climate change. These range from fossil fuel importers – where the shift to clean energy could benefit trade, consumer energy costs and manufacturing – to fossil fuel exporters – where falling oil prices prompt a need to diversify into clean energy. Other archetypes include energy-intensive industrial producers, low-wage, high-skill economies, and mature industrial nations.

In Africa, relevant archetypes include low-infrastructure, non-Organisation for Economic Co-operation and Development (OECD) countries for which increasing the scale of grid and storage capacity could pave the way to industrial growth. For these countries, rolling out grid access to rural communities – for example by increasing access to lighting – can fuel local entrepreneurship and enable improved educational outcomes.

Meanwhile, renewable resource-rich economies can make use of these resources by developing low-cost wind and solar power generation, giving them the ability to lead in the green manufacturing of energy-intensive products such as

hydrogen, synthetic fuels, steel, and chemicals.

Take Morocco. The country is heavily dependent on fossil fuels and, aware of the need to shift this balance, its government is developing solar and wind power capabilities. Since 2009 Morocco has dramatically changed its energy mix, with 35% of its energy now renewable and the goal now to increase renewables in the energy mix to 52% by 2030.

Africa also has fossil-fuel dependent countries such as Nigeria with its oil and SA with its coal. The challenge here is to craft the optimal pathway to phase out fossil fuels while stimulating other economic sectors to maximise socioeconomic development.

SA is an interesting example. The country is heavily dependent on coal (90% of its electricity is coal-based) but it also has one of the best renewable resources globally, with an ideal balance of solar and wind. Millions of jobs linked to coal are at risk, but an even larger number of jobs could be created in lower carbon solutions such as renewables, green hydrogen, green synthetic fuels or green metals.

The challenge is to find the optimal path to effectively shift the economy and the workforce. To advance this agenda we have been working with the National Business Initiative (NBI) and the SA industry on designing its equitable energy transition pathways.

Meanwhile, countries can use an industrialisation strategy to move to a low-carbon economy. Take Ethiopia, which is dependent on agriculture. With ambitions to develop industries such as processed food textiles and automotive manufacturing, Ethiopia's challenge is to build these new industries in such a way that they adopt green solutions from the start by, for example, embedding renewable tech-

nologies in factories and manufacturing facilities.

While many think of the continent as lagging behind others in green solutions, in fact, lessons can be learnt from how its nations are approaching the move to a low-carbon economy. First, African countries have the potential to leapfrog older, dirtier technologies as they industrialise. For emerging nations it is clear that sophisticated technologies and large investments are not a prerequisite to climate mitigation and adaptation. In agriculture, for example, climate-smart approaches (such as alternative soil management, reduced water consumption and improved carbon sequestration) can be implemented with simple low-tech solutions.

So while now Sub-Saharan Africa's still-limited emissions are driven by agriculture and land use, the challenge will be to adopt a low-carbon industrialisation that avoids locking in fossil fuels. We believe that for African countries, as with many other developing countries, the green recovery is not out of reach. And for Africa the crisis provides an opportunity to accelerate climate action while strengthening resilience and ensuring the post-Covid-19 recovery benefits both people and the planet.

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