

Africa has all the ingredients for a successful green industrial transition: abundant renewable energy resources; a rapidly growing youth population expected to comprise nearly 25 percent of the global working-age population by 2050.

BY ELLEN DAVIES, CHEMA TRIKI AND NIMROD ZALK

The recently concluded United Nations Climate Change Conference in Belém, Brazil (COP30) came in a pivotal year for global climate negotiations. Countries had to submit their updated Nationally Determined Contributions (NDCs) in accordance with the 2015 Paris climate agreement.

At the same time, many countries – including major powers like the United States – have been backsliding on their climate commitments amid increasing geopolitical fragmentation and uncertainty.

The outlook does not look promising. In its latest Emissions Gap Report, the UN Environment Programme warns that if countries fully implement their NDCs by 2035, the world will warm by 2.3-2.5° Celsius by 2100 – well above the 1.5°C target set by the Paris agreement.

This trajectory will have severe global consequences, with particularly devastating effects for Africa, where adaptation needs are chronically underfunded.

For Africa, the stakes are even higher because climate resilience and development are closely linked on the continent. African countries cannot build resilience without advancing growth, and vice versa.

But the international community has shown time and again that it cannot be relied on to provide financing for either pursuit.

On the contrary, rich countries are slashing their foreign-aid budgets, even as they increasingly compete for Africa's minerals and other strategic assets.

But there is an upside to geopolitical fragmentation: the rules and systems that have constrained Africa's development and industrial policies are being eroded. As a new position paper by the Green Industrial Development Expert Panel argues, African leaders must seize this opportunity to adopt a "possibilist" approach.

The policy space created by the unraveling of the multilateral order should not be wasted. Africa does not have the luxury of choosing between degrowth (which risks perpetuating poverty) or "pollute now, clean up later" (which could lock the continent into fossil fuels). Instead, it must develop its own approach to green industrialization.

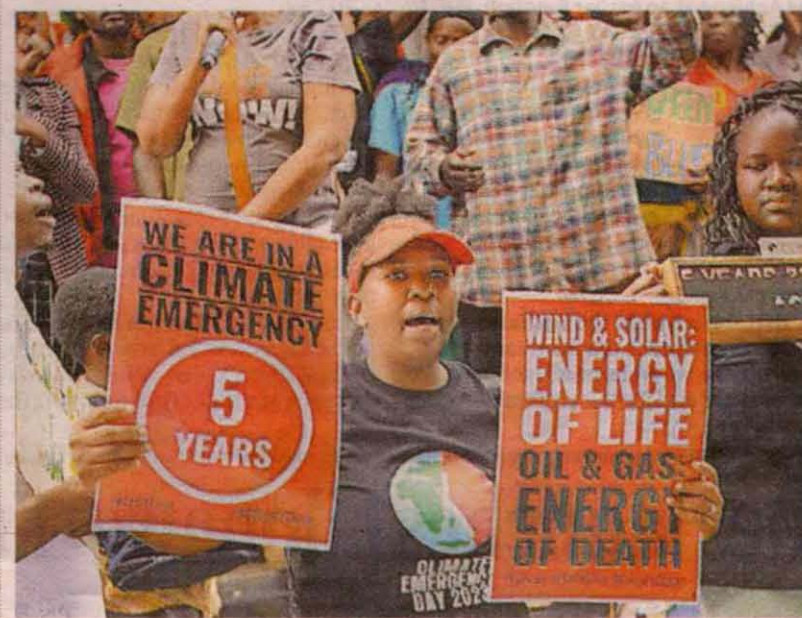
That means diversifying beyond commodity exports, subsistence agriculture, and low-productivity services, and instead cultivating higher-value, climate-compatible industries that drive development and build resilience.

Africa has all the ingredients for a successful green industrial transition: abundant renewable energy resources; a rapidly growing youth population expected to comprise nearly 25% of the global working-age population by 2050; substantial deposits of the critical min-

How Africa can meet its green industrialisation imperative



A woman checks a solar panel in a factory producing solar panels in Cape Town, South Africa. PHOTO/REUTERS



Civil society groups from across Africa hold placards during a peaceful protest at the continent's inaugural climate summit as they march against the use of fossil fuels in the region while demanding that governments and industries transition to renewable energy in Nairobi, Kenya in 2023. PHOTO/REUTERS

erals needed for digital and clean-energy technologies; and enormous agricultural potential.

Scaling up low-carbon industries – such as textiles, food and beverages, and other consumer goods – and powering them with renewable energy can deliver immediate gains. Green industrial parks and special economic zones can catalyze these transitions, while broader circular-economy initiatives can help retain value and improve sustainability.

African countries can also transform agriculture by increasing productivity, investing in climate-adaptation technologies for crops, and harnessing export opportunities offered by the "industrialization of freshness."

Moreover, lowering input prices, particularly by using competition policy to break up fertilizer monopolies, can build resilience and reduce vulnerability to external shocks.

Africa's abundant renewable-energy potential should, over time, facilitate a shift into heavier industries such as steel and cement (although the commercial viability of the clean technologies required to decarbonize these hard-to-abate sectors has not yet been established).

There are also opportunities to develop green manufacturing inputs, such as bio-based fibers and biodegradable packaging.

Perhaps the biggest obstacle to implementing these strategies is financing. The perceived risk of investing in developing economies, weak governance institutions, and the failures of the global financial architecture mean that extremely limited amounts of climate finance flow into Africa.

As a result, the continent confronts a financing gap of \$1.6 trillion to achieve the UN Sustainable Development Goals by 2030.

While African leaders should continue to advocate for reform of the global financial system and climate justice, they must also take immediate action.

Africa's multilateral development banks must play a much larger role in financing high-productivity sectors and green infrastructure with local currencies and long-term investment horizons, which will require increasing these crucial institutions' capitalization and technical capacity. Governments should clamp down on the \$88.6 billion in illicit financial flows out of Africa each year.

Africa must move decisively on minerals, too. To break the "resource curse," governments should condition access to these raw materials on investment in value-added processing and domestic industrial capabilities, and demand fairer global partnerships more generally.

Much will depend on African governments being proactive market-shapers: setting strategic goals, fostering dynamic public-private partnerships, and adapting to technological change. They should invest in research and development, promote STEM (science, technology, engineering, and math) skills, and strengthen ties between industry and academia. With these tasks in mind, enhancing state capacity will be essential to translating ambition into sustained economic transformation.

Lastly, the African Continental Free Trade Area (AfCFTA) secretariat and Council of Ministers can help articulate a green industrialization agenda for Africa and coordinate joint negotiating positions in global fora.

The AfCFTA, if fully implemented, would increase intracontinental exports by more than 81% and real income by 7%, which implies that it would be well-positioned to catalyze the development of new green industries.

Africa must avoid resuming its historic role as only an exporter of natural resources with little added value. By leveraging emerging policy space, region-

al platforms like the AfCFTA, and ambitious industrial strategies, the continent can chart a new course toward shared prosperity. But it must move fast to seize this opportunity to shape its climate and development future.

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RENEWABLE-ENERGY

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