***Presentation of the African Economic Outlook 2023 report and discussion on the economic prospects of African nations by Professor Kevin Chika Urama***

*Discussion hosted on September 27th, 2023, at Aalto University, moderated by Ritva Reinikka*

*Written commentary based on statement delivered by Ms Silla Ristimäki, Head of Programme, Fingo*

The 2023 African Economic Outlook looks specifically at *Mobilizing Private Sector Financing for Climate and Green Growth in Africa*. The report finds that the potential for investments into African economies could be much higher, particularly with regards to investments into green transitions as part of increased global action against climate change.

Indeed, economic growth in Africa has good projections. However, poverty and especially inequality have not and are not decreasing sufficiently.

The Economic Outlook points out that “the four dimensions of green growth efficient and sustainable resource use, natural capital protection, green economic opportunities, and social inclusion are closely interlinked – and that progress on social inclusion has not been sufficient”.

Yet neither the report’s analysis nor recommendations take this into consideration. The participation of civil society in achieving climate and green growth in Africa are not mentioned at all. The role of civil society organisations in mobilising private sector financing is not discussed. Gender equality is only mentioned a handful of times, though research has repeatedly indicated a negative and significant relationship between the Gender Inequality Index and economic growth.

The framework for sustainable development, the Agenda 2030, recognises that all actors are needed to achieve the globally agreed-on sustainable development goals. Agenda 2030 also emphasises the importance of ensuring policy coherence for development and states that approaches must balance and integrate social, environmental, and economic dimensions.

For this reason, our observance is that the report has missed out an opportunity to discuss the role of civil society and non-governmental, civil society organisations can play in achieving the goal.

Economic growth should genuinely progress the wellbeing of people, within the planetary boundaries. Development must be planned and implemented so, that it will leave no one behind, including for example people with disabilities. Decisions on economic investments should be taken in a way that decreases inequality. Without this consideration it is possible to achieve economic growth – but not sustainable development.

This is where the civil society has a role to play. In particular, there are three distinct ways that civil society can play a role, become partners to mobilising private sector finance and to ensuring a stable investment environment.

Firstly, civil society **can help to ensure no-one is left behind**. The benefits of sustained growth and increased well-being for African countries identified in the Economic Outlook need to be justly distributed.

This requires ensuring for example land-rights to local populations, particularly women, blocking water grabbing and guarantee people’s access to and control over natural resources. It also means ending the current situation where as a result of the need for the minerals for the green transition, raw materials are mined often unsustainably and exported for processing outside of the continent. It is essential to invest in local processing and product development – taking as an example the battery industry – that will benefit the African economies much more than currently.

To ensure no-one is left behind, those people who are impacted by policies and decisions must be consulted on them. A human rights-based approach (HRBA) to development should aim to redress discriminatory practices and unjust distributions of power that impede development progress and often result in groups of people being left behind. Consequently, human development policies and programs need to be designed, implemented, monitored, and assessed through an approach that is participatory, accountable, transparent, and inclusive. The current initiative of Liberia, and including other countries such as Tanzania, Zambia, and Zimbabwe, to sell carbon credits from protecting forests is an example of severe concerns that arise where consultation has not occurred. Instead of generating support for conservation, the approach has raised serious concerns that forest communities will lose control of their forests, and that little revenue from carbon-credit sales will benefit those communities. At the root of the disagreement is perceived lack of adequate consultation and untransparent decision-making.

Secondly, civil society can promote the **integrity of cash flows**, meaning the capacity of the public sector to utilise the financial flows for the benefit of the society and to contribute to building better regulatory frameworks. Development of taxation and social safety nets are valuable tools to advance social inclusion and a more resilient society. Civil society can also act as a watchdog to ensure that due diligence legislation is upheld.

Thirdly, civil society can **promote partnerships** between different actors in Africa and other countries, such as Finland. These partnerships can evolve into useful business relationships that promote green growth. They can also help private sector actors know their clients. If you want to sell farming apps in Africa, it’s good to know that an estimated 70% of food in Africa is grown by women.

Our organisation has experience of successful [private sector partnerships](https://fingo.fi/ajankohtaista/uutiset/jarjesto-loyda-yrityskumppani-matchmaking-platform-on-julkaistu/), where businesses have benefitted from cooperation with NGOs to grow their businesses. A global example of companies benefitting from the expertise of NGOs is the joint initiative of UNICEF, Save the Children and the UN Global Compact on [Children’s Rights and Business Principles (CRBPs)](https://unglobalcompact.org/take-action/action/child-rights) .

In conclusion, civil society should be involved in different economic development processes and the space for civil society should be open and enabling. This is the only this way can we ensure coherent sustainable development that does not risk leaving anyone behind.