

## **The Potential Difference**

*Wanjira Mathai*

*Rev: April 18/MM/MR*

Ladies and Gentlemen, Madam Ambassador, distinguished ministers and business leaders, and all attendees.

Thank you for extending an invitation to me to speak to you today. I'm honored to share some of the insights my colleagues and I at the World Resources Institute have distilled about the crucial role that green businesses, investments, and trade can and should play fostering climate resilience and a sustainable future for those of us in East Africa, across the continent, and indeed, for the world.

I speak to you today as a proud Kenyan, an East African, an African, and a citizen of this beautiful and fragile planet. Yes, this fragility is currently in full display in our city of Nairobi – with unprecedented catastrophic flooding related to the impacts of climate change we are told. Indeed a stark reminder of the brutality climate change will mettle against us if we do not take action.

I am the mother of two daughters, and the daughter of a proud Kenyan scientist and environmental injustices advocate who was intimately connected to *her* heritage as the child of farmers from the Central Highlands. I'm also a professional woman committed to a vision of Africa as a thriving, well-governed, and bountiful continent with stunning biodiversity and a billion positive futures for its peoples. And I'm lucky and grateful that every day, as WRI's Managing Director for Africa global and partnerships, I get to work to make this vision a reality, with immensely talented scientists, thinkers, and doers here and in many parts of the world.

I feel especially grateful to be in the company of my American colleagues and friends, given my family's long connection with the United States. My mother, 2004 Nobel Peace Prize Laureate Professor Wangari Maathai, was a beneficiary of the vision of then-Senator John F. Kennedy and the young and brilliant Kenyan leader Tom Mboya (he was only 28!). Investing in

the potential of promising young Africans, they set up the Kennedy Airlift that saw bright African students receive scholarships to study in American Universities. In 1960, my mother was the beneficiary of one such scholarship and was settled in what was then Mt. Saint Scholastica College in Aitchison, Kansas. She later pursued her master's degree in biological sciences at the University of Pittsburgh. My brothers and I also received the benefits of an American education at undergraduate and graduate levels, and my first job in international development was at the Carter Presidential Center in Atlanta, Georgia. So, our family have been beneficiaries for American partnership and investment.

Today, I'd like to share more about Africa's potential, and, how we might ensure we realize it. As you will have heard me say many times poverty remains the chief driver of climate vulnerability – and so to address climate change and build lasting resilience especially in Africa is ALSO about *actualizing* a climate positive green agenda for trade, investment, industrialization, defined jobs, entrepreneurship, and landscape restoration. This will require putting genuine partnerships, including with the peoples of this continent, at the center of all we do.

We are living through an African moment like no other where two realities exist at the same time. On one hand, anchored in the principle of common, but differentiated responsibility, where, not of our own making you have heard of; (climate change, we didn't cause it, suffering from it, can't do much about it) Africa is warming faster than the rest of the world, at a pace that communities can hardly keep up with. We face untold losses and damages, and the injustices of delayed climate finance. So, climate justice is central to this conversation. Truth be told, we cannot adapt out of abject poverty as I just mentioned earlier. I do not know how many of you know that Bangladesh is 15 times more vulnerable to climate disasters than is the Netherlands purely on the basis of the resilience that comes from economic prosperity. Ademinity poorly directly is a clinical log in the climate action wheel.

On the other hand, We are on the cusp of a new era for climate leadership for Africa, where even as poverty remains the biggest driver of vulnerability, we face unprecedented confluence of opportunities are coming together at the same time.

Around 630 million people in the region lack electricity, and almost a billion still use solid biomass for cooking and heating, making Sub-Saharan Africa the most energy-deprived part of the world. Yet Africa's solar potential has been calculated to be nineteen times—nineteen *times*—the world's anticipated electricity demand for 2040. When you expand that to renewables as a whole, the potential rises to *fifty* times. Think about that! With our potential in renewable energy the reality should be different. But here's the investment side of this potential – of the \$150 billion invested in renewable energy worldwide in 2022, less than 1% is invested in Africa. The absence of modern energy services perpetuates poverty, limits economic opportunities, affects overall well-being and lightens climate change vulnerability, especially among women and young girls.

Another example of potential that is at great risk – Africa's Abundance of critical minerals and natural resources. The continent is blessed with an abundance of critical minerals needed to drive the clean energy revolution world wide: half of the world's cobalt and manganese, 35% of the world's nickel, and 13 of global copper production. The Democratic Republic of Congo holds 70% of all coltan reserves, while Guinea, Guinea-Bissau, Sierra Leone, and Ghana are rich in bauxite. But Africa sadly continues to play in the commodities side of the value chain. If you look at a commodity like bauxite, the size of the market on the commodities side is \$11 billion, but further down the value chain the size of the market goes to 7T (100 times more). Africa needs to have a stake in the 7T. Why?

Because ladies and gentlemen that sheer magnitude and costs associated with the losses and damages from climate events are approaching the trillions. Look at the case of Pakistan, for example. Last summer a third of this country beautiful country was underwater – the 5<sup>th</sup> most populous country in the world was submerged – 2 million homes destroyed, thousands of acres of agricultural land flooded and 90% of the crops in the food belt of Sikh was damaged and so much more. The cost of recovery for Pakistan was estimated to be USD 30B – yes – one climate event in one country. Finance and investment in billions needs to be converted to trillions.

The truth is, with resources like Africa has, we should be facing a different, more resilient and prosperous reality. But we are not. There can be no green growth

without investing in our people, their opportunities and future. The pathway to lasting resilience will need your solidarity and partnership. The Africa Climate Summit hosted in Nairobi last year presented a progressive vision for Africa's inclusive, climate positive, green growth opportunities, with investment in Africa as an essential part of the solution.

Ladies and gentlemen at the end of the day, we all know that people everywhere want the same things, whether they're in Nairobi or New York, Kigali or Kalamazoo – a world that is safe and prosperous, and a future where our children can thrive and flourish. If we don't make the right investments and send the right policy signals now, much of the potential that exists in this region and across this continent could lie fallow. That would be a tragedy for Africa, and for the world.

Environmental and plant scientist Norman Borlaug once said, referring to the agricultural green revolution for Southern Africa: "You can't eat potential." I love this quote. Who can argue with it?

Yes, ladies and gentlemen, there is indeed enormous positive potential in East Africa and Africa as a whole. But there are also very real risks of either realizing that potential or squandering it.

Let's return to the issue of energy. While Kenya's energy sources are remarkably green-90% to be exact - our national grid is small and the costs of electricity remain too high for many domestic users and industries that consume a lot of it. Only 30% of Kenyans have access to electricity. The reality is that the full potential of Africa's green energy mix will be unlocked by Productive Use which means a green industrialization agenda. That is why we need investment to expand the grid, activate our industrialization agenda and connect more communities to it at more reliable and affordable rates.

Are we moving in the right direction on clean energy? Not really, at least not yet. For all of Africa's extraordinary potential for clean energy, of the \$US 150 billion invested in renewables worldwide in 2022, less than one percent of that investment was in this continent. In 2023, that investment percentage rose to . . . wait for it . . . *two* percent. I kid you not. The truth is that finance is not flowing where the sun shines! We have to ratchet that up by orders of magnitude, and quickly.

The reason is obvious: climate change. Africa contributes less than four percent of global greenhouse gas emissions and yet we're the continent hardest hit by climate impacts. Indeed, climate change is *already* costing Africa almost \$US 15 billion per year, and impacting two to nine percent of national budgets. By 2050, that dollar amount could be \$US 50 billion. Under a two-degree warming scenario, up to 750 million Africans could be exposed to debilitating heat, devastating drought, catastrophic flooding, and ferocious cyclones. Such a scenario is likely to lead to further social destabilization and inward and external migration. It will hold Africa back and undermine *any* potential we may have.

That's why, given our renewables potential and the reality of the climate crisis, it astonishes me that more than *six times* as much money is invested in fossil fuels in Africa than in renewable energy. Furthermore, fossil fuel companies are benefiting from billions of dollars a year in subsidies—perhaps as much as \$US 37 billion.

Of course, I'm in favor of energy security for our people and for the economic growth and educational opportunities that abundant energy can supply. But investors intensifying their commitment to fossil fuels is the **WRONG** policy. Instead, we should employ courage, innovation, and technology to leapfrog over fossil fuels and invest in a renewable future throughout the production and manufacturing chains. In this regard, I'd like to urge you and your colleagues to follow the lead of African governments in committing to a large investment of capital in green, renewable energy. We know we can't afford to wait; these investments should have been made yesterday.

Now, I am delighted that Kenya is at the forefront of direct foreign investment and attracting businesses from around the world. But the fact is that Africa is still undercapitalized. We know that renewables are cheaper to run than coal and gas plants in most countries on the continent, but it's much harder to get them started. That's because the cost of acquiring the money for clean energy projects in Africa is at least twice or even three times as much as it is in the global North. Indeed, African countries today access capital at an average cost of 20 to 30 percent (or 40 percent in the DRC), when in countries in Europe, access rates are five percent or even less.

Of course, trade with other markets is important. Indeed, the United States is Kenya's largest trading partner, with almost \$US 900 million in exports in 2022. But in 2023, inter-African trade stood at only 16 percent, while inter-European trade was 80 percent and

inter-Asian trade 60 percent. We must indigenize innovation and technology and expand investment and production here on this continent, so that the value we add is not the lowest common denominator. It should trouble everyone in this room that Africa's share of global manufacturing is only TWO PERCENT, when it should be at least TEN TIMES THAT AMOUNT.

How can we keep talking about potential, if so, much of the potential we talk about (the minerals, the energy, the financing, the infrastructure) continues to depend on countries and institutions outside of Africa, while many of our businesses, institutions, and financial structures are lagging?

Because let's be honest. There's also plenty of potential that Africa will become the sweatshop of the world; the source for natural resources that are extracted with limited to no benefits for local communities; leaving behind polluted waters, deforestation, and environmental devastation; and where the value added to these commodities takes place outside the continent. Because of the climate crisis, we stand a real danger of large populations being robbed of their futures, as they have been in the past, because of governments—both on this continent and outside it—who do not have their interests at heart.

Ladies and gentlemen: we experienced that in the past. We cannot afford to in the future.

So, what is our task? How can we transform potential into reality? To make investment and trade more inclusive—trade that shores up the rights of workers, women, and marginalized communities, and genuinely protects the environment. We need a green industrial policy that doesn't place the rules of international agreements above nurturing sustainable development and climate resilience in-country. And we have to ensure that we aren't leaving communities behind as we build green economies, accelerate renewable energy, open new markets, and mainstream low-emissions consumption and production.

\* \* \*

And now, I'd like to conclude by focusing on some strategies for maximizing Kenya's and Africa's potential—and in doing so, share a few stories of some of those showing the way. To illustrate this, I'm going to shift my perspective. Too often, I think, whether we're CEOs or industrialists, national politicians or financiers, data analysts or denizens of

think-tanks—whether we're in Washington DC, London, or Nairobi—we forget that our goal is, or should be, the following: to create meaningful jobs that provide a decent wage for healthy communities to lead a dignified life in a green environment on a viable planet. As I learned from my mother and the Green Belt Movement's networks of tree-planters, and as I see daily in my work at WRI, it's ordinary people—their livelihoods, their families, their lived experiences, and the ecosystems they, and we, depend on—that ultimately matter.

Now, I'm not exactly known for my green thumb, but last year, I decided to try my hand at growing golden berries on a small farm or *shamba* I own in the Central Highlands—a legacy of my mother. It was, truth be told, more of an experiment than a serious operation, and I didn't publicize it. However, within a few days of planting, fifty women—*fifty*—stopped by the *shamba* and asked me how they could do something similar, or join me in my fledgling enterprise.

Like us, these women are ambitious and hard-working. Like us, they're committed to their families and communities. Like us they have passion and energy to improve their prospects, to try new approaches, and to scale up their operations and aspirations. I like to think they are the kind of women the African Continental Free Trade Area has in mind when it emphasizes women's development (as well as that of our youth).

Although they are not in this room, these are the smallholder farmers who manage seventy percent of Africa's land. Many of them are women just like my neighbors in the Central Highlands. They work in the fields or run small urban businesses. They sell and buy at the borders and in local markets, and they conduct their transactions over their phones. They are not included in the formal economy.

Think of what could happen if the women who arrived at my *shamba* had access to capital to gain title to a piece of land, or to mechanize their operation on that land! What might they achieve if they had proper infrastructure to bring their products to market; if they could work with a distribution system that set appropriate standards for their products, and sold them at a fair price? What benefits could their communities reap if these entrepreneurs had a reliable and honest export arrangement, one that would take their products to the rest of the world? I have a friend in New York who puts dried golden berries on her morning oatmeal. In the future, those could be organic Kenyan golden berries. Why not?

If you magnified the spirit of those fifty women throughout Africa and allied it with the kind of tree-planting, sustainable agriculture, and restoration projects that WRI is supporting

through Restore Local and AFR100, you could produce extraordinary change. Why? Because it's been estimated that *locally developed and managed* restoration projects like this are six to twenty times more likely to achieve long-term success and bring environmental and economic benefits than top-down extractive ones. Lest we forget: Development is not only conservation and poverty alleviation; it's also climate mitigation.

The United Nations has estimated that making women smallholder farmers more productive could reduce carbon emissions by two *billion* tons by 2050. What's more, the amount of Africa's land that's been degraded or denuded and could be *restored* through proper stewardship is 700 million hectares (the size of Australia). That kind of restoration could provide jobs and opportunities, as well as essential ecosystem services, for millions of Africans, and the planet, now and well into the future.

The potential is as enormous as are our obligations to these fellow citizens. We should fulfill both.

Let me give 4 names and faces to that potential.

Caroline Kariuki is what we at WRI call a "restoration champion." With the Bezos Earth Fund and others, we're investing in these champions in Ghana's Coffee Belt, the Rift Valley in Kenya, and the Rusizi River basin in DRC to accelerate the potential for sequestering carbon *and* increasing development. Caroline's GreenPot Enterprises is using bamboo to restore degraded landscapes and provide new sources of income. Why bamboo? It has a short growth cycle; many uses, from construction to food, fuel and textiles; and it's also a renewable resource that can be used more sustainably than wood. So far, Caroline and GreenPot have restored about 1,600 hectares of land, planted 750,000 bamboo clusters, and empowered 2,000 smallholder farmers, most of whom are women like those who visited my *shamba*.

Six years ago, Jane Maigua, Charity Wangui, and Loise Maina started a company here in Nairobi to purchase macadamia nuts from farmers, process them, and sell them around the world. Today, Exotic EPZ has a network of 9,000 farmers around Kenya.

In Rwanda, Pierre Damien Mbatezimana runs Shekina Enterprise, which dries and packages cassava leaves working on 350 hectares and from 370,000 trees. Cassava leaves are highly nutritious, but were considered agricultural waste. Pierre Damien is repurposing and processing them as a transportable product with a long shelf life for domestic and international



markets. Shekina Enterprise employs 75 staff and partners with 1,600 local farmers. Nine out of ten of these are young, and seven out of ten are women.

Finally ladies and gentlemen, right here in the audience is a shining beacon of African ingenuity, resilience and unwavering optimism: my dear friend and sister Ciiru Waweru Waithaka. The Founder and CEO of Anjiru – an ancestral luxury brand inspired by Africa.

Ciiru embodies the very essence of what it means to be a true champion of the African spirit. With unparalleled patience, persistence, and unwavering commitment, she has dedicated herself to the betterment of this continent and its people. She carries a deep love for this land and its diverse cultures, never wavering in her belief in its potential and beauty.

In the face of adversity and challenges, Ciiru stands tall as a testament to the power of innovation and perseverance. When faced with a setback due to supply chain traceability issues impacting her cotton products, she DID NOT falter. Instead, she seized the opportunity to transform those lemons into the most delicious lemonade imaginable.

Driven by her passion and unyielding ingenuity, Ciiru made the bold decision to work with local cotton farmers as an offtaker, venture into the realm of organically growing now 6,500 mulberry trees, rearing her own silk worms and hand spinning and weaving her own silk – did I mention she is using natural dyes?.

Ladies and gentlemen, Ciiru has not only overcome obstacles but has also redefined what is possible in the realm of entrepreneurship and creativity.

All these entrepreneurs serve as powerful reminders that with dedication, creativity, meaningful investment and a steadfast belief in one's dreams, anything

is achievable. So let us all take a moment to applaud them all - true pioneers of African innovation, beacons of hope, and a living testament to the extraordinary potential that lies within each and every one of us.

Ladies and gentlemen: In physics, “potential difference” can be defined as the difference in voltage between two points that will cause current to flow.

For far too long, Africa’s potential has been blocked by global inequities, poor governance, inadequate infrastructure, broken promises, or general neglect. As those of you room know that story is beginning to change—but it needs to do so more rapidly, more equitably, and more sustainably.

It’s time to tip the balance, and allow the current to flow. Because when it does, the potential could not only drive the next great engine of global prosperity, but—if done correctly, responsibly, and fairly—it could save the planet for us and for our children’s children.

Thank you for listening.