



Review

Moving past the rhetoric: Policy considerations that can make Sino-African relations to improve Africa's climate change resilience and the attainment of the sustainable development goals

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Abstract

Climate change is a threat to the attainment of the Sustainable Development Goals (SDGs) in sub-Saharan Africa as its impacts can lead to increased incidences of poverty and inequality which can subsequently lead to a 12% decline in the Human Development Index (HDI) for sub-Saharan Africa. Emerging countries such as China have the potential to support Africa to achieve the SDGs by pioneering South–South Climate Finance (SSCF) modalities. In order to increase knowledge on climate informed development and the role of China in global climate governance, the paper examined various research articles, case studies, policy briefs and project reports. Sino-African aid, investments and trade were noted as essential in mitigating Africa's climate change vulnerabilities which induce poverty traps and inequality. Some African countries were noted to have a comparative advantage in environmental standards over China but lacked the initiative to use this comparative advantage to enhance the Forum on China–Africa Cooperation (FOCAC) and assist China to have a sustainable growth trajectory. The paper concludes that SSCF modalities can enhance climate risk management in Africa if they focus on improving financial inclusion and improving climate finance flows towards climate change adaptation activities in Africa. Additionally, to increase the effectiveness and impact of Chinese climate finance support to Africa, African policymakers should not allow political and market forces to decide how climate related support from China should be allocated as decisions based on political and market forces could potentially promote an inequitable distribution of funds and ignore the most vulnerable countries and regions.

Keywords: Climate risk management; Financial inclusion; Food security; Forum on China–Africa Cooperation (FOCAC); Microfinance; Youth unemployment

1. Introduction

The attainment of the Sustainable Development Goals (SDGs) and achieving sustainable economic growth faces a variety of challenges in sub-Saharan Africa (SSA). Sustainable

Development Goal 8 (i.e. promote sustained, inclusive and sustainable economic growth) (UN, 2015) suggests that developing countries and more particularly Least Developed Countries (LDCs) should sustain per capita economic growth to at-least 7% Gross Domestic Product (GDP) annually. Globally there are 48 LDCs of which 34 are in Africa. Six of the thirteen countries with the highest compounded annual growth rate (CAGR) from 2014 through 2017 are in Africa (i.e. Rwanda, Tanzania, Mozambique, Cote d'Ivoire, Democratic Republic of the Congo and Ethiopia) (Holodny, 2015), but economic growth in SSA has averaged roughly 5% per year over the past decade (Pigato and Tang, 2015). Looking ahead, some projections show that SSA is facing a challenging

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outlook as economic growth slowed down to 3.7% in 2015 but might pick up to 4.4% in 2016 and 4.8% in 2017 as a consequence of a changing global economic environment and delays in implementing structural reforms to alleviate the domestic impediments to growth (WB, 2015). Arguably, weaker growth complicates the task of accelerating poverty reduction (WB, 2015) and SSA is already falling below the suggested growth rate for sustainable economic development. To add to this quagmire, Africa is one of the regions that has the most vulnerability to current climate variability and future climate change (WB, 2013), hence is arguably the region whose economic growth may be adversely impacted the most by climate change. Climate change is therefore a major threat and impediment to the eradication of poverty and achievement of the SDGs in Africa.

Remittances, the export of commodities, Foreign Direct Investment (FDI) and Official Development Assistance (ODA)/aid are regarded as sources of Africa's economic growth (Marwan et al., 2013). With the advent of climate change and its impacts on economic growth and livelihoods, there is now a necessity to develop policies and strategies that can ensure that the funds from remittances, exports, FDI and aid are channelled to the appropriate sectors and activities to ensure sustainable economic growth; and climate change mitigation, adaptation, research and development, and capacity building are achieved. In recent times, emerging economies (Brazil, China, Russia, India, etc.) have provided significant amounts of aid and investments to countries in SSA. For example, investment commitments in Africa by these emerging financiers jumped from less than US\$1 billion per year before 2004 to US\$8 billion in 2006, and by 2012 this had exceeded US\$20 billion (Ubi, 2014). China has also emerged as Africa's largest trading partner as between 2003 and 2011, FDI from China to Africa increased thirty-fold, from US\$491 million to US\$14.7 billion (Ubi, 2014) and as of end-2013, China had more Outward Direct Investment (ODI) in Africa (US\$26 billion) than in the U.S. (US\$22 billion) (Chen et al., 2015).

China has also arguably contributed to the economic growth of Africa through its interventions in the education sector. Initial human capital (measured by education) is a stronger predictor of economic growth than initial per capita GDP, FDI and ODI because countries with higher educational attainment can better benefit from technological advances (Klapper et al., 2016). China has supported Africa's education sector by among others providing i) Confucius Institutes, which are providing language and culture-related training in host countries; ii) long term scholarships and short-term training for Africans in China; iii) school construction programs; iv) stand-alone education projects; and v) Agricultural Technology Demonstration Centres (ATDC) (Xu et al., 2016; Nordtveit, 2011; Niu, 2013). During the period 2008–2015, it has been estimated that China has helped improve Africa's education sector by building over 146 rural schools, providing over 4000 fellowships to African students, providing over 23,500 scholarship to African students, building over 23 Confucius Institutes or classrooms, building over 20 African universities (or vocational colleges), facilitating the training of

1500 school headmasters and teachers, facilitating the training of 30,000 African professionals in various sectors, and providing US\$8 million to support education development programs in Africa through a Funds-in-Trust Agreement with UNESCO (FOCAC, 2016b). While it is hard to quantify the direct impact that these education sector based interventions have had on Africa's development and initial human capital, what is plausible is that these interventions have indirectly contributed to the creation of jobs and improvements in human and institutional capacity in many sectors.

Climate finance which is critical for facilitating climate change mitigation, adaptation, research and development, capacity building, and technology transfer initiatives, is regarded as a highly contentious issues in multilateral climate change negotiations (Mbeve et al., 2015; Ha and Hale, 2016). This follows that a combination of uncertainty around climate impacts, the uncertainty of the impact of emerging technologies, the uncertainty of the impact of current climate change policies, media coverage on climate change issues, the impact of media coverage on extreme weather events, political events, global political and economic performance, and in-country priorities influence the development of climate change policies and commitment of donors and policymakers to global funds for climate finance (Ratter et al., 2012; Hu and Monroy, 2012; Rong, 2010).

Due to the aforementioned factors, climate finance instruments and mechanisms, and funds are presently far below the levels that are necessary in order to create low-carbon, resilient economies (Ha and Hale, 2016). Furthermore, this situation can be considered to be dire in Africa, where climate finance levels are far from satisfactory in terms of the size, source and distribution (Yu, 2014). It has always been generally accepted that developed countries can enhance climate change mitigation and adaptation at global and national levels by providing a sustainable flow of funding to the developing world to facilitate change, enhance cooperation amongst states and support the development of new low-carbon technologies (WEF, 2015). However, contemporary commentators like Ha and Hale (2016) and Yu (2014) are of the opinion that emerging economies such as China have the potential to become major contributors of climate finance to other developing countries through South–South Climate Finance (SSCF) modalities. According to Ha and Hale (2016) SSCF takes four major forms: i) developing countries' contributions to established multilateral funds; ii) bilateral initiatives; iii) new Southern-led international organisations like the BRICS bank and the Asian Infrastructure Investment Bank; and iv) private sector investments. It is therefore conceivable that if the concept of SSCF is embraced and developed, it can greatly benefit Africa by improving its climate finance sources and resilience to climate change.

Various scholars have looked at how climate change and various African development issues could promote or impede the achievement of the SDGs. For example, Cobbinah et al. (2015) assessed the implications of rapid urbanisation on the sustainable development of Africa. They discovered that urbanisation has multifaceted causes, such as natural population

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