One Planet Summit 2019 during the fourth UN Environment Assembly
Deep Dive Session: Climate Investment Opportunities in African Cities

14 March 2019, 15:15-16:15, One Planet Summit Tent "KIFARU"

"Enabling Environments that Encourage Investments in Energy Efficiency In African Cities"

Mr. Charles Hinga Mwaura, Principal Secretary of the State Department for Housing, Urban Development, and Public Works, Kenya

Ms. Marjeta Jager, Deputy Director General for International Cooperation and Development, European Commission

Honourable Mayor, Mr. Mohammed Sefiani, Chefchaouen, Morocco

Mr. Hans Peter Lankes, Vice President, Economics & Private Sector Development, International Finance Corporation, World Bank

Mr. Charles-Edouard Delpierre, General Manager Business Line Urban, Tractebel, ENGIE Group

Mr. Antoine Sire, Director of the Company Engagement Department, BNP Paribas

Excellencies, Distinguished Delegates, Partners, Colleagues from UN Environment & other UN agencies,

[Moderator: Ms. Shari Friedman, Senior Climate Strategist, International Finance Group, World Bank]

A very good afternoon to you all! Habari za jioni!

Ladies and gentlemen, todays leaders from around the world are gathered here at this One Planet Summit, to reaffirm the world's commitment to fight against climate change.

We are meeting in ***Africa***, which experiences special challenges when it comes to climate change and urbanization. At the same time, these challenges also

present important opportunities, if we only plan to get our cities right. **Let me begin by briefly sharing with you four key points with you today:**

One: On Urbanization trends in Africa

Africa is urbanizing more rapidly than any other part of the planet. Africa's urban population is expected to more than triple over 40 years – from 395 million in 2010 to 1.34 billion by 2050. In one hour – by the time this session finishes – the urban population of ***Kinshasa*** in the DRC will have increased by 61 persons – and in ***Lagos***, Nigeria it will have grown by a staggering 77 persons.

Is Africa prepared for this urban explosion? Africa currently faces a major urban infrastructure gap – and the gap is growing. Between 2009 and 2015, annual national public spending on infrastructure in ***Africa*** averaged only 2 per cent of their Gross Domestic Product. This compares to 5.2 per cent in ***India***, and 8.8 per cent in ***China***. As a result, service provision has lagged in African cities. Just one example: research suggests that, in sub-Saharan Africa, around 25-45 per cent of workers walk to work due to lack of affordable transportation.

Two: On Low-hanging fruit – Investing in energy efficiency

How do we fill this investment gap in cities – and promote greener infrastructure?

Economists advise that **investments in energy efficiency** offer particularly attractive opportunities for investment. These not only reduce greenhouse gas emissions, but they pay for themselves very quickly. Such investments are "low-hanging fruit". So how can we help investors grab and take advantage of these tempting fruits more quickly?

Three: On Enabling Environments that Encourage Investments in Energy Efficiency in Buildings in African Cities

At UN-Habitat, we believe – and have found – that "enabling environments" play an important role in promoting such investments.

Working together with our sisters and brothers at UN Environment, with funding from the Global Environment Facility, UN-Habitat assisted several countries in Eastern Africa to develop improved **Building Codes** and **Building Permit Systems** to promote energy efficient building practices.

Three months ago, for example, ***Uganda*** approved a new Building Code. The new code promotes greener building practices such as natural ventilation, solar shading, rainwater harvesting and so on. We estimate that adopting these practices will reduce the demand for energy by around 30 per cent.

Such improved Building Codes – when properly enforced – can lead to changed investment patterns. For example, in 2015 ***Rwanda*** approved a new Building Code that encourages energy efficiency. Since then we have seen that particularly international investors are following these regulatory signals, by investing in energy efficient appliances and such.

Of course, changed laws and regulations are not enough. **Capacity-building** is also important, so that architects, developers and even regulators understand the benefits and know how to fully apply the improved building codes. **Innovative financial instruments** also play a role. For example, we have supported ***Kenya*** to explore green mortgages, to support investment in greener buildings. But clearly, improved enabling environments – when properly enforced – can "tilt the playing field" in favor of green investment.

Four: On Carrying forward 'One Planet' commitments through the "Global Covenant of Mayors for Climate and Energy"

Ladies and gentlemen, in December 2017 leaders from around the world gathered at the **first** One Planet Summit – to make new commitments and forge new partnerships to address climate change.

At this **third** edition of the One Planet Summit, as a Member of the Board of the **Global Covenant of Mayors for Climate and Energy**, I am pleased to signal the Global Covenant's ongoing commitment to implement the city-focused commitments made at the first Summit. This includes carrying forward the partnership formed at that time between the **European Bank for Reconstruction and Development** and the Global Covenant of Mayors, to scale up green urban financing in up to 60 cities around the world, including in Africa.

Let us continue to explore and find new ways to collaborate to address this urgent challenge: to close the urban infrastructure gap and promote green investment in African cities.

Thank you. Asante Sana!