African countries should focus on green investments in energy for a green recovery in the aftermath of the deadly coronavirus pandemic, William Lugemwa, Director of the Private Sector Development and Finance Division at the Economic Commission for Africa (ECA) said Sunday, adding placing investments in sustainable energy among the central recovery goals was critical.

In remarks during a side event at the 53rd Session of the Commission and 2021 Conference of African Ministers of Finance, Planning and Economic Development, Mr. Lugewa said, accessible, reliable, affordable, and sustainable electricity will underpin more inclusive, economic and sustainable industrialization across the continent.

The COVID-19 pandemic has had a global impact on lives, livelihoods, and economies, forcing a recession on the continent for the first time in 25 years.

“With over four million confirmed cases and over 100,000 deaths in Africa, the impact of the pandemic in terms of job losses and economic recession at national and continental level is expected to be significant,” Mr. Lugemwa said.

According to the ECA Director, the key elements for a better recovery and building forward better and faster were right policies, right finance, and right investments.

“For this reason, placing a green recovery at the core of all economic recovery strategies is increasingly seen as the best way for countries to rejuvenate their economies,” he added.

Mr. Lugemwa said most African economies were heavily reliant on the production and export of primary commodities. Consequently, the participation of these economies in the global economy was limited to production and exportation of limited range of primary products, reducing their prospects for export-oriented industrialization.

Citing institutional investors, he said they held about $100 trillion in assets globally. In Africa, the assets-under-management of domestic institutional investors were estimated at about $1.8 trillion in 2020 from $1.2 trillion in 2017.

“With just about 0.1% of the global assets and 12% of African assets, these institutional investors can help bridge the continent’s annual infrastructure gap of $107 billion and contribute to the $18 – $30 billion annual financing needed for

climate action and climate change adaptation in Africa over the next two decades," said Mr. Lugemwa.

Mr. Hubert Danso, Chief Executive Officer and Chairman of Africa investor (Ai) Group, also Chairman of the African Sovereign Wealth and Pension Fund Leaders Forum, in his remarks said a 5% agenda has been formerly endorsed by the African Union Heads of State and represented a pact between African asset owners, principally pension and sovereign wealth funds and African governments, under a new more aligned institutional investor, public partnership framework.

Mr. Danso believes that the 5% agenda will enable African leaders to work collaboratively on project designs, and better alignment of infrastructure investment policy regimes.

For his part, Shaun Kingsbury, Chairman, Renewable Power Capital and former CEO of UK Green Investment Bank, said there was a huge opportunity for in greening Africa's infrastructure. He urged African countries to create a new independent entity to focus on green energy. Currently no such institution exists in Africa.

"Get the people who can do it. People with long experience in the field. Give them the capital and they have to be independent. You need an institution that can do it, and it has to be green and profitable," said Mr. Kingsbury.

The side event was held under the theme: "Institutional Investors and Green Investments in the Context of COVID-19."