

**AFRICAN DEVELOPMENT BANK (AFDB)
UNITED NATIONS DEVELOPMENT PROGRAMME (UNDP)
&
UNITED NATIONS ECONOMIC COMMISSION FOR AFRICA (UNECA)**

**OPENING CEREMONY OF THE
AFRICAN ECONOMIC CONFERENCE 2022**

**SPEECH BY HON PRAVIND KUMAR JUGNAUTH
PRIME MINISTER**

FRIDAY 09 DECEMBER 2022 AT 0845 Hrs

VENUE: INTERCONTINENTAL HOTEL, BALACLAVA

Honourable Ministers,

Ms. Ahunna Eziakonwa, Assistant Administrator, Regional Director for Africa, United Nations Development Programme,

Dr. Hanan Morsy, Deputy Executive Secretary and Chief Economist, United Nations Economic Commission for Africa,

Members of the Diplomatic Corps,

Respected Delegates,

Distinguished Guests,

Ladies and Gentlemen,

Good Morning and a very warm welcome to you all.

I wish to express my profound gratitude to the African Development Bank, the UNDP, and the United Nations Economic Commission for Africa for choosing Mauritius as the host country for the 17th Edition of the African Economic Conference.

It is indeed a great privilege and honour for our island to offer hospitality to the African Development Bank and its partners at such a high profile event. I also wish to convey my salutations to all the distinguished guests and delegates who are with us virtually.

The theme chosen for this Conference, “*Supporting Climate-Smart Development in Africa*” is extremely pertinent. Climate change is a looming threat to Africa, which is the most vulnerable region to climate disasters, according to the World Risk Report 2021.

Though Africa contributes negligibly to the changing climate, with about two to three percent of global greenhouse gas emissions, it stands out disproportionately as the most vulnerable region in the world. Extreme weather and climate change are undermining human health and safety, food and water security, as well as the socio-economic development of the Continent.

Small Island Developing States are particularly affected by climate change. Our country faces a number of inherent limitations by virtue of its geographical characteristics. These include the following:

- The sea level is rising at a rate of 5.6 millimetres per year at mainland Mauritius and 9 millimetres per year at the island of Rodrigues, while the global average is 3.3 millimetres per year.
- In some places, erosion has reduced beach width by up to 20 meters over the past decade. The sea-level rise impacts our beaches that are sustaining the tourism industry, which is a major pillar of our economy.
- Our landmass is small and we are geographically isolated, with limited opportunities for economic diversification.
- With the limited scope for economies of scale, huge investment costs have to be borne for greening the power sector.
- The growing impact of climate change is expected to increase the intensity and frequency of cyclones, torrential rains and the resulting flash floods, abnormal tidal surges and swells, dry spells and floods adversely affecting people's lives and livelihoods, ecosystem services and the economy.

The widespread impact of the COVID-19 pandemic on the Mauritian economy in 2020, in particular on the tourism industry, and the Wakashio oil-spill incident in the same year have shown that the island is highly vulnerable to external shocks. Major disruptions to global value chains and higher oil prices have triggered a rise in food prices, combined with climate variations threatening crop output and our food security.

Ladies and Gentlemen,

As a Small Island State we have to operate in an increasingly globalised and competitive world economy, with the dire consequences of climate change and ramifications of the Ukraine-Russia war. We walk the tight rope of balancing economic growth with environmental stewardship.

Like many middle-income countries, we face a two-fold challenge:

- (i) creating an environment that continues to attract foreign direct investment; and
- (ii) enforcing a regulatory framework to protect our people, natural resources, ecosystem services, and the economy from the impact of climate change and disasters.

Climate change is a high-priority matter on the government's agenda. We are fulfilling the obligations of every climate-related multilateral agreement. Since the adoption of the Paris Agreement in 2015, we have mobilised considerable resources at the domestic level. We have spent the equivalent of 150 million US Dollars in support of our climate agenda in the past five years.

In 2018, the government revamped the National Environment and Climate Change Fund by providing 50 million US Dollars in support of Flood Mitigation measures such as rehabilitation of degraded coastal zones and solid waste management. Mauritius is spending about two per cent of its GDP on environment and climate-change related policies. We have more ambitious targets in our Revised 2021 Nationally Determined Contribution.

Our Climate Change Act became operational in April 2021. The objective of this legislation is to implement the obligations of Mauritius under the United Nations Framework Convention on Climate Change, the Kyoto Protocol, the Paris Agreement, and other related instruments on climate change.

Climate change and environmental degradation have emerged as a cross cutting issue to players in different fields, including Central banks. In this regard, the Bank of Mauritius has set up the Climate Change Centre in 2021, to spearhead efforts in measuring, analysing, managing, and mitigating climate

change risk. The Bank of Mauritius has also established a regulatory framework for issuing sustainable bonds and guidelines to banks and non-bank deposit-taking institutions on climate-related and environmental financial risk management.

Mauritius intends to develop an Environmental, Social and Corporate Governance with the objective to position our country as a sustainable International Financial Centre and to encourage Environmental, Social and Governance compliant investments from financial institutions.

Ladies and Gentlemen,

Mauritius aims at phasing out the use of coal for electricity production by 2030 and increasing the contribution of renewable energy by 60 percent in the electricity mix by 2030. Moreover, the rise in the petroleum prices caused by the Russia-Ukraine war rekindles our motivation to shift away from fossil fuels and be self-sufficient in electricity production. Several measures are being taken to decarbonise the energy sector in general including the adoption of electric vehicles.

In order to face the challenges of climate change more effectively, SIDS need the support and assistance of the development partners. We acknowledge and commend the African Development Bank for its leadership role on climate

adaptation in Africa, and globally. We understand that the share of climate finance dedicated to adaptation is 67 percent, which is the highest among all multilateral development banks.

Moreover, the African Development Bank and the Global Center on Adaptation are implementing the Africa Adaptation Acceleration Program, with the goal of mobilising 25 billion US Dollars in climate adaptation financing for Africa. The Bank is also supporting countries to insure against extreme weather events, through its Africa Disaster Risk Insurance Facility and to secure Africa's food supplies in the face of climate change through its Feed Africa strategy.

The question of mobilisation of funding is persistently put on the table of major world summits, including at the recent COP 27. Climate finance is indispensable for SIDS, like Mauritius, to cope with the adaptation and mitigation challenges imposed by climate change. In this regard, we urge our development partners to channel more resources to SIDS, so as to reinforce their adaptation and mitigation capacity.

We also hope that the conclusions and deliberations from this Conference will provide concrete means to implement the COP recommendations.

Having said that, it is now my honour to declare the 2022 Edition of the African Economic Conference open!

I wish you all fruitful deliberations in the quest for a climate-resilient development of Africa.

I also wish you a pleasant stay in Mauritius and hope that the warm Mauritian hospitality will live up to your expectations!

Thank you.
