

Letter**Letter: Green innovation is Africa's path to address climate threats**

From Njuguna Ndungú, Executive Director, African Economic Research Consortium, Former Governor, Central Bank of Kenya, Nairobi, Kenya



An Oromo, the largest Ethiopian ethnic population group, farmer at a farm © Sjors737 | Dreamstime.com

YESTERDAY

As your piece on the historic drought in the Horn of Africa underscores (“Delayed rain and conflict leave Horn of Africa at risk of famine”, [Report](#), May 4), the impact of climate change is not years down the road, but already severely affecting economies and livelihoods.

Africa has contributed a mere 3.8 per cent of global greenhouse gas emissions but is suffering the brunt of the effects of global warming — compounded by a looming debt crisis and the pandemic.

Increased temperatures and droughts will not only affect economic stability but other dimensions of wellbeing, including food supply shocks that drive inflation and energy supply shocks due to reliance on hydroelectricity.

Nominal exchange rates are also swiftly depreciating, raising the cost of food and fuel imports, which will feed into domestic inflation. Water scarcity will trigger more frequent, more intense conflicts among pastoralists, affecting food security for millions across the continent.

Our research on the macroeconomic impacts of climate change on Africa show that some countries, such as Ethiopia, could experience at least a 15 per cent decline in household income, all while food prices could increase by more than 50 per cent.

While the economic outlook appears grim, however, there is a path forward. The Covid-19 pandemic can be an opportunity for Africa to launch a green innovation-led recovery that would not only speed up growth, but also address climate change and other issues threatening Africa's future.

Our projections show this green innovation could grow Ethiopia's gross domestic product by over 3 per cent. What is crucial for agriculture-dependent countries is investment in climate-smart agriculture, while accounting for climate shocks in central bank policy responses.

Njuguna Ndungú

Executive Director, African Economic Research Consortium
Former Governor, Central Bank of Kenya
Nairobi, Kenya

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