

# Managing “stranded” assets risks and opportunities



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Institute for Natural Resources in Africa

UNU-INRA HLPF 2020 side event blurb

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## Managing “stranded” assets risks and opportunities - moving towards decarbonised economies and inclusive growth in Africa

As 2030 draws closer, efforts to deliver on the sustainable development goals must be accelerated. Africa is far behind on delivering affordable and clean energy (SDG7). The continent remains energy poor, with 600 million people living without access to electricity in sub-Saharan Africa.

Efforts to accelerate climate action have intensified, driven by the main stipulation of the Paris Agreement to reduce global warming to below a 2 degree rise. However many African countries depend on hydrocarbon assets for development. These assets are at risk of becoming stranded as global systems move towards zero-carbon trajectories which would render fossil fuel assets obsolete.

While the COVID-19 pandemic continues to disrupt global societies, we have seen a historic shock to global energy markets. The severe slump in fossil fuel demand has demonstrated the real risks of “stranding” faced by hydrocarbon-dependent economies. Will the pandemic have a long-lasting impact on fossil-fuel dependent development trajectories in Africa? Or is this an opportunity for transitions towards greener economies?

As pathways towards decarbonisation are formulated, the risks associated with exiting from fossil fuels must be addressed. Enabling the transition would require a managed exit that acknowledges the challenges of switching to cleaner technologies in the near future given limited resources and capacities.

At the same time, the risk of stranded assets can be a springboard for better resource planning, diversification and transition towards sustainable development. This presents an opportunity for greater leadership in managing Africa’s development aspirations.

This presents the question, how can African countries manage the risks of stranded assets as they decarbonise their economies?

This HLPF side event, hosted by UNU-INRA, will discuss the risks associated with transitioning away from fossil fuels, and the opportunities for diversification and sustainable development in Africa.

## Speakers:

(Tbc) Osagyefuo Amoatia Ofori Panin Okyenhene - King of Akyem Abuakwa of Ghana

Mr. Shinjiro Koizumi - Minister for Environment, Japan

(Tbc) Prof. George Gyan Baffour - Minister for Planning and Development, Ghana

Dr. Fatima Denton - UNU-INRA, Director

Dr. Zita Sebesvari - UNU-EHS, Director

Professor Shinobu Yume Yamuguchi - UNU IAS, Director Dr.

Dr. James Murombedzi - UN ECA (ACPC), Coordinator

Dr. Minoru Takada - UN DESA, Team Lead

Dr. Jean Paul Adam - UN ECA, Director Technology, Climate Change and Natural Resources Management

