

2023 GOVERNORS' DIGEST



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ACKNOWLEDGEMENTS

The African Development Bank wishes to acknowledge the valuable input and support of the Governors, Executive Directors and Advisers, without whom this publication would not have been possible.

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Photographs and credits:

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Luxembourg: Gëlle Fra/SIP, emergency.lu
Germany : Photothek, Steffen Kugler

Governor's Digest digital version:

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CONVERSION RATE

1 Unit of Account = 1.34701 USD as of May 2023

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CONTENTS

4-5

Message from the President
Dr. Akinwumi A. Adesina

18-19

Understanding the Dakar 2
Country Food and Agriculture
Delivery Compacts

6	Foreword – Dean of the Board of Directors
7	Preface – Secretary General of the African Development Bank Group
9	Editorial – Solomon Mugera
<hr/>	
10-15	How to Feed Africa: Solutions in Ministers' Own Words
16-17	USD70 billion and counting: Dakar 2 initiative to boost African food production exceeds financing goals
30-31	The Critical Upstream Role of the Public Sector
32-33	African Development Bank 2022 Climate Finance
49	Africa can secure its long-term economic growth
60-63	Reporting Impact

GOVERNORS

20-21	ALGERIA LAAZIZ FAID	52-53	DJIBOUTI ILYAS MOUSSA DAWALEH
22-23	ARGENTINA LEANDRO GORGAL	54-55	EGYPT HASSAN ABDALLA
24-25	AUSTRIA MAGNUS BRUNNER	56-57	EQUATORIAL GUINEA FORTUNATO OFA MBO NCHAMA
26-27	BOTSWANA PEGGY ONKUTLWILE SERAME	58-59	ETHIOPIA AHMED SHIDE
28-29	BRAZIL SIMONE TEBET	64-65	FRANCE EMMANUEL MOULIN
34-35	BURKINA FASO ABOUBAKAR NACANABO	66-67	GERMANY BÄRBEL KOFLER
36-37	BURUNDI AUDACE NIYONZIMA	68-69	GHANA KEN OFORI-ATTA
38-39	CAMEROON S.E. ALAMINE OUSMANE MEY	70-71	GUINEA MOUSSA CISSÉ
40-41	CANADA HARJIT S. SAJJAN	72-73	GUINEA-BISSAU JOSÉ CARLOS VARELA CASIMIRO
42-43	CENTRAL AFRICAN REPUBLIC FÉLIX MOLOUA	78-79	IRELAND MICHAEL MCGRATH
44-45	CHAD MOUSSA NATAL SALEH-BATRAKI	80-81	ITALY GIANCARLO GIORGETTI
46-47	COMOROS MZÉ ABDOU MOHAMED CHANFIOU	82-83	JAPAN SHUNICHI SUZUKI
50-51	CÔTE D'IVOIRE NIALÉ KABA	84-85	KENYA NJUGUNA NDUNG'U
		86-87	KOREA KYUNGHO CHOO
		88-89	LIBERIA SAMUEL D. TWEAH, JR.



74-77

Building climate-resilient infrastructure and good governance: key aims of the ADF-16 replenishment



92-95

Africa Investment Forum: Initiatives around sport and women spark investor interest



124-125

Africa on its way to get access to the technologies needed to produce its own medicines

90-91	LIBYA KHALID AL-MABROUK ABDALLA AL-MABROUK
96-97	LUXEMBOURG YURIKO BACKES
98-99	MADAGASCAR RINDRA HASIMBELO RABARINIRINARISON
100-101	MALAWI SOSTEN ALFRED GWENGWE
102-103	MAURITANIA OUSMANE MAMOUDOU KANE
104-105	MOROCCO NADIA FETTAH
106-107	MOZAMBIQUE ERNESTO MAX ELIAS TONELA
108-109	NIGERIA ZAINAB SHAMSUNA AHMED
110-111	RWANDA UZZIEL NDAGIJIMANA
114-115	SENEGAL OULIMATA SARR
116-117	SEYCHELLES NAADIR NIGEL HAMID HASSAN
118-119	SIERRA LEONE SHEKU AHMED FANTAMADI BANGURA
120-121	SOMALIA ELM I M. NUR

122-123	SOUTH SUDAN DIER TONG NGOR
126-127	SUDAN GIBRIL IBRAHIM MOHAMED
128-129	SWITZERLAND DOMINIQUE PARAVICINI
130-131	TANZANIA MWIGULU LAMECK NCHEMBA MADELU
132-133	THE GAMBIA SEEDY K.M. KEITA
134-135	TUNISIA SAMIR SAÏED
136-137	TURKEY MURAT ZAMAN
138-139	UGANDA MATIA KASAIJA
140-141	ZAMBIA SITUMBEKO MUSOKOTWANE
142-143	ZIMBABWE HON. PROFESSOR MTHULI. NCUBE

112-113	Bank's Food Production facility Helps Africa's Smallholder Farmers Fill Grains Shortfall
144-145	Leveraging Evaluations for Climate and Green Growth in Africa
146-153	Executive Directors

Message from the President

Dr. Akinwumi A. Adesina

President, African Development Bank Group

Accelerating climate change, the COVID-19 pandemic, and Russia's invasion of Ukraine have caused unspeakable suffering with natural disasters, massive job losses, and a looming food crisis amid supply chain disruptions and skyrocketing prices.

In these unpredictable times, the power of collective action holds the key to solving problems and mobilizing resources at scale. This year's Governors' Digest, circulated during the 2023 Annual Meetings, brings together a range of perspectives on how the private sector can drive the transition to a more sustainable and prosperous future, and explores various approaches and tools that can be used to mobilize private sector finance including green bonds, carbon pricing, and sustainable finance frameworks.

At the African Development Bank Group, we work tirelessly to accelerate Africa's sustainable economic growth and improve people's lives in Africa. Over the past 12 months, some 1.3 million people have gotten access to electricity. Roughly 3 million farmers have benefitted from advances in agriculture, and to help create a more equitable financial landscape, 4 million people have gained access to finance. In addition, 12.3 million people gained access to water and sanitation, while 2.9 million people were able to benefit from upgraded transport services.

The African Development Bank Group's first Macroeconomic Performance and Outlook Report, issued in February 2023, indicates that average real GDP growth slowed to 3.8% but remained higher than global projections. Current account and fiscal positions improved in 2022, while inflation is expected to decrease by 2024. Five African countries are likely to achieve GDP growth rates above 5.5%.

Despite these encouraging signals, Africa continues to be vulnerable to exogenous shocks. In March 2023, Cyclone Freddy wreaked havoc across Malawi, Mozambique, Madagascar, Réunion island, and Zimbabwe, killing hundreds of people and leaving tens of thousands homeless. Africa is least responsible for climate change but faces the full force of protracted droughts and unpredictable rainfall patterns. These events continue to intensify due to global warming, driven by carbon emissions from the world's richest nations.

The 2022 global climate summit, COP27, held in Sharm El-Sheik, Egypt, produced a historic agreement to establish a global fund aimed at providing financial support to countries most in need because of loss and damage caused by climate change. While this is an important achievement, there is still much work to be done to address the urgent issue of reducing global emissions.

The world must take decisive and transformative action to limit the temperature rise to 1.5°C and avert the catastrophic consequences of climate change. We must devise policies and solutions that promote the adoption of clean energy and facilitate the shift towards a low-carbon economy. Climate adaptation is a vital component of this shift.

This is why the African Development Bank Group is spearheading climate adaptation in Africa and globally, with 67% of our climate finance dedicated to adaptation. Through our African Adaptation Acceleration Program, we are mobilizing USD 25 billion in climate adaptation financing for Africa.

In addition, our teams are working hard on the introduction of the Adaptation Benefit Mechanism. This is an innovative and effective way to generate new and additional public and private sector financing to support climate adaptation. The Adaptation Benefit Mechanism will have significant impact, as it accelerates the transformation towards low-carbon, resilient,

and sustainable development in host countries by placing a value on resilience. The African Development Bank Group's proactive and transformative initiatives pave the way for a more climate-resilient and thriving future for the African continent.

I sincerely thank our Governors for their contributions to this important and timely publication. The Governors' Digest is a valuable resource for policymakers, investors, and businesses. It provides hints of policy directions and perspectives, projections, development impact stories, and collective efforts to drive the Bank's High 5 development strategies as well as the mobilization of private sector finance. As we gather for one of the most important events of the year, let us take advantage of innovative ideas, impactful solutions, and enduring partnerships. Africa's development will only succeed with considerable private sector finance, which requires governments, financial institutions, and businesses to work together closer than ever before. Let's leverage our collective resources to overcome the challenges that lie ahead.

Together, we can achieve our vision of a thriving African continent.

Together, let us continue to work for a prosperous and sustainable Africa.



DR. AKINWUMI A. ADESINA
President, African Development Bank Group





FOREWORD

Dean of the Board of Directors

Africa is the most vulnerable continent to climate change, with nine of the ten most climate-vulnerable countries in the world, despite its minimal contribution to the problem.

Climate action on the continent must be viewed pragmatically, through the parallel approach of promoting both access to energy and sustainable development. Given that around 640 million Africans are still without access to electricity, it is urgent to ensure the security of a constant supply for its impact on improving livelihoods, unlocking growth potential, reducing the costs of doing business, and creating jobs.

Consequently, Multilateral Development Banks (MDBs), with the AfDB leading the way, must intensify efforts to support African countries to develop bankable green infrastructure and transitional energy projects that tap into Africa's resource endowments, whilst ensuring minimal emissions and mainstreaming the mobilization of climate finance.

The AfDB has already made impressive strides in this direction, under the guidance of its shareholders. In its Seventh Capital Increase, the Bank committed to investing USD25 billion in climate finance and allocating 40% of its project approvals to climate finance as well as to mainstreaming climate change considerations into its projects, giving equal weight to adaptation and mitigation. The landmark Climate Change and Green Growth Framework was launched at COP26.

It also joined forces with other partners to launch the Alliance for Green Infrastructure in Africa, or AGIA, under Egypt's Presidency at COP27, to prioritize Africa's climate change and developmental agenda. AGIA aims to develop bankable green infrastructure projects in Africa and catalyze funding for them, mainly through private and institutional investors.

To fast-track AGIA, MDBs must step up their provision of upstream support to enhance Africa's business climate, and thus de-risk green infrastructure and climate financing. AfDB, in particular, must fully utilize its Policy Dialogue Matrix, African Energy Market Place and all relevant vehicles to help African countries develop and reform their regulatory, legislative and institutional enabling environments for doing business, including for the upstream phase of project preparation.

MDBs must also undertake intensive external resource mobilization roadshows to attract global savings to Africa's green projects and bonds and for fostering blended finance vehicles. This can further accelerate AGIA's loading.

Inevitably and given their profit-seeking nature, private investors, as well as institutional investors and Africa's untapped diaspora, will develop a renewed appetite and risk perception for doing business in Africa's green infrastructure and climate finance. My colleagues and I on AfDB's Board of Directors will keep pushing in this direction.

As I consistently say, MDBs are frontliners for policy support. Africa's immense financing gap will not be bridged unless the private sector steps in. We need to enable and de-risk it for market dynamics to work themselves out. 

AHMED ZAYED

Dean of the Board

African Development Bank Group

PREFACE

Secretary General of the African Development Bank Group

I am delighted to present to you, Honorable Governors, the 2023 Governors' Digest, a sustained media platform that continues to successfully spotlight the strategic role you play in advancing the Bank Group's mandate of achieving shared prosperity and inclusive growth in its Regional Member Countries.

This fourth edition coincides with the 58th Annual Meeting of the Board of Governors of the AfDB and the 49th Annual Meeting of the Board of Governors of the ADF, which will be held jointly from 22 to 26 May 2023 in the beautiful city of Sharm El-Sheikh (also known as "the City of Peace"), in the Arab Republic of Egypt, under the theme "Mobilizing Private Sector Financing for Climate and Green Growth in Africa".

Africa is estimated to have lost about 5 to 15 percent of its GDP per capita growth annually between 1986 and 2015 due to climate change-related hazards. Moreover, in the absence of strong climate change policies, projections show that Africa could lose between 2 to 12 percent of its GDP by 2100. Thus, addressing climate change and promoting a green transition is fundamental for Africa's sustainable development. Undoubtedly, this requires mobilizing substantial resources.

This fourth edition is set against the backdrop of the gap in the financing necessary to tackle the impact of climate change and aid the transition to a green economy across the African continent. The meetings will offer unique perspectives from several Governors on the strategic significance of the theme of the Annual Meetings, particularly as it relates to mobilizing alternative sources of financing for climate adaptation and mitigation, green growth, and infrastructural development in Africa. Additionally, this publication includes the Governors' insights on other topics of relevance to the socio-economic development of the continent, including building resilience to withstand future pandemics and addressing youth unemployment.

Honorable Governors, I wish to assure you of the Bank Group's full commitment to ensuring that the Governors' Digest is an avenue to communicate how you are shaping the strategic direction of our beloved institution.

I hope you will derive great pleasure in reading this fourth edition.

Until next year! 

PROF. VINCENT O. NMEHIELLE

Secretary General

African Development Bank Group





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EDITORIAL

EXECUTIVE EDITOR

Welcome to the 2023 edition of the Governors' Digest. The voices of more than half of the African Development Bank Group's shareholders are heard in this edition. Loud and clear.

This year's Governors' Digest includes debut contributions from Botswana, Canada and Libya.

Botswana shares its take on how to improve private sector participation in climate investment, renewable energy, and other low-carbon infrastructure.

When we talk about the impact of climate change for a country like Libya, the list of extreme weather events includes droughts, floods, sandstorms, and dust storms.


In terms of climate financing, the governor explained how, "over the period 2010-20, Libya secured USD 328.2 million for climate finance.... Nearly USD 1 97.6 million of the climate finance received was allocated to adaptation finance, while mitigation actions received USD 229.4 million. Cross-cutting finance... amounted to USD 99 million." Read on.

Canada shares its position and contribution towards bridging the financing gap related to global climate action needs.

This edition also gives our country managers a chance to showcase their photography skills by capturing shots of some of the Bank's most successful projects from each of the Bank's regions: Eastern, Western, Central, Northern and Southern Africa. There is much more on the Bank's website and social media.

As you read this edition of the Governors' Digest, you'll appreciate how much has been accomplished since the last Annual Meetings:

- **The success of the USD 1.5 billion Africa Emergency Food Production facility in response to the impact on Africa of Russia's invasion of Ukraine.**
- **The historic USD 8.9 billion African Development Fund's 16th Replenishment agreed last November in Morocco, with plans to raise more billions more from the capital markets.**
- **The Bank's compelling case to the International Monetary Fund for the reallocation of more Special Drawing Rights to Africa with some channeled via the Bank. The decision about this game changing initiative is nigh.**
- **The momentous Dakar II Food summit, convened jointly with the Senegalese government in January 2023 attended by up to 34 heads of state and government. To date, the Bank has mobilized more than USD 7 0 billion.**

The list of achievements is long and worth billions of dollars, thanks to the credibility of the Bank, the continent's financial pillar with its unparalleled convening and leverage power. Exactly what Africa needs. 

SOLOMON MUGERA

**Executive Editor, Governors' Digest,
Director of Communication and External Relations
African Development Bank Group**



HOW TO FEED AFRICA: SOLUTIONS IN MINISTERS' OWN WORDS





H. E. MOUSSA FAKI MAHAMAT
Chairperson of the African Union Commission



H.E. MICHAEL D. HIGGINS
President of Ireland



H. E. MACKY SALL
President of the Republic of Senegal

There is no full sovereignty until there is food sovereignty...Food sovereignty should be the weapon for a new freedom for Africa.

“We recognize the efforts by the African Development Bank to counter the effect of the Ukraine—Russian war on food sustainability in Africa by launching the emergency food relief program.”

“Let us make this century Africa’s Century, one which will see the continent become free from hunger, a shared continent in a global family, one based on the firm foundations of respect for each nation’s own institutions, traditions, experiences and wisdoms, founded on a recognition of the solidarity that binds us together as humans, and an acknowledgement of the responsibility we share for our vulnerable planet and the fundamental dignity of all those who dwell on it.”

The agriculture sector is considered a lame duck in Africa. We need a shift as Heads of State to prioritize the agriculture sector and farmers.

“We need to inject more resources to upgrade agriculture and change perceptions... We need to find means to give land to women and youth.”

We need to consume what we produce and produce what we consume. Produce Africa, consume Africa.



H. E. MUHAMMADU BUHARI
President of the Federal Republic of Nigeria



H.E. ANDRY RAJOELINA
President of the Republic of Madagascar



H. E. EMMERSON MNANGAGWA
President of the Republic of Zimbabwe

“We must take into consideration climate change. We must ensure that our agriculture is climate smart. That is why I applaud the efforts of the African Development Bank and the Global Center on launching the Africa Adaptation Acceleration Program (AAP). Its goal is to mobilize USD25 billion for climate adaptation. It will go a long way in supporting resilient agriculture in Africa.”

On the African continent today, we are facing a war. The war against famine and malnutrition. It is not only weapons, bombs or tanks that kill. Famine and malnutrition kill more people than armed conflict.

“Today we have weapons much more powerful than bombs and tanks. It is our land, it is the youth, but also the farmers who must be helped to change history.”

“In Zimbabwe we had the problem of food insecurity and we said, how much food do we want in a year to feed our nation and the figure we got was two million tonnes of grain. So, we said, because there is climate change, how many hectares of land can we put under irrigation to produce two million-plus tonnes to feed the nation and we determined how much yield does a hectare have hence we knew the figures and we did that, and we are now food secure.”



H.E. SAMIA SULUHU HASSAN
President of the United Republic
of Tanzania



H.E. WILLIAM RUTO
President of the Republic of Kenya



**H.E. FAUSTIN-ARCHANGE
TOUADÉRA**
President of the Central African Republic

“We introduced a policy in our Agenda 2030 that will see that by 2030 the agriculture sector in Tanzania contributes 10% to GDP. Who will help us achieve that? The youth. So, we have initiated a program called Build a Better Tomorrow for youth and women. We are undertaking several measures to attract them to agriculture: First, the youth do not own land, so we are giving them 10 hectares each. We have identified about 680,000 hectares for youth and women, that they will own.”

“Tea, among the best crops we have, is giving us good returns. But for the 1.7 million acres under tea, we are getting the same income as 10% percent of what we have under horticulture.”

The difference is our fertilizer investment in horticulture. The participation of young people is significant, as you can see from the returns from the two sectors: The more the young people are in a sector, the greater the returns.

“Regarding land tenure, the government has developed new texts to allow smallholders to have access to land. It has set up a mechanism with local banks to provide guarantees to smallholders and cooperatives and soon we will cover 6 million hectares of farmland.”



H.E. FÉLIX TSHISEKEDI

President of the Democratic Republic of Congo



H.E. UMARO SISSOCO EMBALO

President of Guinea-Bissau



**H.E. ROSE CHRISTIANE
OSSOUKA RAPONDA**

Vice-President of Gabon

The Democratic Republic of Congo is on the move. It is gearing up to go, but needs support...

We are investing in several agricultural sectors such as cassava, which now makes up 10% of the content of bread; this has allowed us to save about USD10-20 million on wheat imports. We are also developing seeds for the cultivation of soya, which is very important in the fight against malnutrition and for use in cattle feed.

We are supporting young people by making available guarantees for youth and women's entrepreneurship.

The agriculture budget has been doubled and the national budget quadrupled.

Guinea Bissau is a small economy but with the support of the international community, notably the African Development Bank, we are putting in place a more intense agricultural policy this year. By 2025, we will be able to increase our yields of rice, which is as much a staple food as cassava and sweet potatoes. We have been working on this for three years and have started to export sweet potatoes to Senegal.

"We are convinced that the policies that we are implementing in the agricultural sector with very fertile land will only need a bit of support. Through this policy, we will make Guinea Bissau a prosperous agricultural country."

"I am making an earnest appeal to all partners working in the food sector to come to Gabon."

Gabon needs many investors and partners to develop the agricultural sector...

Gabon has exceptional biodiversity but paradoxically, the agricultural sector represents only 5% of GDP and the country spends about XAF 450 billion on food product imports, and 20% of the population is employed in the agricultural sector.

Thanks to AfDB support, we have created high-productivity zones enabling us to secure land that is made available to farmers (women and men) and agro-industrialists. This is aimed at reversing the trend and enabling agriculture to contribute more to GDP and, in the long run, to export locally processed agricultural products.



H. E. AZIZ AKHANNOUCH
Head of Government of the Kingdom
of Morocco



H. E. BIANRIFI THARMIDHI
Prime Minister of the Comoros



MRS FESTA MASEFA
Minister of Planning of Ethiopia

“Under the impetus of King Mohamed VI, Morocco set up the Green Morocco Plan, which ended in 2020. The program received USD13 billion in investment including institutional financing of USD4 billion. This has helped to increase agricultural growth to 5% ... including during the years of drought.”

Morocco is currently implementing the Green Generation Program, which focuses on the human element—farmers—providing them with social security that is an essential factor of production. The program also aims to improve the employability of young people. One million hectares of land will be offered to them for investment. The program also seeks to move 400,000 families into the middle class.

We have mobilized EUR 30 million to develop the agricultural sector.

“We are working tirelessly to increase food crop production, essential products and cash crops that have a high economic value to help farmers increase their income.”

We felt that it is very important to put in place a public-private partnership policy attractive to all.

The (agricultural) performance in recent years is impressive.

“We produce 25 million quintals of wheat through irrigation, 1 million hectares are irrigated during the dry season and in 90 days we can already harvest. We hope to export wheat soon.”

We have a national program for heat-resistant wheat and wheat produced through irrigation.

We will not continue selling our agricultural products unprocessed. We need to process them to create jobs for our youth (because) more than 70 per cent of the Ethiopian population is under 30 (and) we need to create a lot of jobs. We have made sure that women and men all have access to land. Spouses have equal rights accessing land.

USD70 billion and counting: **Dakar 2** initiative to boost African food production exceeds financing goals



It was an extraordinary gathering by any measure—dozens of African Heads of State and Government and other top leaders in Dakar heading boardroom-style sessions dedicated to boosting agricultural production in their respective countries. Their sleeves rolled up, African leaders showcased plans to mobilize political, financial and technical support to transform food and agriculture systems.

More than 40 country boardroom sessions were organized, most of them chaired by heads of state or government. All of them were fully packed. They were attended by representatives from public and private sector, multilateral organizations, non-governmental organizations, and academia. Their focus was on practical solutions to mitigate Africa's escalating food security challenges. The Dakar Summit, Feed Africa: Food Sovereignty and Resilience, also known as "Dakar 2", drew 34 African Heads of State and Government as well as 75 ministers and heads of development partner organizations to Senegal in January. Summit discussions centered on the Country Food and Agriculture Delivery Compacts presentations led to development partners committing USD30 billion to back the continent's resolve to boost agricultural productivity and position itself to become a breadbasket to the world—a figure that has more than doubled since.

Following Dakar 2, Bank Directors for Agriculture and their sector teams have been traveling to Bank member countries to develop these Country Food and Agriculture Delivery Compacts. Key to the success of the Compacts is collaboration between the Bank and finance and agriculture ministers to validate country priorities and identify investment opportunities for development partners and the private sector on the Compacts proposals. The private sector is also an important player in financing Compacts' priorities. Follow-up sessions with national governments, the





Bank, and private sector entities in priority agriculture commodity values are in the works, with an eye on addressing policy incentives, infrastructure needs, access to finance and de-risking products such as climate finance and insurance.

Financial pledges

To ensure accountability, the Bank set up Presidential Delivery Councils to approve annual plans and oversee the implementation of the Compacts. Council members will include ministers of finance and planning, agriculture, livestock, and fisheries, the governors of central banks, and eminent personalities in agriculture.

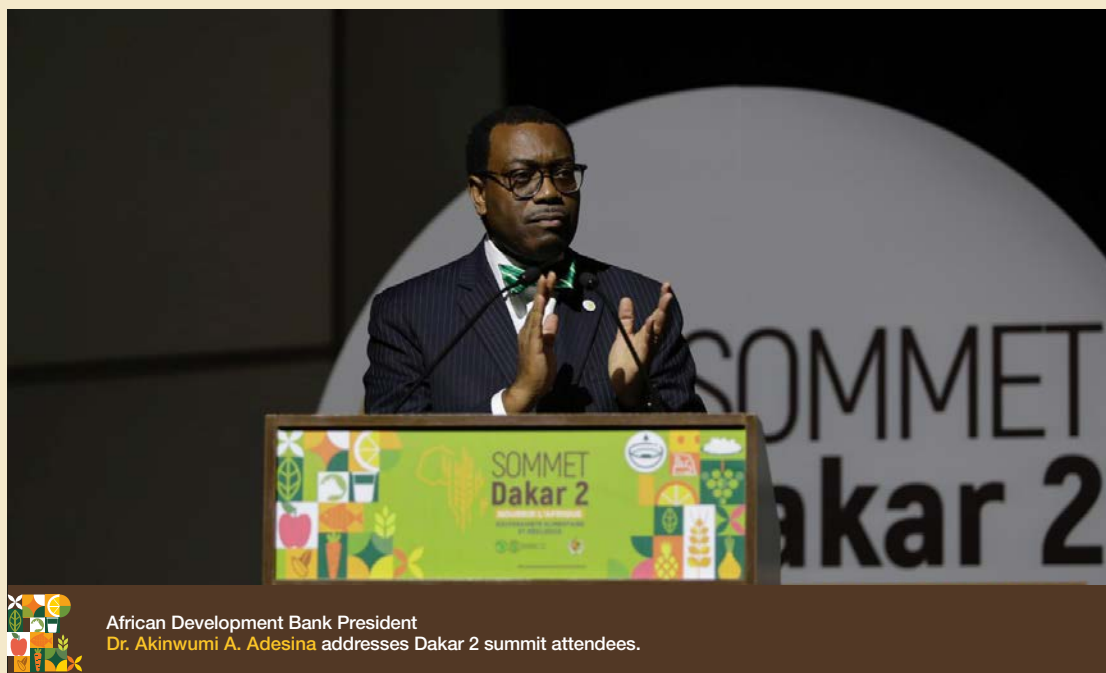
A growing number of members from the international community are aligning financial support with the Dakar 2 initiative. Since January's Summit, commitments to this African agricultural transformation plan have exceeded USD70 billion.

The donors include Germany, which plans to contribute USD14.34 billion, and the United States, which intends to provide USD5 billion. The African Development Bank aims to contribute USD10 billion over five years, while the Islamic Development Bank intends to provide USD7 billion.

Other donors include the European Union, the European Investment Bank, the International Fund for Agricultural Development, the West African Development Bank, the Arab Bank for Economic Development in Africa, the French Development Agency and the governments of Ireland, the Netherlands, Switzerland, and the United Kingdom.

Organized under the leadership of African Development Bank President Dr. Akinwumi

A. Adesina and H.E. Macky Sall, President of the Republic of Senegal and Chairperson of the African Union, Dakar 2 witnessed the amplification of the Bank's Feed Africa Strategy (2016-25). Feed Africa seeks to elevate African agriculture into a competitive, private sector-led, government-enabled, inclusive, and agribusiness-oriented sector that provides food and nutrition security for Africans, creating economic opportunities and improving livelihoods of rural African communities. 



African Development Bank President
Dr. Akinwumi A. Adesina addresses Dakar 2 summit attendees.

Understanding the Dakar 2 Country Food and Agriculture Delivery Compacts

Following January's African Development Bank and Senegalese government-hosted Dakar 2 Food Summit dedicated to transforming agricultural production across Africa, the Bank is working with governments and international partners to develop national Food and Agriculture Delivery Compacts. We asked Bank Vice President for Agriculture, Human and Social Development, Dr. Beth Dunford, about the Compacts and how they will help position Africa to meet food supply shortages across the continent—and beyond.

Exactly what is a Country Food and Agriculture Delivery Compact, and how does it work?

Key outcomes of the Dakar 2 Food Summit are the Country Food and Agriculture Delivery Compacts. Each Compact examines a country's gaps in food production and supply, then proposes solution-oriented roadmaps on how to close those gaps. The roadmap's aim is to double priority agricultural value chain productivity and build infrastructure to link millions of smallholder farmers to markets. The Compacts are set up to ensure participating governments and partners deliver measurable results and ensure accountability to develop

research and development systems, national food and agricultural systems.

The Food and Agriculture Delivery Compacts are a bold step to accelerate the Bank's Feed Africa Strategy—to contribute to eliminating extreme poverty as well as end hunger and malnutrition in Africa by 2025; to make Africa a net food exporter; and to move Africa to the top of export orientated global value chains where it has comparative advantage. The Compacts also contribute to the acceleration of the implementation of the African Union's Comprehensive Africa Agriculture Development Program.

In your closing remarks on stage at the Dakar 2 summit, you said, "work does not end when the lights go off in this conference hall." Tell us more.

The Dakar 2 Food Summit rallied 34 heads of state and government, 70 government ministers, and development partners, to establish and develop these Compacts to address the escalating challenge of food insecurity in Africa. January's conference jumpstarted an ongoing conversation—an effort—to walk the talk. Post-Summit, Bank agriculture sector directors and leadership



are on the ground, visiting and engaging with countries to resolve food security challenges. During the Summit, we received pledges of USD30 billion toward agriculture investments in Africa—since then, that figure has risen to more than USD70 billion. Now, we are translating these pledges into actual investments and working with governments to implement them. That is where the actual work lies.

This progress is a testament to the power of collaboration and the unwavering commitment of African leaders, development partners, and the private sector to feed Africa and improve the quality of life for the people of Africa. The Country Food and Agriculture Delivery Compacts are ambitious, and I believe, achievable. We must deliver on these Compacts and turn this vision into a reality.

There's been a sort of a Country Food and Agriculture Delivery Compact 'road show,' post Dakar 2. How did that start, and how is it going?

Dakar 2 hosted dozens of head of state and government-level “boardrooms”—meetings where Compact plans were presented and discussed. These boardrooms set the foundation for governments and development partners to explore ways for investment in agriculture at the country level. Following Dakar 2, Bank country managers, directors and managers from the Agriculture and Agro-industry Department and Agricultural and Rural Finance Departments are on the ground, engaging with country Ministers of Agriculture and Ministers of Finance, as well as with development partners and the private sector, to present minutes from the boardroom discussions, validate priorities of the Compacts and identify investment opportunities.

We have also received massive support from the entire Bank ecosystem, especially Bank regional directors to move this process forward. These follow-up meetings and the outcomes will be the basis of future engagement with the countries and development partners on investment projects in agriculture to achieve the promise of Dakar 2.

Wide-ranging consultations are key to Compact success. The road shows aim to validate priority value chains and investment projects in several countries. In the coming weeks, more countries would be covered, which would put the Bank on course for delivery of its commitments to the objectives of Compacts.

We've seen more countries and organizations commit financing to this initiative since the Dakar 2 Summit—over USD70 billion and counting.

What is the potential impact of this initiative to feed Africa, or for improving the quality of life for the people of Africa?

Investing in raising agricultural productivity, supporting infrastructure, climate smart agricultural systems, with private sector investments all along the food value chain has the potential to not only help feed Africa, but also position the continent as a food resource—a breadbasket to the world. We know that programs like our Technologies for African Agricultural Transformation, or TAAT, work. Investments in the Compacts will scale up TAAT and other programs. Achieving zero hunger in Africa will require between USD28.5 billion and USD36.6 billion in agriculture investments annually. With the removal of barriers to agricultural development aided by new investment, we support research that

predicts Africa's agricultural output could increase from USD280 billion per year to USD1 trillion by 2030. To further diversify food supply sources for the world, amid the lingering effects of the war in Ukraine and its consequent effects globally, and to secure food supplies for Africa, it is now critical to support efforts to realize Africa's agricultural potential. [GD](#)



DR. BETH DUNFORD
Vice President for Agriculture, Human
and Social Development



LAAZIZ FAID

Minister of Finance

Bio

A public finance specialist and senior official, Laaziz Faïd was appointed as Algeria's Minister of Finance in March 2023. Before joining the government, he served as Director General for the Budget and chaired the Central Appeals Committee for direct, allied and turnover taxes. Laaziz Faïd previously held the post of Director of Budget Regulation and Prior Control of Expenditure in the Ministry of Finance, after having taught at the National School of Administration in Algiers. A Principal Inspector of Finance, he holds of a postgraduate certificate in public finance and taxation, Laaziz Faïd is currently working on a PhD thesis in public finance at Jean Moulin-Lyon III University in France.

Adaptation and mitigation at the heart of Algeria's policies

Climate change and the threat of the natural disasters it causes are ringing alarm bells for every nation around the world. Substantial and urgent measures must be implemented. However, the current global economic situation, following a succession of crises due to Covid-19 and the Russian-Ukrainian conflict, has accentuated the challenge of climate change, not least in terms of its financial aspects.

Against this backdrop, COP27, which took place in Egypt last November, culminated in the decision to create a loss and damage fund and to work to implement it to deal with the climate emergency.

Paradoxically, Africa is the world's least polluting continent whereas African countries are the most vulnerable to climate change, which is primarily caused by developed countries. In fact, developed countries are responsible for 70% of all greenhouse gas (GHG) emissions between 1850 and 2019, while African countries accounted for a scant 7% over the same period. The consequences of GHG emissions for Africa are quite significant.

Algeria is one of the 24 areas most vulnerable to climate change, the costs of which are estimated at between USD1.339 and USD2.242 billion a year.

Algeria has also signed international agreements on the environment and climate change and has aligned itself with the global and African

sustainable development programme. It has therefore made adaptation and mitigation activities central to its policies by mobilizing all necessary resources so that it can comply with its international commitments on reducing GHG emissions by 7% by 2030.

Commitments at multiple levels

At the national level, and in the wake of support for global and especially African efforts to deal with the ever-increasing challenges of climate change, the Algerian government has made the climate a central plank of its action plan.

This commitment is reflected in the significant level of investment included in the state budget, mainly allocated to the Ministry of the Environment and Renewable Energies to support efforts to combat climate change and strengthen the transition to green energy.

A framework for public-private partnerships has been established to take advantage of the capacity for private-sector innovation and ability and to mobilize skills in the private sector to develop infrastructure for renewable energy sources.

As for raising private capital to fund climate actions, Algeria has set up a green tax regime consisting of several taxes and duties to combat climate change. Environmental taxes have been introduced to generate the resources needed to cover the costs of the damage caused by polluting activities.

Finally, it is worth noting that the costs of inaction are significantly higher than the costs of action. For example, an investment of 1% of global GDP per annum to reduce GHG emissions would avoid an annual economic loss of between 5% and 20%.

Therefore, to ensure compliance with international commitments, efforts should be made to mobilize private capital on a large scale to intensify investments, particularly in sustainable infrastructure.

To conclude, I would like to reaffirm Algeria's commitment to working with all its partners to achieve global objectives. Algeria will do its utmost to meet the objectives identified, including making Africa more resilient to the effects of climate change. 





LEANDRO GORGAL

Undersecretary of International Financial Relations for Development

Recognising the value of biodiversity

Bio

Mr. Gorgal is Undersecretary of International Financial Relations for Development in the Ministry of Economy of Argentina and has held several senior positions in Argentina's federal government and worked as a Principal Executive at the CAF-Development Bank of Latin America. He is a political scientist and holds a Master's degree in Public Administration and Public Policy from the San Andrés University in Argentina, and a Master's degree in Development Administration and Planning from University College London. Mr. Leandro Gorgal currently represents the Argentine Government in several development banks.

The pandemic, conflict, and the consequences of climate change such as droughts and extreme weather events undermine global food security and economic development in many of our countries, eroding the ability to meet long-term sustainable development goals.

African countries, as well as Latin American countries, have a natural heritage and great biodiversity that serve humanity, making us unrecognized creditors in the financial markets. This is not duly valued when it comes to gaining access to grants and climate finance on favorable terms to invest in climate mitigation and adaptation.

At this juncture, existing asymmetries in financing conditions between developing and developed economies are further exacerbated by rising interest rates in many key economies.



From the south of the Latin American continent, we are concerned about the absence of global financial vehicles to help our countries face the challenges posed by climate change. We firmly believe that the multilateral climate finance architecture must be fair, transparent, equitable and based on the principle of common but differentiated responsibilities.

There must be a balance between meeting decarbonization goals and meeting the challenges faced by countries in the global South over which they have no control or responsibility. Gas, for example, can be an important element in the transition to sustainable economies in many cases.

Rethinking climate finance

While Argentina is committed as a global food supplier contributing to global food security, it is



also working on a long-term strategy to reduce carbon and greenhouse gas emissions by 2050 with a climate change adaptation and mitigation plan.

We must promote innovative climate finance instruments, such as sovereign bonds, guarantee funds and debt swaps for climate action as well as others that are promoted in a sovereign manner by the countries and as a complement to public financing.

We agree that without ignoring the fundamental role of Multilateral Development Banks in providing financial relief to countries in need, we must be creative in escalating the flow of private sources of financing for investment in social and sustainable infrastructure.

The African continent has some of the fastest growing economies in the world, with projected growth rates of 8-6% per annum for the period 2023-2024. Estimates speak of a continent that could grow by 5% or more consistently over the coming decades. But it is also recognized as a continent that faces multiple challenges, many of them common to global South countries.

From Argentina we renew once again our

commitment to continue working with Africa and the AfDB to support the continent's efforts to build low-carbon economies resilient to climate change.

We are ready to increase our cooperation with the African continent in fields in which our private sector shows comparative advantages such as in agriculture, knowledge-based services, the satellite and nuclear industries, to name a few of these fields, all of them with multiple applications to move forward towards the sustainable development of our nations. ⁶⁰

We must promote innovative climate finance instruments, such as sovereign bonds, guarantee funds and debt swaps for climate action.



MAGNUS BRUNNER

Federal Minister of Finance

Bio

Magnus Brunner has been Federal Minister of Finance of the Republic of Austria since December 2021. Prior to this, he acted as State Secretary in the Federal Ministry for Transport, Innovation and Technology from 2020. Mr. Brunner served for more than ten years as Executive Board Member in the energy sector and acted as Vice-Chair of the Federal Council, one of Austria's two parliamentary chambers. Mr. Brunner holds a doctoral degree in Law from the University of Innsbruck and the University of Vienna, and a postgraduate degree from King's College London.

Private sector finance is key for climate and green growth



The African continent is strongly affected by climate change. According to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC), climate change has already reduced economic growth across Africa and increased income inequality between African countries and those in temperate northern hemisphere climates. To counter negative projections for the continent, including reduced food production or flooding from sea-level rise, and to ensure a stable and prosperous future for the African youth, investments in climate adaptation, climate mitigation and green growth are crucial. This means investing in context-specific green technologies, sustainable production and circular economies, renewable energies and climate-smart agriculture, to name a few examples.

It is a huge task for African countries to mobilize the necessary investments in these areas. As government budgets are increasingly constrained due to multiple global and national crises, mobilizing private sector finance for climate and green growth is key. A strong partnership with the private sector has, however, additional benefits. Countries can

tap into vast knowledge and experience of companies that already develop and produce climate-related technologies in Africa and around the world. This opens new potential for collaboration, allowing for a sustainable transfer of skills and technology to the local context.

Austria strengthens private sector commitment to climate finance

In Austria, we have successfully managed to mobilize private sector finance for climate and green growth in Africa. In this context, the role of the Austrian Development Bank (Österreichische Entwicklungsbank – OeEB) stands out. As the Development Bank of the Republic of Austria, OeEB finances and supports private sector projects in developing countries and emerging markets that are economically sustainable and have positive impacts on development. In 2021, OeEB was Austria's largest contributor to international climate finance and also the largest mobilizer of private climate finance, investing EUR 119 million worldwide. A considerable share of this went to Africa as one of OeEB's strategic objectives is to allocate at least 20 per cent of new commitments to African countries.

Moreover, Austria has joined the AfDB's African Climate Change Facility (ACCF) in 2022, contributing to the development and update of Nationally Determined Contributions, Long-Term Strategies and National Adaptation Plans of African countries. Based on climate-related strategies, national development plans and green industrialization policies, public and private investment can be effectively channeled to improve income levels and green growth on the African continent in a sustainable manner.

With its public mandate, the African Development Bank plays a vital role in supporting these processes, not only by providing and mobilizing finance and know-how, but by bringing together various stakeholders to create synergies. The AfDB can be a key player in supporting African countries to reach their climate ambitions and pursue a socially inclusive and sustainable green transition.

Let me assure you, that Austria will continue to offer its support to the AfDB and its African partners in this crucial area. ^{GD}

¹ Sixth Assessment Report, Climate Change 2022: Impacts, Adaptation and Vulnerability, the Working Group II contribution.
² On a yearly average



PEGGY ONKUTLWILE SERAME

Minister of Finance

Bio

Ms. Peggy Onkutlwile Serame is an economist by training, with a Master's degree in Economics and a Bachelor of Arts in Economics and Statistics. She previously worked in the Ministry of Finance where she held a number of portfolios, represented the Government as a director on a number of Boards, as well as on special assignment under the Voice Secondment Program at the World Bank. Ms. Serame has served as Acting Deputy Permanent Secretary to the President, Permanent Secretary in the Ministry of Investment, Trade and Industry and as Minister of Investment, Trade and Industry.

Private sector-led financing towards climate action

Botswana and the African continent in its entirety, much like the rest of the global community, is grappling with the adverse impacts of climate change on its communities, ecosystems and the economy. In the wake of the Covid-19 pandemic, which has caused a significant deterioration in public finances, it has become imperative now more than ever to agitate for more private sector-led financing towards climate action.

Mobilizing private finance towards climate change mitigation can be achieved through deploying various innovative approaches:

Strategic pool finance mechanisms: At continental and sub-continental levels, facilities which pool finance from different national development finance institutions could be widened. These would in turn co-invest with the private sector in renewable energy and climate-friendly projects in those partner countries.

Sovereign guarantees as a strategy for mitigating political risk: At national level, the Government of Botswana for example, could provide sovereign guarantees (full or partial) where possible, to de-risk private finance for climate-friendly technologies.

Grant financing as a catalyst for climate finance: Continental development finance institutions, as well as national governments, could provide matching grant schemes for innovative companies that would otherwise not have access to financing, as an incentive for playing a role in climate change mitigation.

Find better understanding of private sector needs: Approaches to improve private sector participation in climate investment should be rooted in an understanding of how the barriers that companies face in pursuing market opportunities for climate-friendly technologies, products and services could be better addressed. To drive lasting positive climate impact, private sector engagement needs to promote sound business models for climate change financing that deliver environmental outcomes, are financially feasible and create decent jobs.

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Policymakers in Africa can combine actions to increase financial flows to low-carbon projects and reduce investments in activities with high-carbon demand to achieve green growth.

Harnessing skills and knowledge for climate change: Through dialogue, policy discussions and formalized partnerships, development co-operation providers on the continent, as well national and sub-national governments should actively engage the private sector to harness skills and knowledge to address climate issues.

Promoting low-carbon investment

To achieve green growth in Africa, policymakers can combine actions to increase financial flows to low-carbon projects and reduce investments in activities with high-carbon demand in several ways:

Developing policies and regulations that promote low-carbon investment: For example, introduction of tax incentives for renewable energy investments while imposing taxes on carbon-intensive activities.

Encouraging divestment from high-carbon activities: This can be achieved through policies that promote divestment or through engaging with investors to encourage them to shift their investments.

Investing in renewable energy and other low-carbon infrastructure by establishing public-private partnerships or by providing financing for renewable energy projects.

Developing sustainable finance frameworks through the establishment of green banks or through the development of green bond markets.

Encouraging international cooperation by working with other countries to establish global climate finance mechanisms that prioritize low-carbon investments in Africa.

Overall, policymakers in Africa can combine actions to increase financial flows to low-carbon projects and reduce investments in activities with high-carbon demand to achieve green growth. By doing so, African countries can transition to a low-carbon economy, reduce their carbon footprint, and promote sustainable and inclusive economic growth. 





BRAZIL

SIMONE TEBET

Minister for Planning and Budget

Bio

Simone Tebet is a lawyer, university professor of law, and, between 2015 and 2022, was Senator for Mato Grosso do Sul. Considered by the BBC as one of the most influential and inspiring women in the world, Tebet began public life more than 20 years ago as a congresswoman and has since been twice elected mayor of her hometown, Três Lagoas. She has also served as her state's Deputy Governor and Secretary of Government.

The route to green and sustainable growth

The theme selected by the African Development Bank Group for the 2023 edition of the Governors' Digest gives Brazil the perfect opportunity to share two key aspects of the current administration's international agenda: a renewed focus on sustainable development and active reengagement with the African continent. Both objectives are closely related and directly reinforce each other. Indeed, Africa is an indispensable partner for Brazil as it resumes its efforts to make concrete progress on all fronts of the sustainable development agenda. Concurrently, discussions on how to accelerate the transition to a global economic system that is environmentally and socially sustainable are at the forefront of the political agenda that Brazil is reconstructing with its African partners.

In this context, blended finance—the strategic use of development finance for the mobilization of additional capital towards sustainable development—plays a crucial role, to the extent that it aims to address the urgent task of bridging the financing gap for the implementation of the 2030 Agenda for Sustainable Development and its 17 Sustainable Development Goals. This gap is particularly glaring in developing countries, where it has grown considerably in the wake of the Covid-19 pandemic, reaching USD3.7 trillion in 2020. These countries consequently are likely to benefit the most from blended finance operations that successfully channel

towards sustainable initiatives a share of the vast resources currently circulating in international financial markets.

Bridging the development financing gap through innovation and collaboration

Due to its increasingly strategic role in mobilizing the resources required to implement the SDGs, blended finance has received growing attention in public policy circles in Brazil, especially under the current administration. Relevant stakeholders are gathering to identify bottlenecks, such as the general lack of information on the potential gains of blended finance and the low supply of technical support for the financial structuring of operations. Some solutions are also being developed to build an institutional framework conducive to greater private capital participation in investment projects that are sustainable.

The launch of several blended finance operations that have enabled impact investing in areas including urban development, infrastructure, agriculture, forest management, biodiversity, and innovation has already yielded positive results in Brazil. Although these operations are different in many respects, they have been successful in enhancing the risk-return profile of their projects for private investors by prioritizing local development needs, capacity building, multi-stakeholder coordination, and the development of sound monitoring systems.

The route to green and sustainable growth involves innovative development strategies that are inevitably tied to urgent climate actions from both public and private efforts. Climate change is a global phenomenon, but its impacts and challenges vary across countries. An adequate response to these challenges requires joint planning, execution with cooperation and constant dialogue between countries facing different realities and offering singular perspectives. Given its diverse membership, the AfDB has a critical contribution to make in the ongoing discussions about how to use blended finance to mobilize the resources necessary for the effective implementation of the SDGs. Brazil is looking forward to being an active part in these discussions, sharing the know-how gained from the recent advances obtained in its domestic front, and absorbing the lessons other partners have to offer. 



THE CRITICAL UPSTREAM ROLE OF THE PUBLIC SECTOR

Climate change is one of the biggest challenges facing humanity today. It poses a significant threat to countries' economic, social, and environmental well-being worldwide. The African continent is highly vulnerable to the impacts of climate change due to its high dependence on climate-sensitive sectors such as agriculture, forestry, and fisheries. As the investment needs far outweigh available public resources, the mobilization of private sector finance for climate and green growth in Africa has become more urgent than ever.

The private sector can play a critical role in unlocking the potential of renewable energy, sustainable agriculture, and other climate-friendly sectors essential for achieving the Sustainable Development Goals and targets under the Paris Agreement.

There has been a growing recognition of the importance of mobilizing private sector finance for climate and green growth in Africa in recent years. While this has led to the development of various initiatives and instruments aimed at promoting private sector investments in climate-friendly projects, the role of the public sector is crucial and required upstream as follows:

I. IMPROVE THE ENABLING ENVIRONMENT.

Governments must create a favorable business environment that encourages private sector investments. This can be achieved by reducing regulatory hurdles and bureaucratic red tape, improving infrastructure, and minimizing corruption.

II. DEVELOP ROBUST FINANCIAL SYSTEMS.

African countries need to develop strong and efficient financial systems that attract private capital. This can be done by building reliable payment systems and enhancing banking regulations.

III. PROMOTE FOREIGN INVESTMENTS.

Encouraging foreign investors to invest in African economies is crucial to unlocking private sector finance. Governments should strive to attract foreign direct investment by offering tax incentives and ensuring political stability.

IV. INCREASE ACCESS TO CAPITAL.

Many small- and medium-sized African businesses lack access to capital due to the stringent lending policies of commercial banks. Governments should facilitate the development of alternative financing options such as microfinance institutions, venture capital firms, and crowdfunding platforms.

V. BUILD HUMAN CAPACITY AND SKILLS.


African governments should invest in building human capacity and skills to enable local entrepreneurs to start and grow their businesses. This includes training programs, mentorship, and education initiatives that focus on business management and entrepreneurship.



By implementing these strategies, African countries could unlock private sector finance and tap into a new and essential source of economic growth and development.

Global climate facilities such as the Climate Investment Funds, the Green Climate Fund and the Global Environment Facility look at the involvement of private sector as crucial to meeting their climate action goals. These facilities have successfully used blended finance models over the past decade to pioneer and scale-up financing of new technologies in climate-relevant sectors to crowd-in private sector investors.

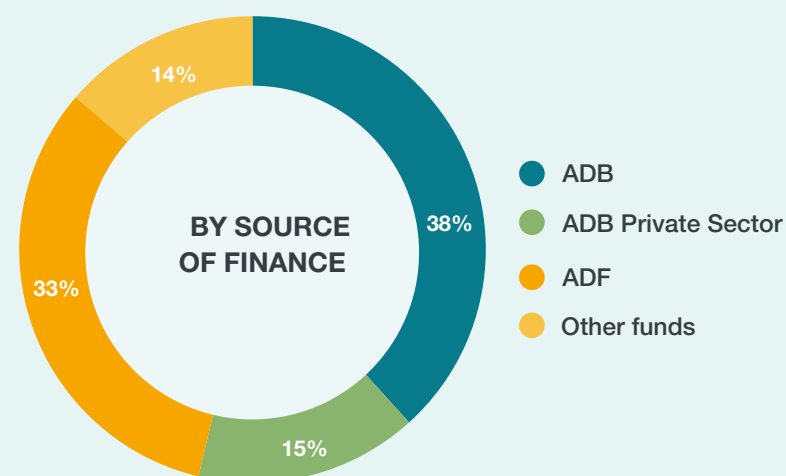
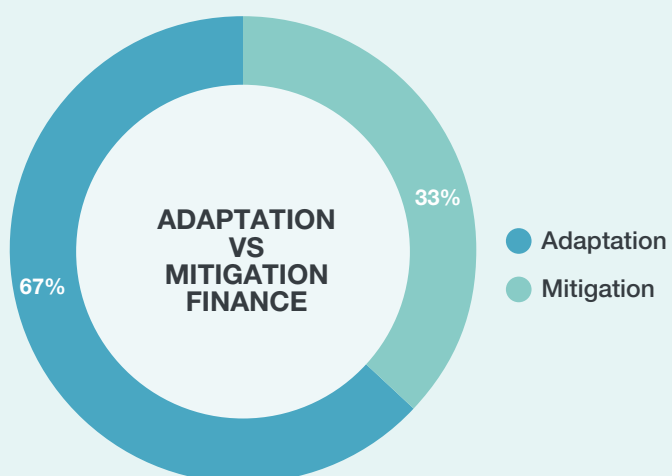
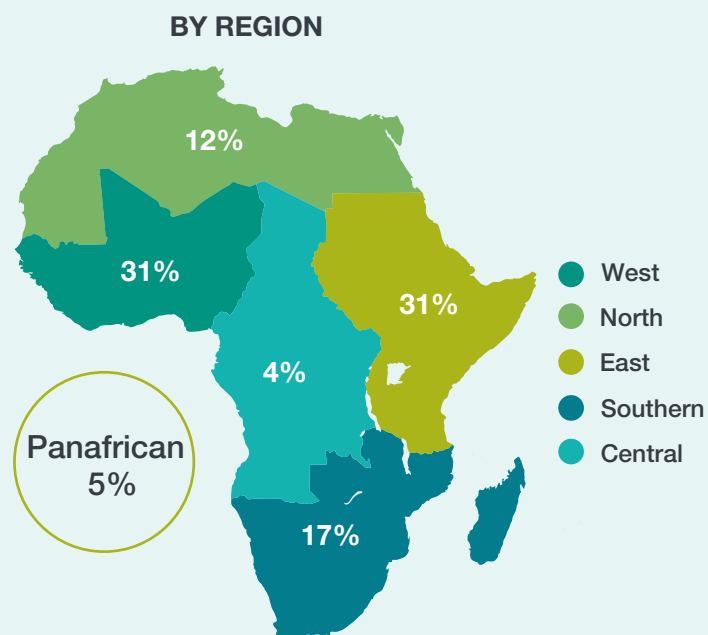
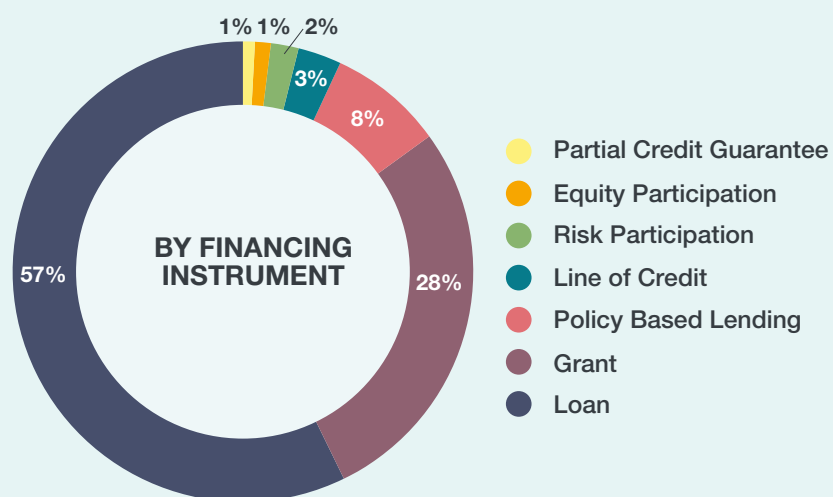
Private sector blended finance involves partnerships between public and private entities to invest in projects and businesses that have a positive social or environmental impact alongside financial returns. The primary goal of private sector blended finance is to catalyze investment in areas that may be considered too risky or unattractive by private investors alone. This is especially important in many climate-friendly technologies for which the track record is non-existent or limited, making it essential that risks can be shared by both parties.

Overall, mobilizing private sector finance for climate and green growth in Africa is essential for achieving sustainable development and mitigating the impacts of climate change. Governments, international organizations, and the private sector must work together to create an enabling environment for private-sector investments in climate-friendly projects. By doing so, we can unlock the potential of the private sector to drive climate action and support the transition to a low-carbon, resilient, and sustainable future for Africa. 



AFRICAN DEVELOPMENT BANK 2022 CLIMATE FINANCE







Offer financial instruments to reduce the risk and increase the attractiveness of investments

Public resources for climate action must be increased by taking into consideration subsidies on insurance premiums against climate hazards. This would reduce the riskiness of loans and encourage the private sector to invest more in the climate field.

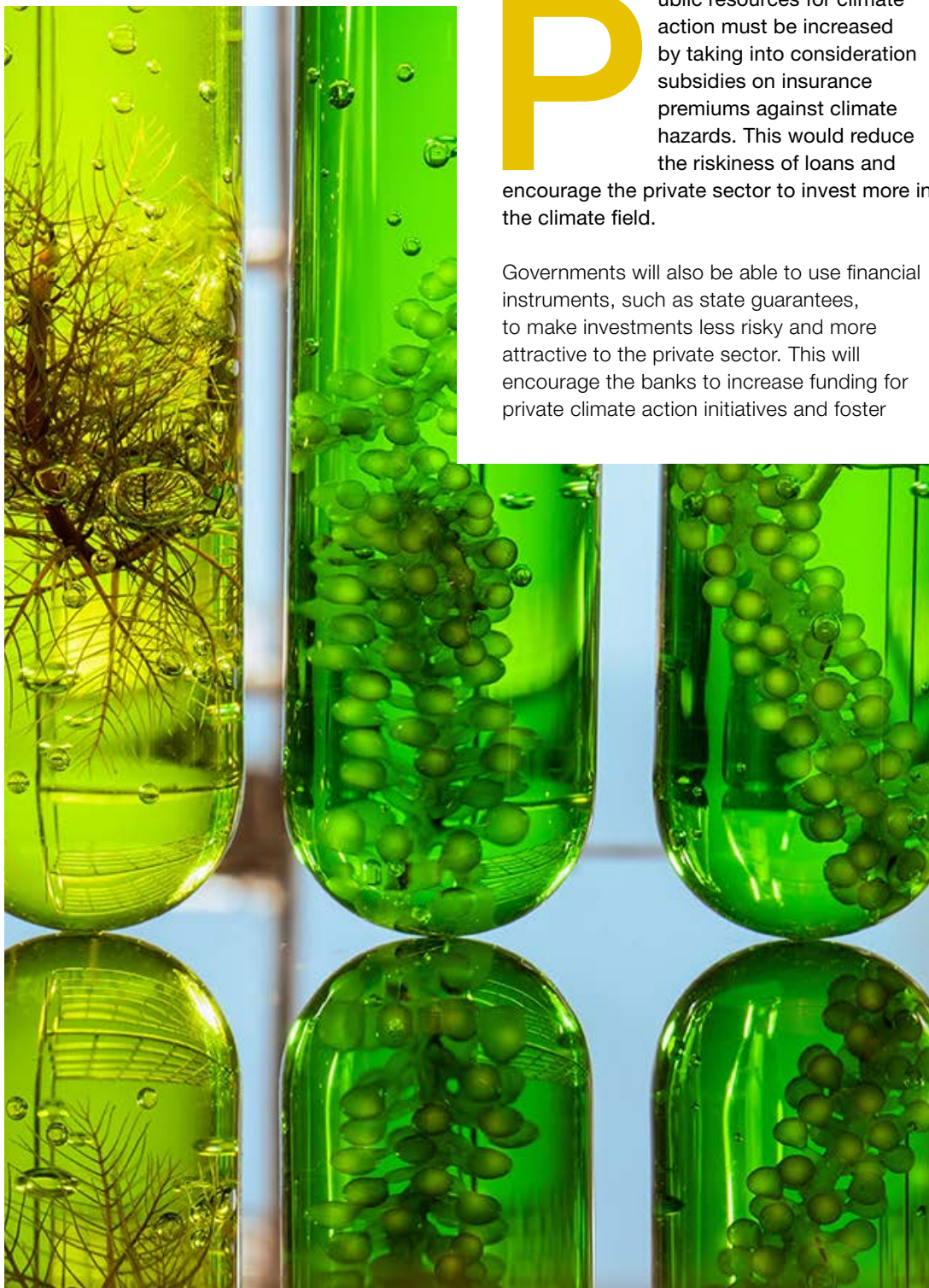
Governments will also be able to use financial instruments, such as state guarantees, to make investments less risky and more attractive to the private sector. This will encourage the banks to increase funding for private climate action initiatives and foster

public-private partnerships. We also need to invest in research to set up “marketable green products” that present viable business opportunities for the private sector. And lastly, consideration could be given to issuing green bonds to finance climate-related investments and investments in sustainable infrastructure.

Alternative finance sources for climate-change adaptation and mitigation in Africa

Debt-based climate finance contributes to increasing public debt levels. And excessive debt can lead to a risk of default. There is another risk from increasing the debt burden, in that it constrains the government in its other expenditures or in its revenues. Moreover, the debt burden can limit room for manoeuvre in respect of public investment, which is the driver of long-term growth. The debt burden is an unproductive expense that can directly crowd out public investment and indirectly, investment, through the tax burden required to pay it. The alternative is to strive to mobilize domestic resources for climate finance or to maintain the priority use of concessional resources for financing.

Policymakers should, as a matter of priority, finance projects that reduce carbon emissions by diversifying and expanding sources of finance and increasing incentives for private investors. In addition, as under the Kyoto Protocol, the so-called “clean development mechanism” could be implemented which generates carbon credits equal to emissions reduced or avoided. This will reduce emissions and attract low-carbon projects. Also, the issuance of green, or “climate” bonds, will support low-carbon projects and change to financial and prudential regulations to better integrate the carbon risk and promote low-carbon investments. Lastly, these actions can be combined with economic regulation using



economic tools such as duties, including those on the carbon content of imported products; markets for tradable allowances; public subsidies; carbon certificates, etc.

An enabling environment for private sector participation

Incentives for private investors must be increased. Governments should also use financial instruments, such as state guarantees, to make investments less risky and more attractive to the private sector. This will also encourage banks to provide more funding for private climate action initiatives. We also need to invest in research to set up “marketable green products” that give the private sector viable business options. In addition, we need to improve the number and quality of partnerships with the private sector, through regular dialogue and improved tools and guidance on key climate finance issues.

We need to promote sustainable modes of consumption and production, to reduce the pressure on the environment from human activities. This means using services and products that meet basic needs, while reducing the quantity of natural resources and toxic materials used, together with the quantities of waste and pollutants, to meet the needs of future generations. It means, for example, investing in biofuels and green technologies, along with less-polluting means of transport.

The development of resilient cities requires the strengthening of the legal framework by implementing regulations on land use, town-planning policies, construction codes, environmental and resource management, and health and safety standards. Improving the sustainability of infrastructure would also reduce its environmental impact.

The role of development finance institutions

These institutions should support African countries to mobilize resources for climate finance by promoting the deployment of green finance on the continent, enabling local financial institutions to develop green projects and facilitating their access to resources. For example, implementation of the African Green Bank initiative launched by the African Development Bank will stimulate the promotion of resilient, green and sustainable growth. 



ABOUBAKAR NACANABO

Minister of Economy, Finance and Planning

Bio

An expert in international taxation, Aboubakar Nacanabo has been Minister of Economy, Finance and Planning since October 2022. He holds a doctorate in management science from IEAM-Paris. As a tax inspector, he has held several high-level positions in the Tax Directorate since 2007. He also served as Head of the Rapid Response Service at the African Tax Administration Forum, where he chaired the Technical Committee on Cross-Border Taxation. Author of publications that are references on accounting and taxation, Mr Nacanabo has served as government commissioner to the National Order of Auditors and Chartered Accountants of Burkina Faso.



Strengthening human resources and building institutional capacity

Many country, Burundi, is increasingly vulnerable to the impacts of climate change. Its effects are having a severe impact on the population, more than 90% of whom earn their living from agriculture. Burundi has adopted a mitigation strategy focused on the national sectors most affected by climate change, namely agriculture, infrastructure, transport, and energy. The country has a rich natural capital comprising 504,116 hectares (17.5% of the national territory), 8.65% of which consists of forest ecosystems and 9.46% of which

are aquatic and semi-aquatic ecosystems. It could put this to good use to contribute to climate funding and green growth. The country's natural attractiveness represents an opportunity to mobilize private investment in the tourism sector—revenue from which accounted for 4.3% of GDP in 2019—through the development and management of tourist sites by private operators. In addition to these benefits, ways of mobilizing investments from the private sector would focus on promoting new technologies for producing and using clean energy, using electric vehicles in transport, promoting public transport, and creating pedestrian footpaths and cycleways. The parts of the private sector that generate

emissions could also be taxed to support mitigation initiatives. Green bonds, green loans, sustainable bonds and bonds or loans linked to sustainable development and the energy transition are needed to reduce the risks of private-sector investments.

Alternative funding sources for climate change adaptation

Climate funding in the form of debt significantly limits the country's capacity for strengthening its climate resilience. According to 2020 data, Burundi's carbon footprint is just 0.05 tonnes of CO₂ per inhabitant, which is very low compared with that of developed countries. Based on the updated social cost of carbon for Burundi, the estimated carbon credit is USD5,283.81 per inhabitant. This means the country should receive USD69.21 billion. Yet Burundi—like most African countries—receives less climate funding, despite not being a significant emitter. Most funding is, in fact, directed to emitting countries, thus worsening the situation. Total costs of loss and damage due to climate change for Burundi are USD1.1 billion.

First, funding solutions would involve making emitting countries pay for the damage caused to Burundi—this is climate justice. Next, debt relief for climate protection, from which Burundi has not yet benefited and which is an asset that can be exploited. Finally, Burundi can capitalise on its rich natural potential to contribute to climate funding and green growth through debt agreements to support biodiversity, thus benefiting from a double dividend, combining environmental protection and improving the sustainability of its public debt.

Achieving green growth

Political decision-makers need to encourage investment in strengthening human resources and building institutional capacity in the management of public finances. They need to allocate sufficient reserves to fundable, high-quality projects appropriate to each source or new or innovative climate-funding mechanisms. They also need to encourage the implementation of climate action involving goods, services and the local or at least national labour force. Finally, they must develop appropriate mechanisms to mobilize national resources to fund climate resilience and the energy transition.

Burundi's overarching strategy is to “transform the structure of the Burundian economy to drive

green, strong, sustainable, inclusive growth that creates decent jobs for all and improves the well-being of society.” As indicated in the African Development Bank’s African Economic Outlook 2022, strengthening climate resilience implies synergies that generate significant shared mitigation benefits. Examples of policies to strengthen climate resilience include, among other things, climate-smart agricultural practices, inexpensive but effective technologies, including water collection and small-scale irrigation techniques, land and water conservation and management strategies, and minimal or no-till agricultural strategies with high net yields for farmers, which can be even higher if they adopt complementary technologies.

The system of governance needs to be improved to make climate funding attractive for the private sector. Burundi has liberalized the power generation sector to attract private investment and promote the production of green energy. The government has also set up a structure responsible for stimulating and structuring public-private partnerships, mainly to fund major road and energy infrastructure projects.

Burundi’s success stories

Despite an institutional framework that supports the attractiveness of green climate funding, Burundi has not yet generated sufficient funding of this kind from the private sector. However, there have been a number of remarkable achievements. The private sector is currently participating in the construction of a hydroelectric power station, which would make clean energy available to the population while contributing to the achievement of the country’s mitigation targets; the commissioning of a 7.5 MW photovoltaic power station providing 10% of the country’s electricity; the plan to build the regional Ruzizi III hydroelectric power station with an installed capacity of 147 MW, with USD641 million in funding provided as part of a public-private partnership with the World Bank, the German financial institution KfW, the European Investment Bank, the European Union and the French Development Agency. This is a private green funding agreement, organized by Burundi, which is one of the three beneficiaries, along with the Democratic Republic of the Congo and Rwanda. ⁶⁰

> > More on www.afdb.org



AUDACE NIYONZIMA

Minister of Finance, the Budget and Economic Planning

Bio

Audace Niyonzima, Burundi’s Minister of Finance, Budget and Economic Planning, graduated from the University of Yaoundé II in Cameroon in 2002 where he earned an advanced degree in economics. From 2003 to 2017, he held a series of positions at the Bank of the Republic of Burundi, serving as an economist, as Director of the Monetary and Financial Market Department, and as Director of the Economic Studies Department. He was subsequently appointed Commissioner-General of the Burundi Revenue Office in 2017, First Deputy Governor of the Central Bank in 2021, and to his current position in 2022.



Bio

Alamine Ousmane Mey graduated in engineering from the North Rhine-Westphalia Technical University of Aachen, Germany. In 1993, he joined the CCEI Bank, which later became the Afriland First Bank, serving as its Chief Executive Officer from 2003 to 2011. In 2011, he was appointed Minister of Finance of Cameroon. In 2016, Alamine Ousmane Mey was awarded the IC Publications African Banker prize for African Finance Minister of the Year. Since 2018, he has been Minister of the Economy, Planning and Regional Development.



**ALAMINEOUSMANE
MEY**

Minister of Economy, Planning and
Regional Development

Human capital development and private-sector finance mobilization: the essential combination for climate and green growth

Underlying the complex issue of climate change and green growth in Africa is a double paradox. African countries are the least responsible for greenhouse gas emissions and the most exposed to climate change. This situation is made more difficult by the barely 3% of the global of green financing these countries secure. Their ever-increasing needs are estimated at around USD2.8 trillion by 2030.

In addition, African countries lack control over the mechanisms for mobilizing climate and green growth finance. Combined with technological disadvantages, this could condemn African countries to the status quo.

These factors are located upstream and downstream of the chain. Many African countries find it difficult to mobilize green funds, which is probably the least critical part of the problem. Another question is whether the current state of knowledge, local skills, research, science, innovation and technology make it possible to absorb this funding to service projects capable of triggering the structural transformation of African economies. Agenda 2063 and Pillar 3 of the African Development Bank's Ten-Year Strategy 2013-2023 make Africa's industrialization a major priority to which climate finance should contribute.

Against this background, to the issue of human capital development requires


particular attention. This includes education, knowledge management, science, technology and innovation. Whether it comes from the public or the private sector, the end purpose of finance is to serve development. And development is supported and underpinned by research and innovation, which will determine Africa's industrialization and the structural transformations of our economies.

Developing knowledge and skills

The wealth of modern, developed nations depends less on the availability of natural and financial resources than on the quality and quantity of human resources. This means that developing people's knowledge, skills and health determines their contribution as productive members of society. Human capital is fundamental for the structural transformation of African economies.

The successful diversification of our sources of financing and the mobilization of climate and green growth finance requires adequate human capital. One option is to use the private sector, particularly through strengthening a favourable ecosystem that encourages foreign direct investment, as well as making full use of the domestic banking sector. Public-private partnerships and Islamic finance also have their part to play. This is an opportunity to commend the African Green Facility Fund, the African Development Bank Group's innovative initiative

with USD1.5 billion in funding to foster the emergence of an ecosystem of eco-responsible financial institutions on the continent.

In summary, the central equation is the promotion and development of human capital in Africa in a context of rapid change and sustained competitiveness. Through innovation and technological development, the issues of climate and green growth can find relevant answers. The mobilization of private-sector financing must complement public action and support education and entrepreneurial systems that catalyze innovation and propel Africa towards industrialization, driven by strong, sustainable and inclusive growth. 

Human capital is fundamental for the structural transformation of African economies.



Tackling a confluence of crises

Today's confluence of crises—including the compounding effects of the Covid-19 pandemic, heightened fragility and insecurity, Russia's invasion of Ukraine, and an increased number of natural disasters—has undermined progress toward the UN Sustainable Development Goals across Africa and has increased the vulnerability of the least developed countries.

Canada remains committed to working in partnership with African Development Bank to respond to these challenges and to support its efforts to promote green and inclusive growth, climate-informed development and resilience in Africa.

Food insecurity is perhaps the most pressing problem facing the continent today. The rapid rise in the price of food and agricultural inputs following Russia's invasion of Ukraine and persistent drought linked to climate change means that at least one in five Africans goes to bed hungry. The Bank Group has a central role in tackling this issue and Canada is ramping up its support to address the interlinked challenges of food security and climate change on the continent.

Here, mobilizing the private sector is critical. The financing gap related to global climate action needs can only be bridged through a combination of public and private sector investments. Canada is pleased to play a significant role in deploying innovative financing tools in this regard and collaborating with the Bank as a convenor and facilitator to enable this approach to take root.

Doubling Canadian commitment to international climate finance


Canada is doubling its previous commitment to international climate finance to USD5.3 billion over

five years, including increased funds for adaptation and biodiversity. We also implemented the Canada-African Development Bank Climate Fund with an investment of USD133 million, the USD100 million Agri-SME Catalytic Financing Mechanism and are crowding in private capital to the continent through FinDev Canada. FinDev's portfolio in sub-Saharan Africa totals USD263 million, including over USD121 million to support climate action, food resilience and financial services.

Canada has made advancing gender equality a priority through our Feminist International Assistance Policy. We firmly believe that investing in women and girls is key to reduce poverty and inequality across the continent. By unlocking the potential of women, girls and youth, African countries can rise to today's challenges and deliver strong, sustainable and inclusive growth over the longer term. Canada will continue to expect deeper integration of gender equality, intersectionality, and diversity considerations into Bank programming.

Canada appreciates the Bank's progress in implementing the G20 Capital Adequacy Framework Report recommendations. We support the Bank's continued ambitions and actions in this area, as access to increased levels of funding is critical to achieving the UN Sustainable Development Goals. We encourage the Bank to continue to innovate to maximize its development impact and resilience across the continent, while supporting the most vulnerable groups.

We also encourage the Bank to continue its progress toward developing approaches to foster peace and long-term stability on the continent.

Canada is an active supporter of the African Development Bank. We value our shared vision of a prosperous Africa, and we look forward to continuing our close partnership, in solidarity with our multilateral partners at the Bank, to achieve this vision. 

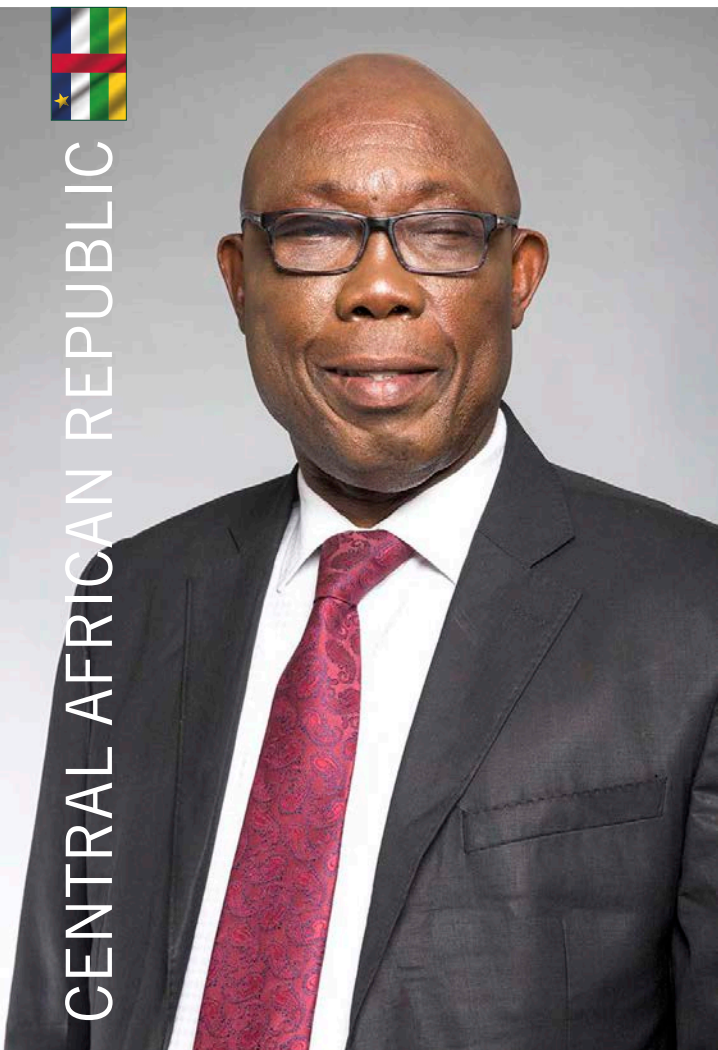
HARJIT S. SAJJAN

**Minister of International Development
and Minister responsible for the Pacific
Economic Development Agency**

Bio

Harjit S. Sajjan was first elected as Member of Parliament for Vancouver South in 2015 and previously served as Minister of National Defence from 2015 to 2021. Minister Sajjan immigrated to Canada from India with his family when he was five years old and grew up in South Vancouver where he benefitted from the area's diverse and culturally rich community. Minister Sajjan has made serving others a cornerstone of his life. He is a former detective with the Vancouver Police Department, a former Lieutenant Colonel with the British Columbia Regiment and a long-time advocate for youth education and mentorship programs.





FÉLIX MOLOUA

Prime Minister, Head of Government and Minister of the Economy, Planning and International Cooperation

Bio

Félix Moloua has been serving as the Prime Minister and Head of Government of the Central African Republic since 2022. In addition, he has held the position of Minister of the Economy, Planning, and International Cooperation since 2021. Previously, he held ministerial status overseeing the economy from 2016 to 2021 and served as the Office Head at the Economy Ministry from 2007 to 2013. Félix Moloua trained as a mathematician and demographer, graduating in 1995 from the Demographic Training and Research Institute (Yaoundé II, Cameroon) with a postgraduate diploma in demography. His began career in the Technical Directorate of the Central Census Office. From 2006 to 2013, he was First Deputy Director, then Director of the Bank of Central African States.

Government setting up a National Climate Fund

Climate change represents an investment opportunity of \$3000 billion for Africa. Up until now, climate financing has predominantly been directed towards the public sector. However, in the future, a significant portion of financing for climate transition could originate from the private sector. What innovative approaches do you see for mobilizing private sector investment to meet the needs of climate action?

Least developed countries (LDCs) such as the Central African Republic (CAR) are highly vulnerable to the adverse effects of climate change but have great difficulty mobilising funds to address the problem. However, there are various innovative possibilities for mobilising private sector investment. They include integrating natural capital accounting into national policies and planning; increasing readiness for carbon markets and results-based financing of climate action; developing country roadmaps to mobilise climate action financing and carbon markets; and facilitating investment opportunities to mobilise the public and private sectors. Also our

various national banks need to be able to gain accreditation with climate funds more easily. Finally, the Delivery Partner and Direct Access modalities offered by the procedures of the Green Climate Fund for direct management of major project resources by national institutions have not yet been tried out by CAR. We could make more use of opportunities for mobilising resources through these modalities, as well as encouraging indirect access by national institutions.

A large part of the climate financing received by African countries is in the form of debt. What impact does this have?

The impact for LDCs is considerable and our country has reservations about this type of financing. The climate-related development financing, which is provided as part of official development assistance, is based on OECD methodology. A three-value rating system is used, where climate activities are "marked" as either "main", "significant" or "non-existent". According to this nomenclature, climate-related development funding in the CAR targeting the United Nations Framework Convention on Climate Change as a "main" objective represents 9%, while 56% is considered significant and 35% includes climate components. This funding comes from the 2000-2020 period, largely from multilateral instruments such as the European Union, the World Bank, the International Fund for Agricultural Development (IFAD) and the African Development Bank. Bilateral funding, which is non-negligible, comes mainly from France, Germany, Sweden, Japan and Belgium. Subsidies account for 99% of this funding (only 1% is debt), reflecting efforts by CAR to mobilise financial resources other than loans. Putting this in a global context: according to OECD figures released in 2022, loans accounted for 71% of public funding to combat climate change in 2020 (\$48.6 billion, a large part of which is non-concessional), while only 26% (\$17.9 billion) were subsidies. Widespread use

of non-concessional climate loans could be risky for developing countries such as the CAR, which would be forced to increase their debt burden in order to respond to a climate crisis for which they bear little responsibility.

Solving the climate finance problem is not just a matter of boosting financial flows to low-carbon projects. It also requires a reduction of investment in high-carbon activities. How can policy-makers combine these actions to achieve green growth in Africa?

The CAR has ratified the United Nations Framework Convention on Climate Change and other related instruments. The CAR also supports processes and projects aimed at reducing greenhouse gas emissions caused by deforestation and forest degradation, promoting sustainable forest management, conserving biodiversity and increasing carbon stocks. The Central African government is giving concrete expression to this commitment by strengthening its legal instruments for the sustainable management of natural and environmental resources in order to adapt to new international environmental requirements, particularly on carbon issues. In this context the government is working with the private sector to set up carbon monetisation projects, which can fill gaps in funding for climate action.

What successes does your country have to its credit under the heading "Mobilising private sector financing for climate and green growth in Africa"?

One example is signing of the management agreement between the government of the CAR and the African Parks network for implementation of the carbon monetisation project at the Chinko conservation area.

The Central African government is currently setting up a National Climate Fund. Given

the uncertainties associated with the clean development mechanism under the Paris Agreement and the difficulties encountered by developing countries in connection with this mechanism, the CAR's National Climate Fund could focus on the voluntary market, either by facilitating access for national entities (particularly civil society and community organisations), or through a sectoral approach where credits are allocated to the government, which could export them on the international market through the mechanisms established under Article 6 of the Paris Agreement in order to bring in investments and contributions from the conditional share of the Nationally Determined Contribution.

The main stages of implementation are:

- **choice of voluntary market option(s);**
- **establishing the reference scenario for which the credits are issued, to ensure additionality of the credit-funded activities;**
- **if necessary, creating domestic demand for carbon credits through a carbon tax, which would allow carbon credits to be used to reduce the tax burden of emitters or as a means of carbon tax payment. This incentive could help to strengthen domestic resources ;**
- **develop a strategy for exporting credits. In case of a sectoral mechanism, credits that have been generated but not used at national level could be registered and exported under Article 6.2 of the Paris Agreement. Where projects and programmes are not linked to a domestic mechanism, registration could be envisaged through Article 6.4.**

> > More on www.afdb.org



MOUSSA NATAL SALEH-BATRAKI

Minister of Economic Forecasting
and International Partnerships

Bio

Moussa Natal Saleh-Batraki is an expert in development and security issues and a graduate of the Institut d'études politiques de Bordeaux. He spent most of his career as a senior manager in United Nations agencies before being called to serve his country in the context of the ongoing political transition. He served as a technical advisor to the Head of State before joining the government as Minister of Land Affairs, Housing and Urban Planning. He has headed the Ministry of the Economy since July 2022.

Green growth: tapping into Chad's enormous potential

Climate issues and their consequences are a reality that Chad has long experienced unfortunately. Last year, heavy rainfall led to flooding with devastating effects for our people: 18 of the country's 23 provinces were affected, leading not only to population displacement, but also to considerable damage to infrastructure and agricultural land.

Agriculture is a key sector of Chad's economy and the primary area in which the country faces climate challenges, including land degradation and desertification among other negative consequences. The Government of Chad, through its responsible agricultural policy, plans to promote the adoption of sustainable agricultural practices including agroforestry, water management and soil conservation. This will help the country improve its agricultural productivity while at the same time preserving the environment.

The National Development Plan currently being completed focuses on climate action and green growth. It considers the country's economic, social and environmental needs. It plans to invest substantially in renewable energy as it has enormous potential, particularly in solar and wind energy. The issue of energy is at the heart of the development mechanism being taken forward by the highest authorities of the transition. To

fill the gap, several clean-energy projects are underway or are seeking funding.

Using innovative mechanisms

The National Development Plan also considers other parameters, namely the development of sustainable transport, the adoption of circular economic practices, the strengthening environmental policies and institutions, etc. In focusing on climate action and green growth, the Chadian government will stimulate economic and social development while preserving the environment and tackling climate change. This can only be achieved through significant investments in climate action by the private sector and institutional partners.

The Government of Chad intends to use innovative mechanisms to mobilize resources. For example, Chad may request green bonds. These financial instruments will enable the government and companies to raise funds to finance projects related to the fight against climate change. Let us not forget the successful public-private partnerships that facilitate collaboration to finance projects related to climate action. Our government stands ready to provide political and regulatory support, while businesses can provide financial and technical resources.

Chad is ready to welcome the various innovative ways available to mobilize investment for climate action. To this end, Chad has equipped itself with the means to create an environment conducive to private investment. Clear, stable policies and regulations have been put in place to ensure transparency and accountability in the management of the funds mobilized to achieve the goal of economic and social development for the benefit of our people. 

**The Government
of Chad intends
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For example,
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MZÉ ABDOU MOHAMED CHANFIOU

Ministry of Finance, Budget and Banking Sector

Bio

Mzé Abdou Mohamed Chanfiou is an economist by training. After his post-graduate studies in the management of banks and financial institutions, he spent his entire career working at the Central Bank of the Comoros where he held the posts of Director of Research, Vice-Governor and Governor. Before being appointed as Minister of the Economy and then Minister of Finance, Budget and the Banking Sector, Mzé Abdou Mohamed Chanfiou successfully coordinated the work of the Comoros Development Partners Conference that was held in Paris in December 2019.



Unleashing the potential of the Comoros through energy and agriculture

The Union of the Comoros is particularly vulnerable to climate change, which threatens people's livelihoods and hinders sustainable development. Although the Comoros' greenhouse gas emissions are negligible at the global level, the country is willing to contribute to the international effort to combat global warming by pursuing its objective of being a carbon sink and promoting sustainable development. With this in mind, the government has committed to respecting international agreements to combat climate change and revised its Nationally Determined Contribution in 2021 to intensify its ambitions to reduce greenhouse gas emissions.

In the Comoros, climate finance usually comes from multilateral institutions, together with funding for projects with climate change components from development partners. However, this funding falls short of the country's needs, in both quantity and quality. Indeed, the annual climate-finance funding gap is estimated at 40% of needs and some climate finance is received in the form of debt, which risks worsening the macroeconomic situation of the country, already at a high risk of over-indebtedness. In a context of multiplying crises and



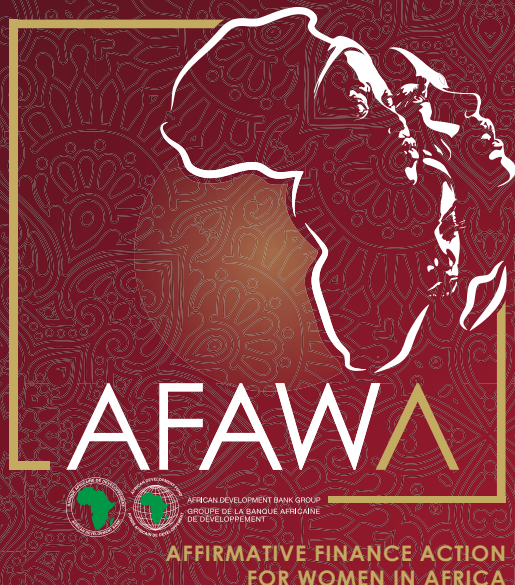
dwindling resources, it is vital that private finance be mobilized to fill this climate finance gap.

Solar power plants to reach remote villages

Energy has been identified as one of the sectors with significant mitigation potential, through transitioning to renewables. In the Union of the Comoros, electricity produced using imported fossil fuels is expensive and the country is well on its way to mobilizing foreign and domestic private developers to finance solar power plants. Solar power plants seem the most appropriate way to meet the needs of scattered, modest-sized villages, and to take account of the potential of a country that has 1,800 hours of sunshine per year. Solar energy is much cheaper, and its price is stable. Developers' enthusiasm is a product of the liberalization of electricity production

and the commitment of the national electricity-distribution company to buy the electricity produced and, in certain cases, to feed it into the electricity grid. A solar power plant with an installed capacity of 4 megawatts-peak would save the country \$3 million per year on the purchase of diesel oil and would reduce greenhouse gas emissions by 6,240 tonnes of CO₂ equivalent.

Other sectors such as agriculture, which have been most affected by climate change, but which receive little in adaptation funding, remain open to private finance, as does the exploitation of the country's exceptional natural capital through the development of ecotourism and the blue economy. The requirement now is for development finance institutions, such as the African Development Bank, to support the country to create an economic environment conducive to investment, reduce structural constraints and develop a new and innovative climate finance mechanism. ^{GD}



AFAWA
hits **\$1 billion**
investment
milestone in
lending to **women**
entrepreneurs
in **Africa**



Africa can secure its long-term economic growth

Africa's Macroeconomic Performance and Outlook (MEO) Report is the latest addition to a suite of the Bank's flagship publications. The MEO, to be released in the first and third quarters of each year, complements the African Economic Outlook, the Bank's annual flagship publication.

It provides African policymakers, global investors, researchers, and other development partners, with a real-time, evidence-based assessment of the continent's macroeconomic performance and short-to-medium term outlook against a backdrop of dynamic global economic developments.

The inaugural edition of the MEO was officially launched on January 19, 2023, in the face of significant global and domestic shocks such as the COVID-19 pandemic, climate change, and geopolitical tensions and conflicts, which threaten to undermine the continent's progress towards restoring macroeconomic and social stability and sustainable economic recovery. The findings of the report have reinvigorated the need for bold reforms in regional member countries' national development and economic recovery plans.

Africa continues to demonstrate resilience amidst multiple shocks with all but one country maintaining positive growth rates in 2022. The report also stated that Africa's growth rate averaged 3.8% in 2022 with a stable outlook averaging about 4% in 2023 and 2024. The projected growth for the medium term is higher than the global average of about 3%.

Importantly, five African countries that were growing above 5% prior to COVID-19 – Benin, Côte d'Ivoire, Ethiopia, Rwanda, and Tanzania – are projected to post an annual Gross Domestic Product growth of more than 5.5% in 2023-24 and could return to the list of the world's top 10 fastest growing economies. However, this welcome recovery and the economic resilience of African economies come with cautious optimism given the persistent and overlapping global shocks.

Bold policy actions are needed

Sustaining the recovery and consolidating the gains are paramount to poverty reduction and improved livelihoods. The report therefore advocates for bold policy actions at national,

regional, and global scales to help African economies mitigate the confluence of multiple risks.

It is crucial that countries prioritize and accelerate the implementation of structural reforms to enhance government-enabled private sector industrialization in key sectors such as agriculture and agribusiness; climate-smart and just energy transitions; value chain development in natural resource sectors, especially in minerals for green development; quality health care infrastructure and pharmaceutical industries; digitalization and e-governance, and more.

Thus, policy recommendations include, inter alia: i) a strategic mix of monetary, fiscal and structural policies to curb inflation and spur growth while protecting the most vulnerable populations and economic sectors; ii) strategic industrial policies to correct market failures, drive an export orientation, and encourage healthy competition in key sectors. In addition, African governments must implement policies to boost regional trade within the ambit of the African Continental Free Trade Area, to enhance resilience to spillovers from the global economic slowdown and scale up the mobilization of domestic resources and leverage private sector financing for development and climate change. 



PROF. KEVIN C. URAMA
Vice-President and Chief Economist
Economic Governance and Knowledge
Management Complex



Bio

Nialé Kaba joined the government of Côte d'Ivoire as Minister of Housing in 2011 and between 2012 and 2016 was the country's first female Minister of the Economy and Finance. She has been the Minister of Planning and Development since 2016. After teaching macroeconomics at ENSAE Paris, she became the Prime Minister's chief of staff and held several other public service roles, including Managing Director of Côte d'Ivoire Tourism. BrazilAn engineer specializing in statistics and economics and a graduate of CESD-Paris, Nialé Kaba also holds a postgraduate degree in International and Development Economics from the University of Paris I-Panthéon Sorbonne and a diploma in economic management from the IMF Institute.

NIALÉ KABA

Minister of Planning and Development

Governments have an important role to play

The private sector can play a key role in achieving the United Nations' Agenda 2030 and the African Union's Agenda 2063. It could contribute to achieving SDG 13 on the climate crisis by promoting green technological innovations and the sustainable management of major projects that incorporate environmental protection.

There are numerous private sector investment opportunities that could help our countries adapt to the consequences of climate change. To take one example, investments may be needed in the agricultural sector to develop irrigation technologies and produce organic fertilizers using renewable energy sources. Similarly, the drinking water supply is another opportunity for investing in green water purification and treatment technologies.

However, the private sector faces multiple obstacles that prevent it from playing its full part in combating climate change. These include a lack of capacity for evaluating and managing climate risks in supply chains, and a limited grasp of the opportunities that a decarbonized economy could offer. Unfortunately, a limited understanding of the green economy ecosystem seriously hinders investments associated with combating climate change. This gap does not favour developing and structuring appropriate financial products.

States therefore have a key part to play in funding resilient, low-carbon, flagship

infrastructure projects. Public intervention may be necessary in places where markets do not operate in a way that encourages private-sector investment.

Accreditation by the Adaptation Fund has been achieved in Côte d'Ivoire through the Interprofessional Fund for Agricultural Research and Advice (FIRCA), with the aim of strengthening the system of climate action transparency. This accreditation allows FIRCA to access more opportunities for funding that are relevant to adaptation and to mitigation projects.


Multiplying financial incentives

Governments can use financial incentives such as tax relief, risk guarantees and public contracts to motivate private sector actors to invest in new products that can support climate change adaptation. They can also introduce green regimes, such as ecotaxes, deductions, royalties, and rights to generate funds offering financial support for climate risk evaluations, advisory services, and start-up or seed funding for new products and services.

Moreover, governments have an important role to play in producing and sharing robust climate information with private sector actors.

States should also instigate measures to create and maintain a favourable political environment for private sector climate investments. Political reforms of this kind could support measures such as help with gradually eliminating fossil-fuel

subsidies, which would increase the profitability of investments in clean energies and the creation of trading tariffs for specific renewable energy technologies. More generally, support of this kind encourages the creation of new markets and institutional and technical capacities essential for partner states to mobilize and maintain green investments over time.

In conclusion, African states should implement measures to increase the resilience of private sector businesses so that they can manage the effects of climate change throughout their supply chains. It is essential that the private sector play its part in promoting a decarbonized green economy. The survival of Planet Earth depends on it. 

**Unfortunately,
a limited
understanding of
the green economy
ecosystem seriously
hinders investments
associated with
combating
climate change.**



DJIBOUTI



ILYAS MOUSSA DAWALEH

Minister of Economy and Finance in charge of Industry

Bio

Prior to joining the Government of Djibouti in 2011, Minister Dawaleh served as the CEO of a family-owned group of companies in Djibouti and abroad. He led the 2011 presidential campaign of the ruling party candidate, HE President Ismail Omar Guelleh, and was elected MP in 2013 as a member of the ruling party. Minister Dawaleh served as Head of Projects Management Office and as the Chief Operations Officer of the Port of Djibouti. He holds an MBA from the François Rabelais University of Tours.

Creating green economy opportunities for the private sector


As a coastal country with an arid climate, the Republic of Djibouti is particularly vulnerable to the effects of climate change, which include recurrent droughts, sporadic flooding and rising sea levels. The drastic consequences of climate change have fed into an increasingly precarious existence for people whose livelihoods are based on livestock and agriculture. Despite its very marginal contribution to global warming, Djibouti continues to participate in the global effort to combat climate change by implementing carbon-efficient programs and policies. With the aim of reducing greenhouse gas emissions by 40% by 2030, public authorities have in recent years adopted strategies to mitigate the impacts of climate change, to protect the environment and to sustainably manage resources.

Addressing climate-change risks requires the mobilization of significant financial resources, mainly in the form of funding from international development institutions and bilateral partners. The state's own budget resources struggle to cover the domestic requirements of donor-funded projects, and private-sector climate finance is still in its infancy in Djibouti. Energy, water, transport, industry, food security (smart agriculture) and waste management are priority sectors, offering green-economy opportunities with the capacity to interest private sector investors and funding, to mitigate the impacts of climate change. Strengthening legal, regulatory and incentive frameworks, as well as planning capacities of national institutions and relevant stakeholders, should ultimately lead to greater mobilization of private sector financial resources.

Focus on low-carbon technologies

In the energy sector, the government's strategy is based on low-carbon, climate-resilient technologies through the development of renewable energy. The first electricity interconnector with Ethiopia, opened in 2011, currently covers more than three quarters of the country's energy

needs. A new 60-megawatt wind power plant financed by an international consortium through an USD120-million public-private partnership will be launched in 2023. Construction of a 25-30-megawatt solar power plant in Grand Bara is due to start soon under a public-private partnership (Emirati private company, Djibouti Sovereign Wealth Fund and Djibouti Electricity).

Other priority sectors with potential to contribute to reducing the adverse effects of climate change are not currently mobilizing private-sector financing, requiring innovative financing mechanisms and instruments to mitigate vulnerabilities and implement adaptation measures in the relevant areas. The Djiboutian government has recently considered the possibility of establishing an environment and climate-change fund to support ongoing biodiversity and climate-change projects. 

66
**Strengthening
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Financing Green Growth in Africa



In recent years, developing countries have come under growing pressure to transform their economies into green economies. In Africa, climate change is considered one of the biggest threats to development, and its adverse impacts have been magnified by the Covid-19 pandemic and the implications of geo-political tensions. Unfortunately, the widespread and accelerating effects of climate change fall disproportionately on the poorest and most vulnerable.

According to the Climate Policy Initiative, Africa needs annual inflows of around USD277 billion to implement its Nationally Determined Contributions and meet its 2030 climate goals. Yet, it receives annual inflows of about USD30 billion. This investment gap amplifies the need for unlocking additional resources to build climate resilient economies in Africa.

As a prerequisite, the public sector is required to set clear strategies that support the green growth agenda, create data infrastructures to reduce information asymmetries, identify opportunities for private sector involvement, and prioritize sectoral needs.

Creating an accommodating enabling environment might not be enough. Although climate finance instruments vary by country, sector, and type of project, loans are the predominant funding vehicle in Africa. Currently,

debt accounts for more than half of climate finance, which increases already high debt vulnerabilities amid macroeconomic challenges facing emerging economies. Therefore, there is an urgent call for scaling up the alternative sources of climate finance and de-risking climate investments, to facilitate further financial flows.

Innovate solutions to bridge the climate finance gap

During its presidency of COP27, Egypt worked tirelessly with all stakeholders to innovate solutions for the climate finance gap. This has resulted in a number of finance-related initiatives that mainly target capitalizing on global coalitions in order to improve quantity and quality of climate finance contributions, incentivizing private sector investments and crowding in PPPs, maximizing knowledge sharing and capacity building endeavors, reducing the cost of green borrowing, alleviating debt burdens, increasing access to clean energy, and ensuring investments in renewable hydrogen projects.

I would like to encourage all African nations to explore further collaborations and means aimed at utilizing these initiatives to deliver a better future for the upcoming generations in Africa. Some of these initiatives include Food and Agriculture for Sustainable Transformation, Decent Life Initiative for a Climate Resilient Africa,

Friends of Greening National Investment Plans, Reducing the Cost of Green and Sustainable Borrowing, Sustainable Debt Coalition, Africa Just and Affordable Energy Transition, and Global Renewable Hydrogen Forum.

In Egypt, we have the strong conviction that the banking sector, the backbone of the economy, should play a pivotal role in spurring transformation process. Accordingly, the Central Bank of Egypt has demonstrated strong commitment to developing a more sustainable banking sector through:

- **Building its own capacity through the membership of multiple organizations, such as the Network for Greening Financial Systems (NGFS), the Sustainable Banking and Finance Network (SBFN) and the European Organization for Sustainable Development (EOSD).**
- **Releasing the Sustainable Finance Guiding Principles, which pave the way for banks towards a steady transition to more sustainable practices.**
- **Conducting the Sustainable Finance Gap Analysis to assess the sector's current stance, identify the challenges and opportunities in adopting sustainable practices and to inform the policy-making process. And**
- **Issuing Binding Regulations on Sustainable Finance, which aim at integrating sustainability and sustainable finance within the banking sector's DNA.**

In addition, we cannot ignore the role of DFIs, MDBs, and climate funds as the largest source of public climate finance in Africa. Their role is indispensable in maintaining the private sector investors' confidence through their contributions in the mobilization of private finance and the de-risking process of projects. Development partners also have an increasingly central role in supporting the objectives on national development plans emphasizing the Sustainable Development Goals. Their strategies are of the utmost importance in ensuring that the current and future vulnerability of African economies are addressed optimally.

Finally, as the Governor of Egypt for the African Development Bank and the Chairman of the Board of Governors, I am eagerly looking forward for the active engagement and collaboration of the esteemed Governors and policymakers throughout the 2023 AfDB Group's Annual Meetings in Sharm El Sheikh. 



HASSAN ABDALLA

Governor of the Central Bank of Egypt

Bio

Hassan Abdalla was appointed as the Governor of the Central Bank of Egypt on 18 August 2022, and currently serves as Chairman of the Union de Banques Arabes et Françaises. Prior to joining the central bank, he led a boutique investment advisory and private equity firm. From 2002-2018, Abdalla served as Vice Chairman and Managing Director at the Arab African International Bank and on the boards of the Central Bank of Egypt, the Egyptian Stock Exchange, the Information Technology Industry Development Agency and several other financial institutions. He also chaired the Middle East, Far East and Africa regional committee of the International Capital Market Association.



Far-reaching institutional and budgetary reforms are expected

FORTUNATO OFA MBO NCHAMA

Minister of Finance, Economy and Planning

While Africa is recovering from the Covid-19 pandemic, it remains severely affected by the triple crisis of debt, climate change

and the loss of nature. In terms of climate change, African countries are among the most vulnerable in the world. Rising sea temperatures and levels, changing rainfall patterns and increasing occurrences of extreme weather events threaten these countries through their effects on human health and safety, food and water security and socioeconomic development across the whole of Africa.

Mitigating the negative impacts of climate change and maximizing any opportunities offered by these changes through low-carbon economic growth requires institutional and budgetary reforms on a vast scale, along with increasing the financial commitments of development finance institutions and an effort by states and the private sector.

Thus, to effectively combat climate change and support their adaptation action plans, African countries, with the assistance of technical and financial partners, have adopted a number of financial instruments including the financing of general-purpose debt tied to key performance indicators related to climate and nature. Thus, for heavily indebted African countries, one

solution could be a debt conversion or swap against climate and nature; and for less indebted countries with good market access, it could be general bonds tied to climate and nature (performance guarantee for climate and nature). Benin issued the first SDG-linked performance guarantee in Africa, for €500 million, and Ghana did so for a USD2-billion social and environmental performance guarantee. African governments are increasingly asking for such instruments, but for this approach to be successful, Africa's main creditors, including China and the private sector, must commit to it, with the support of the G20, the United Nations, the IMF, the World Bank and the African Development Bank.

Support environmentally friendly growth

The use of these innovative instruments has, so far, been confined to the public sector and, since adaptation to climate change requires considerable funding, the private sector contribution to the promotion of innovation and financing is fundamental for supporting environmentally friendly growth. The private sector is very aware of the risks of climate change and is seeking solutions to mitigate them. These risks may be unknown or poorly understood by investors: the costs of action may be high, returns on investment may be uncertain; investments aimed at current activities may take precedence over investments targeted at minimizing future possible risks; adaptation options may be unclear, and success indicators may be difficult to define. Despite these obstacles, the specific areas for private-sector intervention in Africa include prospects for innovation and market penetration, technology transfer and capacity building.

There are a number of factors that governments, with the support of development partners, civil society and private actors can put in place or strengthen to facilitate and foster the necessary

level of the sector's involvement in the NAP process and the pursuit of commitments in respect of adaptation commitments listed in a country's NDCs. These factors can help tackle obstacles that tend to hold back the involvement of the private sector in adaptation processes, as the obstacles may be informational, financial, technical or institutional.

The banks, too, have a key role in the mobilization of private climate finance. This includes anticipating physical and transition risks to build resilience and prevent the depreciation of assets, financing the energy transition towards low-carbon energy and better energy performance, and disinvesting from risk sectors—particularly fossil fuels and deforestation. ⁶⁰

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AHMED SHIDE

Minister of Finance

Bio

Mr. Ahmed Shide was appointed Minister of Finance in 2018. He is currently leading the economic reform agenda to boost private sector participation in the economy and enhance economic efficiency. Prior to serving as Minister of Finance, Mr. Shide served as Minister of Transport and Minister of Government Communication Affairs and State Minister of Finance for more than eight years. He has contributed significantly to realizing national development goals based on his solid experience delivering Ethiopia's economic reforms, economic cooperation, regional development and integration agenda.

Stemming the Rising Costs of Climate Change

Despite its minimal contribution to global greenhouse gas emissions (only about 0.04%), Ethiopia is vulnerable to climate change impacts due to its dependence on traditional methods of agriculture and natural resource extraction as well as its low adaptation capacity. Since 1960, temperatures in Ethiopia have increased by an average of 0.25 degrees C per decade. Rainfall has been more erratic in recent years, with annual variations around a mean of 25% that can also reach 50% in some parts of the country. This is also the case for many African countries. However, the nature of the vulnerability varies depending on unique socioeconomic conditions. Ethiopia's agriculture sector is a major source of livelihoods, contributing about 32% to value-added GDP and employing about 70% of the adult population. However, the sector is rain-fed, with only 1% of cultivated land under irrigation. As a result, the increased vulnerability to climate change is already affecting millions of people and their livelihoods. Starting from a low base

a decade ago, we are keen to advance measures to build climate resilience and advance sustainable development amidst a rapidly growing population. The Climate Resilience Index of the African Development Bank shows that in 2010-19, Ethiopia was among the least climate-resilient countries with a score of 17.5. Moreover, the estimated climate vulnerability and climate readiness indices for Ethiopia are 56.5 and 29.6, respectively. Ethiopia is classified in the High Vulnerability-High Readiness category. Its estimated annual loss in GDP per capita growth was 11.4% between 1986 and 2015. This economic cost of climate change is projected to increase over the next few decades.

The government's primary focus is on taking bold steps towards building a climate-resilient economy. To meet this objective, Ethiopia is committed to a low-carbon pathway. Its 2011 Climate Resilient Green Economy Strategy is the main framework for lowering greenhouse gas emissions, which Ethiopia targets at below 145MtCO₂ by 2030, equivalent to a 68% reduction under the combined conditional and unconditional contributions



compared to the business-as-usual scenario. The unconditional pathway would result in emissions of 347.3MtCO₂e by 2030, a 14% reduction relative to business as usual. The strategy aims to strengthen national capacity to mitigate the impacts of climate change by improving crop and livestock production, afforestation, expanding renewable energy generation, and using modern and energy-efficient technologies.

Afforestation and other measures to build climate resilience

Ethiopia has also undertaken several strategic and programmatic adaptation and mitigation actions. The strategies and plans enabling the implementation of climate actions include the National Adaptation Program of Action (updated in 2019); the Ethiopian Program of Adaptation to Climate Change; five sectoral adaptation plans—the Climate Resilience Strategies in Agriculture and Forestry, in Water and Energy, in Transport—a National Adaptation Plan (2017), Guidelines for Integrating the CRGE into Sector Development Plans, and CRGE Sectors Roadmap for the Implementation of Green Economy Mitigation Actions.

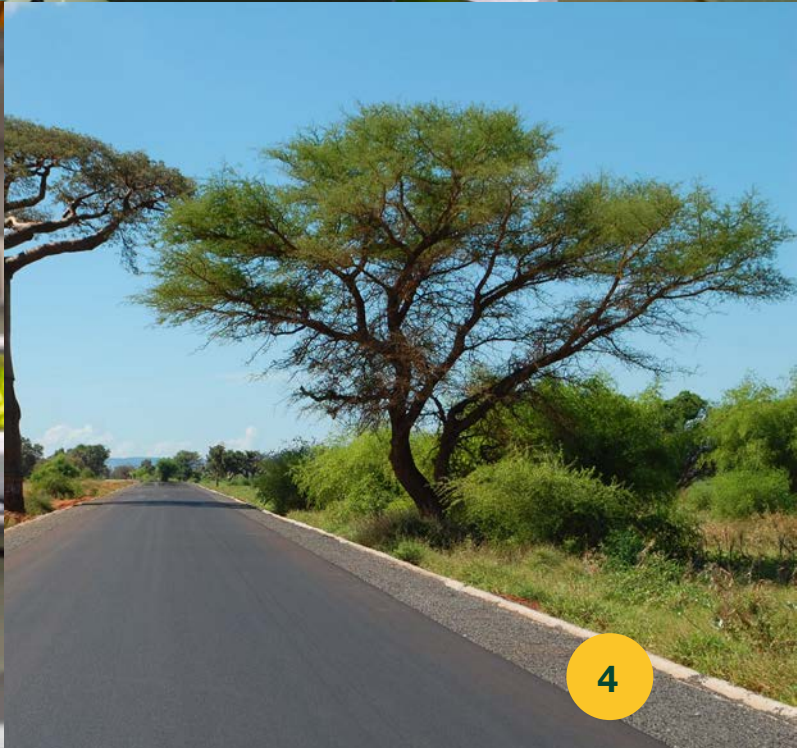
To this end, Ethiopia has already committed significant resources to reducing GHGs and building resilience including Afforestation and land rehabilitation interventions; Generation and distribution of electricity from clean renewable sources, and Investment in improved transportation systems (e.g., railway) that utilize clean and renewable energy.

However, mobilizing adequate financing for mitigation and adaptation programs remains a challenge. Ethiopia's National Determined Contributions update of 2021 estimated the financing requirements to meet its adaptation and mitigation targets for 2021-2030 at USD316 billion (USD275.5 billion for mitigation and USD40.5 billion for adaptation). Of the USD316 billion, USD63.2 billion is expected to be mobilized from domestic sources and the rest from international sources. Including "other needs" and "loss and damage needs",

Ethiopia's financing requirements amount to USD345.7 billion. If Ethiopia continues to receive the same annual amount of climate finance as received over 2016-20 (\$1.45 billion per year), the resulting financing gap would be an average of \$33.09 billion per year over 2020–30, limiting the country's ability to build climate resilience.

Ethiopia has already put in place a national fund, the Climate Resilient Green Economy Facility (CRGE Facility), to mobilize finance from various sources and drive investments in green growth and to build resilience. We have also made substantial progress in mainstreaming the climate agenda into many sectors' investment frameworks and programs. However, meeting the needs of Ethiopia's climate finance requires significantly higher levels of investment, especially from the private sector. Given the scarcity of public finance—with government budgets further aggravated by drought, conflicts, the Covid-19 pandemic, and the war in Ukraine, the private sector must play a more prominent role in closing the climate finance gap in Ethiopia. The government will shift investments from unclean technologies toward climate action. The government will review barriers that stifle private investment in climate solutions and will expand efforts to harness climate investment opportunities through innovation in financing structures and the strategic deployment of public capital to 'crowd-in' private investment at levels not yet seen. Tax relief and other incentives to encourage private companies to invest more in climate and green growth will be considered as part of their strategic goals and corporate social responsibility. 

> > Plus sur www.afdb.org



1. Solar Photovoltaic Power Project – Benban Solar Park, Egypt.

Benban Site Performance and Monitoring Analyst, Hadeer Kalifa is proud to be woman working in management at a male-dominant facility. "In the beginning, they said it would be very difficult for me here. And I said, I want to try. Now I have developed myself here and everyone is very proud of me." The project has created 6,000 permanent positions via the companies operating the park.

2. Solar Photovoltaic Power Project – Benban Solar Park, Egypt.

Near Aswan lies the Benban Solar Park, the 4th largest solar park in the world. The park alone reduces Egypt's carbon emissions by 2 million tons per year with its 34 solar power plants. At full capacity, it will produce 3.8 terawatt hours of electricity annually.

3. Solar Photovoltaic Power Project – Benban Solar Park, Egypt.

The first time I came here, there was only sand. I saw the sun as a great opportunity to produce clean energy. Benban now provides electricity to more than a million homes in Egypt," says site manager, Mostafa Abdelfatah. In 2022, 100% of the African Development Bank Group's energy generation-related approvals were based on renewable energy.

4. Madagascar-Beira Port Corridor Development and Trade Facilitation Project, Madagascar.

Thanks to the Madagascar: Indian Ocean - Corridor Development and Trade Facilitation Project, the African Development Bank contributes to opening up the southern region and creating competitive corridors. The asphaltting of the RN9 improves access to a vast territory with very important agricultural potential to the rest of the country by improving connectivity to two seaports, and with bordering Indian Ocean countries.

5. Post Cyclone Idai and Kenneth Emergency Recovery Project, Zimbabwe.

PCIREP is a multi-sectoral public infrastructure rehabilitation response project to Cyclone Idai in Zimbabwe which focuses on restoring transport routes, power, water and sanitation, and agriculture in the most impacted districts of Zimbabwe's easter Chimanimani and Chipinge provinces. The new Nyahode Bridge in Manicaland Province (pictured above) will provide a crucial river crossing which for local communities, thereby establishing safe access to healthcare and agricultural supply chains and markets.



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6. Baixo Limpopo Irrigation & Climate Resilience Project, Mozambique.

A Mozambican worker prepares harvested bananas for transportation to markets. Through the introduction of climate-resilient infrastructure, farmers have diversified their fields to include products like bananas. Upon completion an estimated 40,000 farmers will have benefited from the project, 52% of which will be women. The increased productivity has led to the construction of local agro-processing plants like the one pictured.

7. Project to Support the East African Nutritional Sciences Institute (PA-EANSI), Burundi.

An agricultural greenhouse in Bujumbura housing various fields of experimental high productivity crops and seeds of increased nutritional value. This project will enhance nutritional security and economic growth for all of the East African Community through master's degree trainings for 150 students an institutional and infrastructure development. By 2047, at least 1,200 master's degrees in nutrition will have been conferred, resulting in better nutrition outcomes across the region.

8. Farm Income Enhancement and Forestry Conservation Programme-2, Uganda.

The Doho II irrigation scheme pictured above is one of three irrigations schemes included in the FIEFOC-2 Project. The project directly provides more than 3,000 rice farmers with a consistent water source for their fields, allowing them to cultivate 2-3 seasons annually. Along with the newly irrigated fields, learning new agronomic practices has helped to boost average yields from 500kg to 1,500kg of milled rice per acre.



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9. Last Mile Connectivity Project, Kenya.

The Last Mile Connection Project has adopted a new approach in expanding the distribution network in Kenya by extending the low voltage network to reach up to 600-meters diameter. Ann estimated 1.5 million people will benefit from this project, including the farmer pictured who can cut the grass he feeds his cows using a machine, which had been done manually prior.

10. Project to Support Food Production and Build Resilience in Alibori, Borgou and Collines Departments, Benin.

A young farmer waters his carrot field. Thanks to this project, average yields in maize and rice have more than doubled per hectare since 2016. Another component has provided farmers with climate resilient practices which has led to improvements in food and nutrition security and poverty reduction, particularly for youth and women.

11. Project to Support Food Production and Build Resilience in Alibori, Borgou and Collines Departments.

"In the past, the Orédé site was a forest with a small cultivable portion, but with the support of the project, we have gone from working on 2 hectares to 9 hectares. The project has built the dikes and carried out various works up to supplying seeds. Before, we used to get 15 bags of paddy rice per hectare (or less than 1.5 tons), but today we are up to 55 bags (or about 5 tons) per hectare," Dramane Attagbe, pictured leading farmers in the Tchaourou village, Borgou Department.

12. Bagre Growth Pole Support Project, Benin.

Historical in nature, this project dates back to the 1970s. In the current phase, the project aims to modernize agriculture and develop over 2,100 hectares of land. The main expected achievements include building a primary canal and buffer reservoir, along with an irrigation system. The project will also provide storage, processing and marketing infrastructures to benefit more than 13,000 people – mostly youth and women.

13. Indorama Fertilizer Project II, Nigeria.

The Indorama Fertilizer was a project catalytic in drastically improving agricultural yields across Nigeria. Selling more than 1 million tons of fertilizer in 2021, the project continues to maintain its goal of providing world-class locally-produced fertilizers at a lower cost.

14. Ghana Accra Sustainable Sanitation and Livelihoods Improvement Project, Ghana.

Accra Sustainable Sanitation and Livelihood Improvement Project, financed by the African Development Fund, aquaculture and greenhouse demonstration facilities has been set up at the Legon wastewater treatment plant. Students at the nearby university visit and study at these facilities to learn how resource recovery and reuse can transform sanitation from a costly service to one that is self-sustaining and adds value to the economy through re-use of appropriately treated wastewater. Overall, the GASSLIP project aims to provide 1.9 million people as direct beneficiaries with improved sanitary, environmental and social conditions, and another 1.8 million greater Accra residents will benefit from environmental improvements.



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MAKING
A DIFFERENCE





EMMANUEL MOULIN

Director-General of the Treasury

Bio

Emmanuel Moulin served in the French Treasury from 1996 to 2000 and was subsequently named Alternate Director at the World Bank. He served as Secretary General of the Paris Club from 2003-2005 before becoming a senior banker at Citigroup. In 2007, he was appointed Deputy Chief of Staff to Christine Lagarde, Minister of the Economy, Finance and Industry. He joined the Presidency of the Republic in 2009 as economic advisor to President Nicolas Sarkozy. From 2012-2015 he was Deputy CEO of Eurotunnel and in 2015 became the head of the investment bank Mediobanca in Paris. From 2017-2020, he was Chief of Staff to Bruno Le Maire, Minister of the Economy, Finance and Economic Recovery.

Develop synergies, share expertise

To improve their resilience to climate change and to finance sustainable growth aligned with the Paris Agreement, African states need to address growing financing needs. The 16th replenishment of the African Development Fund, which concluded in late 2022 and to which France contributed €560 million, will make it possible to mobilize new concessional resources to meet the needs of beneficiary states, particularly in connection with their increasing exposure to the effects of climate change.

France hails the Bank's increasing effort to act on this issue, with climate projects accounting for nearly 50% in 2022. Beyond projects directly related to climate and biodiversity, we support more systematic integration of these issues into the Bank's financing to ensure overall coherence.

However, public funding alone will not be able to cover current funding needs. It is therefore important to ensure that such funding has a significant leverage effect on private financing. The mobilization of private financing should be a priority for multilateral banks in the coming years. This requires a substantial change in the financial instruments used, particularly the development of de-risking mechanisms.


A new global financial pact

France and the African Development Bank have already joined forces to support the private sector. In particular, the Summit on the Financing of African Economies, held in Paris in May

The African Development Bank is fully involved in the preparatory work for the Summit for a New Global Financial Pact, to be held in Paris on June 22 and 23, 2023.

2021, led to the creation of the Alliance for Entrepreneurship in Africa, with the participation of the African Development Bank. Its objective is to facilitate joint working by public and private sources of finance for the development of the African private sector, with a particular focus on small and micro enterprises. The Alliance aims to break down boundaries between various sources of funding to develop synergies, share expertise and pool project origination.

To maintain this momentum and encourage the mobilization of the private sector for the energy transition, the African Development Bank is fully involved in the preparatory work for the Summit for a New Global Financial Pact, to be held in Paris on June 22 and 23, 2023. This summit has the specific intention to be an opportunity to reflect on and propose innovative instruments to mobilize private investment for the climate transition.

France hopes that the Bank will strengthen its leadership role in the fight against climate change among African states. On this issue, the Bank's adoption in 2021 of its New Strategic Framework on Climate Change was a positive first step. We hope to see an equally ambitious review of the energy strategy this year, with a commitment to the gradual phasing-out of fossil fuels. 





BÄRBEL KOFLER

Parliamentary State Secretary to the Federal Minister for Economic Cooperation and Development

Bio

Dr. Bärbel Kofler has served as Parliamentary State Secretary to the Federal Minister for Economic Cooperation and Development since December 2021. She first became a member of the Bundestag in September 2004, where she served as the Social Democratic Party's parliamentary group spokesperson on development policy from 2013 to 2016, as the federal government Commissioner for Human Rights Policy and Humanitarian Aid from 2016 to 2021, and as a member of the Committee on Foreign Affairs from 2013 to 2021. Dr. Bärbel Kofler earned her doctorate in 1998 and subsequently spent three years as part of the German Academic Exchange Service in Moscow.



Joining forces for climate finance in Africa

Climate finance is one of the most pressing issues on the international development and cooperation agenda and a challenge of high relevance for Africa, considering the disastrous consequences of climate change and biodiversity loss and many risks and opportunities linked to the transition to net-zero development. Important steps have been taken. There have been two recent climate finance initiatives—the Global Shield against Climate Risks launched at COP 27 jointly by the V20 and G7 aimed at increasing the financial protection of vulnerable people and countries against climate risks and the Climate Action Window established by the AfDB as part of the ADF-16 replenishment, fostering climate change adaptation and mitigation in the poorest countries. But much remains to be done especially in the fields of sustainable agriculture, green and resilient infrastructure, net-zero energy for all and transformative jobs for women and youth.

A better understanding of climate-related risks and opportunities is essential for a successful climate transition. What roles should development financing institutions, multilateral development banks in general, and the African Development Bank in particular, play in helping African countries crowd in private climate financing and leverage natural capital for climate-proofing and green growth?


The AfDB and the ADF are excellent partners in the endeavor to expand climate finance. I would like to highlight the Fund's efforts to support long-term strategies and nationally determined contributions in its member countries to create the basis for effective adaptation and sound transition and investments. Other key elements are the Bank's engagement in Just Energy Transition processes, its efforts to attract private finance for green infrastructure and its innovations to leverage its equity for development finance. Sustainable infrastructure is a core business of the AfDB that creates opportunities for investors to provide people with access to renewable energy, green transportation and clean water. Germany strongly supports the New Partnership for Africa's Development Infrastructure Project Preparation Facility hosted by the AfDB to prepare sustainable and bankable regional infrastructure projects in line with the priorities of the Regional Member Countries and the African Union Commission, among others. I encourage the Bank to continue working on these efforts and to align all financial flows with the goals of the Paris Agreement as soon as possible. This includes further increasing the capacity to leverage private finance for climate-proofing infrastructure and fostering green growth. The AfDB can further support client governments in showcasing the added value of natural capital approaches and nature-based solutions (NbS) by identifying scalable business models, designing innovative bankable NbS projects and assessing the costs and multiple benefits of NbS. I ask the Bank's management to get involved in the MDB Evolution Reform process to better address—as a system—global challenges and contribute to global public goods.



Climate change presents a \$3 trillion investment opportunity for Africa. While climate finance is, to date, primarily oriented toward the public sector, the majority of climate transition financing could come from the private sector in the future. What are some of the innovative ways to mobilize private sector investments to meet the climate action needs of your country or the continent?

Regarding mobilizing private sector investments, we need to be mindful that there is no silver bullet to boost private sector investment in sustainable development. It is key to create the enabling conditions for private investments, such as a reliable legal system and local capacity development. An additional lever through which to promote investment flows is transforming the financial sector to align with the SDGs and climate commitments. Collaboration, for example, in multi-stakeholder Just Energy Transition Partnerships, is key to bundle investment opportunities and expand the pipeline of high quality, bankable and sustainable projects. This combination creates the foundation for innovative instruments to unfold their potential.

In short, a systemic approach will be key for strengthening investors' confidence and further reducing perceived risks. And we need to identify and reverse possible adverse political, regulatory and market conditions. One example is the existence of inefficient fossil fuel subsidies: even de-risked private climate or green finance cannot succeed. What is needed is initial subsidies and transparent and reliable legal and policy frameworks that allow green innovations to evolve towards full competitiveness without undue policy impediments. The promotion of solar and wind energy provides for successful success stories. Strong new "candidates" for such development are, for example, green hydrogen and battery storage.

Coping with the pressing needs regarding climate finance must go hand in hand with measures to reduce inequalities and respond to the enormous challenges in the areas of food security, health care, gender equality and fragility and conflicts. Silo-thinking is not helpful. It does not make sense to have separate pots for development and climate action. The overlap is huge. All international finance institutions need to create co-benefits wherever possible, and thus make climate finance an inherent element of just and sustainable development for all. 



GHANA



KEN OFORI-ATTA

Minister for Finance

Bio

Ken Ofori-Atta became Minister of Finance of the Republic of Ghana in 2017. He is the Chair of the Board of Governors of the African Development Bank and of the Governing Board of the African Capacity Building Foundation. He co-founded and was executive chairman from 1990-2012 of the investment banking firm, Databank Group. In 2019 and 2020, he was chairman of the World Bank and IMF Development Committee. In 2020, he also chaired the G24. He received his Bachelor's in economics from Columbia University, New York, and earned his MBA at the Yale School of Management, becoming the first African Donaldson Fellow at Yale.

Taking responsibility for our actions in the climate crisis

recently commented on the IPCC's synthesis report which demonstrated how close we are to reaching irreversible tipping points—the death of our forests and the continuous rise of sea levels because of the further warming of the planet. I spoke about how the world leaders of today are refusing to practice what we have been trying to teach our children all these years! The importance of fairness in our engagements with others, the need to take responsibility for our actions and to make reparations where we have caused significant harm.

Failed promises have brought us to this point. Africa has already experienced economic losses of about USD199,692,159,368¹ between 2000-19; where according to the UN Environment Programme there is “no credible pathway to 1.5C in place” today; where under current climate policies, the Least Developed Countries, the Small Island Developing Countries and the members of the Climate Vulnerable Forum - 58 countries in total—are expected to see climate change reduce their GDP by 19.6% by 2050 and by 63.9% by 2100²; and where the financial need of African countries for loss and damage

grows to between USD289.2 to USD440.5 billion in the period 2022-30 when on average it would be around USD36 billion to USD55 billion according to the African Economic Outlook.

Losses of this magnitude and financial gaps at this scale can only be overcome through synergistic engagements with the private sector; especially with Global Assets under management set to rise to USD145.4 trillion by 2025 according to PwC's “Asset & Wealth Management Revolution: Embracing Exponential Change”. Recognizing the necessity of such collaborations, the V20³ is working with the Glasgow Alliance for Net Zero whose members have over USD80 trillion in financial assets under management, USD70 trillion in banking financial assets, and USD700 billion in gross written premiums.

Sufficient private sector resources to close the climate change financial gap

The continent should be exploring more of such collaborative engagements that ensure a quid pro quo—ecosystem services that mitigate



and financing carbon offset projects such as reforestation and afforestation.

Africa is one of the regions experiencing some of the worst impacts of climate change and yet has contributed the least to global warming at just 3.8%, in contrast to 23% in China, 19% in the US, and 13% in the European Union according to the CDP Africa Report 2020

A joint transition must be pursued if some of our resources are going to be stranded and we must ensure that the largest carbon sink, the Congo basin, is protected for the world.

global warming⁴ such as carbon sequestration as part of Internationally transferred mitigation outcome agreements and enable businesses to meet their net zero target for more investments in adaptation and climate resilience on the continent. The sheer size of global private capital should provide comfort that the private sector has more than enough resources to close the financial gap for climate change. Between now and 2030, Africa will need USD2.8 trillion to fulfil its Nationally Determined Contributions under the Paris Agreement and yet, currently, annual climate finance flows on the continent are only about USD30 billion according to the WEF: Here's how African leaders can close the climate finance gap.

We need a new global deal on carbon financing where carbon markets offer an opportunity for African countries to leverage our natural resources and accelerate our low carbon transition. But carbon credits must be priced right. With much-needed investment, expertise, and innovation the private sector can help build a robust and sustainable carbon market infrastructure across the continent thereby facilitating renewable energy projects, participating in emissions trading schemes,

Transforming the world financial system to be fit-for-climate requires a collective effort from all stakeholders, and the AfDB has a crucial role to play in this endeavor. As a leading institution in mobilizing climate finance for Africa, the AfDB has made significant investments in climate mitigation through renewable energy projects across Africa and continues to mobilize resources to support the Africa Accelerated Adaptation Programme a joint initiative with the Global Center for Adaptation.

However, we need the AfDB to do more for the African Private Sector by providing concessional and non-concessional finance for the development of transformational climate resilient infrastructure and greenfield low-emission projects to accelerate our low-carbon transition. 

¹ V20 Loss and Damage report

² According to the Christian Aid Report on Lost and Damaged: A study of the economic impact of climate change on vulnerable countries

³ The Vulnerable Twenty (V20) Group of Ministers of Finance of the Climate Vulnerable Forum is a dedicated cooperation initiative of economies systemically vulnerable to climate change (58 Countries)

⁴ Carbon sequestration as part of Internationally transferred mitigation outcome (ITMOS) agreements

We need a new global deal on carbon financing where carbon markets offer an opportunity for African countries to leverage our natural resources and accelerate our low carbon transition.



MOUSSA CISSÉ

Minister of Economy and Finance

Advocating large-scale, collective action

Bio

Moussa Cissé was appointed Minister of Economy and Finance in August 2022, having served as Budget Minister since October 2021. Previously, he was a lawyer in the office of the President of the Republic and a legal adviser for five years in the Ministry of Economy and Finance.

A graduate of the École Nationale d'Administration in France, he holds several master's degrees in law, public administration, defence, security and development, including from Senghor University in Alexandria, Egypt and Panthéon-Assas University in Paris.

Like many countries around the world, the risks posed by climate change have become a major challenge for Guinea and the search for appropriate strategic approaches to address this scourge remains a major issue for the government. Guinea has been considered the water tower of West Africa, as it is home to the sources of the region's great rivers. This coastal country is naturally endowed with a rich and rare biodiversity, large areas of primary forest, wooded savannah and a coastline surrounded by mangroves.

Unfortunately, the country faces climate hazards which, according to long-term projections, are likely to worsen with sharply increasing temperatures, causing a scarcity of rainfall and changes to its pattern and frequency of distribution, disruption to the agricultural calendar, rising sea levels, the silting-up of rivers and loss of forests. The effects of climate change particularly impact agriculture and the environment.


The Guinean government has comprehensively identified this major challenge and fully integrated it into its strategic and operational programming framework instruments, the Interim Reference Programme and the Economic Recovery Plan.

Consider debt sustainability

Through our partnership with the African Development Bank, we have already mobilized resources to finance projects such as the Programme for Integrated Development and Adaptation to Climate Change in the Niger Basin. This is a regional programme covering nine countries and intended to preserve the ecosystems of the Niger River Basin, by reducing the silting-up of the river and improving the resilience of populations and their production systems. We are also planning other river basin rehabilitation projects, the restoration and protection of classified forests, and assessment of the potential for pollution, nuisance and environmental risks affecting public health in order to draw up mitigation measures and combat the effects of climate change. In respect of institutions, we are promoting an environment to enable and incentivize private-sector climate action and the promotion of green growth.

In light of the challenges and in line with the COP27 recommendations on financing the severe harm done by climate disasters to vulnerable countries, we urge multilateral development organizations to take large-scale collective action to address climate shocks.

For us, these actions should include the impact on our countries of debt sustainability to address the effects of climate change and invest in a resilient future.

Finally, it is important to seek ways to mobilize finance initiatives from major economies through the distribution of revenues from carbon transactions to vulnerable countries such as ours. 

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**We urge
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A multisectoral approach for an ambitious vision of climate resilience

Guinea-Bissau has enormous potential for its sustainable development in terms of natural, human and cultural capital. However, the financing of this development remains a major challenge, requiring the mobilization of funds from a variety of sources.

Nationally, funds are mobilized from sources such as government revenues, domestic private investment and funds allocated by bilateral and multilateral agencies.

The government wants to establish partnerships with the international community to strengthen the country's climate-change resilience. Despite the challenges, sustainable planning remains the solution to every structural weakness, whatever its severity.

Guinea-Bissau fully subscribes to the Sustainable Development Goals and the African Union Agenda 2063, through its Long-Term National Strategy which aims to place the country on a pathway to a prosperous and inclusive society, with human development at its centre, to foster improved quality of life for all by 2025. The strategy's objectives are

based on the country's exceptional biodiversity on land and in the sea. Likewise, the National Development Plan (PND 2020-2023) provides for substantial investments in the social and productive sectors and infrastructure, which act as drivers of development.

The challenge of dependence on foreign finance and on natural resources

With an economy dependent on natural resources and foreign funding, including official development assistance, Guinea-Bissau has adopted a multisectoral approach to climate-change mitigation and adaptation based on its ambitious vision of climate resilience. Furthermore, more than 26.3% of its territory has been classified as protected areas according to the Aichi international biodiversity targets.

Although rich in natural resources, Guinea-Bissau faces multi-dimensional and interdependent development challenges that require an integrated approach, together with increased investments and social expenditure, particularly through the mobilization of domestic sustainable financial resources. There are sectors

offering great development prospects, such as fisheries, silviculture, tourism and mines, as well as rice and cashew nut cultivation.

Guinea-Bissau experiences high poverty levels, with two out of every three citizens suffering from multidimensional poverty and around 70% of the population, half of them women, living below the poverty line. The Covid-19 health crisis and the war in Ukraine have seriously harmed the economy, exacerbating existing economic and social inequalities. Most citizens in rural areas have poor access to basic services such as drinking water, healthcare and education.

There are sectors offering great development prospects, such as fisheries, silviculture, tourism and mines, as well as rice and cashew nut cultivation.




JOSÉ CARLOS VARELA CASIMIRO

Minister of Economy, Planning and Regional Integration

Bio

José Carlos Varela Casimiro was a co-founding member of the Order of Economists of Guinea-Bissau and has served in the Ministry of Planning and International Cooperation, the Ministry of Economy, Planning and Regional Integration, Private Sector Rehabilitation and Development Projects and other government ministries. He has acted as Secretary of State for the Treasury, Economic Advisor to various Prime Ministers and Secretary of State for Budget and Tax Affairs, a position he held until May 2022. Graduating in Economics from the University of Havana (Cuba), he holds a Master's degree in Economics from Southeastern Illinois University and participated in several IMF Training Institute courses.

High-quality infrastructure, including regional infrastructure, is another significant challenge for the well-being of the people of Guinea-Bissau and a catalyst of social development and economic diversification.

Guinea-Bissau is a young country, with 35% of its population aged between 15 and 35 years, and this provides an opportunity for considerable social and economic development. In conclusion, significant progress is being made in peacebuilding, democratization and institutional reform. 



Building climate-resilient infrastructure and good governance: key aims of the ADF-16 replenishment

In December 2022, the Fund successfully completed the negotiations for the 16th replenishment for the period 2023–2025, with a total resource envelope of UA 6,208.7 billion. The replenishment coincided with the 50th anniversary of ADF. Algeria Morocco and the Democratic Republic of Congo (DRC) contributed to the Fund for the first time. The replenishment also included the creation of a Climate Action Window (CAW) for a total contribution of UA 312.6 million.





The ADF-16 theme is “Fostering a Climate Smart, Resilient, Inclusive and Integrated Africa”. ADF-16 will support two strategic operational priorities: developing sustainable, climate-resilient quality infrastructure; and governance, capacity building, and sustainable debt management in recipient countries. It will also focus on empowering women and girls as a condition for achieving inclusive and sustainable development. Fragility will be a global lens for all ADF-16 priorities and operations, and climate is elevated as another lens. ADF-16 crosscutting issues are gender and private sector development.

The ADF-16 replenishment is expected to have even more impact over the next three years. It will help to connect 20 million people to electricity, enable another 24 million people to benefit from improvements in agriculture, 32 million people from access to water and sanitation services and 15 million people from improved access to transport.

The CAW will help crowd in more global climate finance flows and ensure ADF countries receive their fair share of the USD100 billion in annual funding promised under the Paris Agreement and the Glasgow Climate Pact. The newly created CAW will be structured around three components: adaptation, mitigation, and a technical assistance program for policy support and capacity

building. Adaptation is the core priority of the CAW, aiming to reduce the vulnerability of ADF countries and stem loss and damage from the direct impacts of climate change. Mitigation will focus on the greening of brown assets. The technical assistance, policy support, and capacity building program will help ADF countries access other international climate finance—by strengthening their national climate policies and strategies, creating an enabling environment for climate action, and preparing investment-



ready projects. As at today, the CAW has received pledges from Germany (€40 million), Netherlands (€100 million), UK (£200 million) and Switzerland (CHF 12 million). CAW will accept contributions from ADF donors, non-ADF donors and non-state actors at any time during the ADF-16 cycle and beyond.





Investment in a low-carbon transition

ADF-16 will expand quality, sustainable, climate-resilient infrastructure investments, in agriculture, energy, transport, water and sanitation, health infrastructure and other sectors. These investments are based firmly on the Fund's comparative advantage as an infrastructure specialist. They will be guided by the principle of selectivity, with resources concentrated in fewer, larger, and more transformative operations. There will be a strong focus on infrastructure that supports low-carbon transition, protects biodiversity, and builds resilience to future climate impacts. The operations will make systematic use of the fragility lens, helping to build resilience at community, national and regional levels.

The Transition Support Facility (TSF) will introduce a programmatic approach. This will enable it to dedicate more resources towards preventing and addressing root drivers of conflict and fragility in Africa. While remaining responsive to urgent needs and crisis situations, the TSF will address pockets of fragility emerging at the regional or subnational levels. This greater operational flexibility will enhance the TSF's strategic impact and crisis prevention potential. Programmatic interventions will cover fragile and conflict situations in all ADF countries through annual

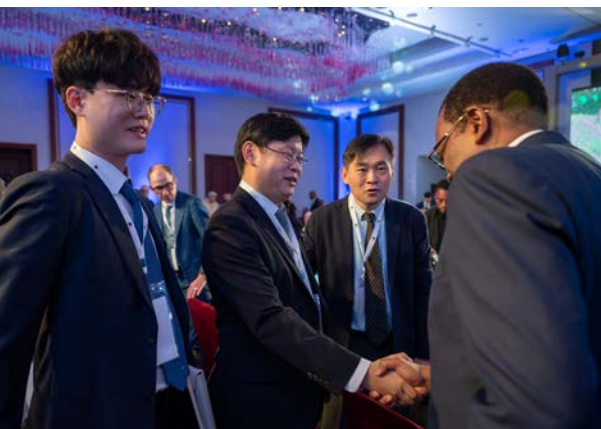
calls for proposals with priority considerations for transition states.

Regional integration is a critical driver of structural transformation across Africa. The Fund has positioned itself as the continent's leading specialist financier for regional transport corridors, regional energy pools, cross-border industrial and agricultural value chains, and joint management of cross-border resources, such as forests and river basins. ADF-16 will remain a critical instrument for achieving more integrated and productive economies.

Gender equality and private sector development will remain cross-cutting priorities. There will be a strong focus on partnerships and leveraging other sources of finance, including from the private sector, to help ADF countries access funding at the scale needed.

With ADF-16, the Fund will deploy UA 125 million, to support scale-up private sector development and private sector financing in ADF countries. In particular, the Transition Support Facility (TSF) will champion such activities as a core theme, in line with the Facility's mandate to promote resilience. Second, the Fund will also scale up the resources of the Private Sector Facility (PSF), to enable it to diversify its guarantee instruments for greater effectiveness in higher-risk markets and enable it to act as a mobilization instrument for private sector operations in ADF countries.

As the needs of ADF countries evolve, so does the African Development Fund. ADF Deputies considered the Market Borrowing Option proposal at the final ADF-16 replenishment meetings and agreed that discussions should continue at the level of the Board of Directors of the African Development Fund. Management is now engaging with the Board of Directors and seeking its endorsement of the proposed market borrowing and amendments to the ADF Agreement; amendments that would remove existing restrictions on non-concessional borrowing and non-concessional lending. With the endorsement of the Board of Directors, the Market Borrowing Option and the proposal to amend the ADF Agreement will be submitted for the approval of the Board of Governors at the African Development Bank Group's Annual Meetings on 26 May 2023. The proposal to amend the ADF Agreement would then be followed by a ratification process by each ADF participant. The market borrowing option would make a dramatic difference to ADF's scale of work and its ability to generate development impact. It would enable ADF to leverage its equity by borrowing non-concessional resources from capital markets. It can raise up to an additional UA 4 billion (USD5.1 billion) in ADF resources per replenishment cycle (through ADF-21). ^{GD}



Bio

MICHAEL MCGRATH

Minister for Finance

Michael McGrath TD was appointed Minister for Finance in the Government of Ireland in December 2022. He previously served as Minister for Public Expenditure and Reform. He is a qualified Chartered Accountant and a Fellow of Chartered Accountants Ireland. Before going into politics, Minister McGrath held senior positions in both the private sector and public sectors. In Dáil Éireann (Ireland's Parliament), he has served on several committees including the Finance Committee, the Parliament's Banking Inquiry, and the Public Accounts Committee. As Minister for Finance, Minister McGrath is responsible for leading the department in the achievement of the government's economic, fiscal and financial policy goals, as well as representing Ireland at the Eurogroup and Ecofin meetings of European Finance Ministers.

Tapping demand for green products to drive the sustainable transition

The three years which have passed since Ireland joined the African Development Bank have been tumultuous, but we have already witnessed what the Bank can achieve while working in the most difficult contexts. When faced with the overlapping crises of Covid-19, climate change, and the Russian war on Ukraine and its impact on food security, the Bank has responded quickly, collaboratively and effectively. Private sector finance must follow this lead and help close the financing gap to ensure sustainable green growth on the continent of Africa.

While we cannot reach the necessary scale of transformation by public finance alone, it can play a crucial catalyzing role. Public finance can take the early steps and show confidence and a healthy risk appetite for innovative investments with high impact potential and scalability.



There is significant demand for green products and investments in international capital markets, and well-established needs in Africa for sustainable development. Ireland is pleased to partner with the Bank, which is uniquely placed to make these connections and multiply each euro we invest and ensure that Africa benefits from the international demand to drive the sustainable transition.

Multilateral funds and banks such as the African Development Bank can also play a strategic role in making sure that private sector mobilization is focused and coherent with country ownership, and supports the implementation of countries' Nationally Determined Contributions, National Adaptation Plans and other climate-related national plans. Through supporting countries to develop investment plans based on those national plans, the Bank can help grow favorable environments for private sector participation.

Going local to increase low-carbon investments

International capital markets are only one part of the picture. The African Development Bank's actions must include and foster the local private sector in partner countries to thoroughly embed green finance, both through funding and building sustainable finance capacity. These actions can directly and indirectly build enabling environments conducive to increasing low carbon investments and reducing high-emitting activities.

The African Development Bank must continue to address the interlinkages between climate

change, food security, conflict and development, and continue to recognize and enable the important contribution that women play in Africa's future.

Ireland prioritizes an inclusive, gender-sensitive and transparent approach to development that contributes to sustainable development for the most vulnerable people, communities and countries. These principles must continue to be core to the Bank's work to ensure the realization of a just, inclusive and sustainable transition.

If we are to achieve low-carbon and climate-resilient development, a diverse range of financial instruments will be necessary; and I commend the Bank on its innovative approach to Climate Finance and the establishment of the new Climate Action Window. The Bank has particular advantages to making climate and green growth happen with differentiated regional, national and local approaches, mobilizing the right mix of instruments for different investments. It is imperative, however, that we do not create or exacerbate unsustainable debt burdens and

that we work collectively to improve access to climate finance. This is of particular importance to Least Developed Countries, many of which are in Africa, and Small Island Developing States.

For climate finance, Ireland prioritizes adaptation and we encourage the Bank to continue to lead in this regard. The African Development Bank is uniquely positioned to channel and be a conduit for finance towards

adaptation and resilience, crowding in private and public finance, from both domestic and international flows.

The challenges we face are many, and it is only through a multilateral approach that aligns the visions of sovereigns and non-sovereigns toward a green, resilient, inclusive and sustainable Africa that we can overcome them.

Multilateralism has long been at the heart of Ireland's international engagement. The importance of multilateralism and its philosophy is well reflected in a traditional Irish adage, "Ní neart go cur le chéile" which translates as "There is no strength without unity". So, in unity, Ireland will continue to work with and support the Bank to achieve its vision of a climate-resilient, low-carbon, green, inclusive, integrated and prosperous Africa, justly transformed for the benefit of all Africans. 

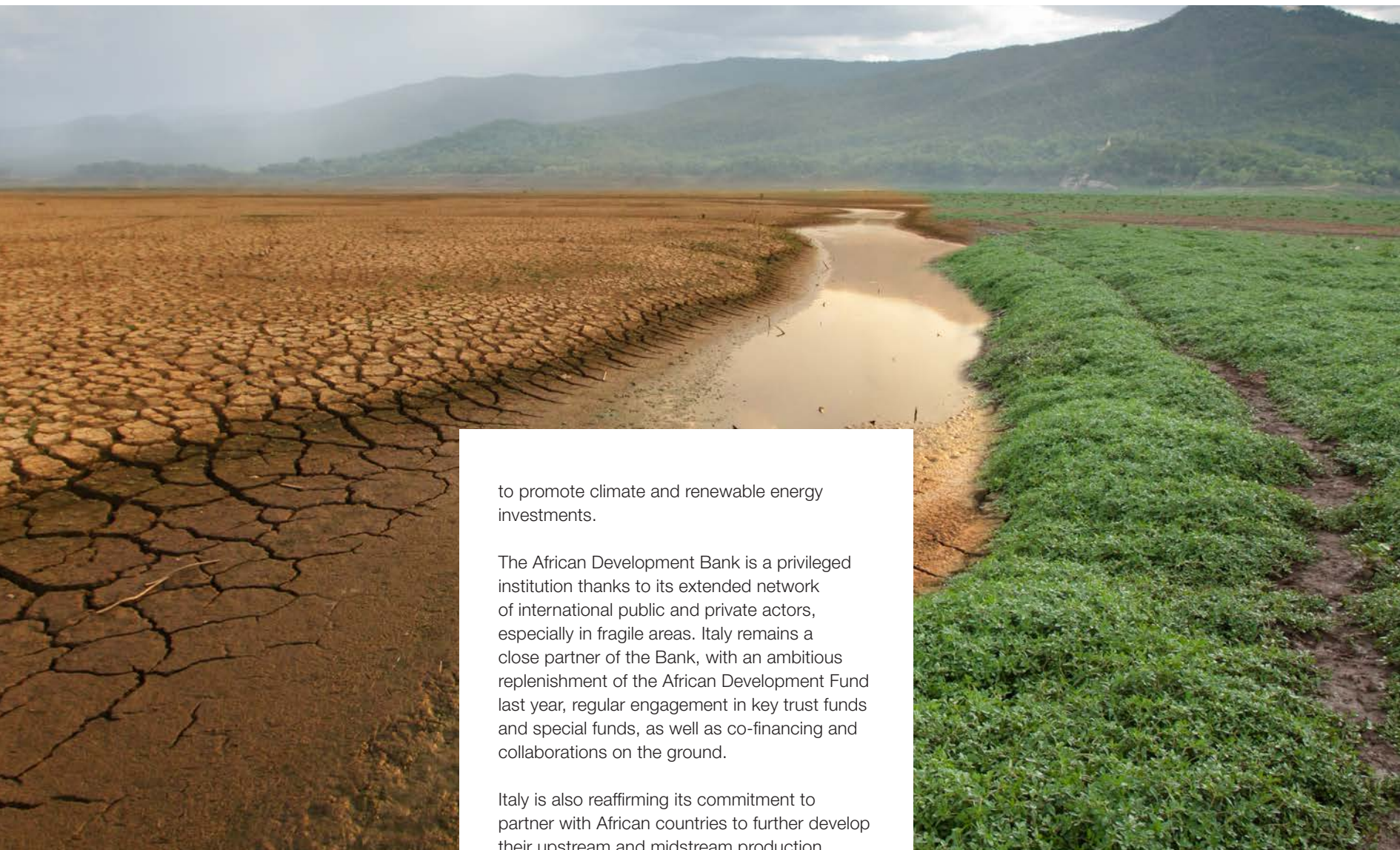
Bio

Giancarlo Giorgetti has been Minister of Economy and Finance since October 2022. He was born, and still resides, in Cazzago Brabbia province of Varese, Lombardy. He graduated in Business Economics at the Bocconi University in Milan. Member of the Chamber of Deputies since 1996, where he has served also as president of several parliamentary committees, he has been mayor of his town as well from 1995 to 2004. Secretary of the Council of Ministers from June 2018 to September 2019, he then held the role of Minister of Economic Development from 13 February 2021 to 22 October 2022. Member of Lega since the '90s, he is deputy secretary of the party since 2015.

Fostering renewable energy in North Africa: The Mattei Plan

GIANCARLO GIORGETTI

Minister of Economy and Finance



to promote climate and renewable energy investments.

The African Development Bank is a privileged institution thanks to its extended network of international public and private actors, especially in fragile areas. Italy remains a close partner of the Bank, with an ambitious replenishment of the African Development Fund last year, regular engagement in key trust funds and special funds, as well as co-financing and collaborations on the ground.


Italy is also reaffirming its commitment to partner with African countries to further develop their upstream and midstream production capacity. Leveraging the Italian expertise and

Africa is at the confluence of longstanding development challenges and the impacts of climate change. Desertification, extreme weather events, power outages, water scarcity and food insecurity weigh on the infrastructure deficit faced by African countries. They also pose serious threats to constrained public budgets and debt vulnerabilities.

Placing our economies on a green and sustainable growth path requires massive investment. African countries need to be supported in expanding affordable energy access and implementing inclusive energy transition strategies through private sector mobilization and innovative use of public finances. To this end, Italy has established a sovereign climate investment fund, with an endowment of 840 million euro per year,

Italy has established a sovereign climate investment fund, with an endowment of €840 million per year to promote climate and renewable energy investments.

strategic position as a green energy hub for Europe, the forthcoming Mattei Plan for Africa is aimed at relaunching partnerships to foster renewable energy generation in North Africa, while attaining the highest local development impact. A wide array of green energy sources should be exploited across the continent to best meet local opportunities, such as sustainable biofuels in partnership with small farmers to diversify their entrepreneurial skills and sources of income.

To conclude, Italy remains committed to maximize Africa's access to resources of Financial Intermediary Funds, such as the Global Environment Facility, the Green Climate Fund and the Climate Investment Funds, and we commend the Bank's recent efforts in this respect. Enhancing financial leverage and operational impact of climate vertical funds is essential at a time when Multilateral Development Banks are called to evolve to better respond to global challenges. 

Tackling climate change is essential for sustainable, resilient and inclusive growth in Africa

As was reaffirmed at COP27 in Sharm el-Sheikh, climate change is a global challenge that requires collective efforts by the entire international community. Responding to climate change is essential for sustainable, resilient and inclusive growth in Africa.

Climate Change agenda in Africa

In responding to climate change in Africa, Japan underscores the following key points:

First, it is important to realize green growth. Tackling climate change should be seen as an opportunity, rather than a trade-off, in achieving

sustainable economic growth. In fast-growing Africa, where we see growing energy demand, it is sometimes difficult to shift to renewable energy sources in a single step. Therefore, we need to support the continent's gradual transition towards realistic approaches for reducing greenhouse gas emissions based on scientific evidence.

Second, we should support adaptation measures in Africa. While not a major GHG emitter, Africa is bearing the brunt of crises in food, economy and human life caused not only by Russia's war against Ukraine but also by frequent natural disasters such as droughts, floods and cyclones. These crises push many people into poverty. It is particularly critical that the support for adaptation includes enhancement of quality infrastructure with resilience to natural disasters.

Third, mobilizing private finance is crucial, as responding to climate threats requires huge financial resources to support the efforts set out above. In this context, private sector insurance can play more roles in the field of disaster risk finance. In addition, we should not forget the importance of enhancing debt sustainability and transparency to promote investments in Africa.

Japan's recent efforts for green growth

It was with these considerations that Japan announced the following outcomes at the 8th Tokyo International Conference on African Development (TICAD 8) in Tunisia last August:



First, Prime Minister Kishida, in his speech at TICAD 8, committed to invest \$30 billion over the next three years from the public and private sectors for initiatives including green growth and promotion of private investment.

Second, Japan and AfDB announced joint financial cooperation of up to \$5 billion from 2023 to 2025 under the fifth phase of the Enhanced Private Sector Assistance for Africa (EPSA 5), which provides comprehensive support for private sector development to foster sustainable and inclusive growth in Africa. Its priority areas include quality infrastructure and green growth.

Third, Japan supported “High level Policy Dialogue on Sustainable Debt Management in Africa” hosted by AfDB at the occasion of TICAD 8. Furthermore, under the EPSA 5, Japan established the Special Window of up to \$1 billion to support countries that are making progress in the enhancement of debt transparency and sustainability, and other reforms, thereby making steady and significant improvement in their debt situations.

In Autumn 2023, Japan will hold a roundtable on debt and sustainable growth in Africa as the G7 presidency. At the G7, we are also discussing disaster risk finance, and how Africa can play a more significant role in the supply chain of clean energy products.

Japan’s long partnership with AfDB is symbolized in the presence of AfDB’s External Representation Office for Asia based in Tokyo. Japan, as a partner of Africa, will contribute to achieve win-win green growth by utilizing our green and digital technology, in close cooperation with AfDB including through its Tokyo office. 



SHUNICHI SUZUKI

Minister of Finance, Minister of State for Financial Services

Bio

The Minister of Finance and Minister of State for Financial Services in Japan, Shunichi Suzuki, has previously served as Minister of the Environment, Minister in charge of the Tokyo Olympic and Paralympic Games and State Minister of Foreign Affairs. In 1990, he was elected as a member of the House of Representatives and has been elected nine times since by his constituency in Iwate, in northern Japan. He graduated from the School of Education, Waseda University.



NJUGUNA NDUNG'U

Cabinet Secretary, National Treasury and Economic Planning

Bio

Prof. Njuguna Ndung'u was appointed Cabinet Secretary of National Treasury and Economic Planning by President William Samoei Ruto in 2022. Prior to this, Prof. Ndung'u served as the Executive Director of the African Economic Research Consortium. He is an associate professor of economics at the University of Nairobi, Kenya and former Governor of the Central Bank of Kenya. Prof. Ndung'u has been a member of the Global Advisory Council of the World Economic Forum and a Visiting Fellow of Practice at Blavatnik School of Government at Oxford University. He holds a PhD in Economics from University of Gothenburg, Sweden.

Addressing climate change and food insecurity

Climate change continues to present a major threat to long-term growth and prosperity with adverse impacts on the fiscal sustainability and economic wellbeing, especially for developing countries like Kenya. The impacts of climate change and its related response actions have direct effects on the fiscal position by lowering tax revenues and increasing public spending to mitigate the resulting natural disasters. In particular, climate change results in a substantial reallocation of resources towards mitigation, adaptation to climate change and addressing the emergence of natural disasters.

Food security and climate change have become an important reality in Kenya and have reversed almost thirty years of poverty reduction and inequality and introduced social conflicts in the competition of food and water resources.

Kenya has remained steadfast in championing for transition to a green, low-carbon, and climate resilient economy development pathway, in line with the Paris Agreement. The transition to a low carbon and climate resilient path requires significant sustainable investment and green financing from both the public and private sectors. For instance, in the updated Nationally Determined Contributions (NDC), Kenya has committed to reduce emissions by 32% by 2030 against the Business as Usual scenario. We estimate that USD62 billion is required

to implement Kenya's NDC (mitigation and adaptation actions) in 2020-2030. The resource requirement for adaptation actions is USD43.9 billion up to 2030.

Funding commitments are short of what is needed

Kenya notes that the international public climate finance and funding commitments have fallen well short of the requirement by developing countries to address the climate crisis. This calls for urgent change in the financing patterns—from traditional to innovative financing structures.

Within the purview of public finance management, there is need to enhance interventions that accelerate and scale access to innovative climate finance, including: mainstreaming climate change actions in the development plans; enhancing fiscal space through removal of measures that are counterproductive to the climate agenda; promotion of a green and sustainable bond market; development of carbon markets, and integrating climate risks in the fiscal strategy and budgeting processes.

Some of the notable actions in Kenya towards enhancing the flows of climate finance include:

Development of an innovative Financing Locally led climate Action Program. The multi-donor program is designed to encourage

cross-agency collaboration and vertical linkages from the community level up to national level in addressing climate change.

Development of a National Policy Framework on Green Fiscal Incentives

aimed at enhancing private financing of green climate-resilient and low-emission investments through a variety of fiscal and economic mechanisms. The policy explores the development of appropriate fiscal measures to enhance private investments in climate actions for a low-carbon development pathway.

Greening the banking sector through enhancement of climate risk disclosures.

The Central Bank of Kenya issued a Guidance Note on Climate-Related Risk Management to the banking sector to enable banks to integrate these risks into their governance, strategy, risk management and disclosure frameworks.

Development of the Private Sector Strategy on Climate Change (2022-2030) to guide the private sector in climate-proofing business investments and integrating climate solutions into its policies, plans, and business models in line with the NDC.

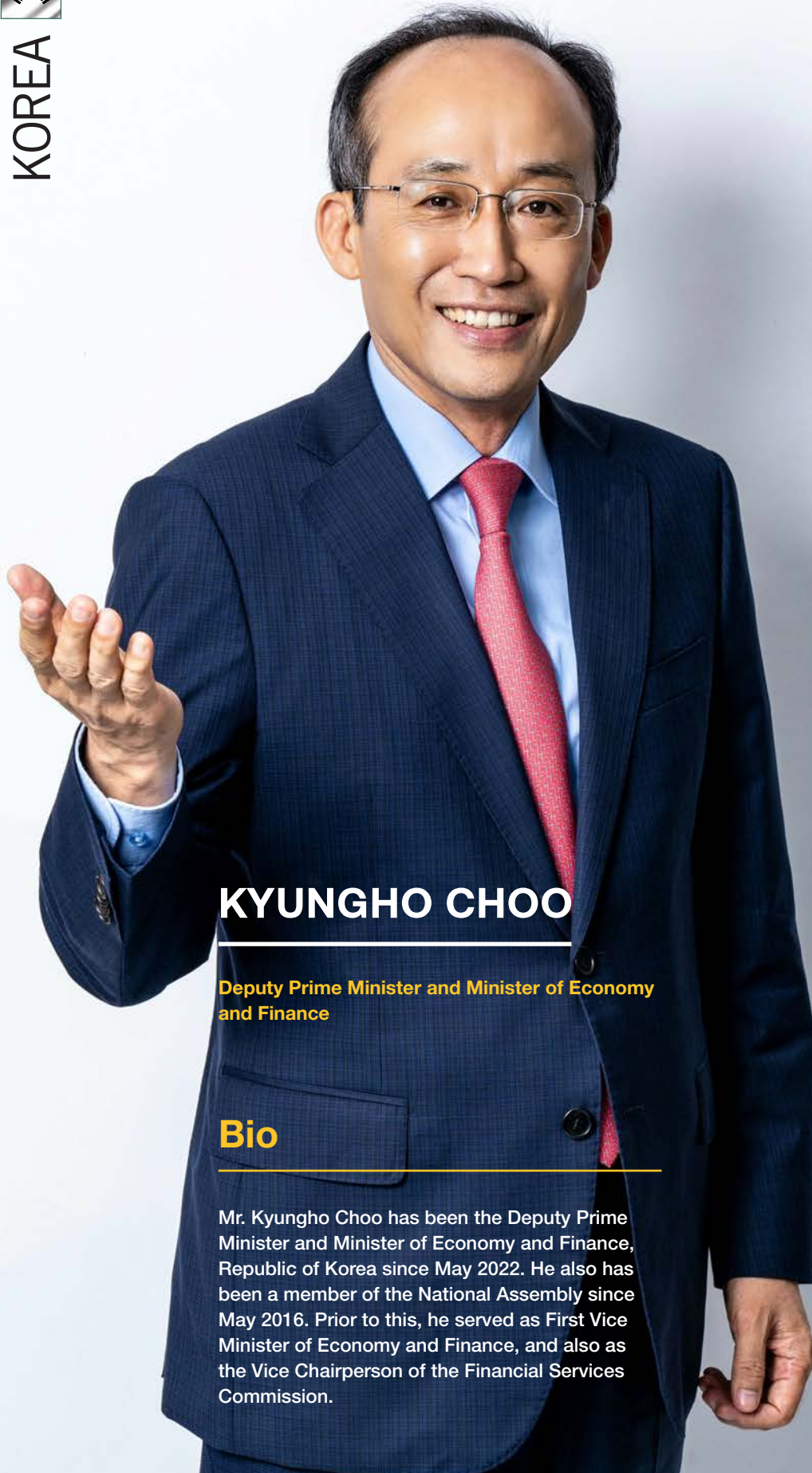


Engagements in the Green Climate Fund (GCF). Kenya is a beneficiary of 16 GCF approved funding projects and programs, including the accreditation of a private sector entity—KCB Bank Kenya Ltd.

In summary, the response to climate change demands coordinated partnerships to mobilize sustainable financing from all players to meet the massive financial challenges in meeting the Paris Agreement obligations. 



66
Kenya has remained steadfast in championing the transition to a green, low-carbon, and climate resilient economy development pathway.



KYUNGHO CHOO

Deputy Prime Minister and Minister of Economy and Finance

Bio

Mr. Kyungho Choo has been the Deputy Prime Minister and Minister of Economy and Finance, Republic of Korea since May 2022. He also has been a member of the National Assembly since May 2016. Prior to this, he served as First Vice Minister of Economy and Finance, and also as the Vice Chairperson of the Financial Services Commission.

The 7th KOAFEC Ministerial Conference will be held in Busan, Korea in September 2023, five years since the 6th Conference in 2018 and after many challenges, such as the pandemic and the amendment of the General Cooperation Agreement (GCA). Finance Ministers from 54 African countries, the President of the African Development Bank, regional executive directors, representatives of both African and Korean private companies, and heads of African international organizations are expected to take part.

Korea is supporting the High 5s agenda of the Bank's President, Akinwumi Adesina, namely: Light up and power Africa, Feed Africa, Industrialize Africa, Integrate Africa, and Improve the quality of life for the people of Africa. Just Energy Transitions and Agricultural Transformation in Africa, the theme of this year's Ministerial Conference, aligns with these agendas.

Financing the low carbon energy transition and agricultural transformation

The theme is expected to provide an excellent opportunity for ministers and other stakeholders to discuss the challenges African countries face in financing not only the low-carbon energy transition but also agricultural transformation to improve the lives of the African people. The KOAFEC Ministerial Conference will be instrumental in supporting African countries to overcome some of these challenges. The knowledge-sharing side events held alongside the conference are aimed at promoting peer-to-peer learning and solution-oriented dialogue for inclusive and sustainable growth in Africa—with an emphasis on Korea's own development experience.

For energy transitions in Africa, Korea made a financial contribution after signing the Korea-Africa Energy Investment Framework (KAEIF) pact. The African Development Bank, Korea's Ministry of Economy and Finance, and the Export-Import Bank of Korea signed an agreement in 2021, under


which Korea will provide USD600 million in co-financing for energy projects alongside the African Development Bank. The KAEIF has a particular focus on renewable energy solutions in Africa, including generation, transmission, distribution, off-grid and mini-grid, policy and regulatory reform, energy efficiency and clean cooking projects.

Also, Korea established the Korea Partnership for Innovation of Agriculture (KOPIA) in 2009 and the Korea-Africa Food and Agriculture Cooperation Initiative (KAFACI) in 2010 for agricultural transformation in Africa.

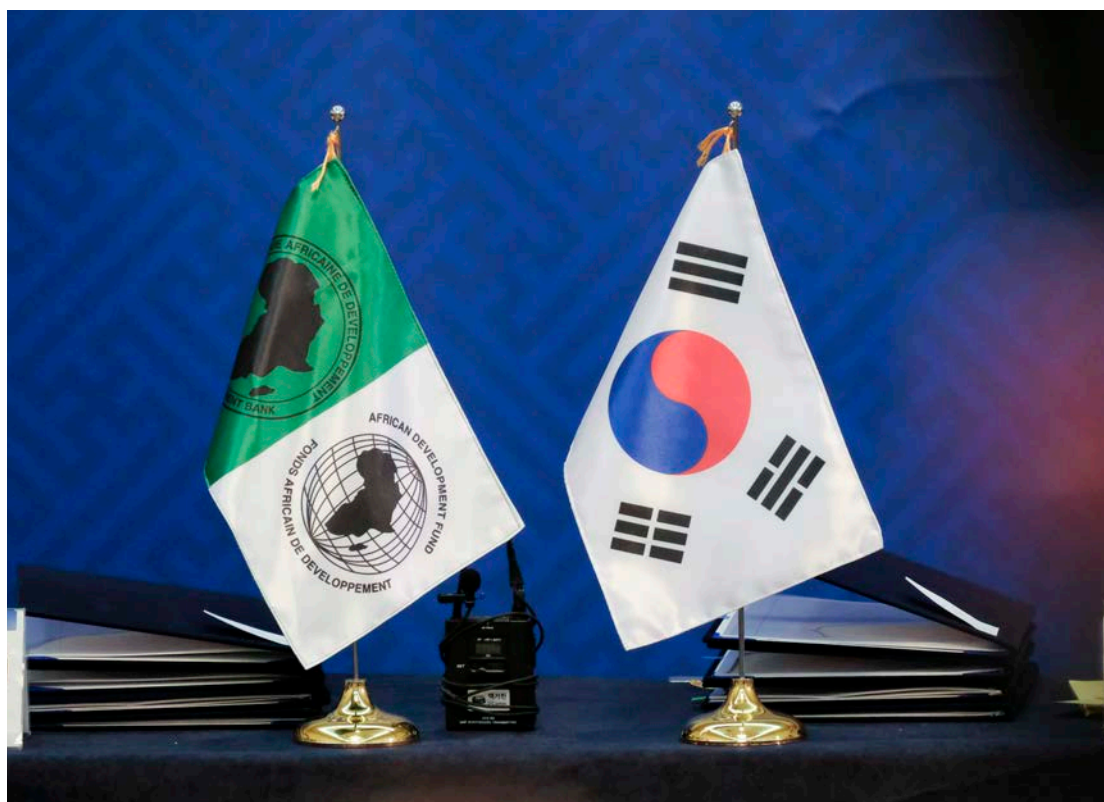
KOPIA is a bilateral ODA program in agricultural technology designed to raise agricultural productivity and the incomes of small-scale farmers in Korea's partner countries. Currently, KOPIA Centers are in operation in 22 countries worldwide, of which seven are in Africa—Kenya, Algeria, Ethiopia, Uganda, Senegal, Zimbabwe and Ghana.

KAFACI is an intergovernmental and multilateral cooperation body aiming to improve food productivity, achieve sustainable agriculture, and enhance extension services in African countries through knowledge and information-sharing on agricultural technologies. Since 2010, 23 African countries have joined the initiative: Angola, Cameroon, Côte d'Ivoire, Democratic Republic of Congo, Ethiopia, Gabon, Ghana, Kenya, Malawi, Morocco, Nigeria, Senegal, Sudan, Tunisia, Uganda, Zimbabwe, Comoros, Rwanda, Zambia, Gambia, Equatorial Guinea, Madagascar, and Tanzania.

Korea has rich experience not only in this regard, but also in being one of the few countries to transition from a least developed to a developed country and to make it to the list of G20 countries. Therefore, African countries could gain much insight from the strategies, policies, and interventions that Korea has adopted thus far.

This year is especially meaningful, marking the 40th anniversary of Korea's accession to the African Development Bank. I hope that the 7th KOAFEC Ministerial Conference this year in Busan will strengthen the partnership between Korea and Africa. 

The 7th KOAFEC Ministerial Conference will strengthen the partnership between Korea and Africa





SAMUEL D. TWEAH, JR.

Minister of Finance and Development Planning

Bio

Liberia's Minister of Finance and Development Planning, Samuel Tweah, drafted Liberia's Pro-Poor Agenda for Prosperity and Development (PAPD), targeting the development of the country's road and electricity infrastructure, transforming its health and education sectors, and making agriculture the driver of job creation and food security. PAPD also targets improved governance and economic diversification. Prior to becoming minister, Samuel Tweah served as chief economist of Liberia's Millennium Compact Project and served as senior advisor to the African Development Bank Executive Director representing Liberia, Sierra Leone, The Gambia, Ghana, and Sudan. He earned his bachelor's degree in Economics from the University of Liberia and a Master's from George Washington University in the United States.

Prioritizing reforms for private sector participation

No country in the world can avoid the impact of climate change, and this fear has generated unanimous support for efforts to combat the risks. Liberia, as a member of the global army against climate change impacts, has developed a roadmap outlining the country's sector-based approach to reducing greenhouse gases in nine key sectors of the economy: agriculture, fisheries, coastal zones, forestry, transportation, energy, industry, health and waste management. In February 2023, the Government of Liberia hosted a high-level forest governance conference with support from key development partners and the President, H.E. George Manneh Weah. This forum reinforced the commitment of stakeholders from both the public and private sectors to implement key elements of the National Action Plan 2020-2030. The conference complemented other past actions like the adoption of a national plan, the establishment of a disaster management agency and the Liberia Maritime Program that are currently in effect. In March 2023, Liberia also entered into a USD50 billion Blue Carbon Initiative agreement with the United Arab Emirates geared to increasing private sector participation in overall growth dynamics. The spillover effect could positively impact the region through the agriculture supply chain and improved productive capacity in other areas.

Debt financing

In the context of debt financing, countries, like firms, would rather source finance internally when available, and debt is preferred over equity. However, most African countries lack the ability to source financing internally to roll out the implementation of their respective climate actions; therefore, the best result is to adapt the debt financing concept. Without doubt, the debt burden on African countries has hindered growth and development in the region and contributed to low living standards for people in many countries. Therefore, countries in Africa should have a deeper look into domestic resource mobilization and ignite the development and/or expansion of local bond markets to access alternative

financing. This is the moment for policymakers to develop sound financial instruments that hedge sovereign risks and finance sustainable development, to include climate adaptation and mitigation. The private sector is also an alternative source of climate financing in Africa. As leaders, it is important for us to prioritize reforms that facilitate private sector expansion and participation in the growth dynamics of our respective countries.

How to fuel green growth?

Reducing investment in activities with high-carbon demand and increasing financial flows to low carbon projects are competing challenges in the African development paradigm. Most African countries suffer a deficit in productive capacity and exports are characterized by primary production. The desire of policymakers on the continent is to improve the value-chain in production to build resilience and reduce volatility to global market shocks. As such, the need to industrialize has become imperative. However, some elements of industrialization require high carbon demand, as evidenced by developed countries' high carbon emission risks. The primary occupation of Africans in agriculture and growing enough food for the continent's increasing population amid mitigating climate change challenges on landscapes and natural habitats must also be carefully reviewed. In Africa, lack of sufficient and reliable access to nutritious food has far-reaching impacts on education and poverty perpetuation. With carbon financing, countries can ensure that agriculture can be done through a low carbon and resilient system.

While there are challenges facing private sector participation, this also brings creativity and innovation. States should start developing innovative ways through prudent strategic measures to enhance private sector participation. The private sector also stands at risk of collapse in the worst-case scenario of climate impacts. The private sector's ability to grow is reliant upon predictability and stability; therefore, policymakers should now start demonstrating political will in creating the enabling environment for the private sectors

in their respective countries to thrive. And this should start with public-private dialogue on climate initiatives. The private sector in each country has something to contribute, and until policymakers create a conduit through which their views can be heard, every other effort in relation to strategy will be a top-bottom approach. The sense of ownership of these initiatives in countries utilizing a top-bottom approach will rest on the shoulders of public institutions, leaving the private sector with no alternative but to adapt policy measures that might adversely impact their participation in the growth dynamics of said countries.

Successes

Mobilization of private sector financing for climate and green growth has been at the core of Liberia's development agenda. As far back as 2017, the country was successful in mobilizing USD2.2 million from the Green Climate Fund to support its national climate adaptation planning process. Subsequently, in 2020, USD11.4 million was approved for enhancing Climate Information Systems for Resilient Development in Liberia (Liberia CIS). In 2021, the Monrovia Metropolitan Climate Resilience Project worth USD25.6 million was approved to help build resilience in vulnerable communities around the capital through the construction of coastal defence structures, the development of a coastal zone plan, and support for the diversification of livelihoods. These projects are impacting millions of vulnerable Liberians and improving infrastructures around the country. The most recent blowout was the climate financing agreement mentioned earlier, which was signed between the Government of Liberia and the United Arab Emirates. These success stories are a clear manifestation of the government's willingness to adopt climate change actions and build resilience through an inclusive approach, utilizing the private sector to implement some of these initiatives.

Studies have shown that approximately 85% of the world's population is shifting their consumption toward climate-friendly products and services. More importantly, this is driven by the rise in the middle class, and Africa as a

continent has a growing population with a vested interest in the new paradigm shift. Therefore, African countries and companies should now start to incorporate sustainability as an essential element in their respective production patterns to avoid the loss of relevance in future competition. The utilization of technology to build cities and new infrastructure could provide a better solution to building resilience and going green.

Innovative approaches and monetary mechanisms

Obviously, climate change presents an inherent danger not only to countries' landscapes but also to human existence. Either way, countries will require finance to roll out their respective climate action plans and foster green development. As the risk of climate change impact is high, the IMF might consider SDRs for climate financing for countries most at risk and suffering a heavy debt burden. The global financial crisis and Covid-19 pandemic are indications that change that is slowly creeping up could have a more lasting and dangerous impact on the world. Then we will ask "what if we had prioritized the use of SDR to the benefit of countries that were most vulnerable and suffered heavy debt burdens?" "The IMF monitoring mechanisms of SDRs can and will facilitate the implementation of key low carbon and climate-resilient development activities.

Development financial institutions and banks are critical partners in the fight against climate change impacts. Considering the infrastructure deficit that developing countries face, particularly in Africa, the need to mobilize climate financing cannot be overemphasized. However, multilateral development banks and financial institutions have not been able to adequately integrate climate concerns or align their development objectives with the Paris Agreement. While it is true that the call to utilize blended financing is gradually emerging in the debate for climate financing to vulnerable countries, the African Development Bank must start bringing new investors and sources of finance to the climate market and use concessional financing to drive climate transition in Africa. This effort should begin today. 



KHALID AL-MABROUK ABDALLA AL-MABROUK

Minister of Finance

Bio

Minister of Finance of Libya since March 2021. Former staff of the Banque Maghrébine d'Investissement et de Commerce Extérieur (BMICE) Bank in Tunisia. He worked as the Vice-Chairman and Chief Executive Officer (CEO) of the Investment Promotion Fund in Africa and as a Director of Investments in the Libya Africa Investment Portfolio. A former Board member of the Libyan Foreign Investment Company. He holds an MBA and a PhD from Queensland University in Australia.

Addressing the financing gap for climate action in Libya

Libya is among the countries most vulnerable to climate change. It faces extreme weather events such as droughts, floods, sandstorms, and dust storms. The most significant impacts are desertification and water stress. While well-endowed with hydrocarbon resources, Libya is at the same time heavily reliant on fossil fuels for energy generation; it boasts considerable potential for renewable energies, in particular wind and solar.

The country aims to develop a national climate change strategy and define a long-term vision. In 2021, Libya ratified the Paris Agreement, and is preparing to develop its National

Determined Contributions. Libya's energy-related plans and commitments are governed under the Strategic Plan for Renewable Energies, 2018-30, which targets deriving 22% of electricity generation from renewables by 2030.

Over the period 2010-20, Libya secured USD328.2 million for climate finance, originating mainly from the Global Environment Facility and the Green Climate Fund. Nearly USD197.6 million of the climate finance received was allocated to adaptation finance, while mitigation actions received USD229.4 million in total. Cross-cutting finance, which covered both climate adaptation and mitigation actions, amounted to USD99 million.

The financing gap for climate action in Libya is estimated to be USD4.5 billion per year by 2030. Addressing this financing gap will require mobilizing significant domestic and international resources, including public and private sector financing, as well as innovative financing mechanisms such as green bonds and blended finance instruments.

In Libya, total climate finance is estimated at USD47 million in 2019-20. Public sector financing for climate change is estimated at USD3 million or 6% of total flows, entirely from government funding. In contrast, the public sector is the main source of climate funds in the other North Africa countries, accounting for about 80% of total flows. Private climate financing amounted to USD44 million (USD31 million from financial institutions and USD13 million from corporation), or 94% of total flows. Although Libya accounts for a higher share of private financing compared to other countries in the region, the contribution of the domestic private sector to close the climate finance gap needs to be strengthened.

Potential for renewable energy

The energy sector is the primary area of focus for climate action in the country (93.5% of total climate finance). The financing gap for renewable energy development in Libya is estimated to be USD2.7 billion per year by 2030. The country has significant potential for renewable energy development, which is currently untapped. Private-sector financing could improve the large-scale deployment of renewable energy projects. Libya's climate ambitions have the potential to contribute to green growth and diversify the economy by creating new business opportunities and jobs, promoting economic diversification and competitiveness, and improving environmental quality. Thus, unlocking and leveraging private sector financing for climate and green growth are crucial.

Libya has taken steps towards increasing its renewable energy capacity. Initiatives for implementing distributed and RE-based mini grids are also ongoing to overcome the current grid challenges. Other initiatives include promoting energy efficiency in public buildings. However, several challenges impede the achievement of green growth in the country on which the government is working. These include strengthening institutional capacity to implement policies and regulatory frameworks that support green growth, preparing and implementing projects for the reconstruction of infrastructure, particularly the transmission infrastructure, and attracting international players to contribute to the country's reconstruction efforts.

In attracting private sector climate financing, the government is developing relevant regulatory policies and investment incentives. Libya has the potential to attract private international funding to build climate resilience including renewable energy and energy efficiency initiatives. PPP modalities in particular offer significant opportunities to support climate action and green growth initiatives in the country and to scale up green projects. 

The country has significant potential for renewable energy development, which is currently untapped.



AFRICA INVESTMENT FORUM

Initiatives around sport and women spark investor interest

The Africa Investment Forum (AIF) is a multi-stakeholder, multi-disciplinary platform dedicated to advancing private and

public-private-partnership projects to a bankable stage, raising capital, and accelerating deals to financial closure. As a flagship initiative of the African Development Bank, with seven other Founding Partners, (Africa50, Afreximbank, the European Investment Bank, the Africa Finance Corporation, the Development Bank of Southern Africa, the Trade and Development Bank and the Islamic Development Bank), the AIF is an innovative and fully transactional platform. Recognised as Africa's premier investment marketplace, it offers investors, both in the public and private sectors, access to a structured platform of curated projects on the continent. The AIF's investment platform therefore occupies a unique position in Africa with its ability to crowd in public and private sector financing for transformative projects with significant developmental impact.

WOMEN AS INVESTMENT CHAMPIONS

The AIF's flagship Women as Investment Champion pillar was first launched during the 2019 Africa Investment Forum Market Days held in Johannesburg, South Africa. The aim of the pillar is to advance and champion Women businesses in the continent, to scale and grow their business operations whilst meeting their highest potential. Engaging and partnering with key female figures that are leading the field, is core to the AIF's work and this is reflected in the women businesses it supports. Since the inception of the Women as Investment Champion initiative, the AIF has curated several women deals, and 10 of these deals with a combined value of around US \$5 billion, were presented to investors in both the virtual and physical Boardrooms that were held in 2022. The AIF March 2022 virtual Boardrooms were the first Boardrooms where gender deals were presented as a specific category to investors. The sectors represented include Agri-business, manufacturing, energy, creative industry, and technology sectors as well as a few women led funds. The AIF continues to work with The Affirmative Finance Action for Women in Africa (AFAWA) in supporting some of these deals to reach bankability and investor ready status.

Two of AIF's flagship initiatives Sports as a Business Catalyst and Women as Investment Champions are attracting significant interest from local and global investors. The African sports sector is providing increasing opportunities for franchising, brand rollout and media deals. Women businesses have been identified as one of the underserved sectors, the platform aim is to bridge the USD42 billion funding gap for female entrepreneurs in Africa.

SPORTS AS A BUSINESS CATALYST

The vibrancy of African sports is at the heart of the continent's creative industries. The continent's sports industry is under-developed and under-commercialised. One of AIF's flagship initiatives is Sports as a Business Catalyst. This sector is attracting significant interest from local and global investors and providing increasing opportunities for franchising, brand rollout and media deals. Lucrative commercial opportunities to leverage the sports ecosystem as a gateway to other investments on the African continent have begun to emerge. The global sports industry was valued at approximately USD\$489 billion in 2018 and is expected to rise to USD\$700 billion by the end of 2024.

During a fireside chat at the AIF2022, Masai Ujiri, President of the Toronto Raptors, NBA, discussed the need for African governments to make concerted efforts and take deliberate actions in the form of sports legislation and

policies. These measures will create an enabling environment, to ensure sustainable investment and provide an opportunity to tap into the potential upside of the global sports ecosystem and contribute to the socio-economic benefits in Africa. Developing sporting infrastructure in the form of standard football pitches, basketball courts, running tracks, and swimming pools in addition to a good transportation network system and accommodation facilities will attract international investment and boost tourism. Currently, a USD80 million project presented at the AIF 2022 Boardroom garnered significant investment interests from global investors including private equity firms, DFI's and institutional investors.



AIF 2022 MARKET DAYS

AIF2022 Market Days event was held from 2 - 4 November in Abidjan, Cote D'Ivoire. The event showcased bankable projects in key sectors such as transport, energy, healthcare, agriculture, and ICT. The Boardrooms drew USD31 billion in investment interests from African and global investors, this was in addition to the USD32.8 billion from the rescheduled 2021 Africa Investment Forum Market Days—which took place as Virtual Boardrooms earlier in the year. The platform mobilised a total of USD63.8 billion of investment interest in 2022.

AIF22 OVERALL PARTICIPATION



This year's Africa Investment Forum will take place in Marrakech, Morocco from 8-10 November 2023. The proposed theme is **Unlocking Africa's Value Chains**. Following the Partner's breakfast meeting at the AIF2022 Market Days; the Partners agreed to focus on the following areas in 2023.

AGRICULTURE Investing in raising agricultural productivity, supporting infrastructure, climate smart agricultural systems, with private sector investments all along the food value chain can help turn Africa into a breadbasket for the world. Achieving zero hunger in Africa will require between \$28.5 billion and \$36.6 billion annually. With the removal of barriers to agricultural development aided by new investments, it is estimated that Africa's agricultural output

could increase from \$280 billion per year to \$1 trillion by 2030. With a focus on Special Agro Industrial Processing Zones (SAPZ) which brings together the production, processing, storage, transport, and marketing of commodities—including cotton and maize. The SAPZ will enhance the competitiveness of key selected value chains through increased production, aggregation, and processing activities driven by private-sector investments.

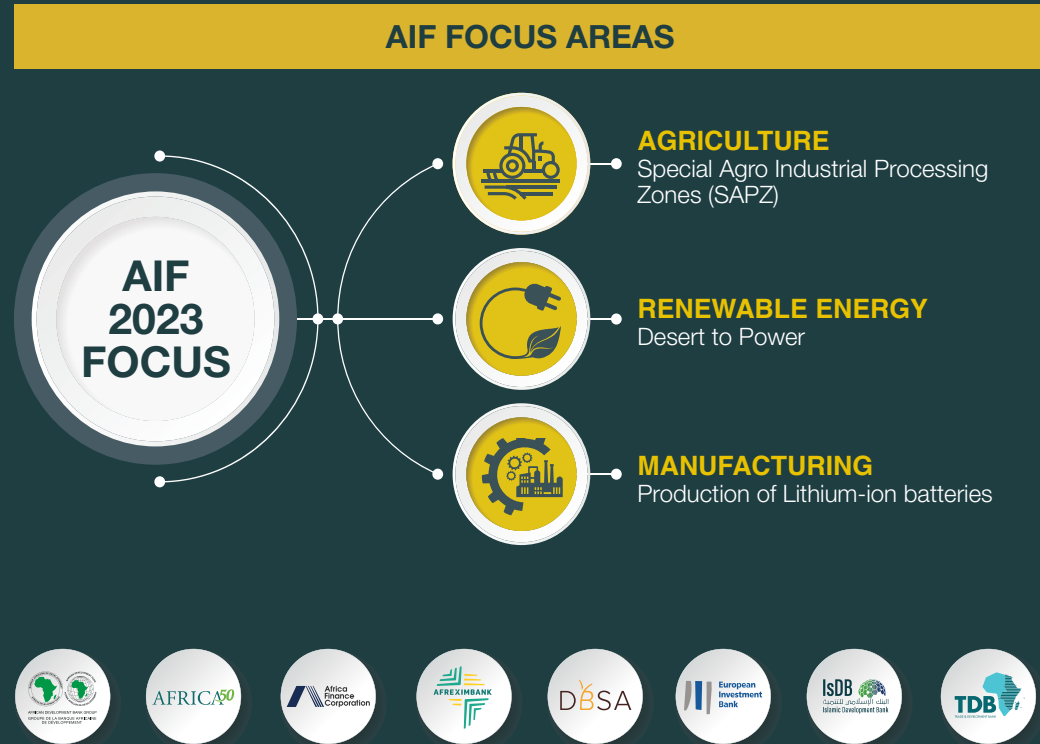
RENEWABLE ENERGY Achieving universal energy access, with priority given to low-carbon technologies which harness the abundant, hydro, solar, geothermal and wind resources of the continent. Investments in power generation, inter-connections, transmission, and distribution are critical to unlocking Africa's vast economic potential,

enabling the growth of value-adding industries and services, and helping to improve regional integration through pooled resources.

MANUFACTURING—There is a real opportunity, for Africa to create jobs and promote inclusive economic transformation through domestic manufacturing and a commodity-based industrialisation process, capitalising on the continent's resources and opportunities presented by the changes in the structure of global production. The world is about to witness a revolution in the transport system as countries and developmental organisations, at global and regional levels, ratify a raft of new laws and guidance on the adoption of the Electric Vehicle (EV). Electrical vehicles offer an alternative to the internal combustion engine in a bid to reduce the

AIF2023 MARKET DAYS

The AIF Market Days event will take place in Marrakech, Morocco from 8-10 November 2023. The proposed theme is Unlocking Africa's Value Chains. The AIF will focus on the following areas in 2023:



use of fossil fuel. The solution to reducing fossil fuel emissions lies in the production of Lithium-ion batteries (LIB), which use several minerals, among them lithium and cobalt (Li-Co), manganese, nickel, aluminium, graphite, rare earth elements (REE), iron, copper, as well as phosphate. Though Li-Co metals and REE are relatively scarce, they are the core enablers of this transport revolution. Developing Li-Co minerals value chain requires building synergies with battery manufacturers: Strong demand for high-tech products, coupled with rapid global industrialisation and population growth, have placed increased pressure on the availability of raw materials including lithium and cobalt. Li-Co minerals will continue to be important due to their applications for energy generation in the low carbon future and use in high technologies.





YURIKO BACKES

Minister of Finance

Bio

Before her appointment as Minister of Finance in January 2022, Yuriko Backes held positions at the Permanent Representation of Luxembourg to the UN in New York and to the European Union in Brussels. From 2008 to 2010, Ms. Backes was deputy head of the Directorate of International Economic Relations in Luxembourg and became diplomatic advisor and Sherpa to Prime Ministers Jean-Claude Juncker and Xavier Bettel. She subsequently served as representative of the European Commission in Luxembourg, before serving as marshal of the Grand-Ducal Court. She holds a degree from the London School of Economics and Master's degrees from the School of Oriental and African Studies and from the College of Europe.

Blending the climate finance gap

Africa is the continent that produces the least greenhouse gas emissions, yet it remains the most vulnerable to climate change. Regrettably, often the most vulnerable groups bear the brunt of climate change, notably women. The increasing impact of global warming calls for a drastic reduction in carbon emissions. The financing needs to achieve climate goals are colossal. Current global spending on climate finance is estimated at USD630 billion¹. However, Africa alone needs nearly USD3 trillion by 2030 to meet its Nationally Determined Contributions².

Blended finance and co-financing schemes can efficiently channel trillions of untapped private sector resources to address climate needs. However, uncertainty and risk perception remain the main barriers to participating in funding initiatives. Usually, perceived risks in emerging markets are higher than the actual risks. Unfortunately, many climate finance initiatives do not mobilize sufficient private capital. If they do, it comes at the expense of disproportionate returns.


De-risking climate finance is a collective effort. Governments, development institutions and civil society must play a role in raising awareness among the private sector. Equally, development and financial institutions have the responsibility to identify, measure and mitigate these risks based on sound risk assessments built on reliable data. Public policies must guarantee the availability of such information. Financial instruments can also serve to de-risk investments. For instance, layered (first-loss) investments or risk sharing and transfer

mechanisms offer efficient means to mitigate the private sector's risk exposure, at relatively low cost for both the private and public sectors.

“Skin in the game” co-financing

Among the multilateral development banks, the African Development Bank Group has been at the forefront of such risk-mitigating instruments. I commend the Bank for the recent launch of innovative initiatives that leverage private sector capital while acting as a catalyst for investments in Africa. Luxembourg supports the Group's work aimed at improving the bankability of projects, thereby promoting private sector engagement. I encourage the Bank to further promote climate finance projects, especially those having a positive impact on gender-equality and vulnerable populations.

Luxembourg is committed to crowding in the private sector to address Africa's needs. We proudly support the Bank's Africa Digital Financial Inclusion Facility, which builds

inclusive sustainable financial frameworks in Africa, while crowding in the public and private sector beneficiaries through “skin in the game” co-financing. We are fully aware of the potential of capital markets to mobilize private capital. For this reason, we support the development of capital markets through the Capital Markets Development Trust Fund. Finally, leveraging Luxembourg's long-standing expertise in blended finance, we recently launched a layered investment fund dedicated to climate investments in emerging markets. Through this innovative vehicle, our Government provides first-loss capital of EUR 25 million to attract European private sector funding to finance climate needs. 

¹ IMF, Mobilizing Private Climate Financing in Emerging Market and Developing Economies, Ananthakrishnan Prasad, Elena Loukoianova, Alan Xiaochen Feng, and William Oman, IMF Staff Climate Note 2022/007, July 2022.

² Reuters, Get the blend right' and we can unlock trillions in finance for Global South, say experts, Angeli Mehta, 16 January 2023.





Green growth: financing climate-resilience activities

RINDRA HASIMBELO RABARINIRINARISON

Minister of Economy and Finance

Bio

An expert in public procurement and international relations, Rindra Hasimbelo Rabarininarison is a lawyer and political scientist by training. She graduated in public management at Georgia State University in Atlanta and in international public procurement at the International Law Institute in Washington DC. Her expertise covers public management, leadership, public finances, magistracy and international negotiations. Before her appointment as minister, her role was to monitor the general policy of the state in respect of its economic, fiscal, budgetary and financial management, to coordinate the partnership framework with technical and financial partners and to conduct international negotiations. In 2023, African Leadership Magazine named her as one of the Top 25 African Finance Leaders.



Classified as highly vulnerable to climate change, Madagascar is seeing an intensification and multiplication of extreme weather events. The resulting socio-economic losses led the President of the Republic, HE Andry Rajoelina, to make sustainable management and conservation of natural resources one of his priorities in the Velirano—Plan for the Emergence of Madagascar.

Combating climate change on different levels

2021 saw the adoption of the National Policy to Combat Climate Change and the National Adaptation Plan (NAP), the future reference frameworks for short- and medium-term actions.

Fiscal measures were enacted, including customs duties exemptions for imports of equipment providing or working on renewable energy, new electric or hybrid vehicles and motorcycles, agricultural equipment and



inputs; as well as tax breaks for investments in renewable energy production and supply; and VAT exemption on the import and sale of equipment to produce renewable energy.

Financial mechanisms were also put in place to bolster the country's resilience to severe weather and reduce the pressure on the public finances including: African Risk Capacity (ARC) Group's sovereign insurance against drought and tropical cyclones, microinsurance for drought in collaboration with Assurances ARO, the World Food Programme and GIZ, in addition to the National Contingency Fund, intended to be a basket fund for all partners, including the private sector.

The African Development Bank is a major partner for Madagascar in the fight against climate change. Thus, through the Bank's ADRIFi initiative, Madagascar has been able to take out an insurance policy against natural disasters with the Pan-African Risk Management Mutual (ARC), to strengthen the resilience of the state budget to finance the management of climate risks.

Furthermore, as a member of the V20 group of countries most vulnerable to climate change,



Madagascar requested technical assistance during the Global Shield initiative during COP27, through the Global Risk Modelling Alliance, which led to a national workshop for all stakeholders, held in February 2023.


The government is also taking action to facilitate the energy transition. The country's renewable energy resources (7800 megawatts of hydro-electricity, 2,800 sunshine hours, 2,000 megawatts of wind energy and biofuels) account for less than 2% of the total for the nation. The recent \$70-million investment in solar energy will add an extra 20 megawatt-hours to the capital's electricity supply. As part of the energy transition, the Bank is supporting the development of major hydro-electric infrastructure projects.

And lastly, the Bank is currently supporting the development of a financial strategy for managing risks and disasters, to strengthen the country's climate resilience.

Private sector invited to join

Investment of this nature requires coordinated contributions from all stakeholders. The Glasgow Climate Pact agreed at COP26 calls for a doubling of finance to support developing countries' adaptation to the effects of climate change and strengthening their resilience.

The private sector will play a key role in supporting the country in its implementation of the NAP. Its involvement will be even more noteworthy in the promotion of climate-resilient and climate-resistant infrastructure. There will also be a systematic establishment of a compensation obligation in the short term (reforestation by industrial companies, etc.) and an obligation to transition towards lower-carbon-emitting activity.

Madagascar is working to establish a framework on climate change and to promote a business environment conducive to responsible private-sector investment that generates green growth. Let us act together now! 



MALAWI

Climate Insurance offers Malawi cover from flooding and droughts

SOSTEN ALFRED GWENGWE

Minister of Finance and Economic Affairs



Malawi, like many developing countries, has suffered from the devastating impact of extreme weather events caused by climate change. Between 2015 and 2023, Malawi experienced five cyclones, punctuated by dry spells leading to loss of livelihoods and loss of lives. More often the capacity to cope with such shocks is limited due to shrinking fiscal space.

Whilst the world has witnessed a growth in climate financing, the needs are far much greater than available financing. Public sources of financing have dominated climate financing. Private sector financing has not been harnessed to its full potential due to inadequate incentives, weak institutions, and higher levels of risks. More private sector financing can be mobilized to help mitigate the effects of climate change by providing the right financial incentives and insurance.

Innovative Way of Mobilizing Private Sector Financing Through Use of Climate Insurance

Malawi has an agriculture-based economy, with low levels of industrialisation. It relies heavily on rain-fed agriculture production, thus increasing the sector's exposure to climate related risks as rain patterns become increasingly unpredictable. The trend has been of shorter rainy seasons with heavy rainfalls, often causing flooding and landslides. There have also been cases of long periods of drought. Most of the large firms in Malawi are engaged in agricultural production

and processing of crops, including cotton, tobacco, sugar, and tea. Other substantial industrial activities are textiles, clothing, and footwear manufacturing, and building and construction. It is envisaged that activities in the mining and energy sectors will become more significant in the economy in the future.


Apart from agriculture, the sector most affected by recent climate events is the energy sector. Malawi depends on hydropower plants located on one main river as its major source of energy. These power plants suffer severe damage whenever climate events occur. Provision of insurance to operators in the energy and agriculture sectors would be key in promoting investments and securing lives and properties. Usage of crop insurance against extreme weather conditions has proved to be very useful to several African countries, including Malawi. Continental insurance agencies like Africa Risk Capacity (ARC) provide an important fallback position and learning opportunity for many private insurance agencies that have piloted provisions of crop insurance to guard against extreme weather conditions.

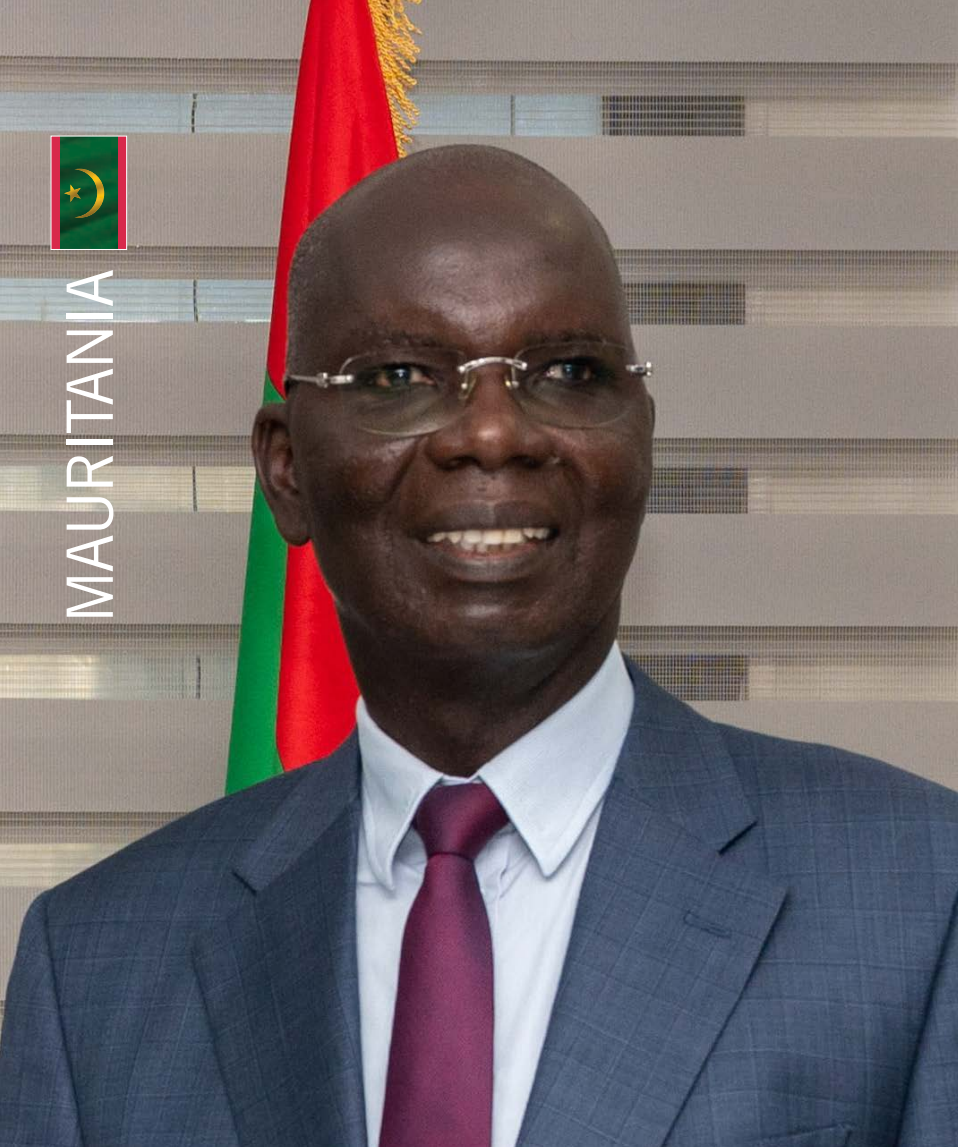
Current Mitigation Activity to address Key Risks

Although commercial agriculture remains somewhat limited in Malawi, there is some demand for insurance cover and there are opportunities to offer cover for this sector. The market for livestock cover is small but there are policies available that cover livestock, essentially cattle, for major risks and limited sickness cover. A small number of poultry farms are insured in the market. Usually crop insurance is

limited to post-harvest perils including storage and transit, however, standing crop insurance is also available for specific crops, the main crop insured being tobacco. Hail cover is also available in the market. The government of Malawi buys drought insurance cover from ARC. The cover was first placed for the 2015-16 farming season.

Success Stories

Malawi is a member country of the ARC. The ARC risk pool provides participating countries with up to \$180 million of insurance coverage, backed by a \$70 million reinsurance programme. ARC's pay-outs are based on results from its drought risk model, Africa RiskView. The model is customised for each country to reflect its historical drought risk profile and farming methods. In 2016, Malawi received a payout of \$8.1 million following a drought. The Economist magazine reported in August that government and international agencies estimated 6.5mn people would need aid by January 2017 because of the low rainfall. However, ARC's software concluded that only 21,000 people were at risk. In 2022, the African Risk Capacity (ARC) insurance pool paid out \$14.2mn to the government of Malawi after the country experienced its driest season since 1981. The pay-out was distributed through the World Food Programme, which supported Malawian households facing food insecurity. Malawi's insurance cover from the ARC was designed using four sub-national cluster policies so that it would more efficiently cover different regions from drought. In the case of the latest pay-out, localised drought has triggered parametric insurance arrangement. 



OUSMANE MAMOUDOU KANE

Minister of Economic Affairs and Promotion of Productive Sectors

Bio

Ousmane Mamoudou Kane was appointed Minister of Economic Affairs and Promotion of Productive Sectors in December 2020, after having chaired the Board of Directors of the Générale de Banque de Mauritanie. During his career, he served as Minister of Finance and Governor of the Central Bank of Mauritania, worked at the African Development Bank for 15 years as an industrial engineer and as Director of Strategic Planning and Budget, and as the Director of Human Resources. He graduated as an engineer from the École des Mines, Saint-Étienne, and also from the École Polytechnique in Paris, France.

Closing the climate funding gap

Mauritania is one of the most-vulnerable countries in the world to climate change. The funding gap for climate action and green growth remains very large. Because of this, it is important to encourage the private sector to close the climate finance gap in Mauritania. A number of innovative avenues remain to be explored, including green financial instruments, the adoption of tax incentives to promote private-sector green investment in the energy, agriculture, transport and infrastructure sectors, as well as private-sector involvement in the development and dissemination of climate-change adaptation strategies. Moreover, it should be noted that private-sector preparation is a planned part of Mauritania's Green Climate Fund Access Programme, to build the capacities of entrepreneurs and enable them to develop investments eligible for climate finance. The government can also strengthen its institutional and legal framework for the promotion of public-private partnerships in projects with a strong climate impact.

The risks of over-indebtedness

Climate finance in the form of debt increases public debt levels, with debt servicing negatively affecting African countries' abilities to implement sustainable-development economic programmes. Increasing the debt burden could prompt a country to make budget cuts and reduce its climate commitments and investments. Using debt to finance climate action is not the most appropriate option to address climate challenges, given the risks that already weigh on the sustainability of African countries' public finances after the Covid-19 pandemic and the policy measures adopted to limit the negative effects of the war in Ukraine.

Mauritania has made significant progress in reducing the risk of external and global over-indebtedness from high to moderate. Development partners should support the country in this and opt for grant-based climate finance. In addition, African countries and bilateral and multilateral partners should agree on the establishment of a mechanism to support an ambitious "debt relief for climate action" agenda so that countries receiving debt relief commit to investing resources in climate initiatives to improve their resilience. In addition, domestic resource mobilization and the prioritization of concessional resources for climate finance should be strengthened.

Policymakers should direct funding primarily to high-potential, low-carbon sectors. There are investment opportunities in Africa in renewable energy, sustainable agricultural and green and climate-resilient transport infrastructure. In Mauritania, the energy sector, and especially renewables such as solar and wind, as well as green hydrogen in the medium term, is essential for green growth and offers significant opportunities for job creation and the promotion of sustainable economic growth. All these factors could contribute to making Mauritania a competitively priced producer of green energy. In order to create an economic interest for investors and ensure an enabling environment for private-sector participation in climate action, it is essential to involve the private sector in the development and dissemination of climate-change adaptation strategies. In addition, it is important to strengthen the capacities of private sector actors regarding the design of bankable projects for adaptation to climate change. It is also important to use tax incentives to encourage private companies to adopt clean technologies.

Successes so far

More than ever, growth and sustainable development depend on mitigating the effects of climate change. These challenges require simultaneous responses through integrated policies, appropriate funding choices, social dialogue, and effective cooperation. In this context, the contribution of the private sector in promoting innovation and financing is crucially important to support environmentally friendly growth. There will need to be a reorientation of public policies and private investment to fully factor in the objectives of mitigating the negative effects of climate change. In Mauritania, we can cite the experience of promising private-sector projects that came in response to the President of the Republic's call for investment in priority sectors, including agriculture. These investments in agriculture have significantly contributed to nearing virtual self-sufficiency with respect to some vegetables and having strengthened the government's efforts in respect of grains. Agriculture has a positive and important role to play in the mitigation of climate change. That is why African governments should focus on organic agriculture and reducing pesticide use. Governments should direct funding towards the promotion of climate-smart agriculture, strengthening best climate-change adaptation practices in agriculture and pastoralism. The development of resilient cities and green

infrastructure requires a holistic approach involving the establishment of a master plan for the development of Africa's cities that considers natural-disaster risks and the impact of climate change, the development of sustainable public-transport infrastructure powered by renewable energy, the use of renewable energy sources in the design and development of cities, and the use of clean technologies for waste management and wastewater treatment.

Financial flows for climate change

Climate change is one of the long-term challenges that threaten macroeconomic stability and growth in many countries. Innovative approaches and monetary mechanisms such as special drawing rights issued by the International Monetary Fund will address challenges and help channel financial flows to climate action in African countries.

Multilateral development institutions, including the World Bank, the IMF, and the African Development Bank play an important role in mobilizing private financing for African countries

through support for tax reforms that promote investment in climate projects; technical support to member countries to help them design policies and reforms that encourage private investment in climate projects; structuring public-private partnerships or developing risk guarantees for private investors; and the establishment of mechanisms to manage climate risks, particularly the development of insurance systems for farmers.

The African Development Bank must support climate action by scaling up its financing under the 'Desert to Power' initiative for energy sector projects and the creation of enabling environments for private investment in clean energy production. The Bank must be the locomotive for mobilizing green financing for member countries' implementation of climate-action projects. It should assist regional member countries in the development of tax policies conducive to private investment in climate projects and the issuance of green bonds. The African Development Bank must support these countries to develop their financial markets and improve the business climate to attract foreign investment in climate projects. 





Developing financing products for sustainable development

Under the enlightened guidance of His Majesty the King, Morocco has undertaken ambitious reforms to achieve its sustainable development objectives. These reforms have been implemented through strategic initiatives including the National Sustainable Development Strategy, the National Charter for the Environment and Sustainable Development and the Green Investment Plan. Morocco has also launched flagship projects in vital areas such as renewable energy, within the framework of a policy to integrate renewables into the national energy mix, thus raising the Kingdom's ambition in respect of decarbonizing its economy.

Greening the financial sector

With regard to finance, Morocco has made major efforts to align its financial sector with the government's priorities for sustainable development. During COP22 held in Marrakech in 2016, Morocco prepared a roadmap for climate finance that sets out the alignment of the finance sector with the challenges of sustainable development. Also, several regulatory texts and guidelines have been published by regulators, including guides to green obligations and guidelines and circulars on reporting on environmental, social and governance matters and the management of climate risks in the financial sector.

In respect to financial instruments, public authorities have set up several mechanisms for funding the green investments of companies and especially of small and medium-sized enterprises. Furthermore, work is ongoing for the development of public-support instruments to benefit the financing of green projects, with the goal of enriching and diversifying the range of financial products, primarily targeted at very small enterprises and to fill current funding gaps.


Several green bond issues, with an estimated value of \$500 million, have been made in Morocco, particularly by financial institutions and semi-state enterprises, indicating Moroccan investors' interest in sustainable financial products.

Mobilizing the private sector

Nevertheless, given the scale of the projects to be undertaken and the extent of the pressures that Covid-19 has put on public finances, public action alone will not be able to finance the green transition. That is why it has been necessary to turn to private capital and to adopt a public-private partnership approach to financing.

Public and private actors must be able to access adequate and sustainable financing. The financial sector must be able to channel savings towards green investments and provide investors with the resources necessary for them to contribute to achieving the Sustainable Development Goals.

Such efforts to mobilize private finance for sustainable development should be supported by coordination at the international level. In this context, Morocco has joined the International Platform on Sustainable Finance and the Coalition of Finance Ministers for Climate Action, which are exploring solutions for facilitating the mobilization of financing for climate action.

Lastly, it is important to strengthen international cooperation for sharing experiences on climate finance in line with commitments made under the Sustainable Development Goals. 

The financial sector must be able to channel savings towards green investments and provide investors with the resources necessary for them to contribute to achieving the Sustainable Development Goals.



NADIA FETTAH

Minister of Economy and Finance

Bio

The first woman to hold this position, Nadia Fettah was appointed Minister of Economy and Finance by His Majesty King Mohammed VI in 2021. Previously she was Minister of Tourism, Crafts, Air Transport and the Social Economy. A graduate of HEC Paris in 1994, Nadia Fettah began her career as a consultant with one of the largest financial analysis firms in Morocco, before going on to establish an investment fund that she managed for five years. After leading a Moroccan insurance company, she advised a global holding company on the development of its capital in African and the Middle East. Elected “CEO of the Year” in 2018 at the Africa CEO Forum Awards in Abidjan, Ms. Fettah is active in the voluntary association sector; she co-founded the Women’s Club, serves on several boards of directors and is a member of the “Women Corporate Directors” global network.



ERNESTO MAX ELIAS TONELA

Minister of Economy and Finance

Bio

Ernesto Max Elias Tonela is a Mozambican economist who currently serves as Minister of Economy and Finance. After a long career in his country's private sector, Mr. Tonela served as Minister of Industry and Commerce from 2015 to 2017 and as Minister of Mineral Resources and Energy from 2017 to 2022. Mr. Tonela holds a degree in Business Management from the Faculty of Economics at Eduardo Mondlane University and a master's degree in financial management from the Institute of Business Administration at the University of Paris I. Mr. Tonela is one of his country's foremost authorities on energy finance.

Unlocking economic potential through the private sector

In recent years, Mozambique's economy has faced unprecedented challenges, hampering its growth trajectory. However, the government has taken decisive action to revive the economy. Its vast potential ranges from some of the world's largest unexplored natural gas reserves to an unrivalled green energy potential, Mozambique is poised to accelerate its economic growth.

As the country began to implement a program with the IMF in August 2022 to regain a path

to economic growth through transparency and stronger governance, Mozambique President Filipe Nyusi announced the Economic Acceleration Stimulus Package (PAE), a comprehensive reform program designed to position Mozambique as an attractive investment destination and propel sustainable and inclusive economic development.

The PAE measures place the national private sector in the centre of economic activity, with specific actions aimed at amplifying the potential of national production, to expanding the frontiers



A mission of Japanese investors is introduced to PAE in May 2023
— Photo by **Fabio Scala**

of economy promoting employment, and ensuring a faster, more inclusive development. The measures aimed to simultaneously ease the pressure on the government, allowing it to increase its focus in the areas of social protection and the provision of essential public services to the population, with emphasis on health, education, roads, and the protection of people.

Natural Gas Bonanza

Mozambique's natural gas sector is experiencing unprecedented development as vast reserves are being tapped offshore in the Rovuma Basin. Major natural gas projects, led by companies like Total Energies, SASOL, ENI, and ExxonMobil, are underway, positioning Mozambique as a major LNG exporter. The sector's growth is forecast to boost the economy, attract investments, create jobs, and drive infrastructural advancements, while providing cleaner energy sources and enhancing regional energy security.

The development of natural gas in Mozambique has far-reaching implications. It is set to generate substantial revenues for the country, attract foreign direct investment, and foster economic diversification. The availability of affordable and reliable energy will support and benefit access to electricity at a regional level, improving living standards, stimulating industrial growth and more inclusive economies.

A Champion of Climate

Mozambique faces significant challenges from climate change, including increased natural disasters and risks to agriculture and livelihoods. While most countries see climate change as a threat, climate-related disasters are an everyday reality in Mozambique with significant casualties on coastal areas and heavy infrastructure losses annually. While Mozambique is among the countries that

least contribute to climate change, it is one of the countries suffering the most from its consequences.

Accessing climate finance is crucial for the country's adaptation and mitigation efforts. Mozambique has engaged with international climate funds, such as the Green Climate Fund, and established partnerships with donors. However, capacity limitations and alignment with national priorities remain challenges. In response, the country is on course to establish a Climate Finance Unit to mobilize much needed financial support to enhance resilience and transition to a low-carbon economy, promoting continued efforts in capacity building and coordination among stakeholders.

Mozambique's potential for green energy generation is limitless and the country is proactively pursuing the development of projects that will soon impact and support its energy transition, chief among them the Mphanda Nkuwa 1500 MW hydro dam project forecast to go online within the next four years. **GD**



The Coral South FLNG Platform went online on October 2022
— Photo by **Abilio Varela**



DR. ZAINAB SHAMSUNA AHMED

Minister of Finance, Budget and National Planning

Bio

Zainab Ahmed was appointed Nigeria's Minister of Finance in 2018. Before this, she was Minister of State for Budget and National Planning responsible for budget implementation, monitoring and evaluation, and donor co-ordination as well as managing the National Social Investment Programme. Zainab Ahmed is a member of the international board of the Extractive Industries Transparency Initiative (EITI), and a Co-Chair of the Open Governance Partnership (OGP). Mrs. Ahmed graduated with B.Sc. Accounting in the Ahmadu Bello University Zaria, Nigeria and did her MBA at the Ogun State University, Ago Woye, Nigeria.

Sharing the burden of climate financing

Climate finance needs in developing countries and especially in the African region are a huge burden on governments. This is even without knowing the full extent of the measures required to mitigate and adapt to climate change, due to the paucity of data. Huge investments in infrastructure, including green projects as mitigation steps, can best be achieved with private sector finance, in addition to funds sourced from development partners.

Sub-Saharan African countries, including Nigeria, continue to bear the brunt of climate shocks that threaten to reverse hard-won development gains and undermine food production. Accordingly, global efforts, especially by the largest emitters, to meet carbon emission targets and avert catastrophic climate events in the future need to be intensified.

Nigeria looks forward to concrete proposals and commitments emerging from the forthcoming COP28 in Dubai, UAE. Because of the limited fiscal space, we believe that it is important to strengthen access to concessional-official and private finance for climate mitigation and adaptation, particularly in the Sub-Saharan African region, while filling the information gap.

I also propose that innovative financing instruments, including green bonds and debt-for-climate swaps, be actively explored to help close climate financing gaps.

As global emissions are not the same across regions and countries, there is an urgent need for a fair and just climate transition which includes aligning environmental policies with labour market policies to foster re-allocations towards green job opportunities in low emission, high unemployment regions

Consideration can be given to sourcing funds from equity financing, concessional loans and grants from developed countries and multilateral financial institutions, the issuance of bonds, and the refinancing of debts and lines of credit.

Safety nets for vulnerable populations

However, in mobilizing funds for climate change financing, there is need to pay attention to social implications through appropriate policies on safety nets for the vulnerable population. There is also the angle of concern about monitoring balance of payments vulnerabilities that could arise from large capital inflows associated with climate finance.

66 Private sector investment in Africa can be geared towards replicating climate- resilient technologies and services in critical development sectors.

Africa can explore what has been proposed as far back as 2010, that is, the creation of a Green Fund using official funds to leverage private financing. This would be a fulcrum for raising long-term resources from developed countries to finance green projects. The African Development Bank Group may need to give deeper thought to this type of financing. One challenge may be how developed countries would face the burden-sharing problem, especially about how to distribute among themselves the cost of the resource transfers. The fund's governance structure and the issue of disbursement to green projects would need to be straightened out.

There needs to be recognition of the importance of appropriate policies for more inclusive economic and financial development and sustainable foreign direct investment — which does not provoke adverse ecological consequences for African economies

I share in the wisdom that public-private-partnership in developing countries should pave the way for the identification of climate change risks culminating in response measures and adaptation. Private sector investment in Africa can be geared towards replicating climate-resilient technologies and services in critical development sectors—such as infrastructure (roads, rail transportation, aviation, power, and agri-business—with the aim of fostering economic progress and environmentally sustainable low-carbon and socially inclusive development to achieve green growth. 





RWANDA



DR. UZZIEL NDAGIJIMANA

Minister of Finance and Economic Planning

Bio

Dr. Uzziel Ndagijimana has served as Rwanda's Minister of Finance and Economic Planning since 2018. He is a member of the Presidential Advisory Council to H.E. Paul Kagame, President of the Republic of Rwanda. Previously, he served as Minister of State in charge of economic planning; Permanent Secretary in the Ministry of Health; Vice Rector of the National University of Rwanda, and Rector of Rwanda's School of Finance and Banking. Dr. Ndagijimana holds a PhD in Economics from the University of Warsaw.

Achieving green growth in Africa

Rwanda, like many other Sub-Saharan countries, is increasingly experiencing the impacts of climate change. Changes in temperature, precipitation and their distribution are the key drivers of climate and weather-related disasters that negatively affect Rwandans and the overall economy. The main risks/impacts that adversely affect the population include droughts, floods, landslides, and storms. These are associated with loss of

life and property, including houses, crops and livestock, soil erosion, water pollution, damage to public infrastructure, etc. For example, around 90,000 people per year have been affected by floods, landslides, and erosion in Rwanda between 2018 and 2021.

Despite Rwanda's very small contribution to GHG emissions, the government recognizes that we all have a role to play. Hence, Rwanda adopted in 2011 the Green Growth and Climate Resilience Strategy (CGCRS), setting out the country's actions and priorities on climate

change relating to both mitigation and adaptation and how these will be mainstreamed within economic planning. This strategy was updated in 2022. The CGCRS, is embedded in the National Strategy for Transformation (NST 2017-2024), which is a high-level planning policy that frames the country's subsequent medium-term planning through sector priorities, district development plans, and includes specific projects or actions along them.

While Rwanda recognizes that significant financial flows are important, policymakers need to establish proper planning frameworks and incentives to achieve green growth. For example, the country's sustainable development agenda targets 100% of households having access to electricity by the year 2024. In 2022, the connectivity rate stood at 61% of Rwandan households, of which 48.6% are connected to the national grid and 18.5% to off grid, mainly solar home systems, from electricity access of 17.9% in 2012. To achieve this target, the government has put in place incentives to mobilize private investments into this sector like the provision of solar energy to rural and remote areas, which proved successful.

As the demand for settlement increases along with urbanization, the government has also put in place environmental regulations and standards to enforce the proper design, construction and use of disaster-resilient building materials and ensure compliance with building codes, which attract investors into the sector.

The government is also in partnership with investors in green mobility solutions and provides tax incentives for electric hybrid motor vehicles to reduce GHG emission.


Finally, Rwanda was first in Africa to submit a National Adaptation Programme of Action (NAPA-2006) to identify its priority activities to respond to the needs for adaptation to climate change. It was also the first country in Africa to submit an updated National Determined Contributions (NDC) to UNFCCC (May 2020) including an approach to adapt and mitigate the effects of climate change. The total estimated cost for Rwanda's identified NDC mitigation measures through 2030 is estimated at around USD5.7 billion, and over USD5.3 billion for adaptation priorities, representing a combined funding requirement of around USD11 billion.

All these frameworks are coupled with the 2050 green growth and climate resilience strategy that embodies Rwanda's pathway to green and carbon neutral economy by 2050.

Successes so far

In 2022, at COP27 in Sharm El-Sheikh, Egypt, H.E Paul Kagame, the President of the Republic of Rwanda introduced "IREME INVEST" as a groundbreaking new investment facility that will support Rwanda's private sector to access green finance and increase the sector's contribution to the country's response to climate change. Ireme is a Kinyarwanda form of quality and addresses the current barriers to creating project pipelines and gaining access to financing using a comprehensive and value-chain approach. The initiative is intended to showcase what makes Rwanda an ideal destination for green investment, to highlight its track record in delivering climate action,

and to promote its aim for a carbon free future by 2050. IREME INVEST was launched with capitalization equivalent to USD104 million and attracted partners including EIB, AFD, SIDA, FCDO and the Global Climate Partnership Fund.

Rwanda is also the first African country to have concluded an arrangement with the IMF under the newly established Resilience and Sustainability Facility (RSF), amounting to SDR 240.3 million, equivalent to USD319 million, to support the country's ambitious agenda to build resilience to climate change and help catalyze further financing. The RSF was created with the aim of helping low-income and vulnerable middle-income IMF members address longer-term structural challenges such as climate change with longer-term and low-cost financing. Rwanda accessed the facility through bold reforms and policy actions to catalyze private climate finance. Among the flagship programs to be implemented include scaling up of IREME INVEST and strengthening capital market developments. 



Bank's food production facility helps Africa's smallholder farmers fill grains shortfall



By Annual Meetings, African Emergency Food Production Facility operations have led to the procurement or distribution of **408,587 metric tons** of certified seeds, and **1.4 million metric tons** of fertilizer to benefit more than 6.4 million African smallholder farmers. Since its launch in May 2022, the Facility has achieved **106%** of its seed distribution target, **40%** of its fertilizer distribution target, and reached **32% of the targeted 20 million farmers** the Facility aims to positively impact.

The African Development Bank Board of Directors initially approved a **\$1.5 billion** African Emergency Food Production Facility in May 2022, to support **20 million smallholder farmers** in **36 African countries** with access to affordable certified seeds and fertilizer.



The initial African Emergency Food Production Facility approved by the Board aims to produce an estimated **38 million metric tons of wheat, maize and other grains** over a two-year period.

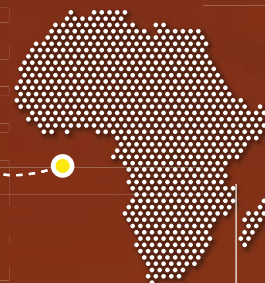


The Bank's Board approved 24 Facility operations in July 2022, and **14 more operations** between September and December 2022.



By the end of December 2022, the Facility exceeded initial targets, with the Bank Board of Directors approving **\$1.56 billion** in Africa Emergency Food Production Facility loans and grants for **35 countries** and two multinational operations (programs involving multiple countries).

All Thirty-eight Facility loan or grant agreements have been signed out of **38 approved** operations. Thirty-seven Facility operations have met conditions for disbursement, of which 24 have already disbursed a total of **\$608.2 million** to participating countries. By Annual Meetings, an additional **\$439.4 million** is expected to be disbursed. In summary: by Annual Meetings, 67.1% of total African Emergency Food Production Facility financing budgeted for **37 approved** operations is expected to have been disbursed.



Four Facility operations worth **\$168 million** are scheduled for Bank approval in 2023.

Implementation of the Facility began in earnest by October 2022, with distribution of seeds and fertilizer in Eswatini, Malawi, Zimbabwe, Zambia and Madagascar, ahead of the main cropping season in the **Southern Hemisphere** that began in November 2022. Preparations for the main cropping season in the **Northern Hemisphere**, starting in **May 2023** are ongoing.

All 10 Facility countries in Africa's Southern Hemisphere have signed loan agreements and received first disbursement ahead of the main 2022/2023 cropping season. By Annual Meetings,

58.6% of a total amount of \$223.4 million

[in loan agreements] will have been disbursed in the 10 Southern Hemisphere countries.



Twenty-two of 27 Facility countries in the continent's Northern Hemisphere have received disbursement funds. By Annual Meetings, 70% of a total amount of \$1.312 billion in financing will have been disbursed in the 22 Northern Hemisphere countries.



Africa's Northern Hemisphere main cropping season begins in May. The Facility has **distributed 405,991 metric tons** of certified maize, wheat, rice and sunflower seeds in the region, or 106% of its target. The Facility has distributed **1.24 million** metric tons of fertilizer, or **41% of Facility targets**.

The total number of smallholder farmers in Africa's Northern Hemisphere benefitting from the Facility: **5,774,766**.



Global support for the African Emergency Food Production Facility includes development partners like the Governments of Japan, Norway, the Republic of Germany, Netherlands, and United States of America. Combined, these partners

have **contributed \$302.478 million in support of the Facility**.

Policy reform that enables private sector-led and technology-enabled farm input sector is an important component of the African Emergency Food Production Facility. To date, **7 policy reforms have been enacted in Egypt, 4 in Tanzania and 2 in Morocco**. Information and communications technology platforms for input distribution are operational in **Zambia, Cameroon, Sierra Leone, Senegal, Chad and Central African Republic**.



Better project structuring, the guarantee of success

This year's Annual Meetings are an opportunity to remind governors and the international community of Africa's need to conduct a just and equitable energy transition. While Africa is responsible for only 3% of emissions it bears the full brunt of the consequences of climatic warming. This is evidenced by desertification, droughts and floods—plagues that we have to address with limited means.

That is why the subject of financing, particularly private-sector financing, is at the heart of this year's theme, to enable our countries not only to mitigate climatic warming, but also to adapt to it by investing in such sectors as energy, health, the environment and agriculture—particularly to help small rural farmers adapt to climate change and to protect the livelihoods of the most vulnerable.

With this in mind, our countries are continuing to undertake reforms to create a business environment more conducive to attracting private investment, which will fill the funding gap and address the Sustainable Development Goals. The reforms brought about in several countries and regional-level strategic goals for development of public-private partnerships confirm this drive to prioritize private financing as part of funding mobilization.


The establishment of a support and project-preparation fund enabling projects to be better structured is also a guarantee or prerequisite of

success to kick-start access to private financing. It is important that this fund be endowed with non-reimbursable grants from international organizations, which will make it possible not only to conduct feasibility studies, but also to benefit from technical support to make projects bankable.

It is also important to address the challenge related to the long maturities of private investments with attractive terms and, particularly, pricing more in line with projects' intrinsic risks. Thus, the greater use of mixed financing, including concessional funding or similar mechanisms, will be necessary.

In this vein, the reallocation of special drawing rights to multilateral development banks such as the African Development Bank could be a new avenue enabling greater mobilization of concessional resources for the climate transition.

Lastly, I call on our partners to respect their climate-aid commitments, including to allocate \$100 billion per year to the least well-off nations to help them adapt to and mitigate climate change.

Although not sufficient in the context of the substantial needs our countries face, these flagship measures will help to initiate a new momentum of private-sector resource mobilization, not only to tackle the effects of climate change, but also to create an environment conducive to endogenous development for the well-being of our people. 

66
The reallocation
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climate transition.

A portrait of Oulimata Sarr, a woman with short dark hair, wearing orange-rimmed glasses, gold hoop earrings, and a pink patterned dress with a colorful striped neckline. She has her arms crossed and is smiling. To her left is a portion of the Senegalese flag, showing green and yellow stripes.

OULIMATA SARR

Minister of Economy, Planning
and Cooperation

Bio

Oulimata Sarr is the first woman to serve as Minister of Economy, Planning and Cooperation in Senegal. From 2019 to September 2022, she served as Regional Director for UN Women. In 2017, Mrs Sarr joined Vital Voices Global Ambassadors Program as a mentor for women entrepreneurs around the world. Prior to joining the UN in 2016, she spent 10 years at the International Finance Corporation, and served as the Chief Financial Officer of Interair South Africa from 1993 to 2005.

She earned her BA from the École des Hautes études commerciales de Montréal in 1992 and an MBA in 2002 from the University of Bedfordshire in Britain.



Striving for a resilient economy in Seychelles through energy efficiency and renewable energy

The repercussions of climate change on the socio-economic development of our country range from sea-level rise to coastal erosion, to the loss of coastal and marine ecosystems. This all points to Seychelles' high vulnerability to the effects of climate change. Seychelles is a firm advocate of the multidimensional vulnerability index as it brings forth a more equitable indication of vulnerability for small island developing states (SIDS) and introduces more accurate measures while considering specific vulnerabilities. These should broaden access to concessional financing. In building a climate resilient economy, sustainability is at the forefront of our development agenda. However, such commitments are becoming extremely difficult to deliver on, given limited access to funding due to our high-income status.

A pioneer in sustainable policies, Seychelles has, in partnership with The Nature Conservancy, protected 30% of our exclusive economic zone for conservation under the debt-for-nature swap initiative. Additionally, a vehicle was established to ensure a funding source for climate-specific projects. This ensures that Seychelles achieves its macroeconomic aims of debt reduction while advancing its conservation and sustainable development goals and unlocking vital innovative and sustainable climate financing. Additionally, Blue Bonds are designed to support sustainable marine and fisheries projects through private investments. This gives the Seychellois greater ownership and control over their ocean, allowing for a greater diversification of our economy's second pillar and greater economic activity. Low-interest loans from our innovative bonds are encouraging small to medium-sized ocean-focused businesses to grow and reduce our dependence on tourism.



NAADIR NIGEL HAMID HASSAN

Minister for Finance, Economic Planning and Trade

Bio

Minister Naadir Nigel Hamid Hassan was appointed Minister for Finance, Economic Planning and Trade in November 2020. He was part of the finance team that initiated discussions to start the process of joining the World Trade Organization and trade agreements and worked on the 2008 economic reform program supported by the International Monetary Fund. Mr Hassan has served on many Central Bank committees responsible for monetary policy and implementation, international reserves investments and management, risk management and human resources policy development. He also served as Vice Chairman of the Southern African Development Community sub-committee on banking supervision.

Financial innovation is critical as an accelerator given the growing climate financing gap. Potential solutions could be incorporating climate change adaptation measures as a component of Foreign direct investment and increased private-public partnerships initiatives linked to mitigation measures, among others. The options of pooled investments can be worth considering whereby consistent frameworks can be used to group similar projects facing similar constraints in the direction of green and sustainable practices. Seychelles plans to adopt a climate finance strategy and roadmap to establish and prioritize how best to incentivize domestic investments and to mobilize funding from international, public and private sources for different project preparation and financing stages. It plans to explore financing mechanisms to support its Nationally Determined Contribution implementation e.g., multilateral and bilateral funds, insurance products, and debt-for-nature swaps that it has piloted successfully already, private investment, blue carbon credits and bonds, and other innovative conservation financing mechanisms.

Small Island Developing States may face limited access to finance to meet climate challenges

Climate-induced challenges faced by Small Island Developing States may limit access to finance, this includes the increased frequency and intensity of natural disasters. Given these risks, there is an urgent need to emphasize the key role of the private sector in addressing the gaps by providing insurance to climate-specific risks. The Disaster Risk Management Act of 2014 and Disaster Risk Management Policy set the baseline structure for disaster risk reduction and response in Seychelles. They promote collaboration between relevant government institutions, non-governmental organizations, private sector entities and communities. Data collation and sharing within the proposed Disaster Management Information System could be strongly supported by private sector investment, to ensure access to complete, consistent, and up-to-date climate and risk information for decision makers.

Seychelles is striving for a climate smart, resilient economy, and self-sustaining pathway through energy efficiency and renewable energy. Some of the ongoing measures to drive private sector investment in the energy sector include developing a Feed-in-Tariff Policy—promoting public and private investments in renewable energy generation; developing an integrated resource plan that outlines the short—and long-term measures for electricity generation including from renewable sources, enacting an electricity bill and energy efficiency bill, and establishing a multi-sector energy regulatory authority.

Conscious of our debt levels, climate change remains a key risk that needs to be funded as we find a balance between private financing and the green growth model. In the long run, the cost for the global economy may worsen. Therefore, addressing the financing gap may be the cost of mitigating future imbalances to the global economy. Seychelles will continue to work with development partners and the private sector to access climate finance for implementing mitigation and adaptation plans. ⁶⁰



SHEKU AHMED FANTAMADI BANGURA

Minister of Finance

Bio

Minister of Finance, Sheku Ahmed Fantamadi Bangura, has held several important positions in the government, serving as Deputy Minister of Finance and Chairman of the National Covid-19 Response. He served as Senior Advisor on the Executive Board of the World Bank Group for a decade and was Principal Economist and Senior Economist at the West African Monetary Institute in Accra, Ghana before that. Mr Bangura holds a Master of Economic Policy Management from McGill University, a Master of Public Policy from The American University and a Bachelor of Science from Fourah Bay College at the University of Sierra Leone.



What does the private sector need to invest in Africa?

Coming out of the Covid-19 crisis, African countries have high levels of debts. With the decline in external financing, private finance can play a significant role in addressing climate challenges.

However, if we want to engage the private sector to attract finance at scale, we need to grow and improve on the pipeline of investible projects, reduce transaction costs, which is key, and finally, we need to de-risk opportunities for the private sector to significantly invest. Pipeline projects need to be programmatic, and we need to identify investors fit for purpose. The private sector looks for speed, predictability, and transparency. This should be brought into the public policy framework.

How do we do it? The right climate policies

It is important to have pricing of carbon in place. Different countries have taken different approaches, but the important thing is to have a climate policy in place. Also, we need good quality climate data that is comparable across countries, and better and more reliable data consistent with the transition taxonomies. We should start by doing the following:

- Making a classification of taxonomies
- Having a common definition across markets



need to inject some form of urgency and efficiency into the entire process, especially in areas fully aligned with our NDCs. Investments that are responsive to our NDC commitments should be given priority, so that capital inflows can be aligned with our needs.

- **Global disclosure so that global investors can benefit from this approach**
- **Bankable projects attractive to investors**

We need to broaden the set of financial instruments. Let us think about specific financial instruments that can help scale up finance. Also, we need to broaden the investor base to try to bring in as much private capital as possible.

Restructuring debt

Whilst mobilizing private sector finance is crucial, African economies must also fashion proposals to access funding. We carry a high debt burden, and as a result, even when we contract loans at lower interest rates, it still becomes a challenge to service those low interest debts. We have been most affected by climate change and are currently very much in debt distress. We are also the ones accessing finance at higher interest rates. If we are to adequately tackle the adaptation finance gap, we need to reposition on debt swaps. Let us proactively use the debt swaps as a tool to restructure our debts to make it more

sustainable and create the fiscal space needed to move investments into new markets that are more affordable.

The debt crisis facing our economies is severe. For every USD10 that the most vulnerable countries must pay in debt, they pay an extra USD1 because of their climate vulnerabilities. For the 40 most vulnerable countries, this represents an additional \$40 million paid in interest payments. Interest rates are high for vulnerable nations because of our climate vulnerability, and this has trapped us in a vicious cycle. We need a comprehensive debt restructuring for climate financing. A debt for climate and debt for nature swap linked to climate prosperity plans where resources can be freed up from debt servicing and invested in adaptation and nature-based solutions could lay the groundwork for more inclusive growth.

The current climate finance architecture is seen as inefficient. It takes years to negotiate projects, deals or debt swaps, and it can take as long to develop, negotiate and submit applications for climate finance to Development Financial Institutions. The processes are too long and painfully cumbersome, given the urgency of the needs. As a way forward, we

The role of MDBs

Multilateral Development Banks should also explore the possibilities of credit enhancements like guarantees and risk transfer tools so that countries can act before they are in debt crisis, as well as to mobilize private sector finance. Without these credit enhancements, the private sector will find it difficult to enter the field of play. Every global financial institution needs to be involved if we are to increase efficiency in investments. A guarantor entity to guarantee some country's debts is needed. This will de-risk some of these investments to open the doors to the private sector to come in. They can also play an important role in increasing the balance sheet through their allocations, but more importantly, the leverage they provide in terms of the risk absorption capacity available. This plays a significant role in terms of how much capital they can bring to emerging markets.

The AfDB can lead the way. Firstly, by building the collaboration with the private, public, civil society and other partners needed for financial resilience, secondly, to support building a stable regulatory and policy environment and finally, to pool risks and open the door to the private sector to deliver the trillions of dollars needed in adaptation financing to tackle the biodiversity and climate crisis while reducing transaction costs. 



Recurrent climate shocks leave Somalia vulnerable



Somalia is ranked the second most vulnerable country by the Notre Dame Global Adaptation Initiative.

Like several other countries, Somalia experiences recurrent climate-induced shocks, including droughts, floods, cyclones and tsunamis. Since 2007, it has been subject to nine severe droughts. The 2021-22 drought affected over 7.8 million people and 16 million livestock, surpassing previous droughts in duration and severity. The 2018 Drought Impact Needs Assessment indicated that drought damages and losses across several sectors totaled over USD3.25 billion. Recovery interventions required an estimated USD1.77 billion. The greatest needs were in agriculture, urban development, and municipal services.

The environmental outlook is dim. The likelihood of more erratic and intense rainfall is high, threatening more floods and droughts.

Agriculture, which includes livestock and crop farming, is the country's backbone, employing 85% of the population. The sector is affected by climate-related shocks that increase water scarcity and reduce grazing land. The general population, especially in rural areas, is facing difficulties accessing water that is safe for human consumption. These conditions are fueling conflicts and tension among clans competing


for scarce resources. Rapid and unsustainable urbanization has also grown as displaced rural people move to towns in search of alternative economic activities and security.

The Federal Government of Somalia (FGS) recognizes the adverse effects of climate change on the country at large and emphasizes interventions aimed at enhancing resilience.

The National Development Plan (NDP-9 2020-24) promotes climate-smart agriculture, investment in renewable energy, and prioritizing water management interventions. The primary challenge has been to establish adequate regulatory frameworks to guide climate interventions. To respond to this challenge, the FGS has adopted various policies, strategies and plans including the National Climate Change Policy, National Water Resource Strategy, National Environmental Strategic Action Plan, National Adaptation Plan and updated Nationally Determined Contributions. In 2022, the Somali Ministry of Environment and Climate Change was established to lead the country's efforts in implementing climate-adaptation and mitigation measures. Development partners complement these efforts by supporting programs that seek to build resilience to climate-change related shocks and programs to unlock global environment finance.

Somalia needs an estimated USD57.02 billion in climate financing for 2020-30, or about USD4.71 billion per year.

Adaptation costs are estimated at USD48.5 billion or 85% of Somalia's total needs. Given the resource constraints amid huge existing needs, private sector resources must be mobilized. Somalia's private sector, which includes domestic and diaspora entrepreneurs, is already engaged in key sectors such as energy, construction, water, livestock, fisheries.

This presents a great opportunity to leverage its efforts and ensure that all investments are climate friendly. To crowd-in private sector funds, the FGS will continue to address constraints such as insecurity and weakness in the regulatory and legal environment that have held back investments. 



ELMI M. NUR

Minister of Finance

Bio

Minister Nur has worked for more than 25 years in public sector economics and international trade and finance in academic institutions and government in Pakistan, Tanzania, Somalia, and Sweden. He has been a pivotal member of the Somali Federal Parliament's influential Budget and Finance Committee for over eight years during which time he played a key legislative role in the successful national economic reform program. He earned a Ph.D. in Economics with a special focus in public finance from the School of Economics of the International Islamic University in Islamabad, Pakistan.

The general population, especially in rural areas, is facing difficulties accessing water that is safe for human consumption. These conditions are fueling conflicts and tension among clans competing for scarce resources.



DIER TONG NGOR

Minister of Finance and Planning

Bio

Dr. Dier Tong Ngor has served as Sudan's Minister of Finance and Planning since August 2022. Between May 2018 and January 2022, he was Governor of the Bank of South Sudan, where he previously served as the First Deputy Governor. Dr Ngor earned a PhD in Management and Finance from Walden University, based in Minneapolis, USA.



Overcoming challenges to promote green growth in South Sudan

South Sudan's private sector landscape is small. An estimated 30,000 companies registered, according to the Directorate of Business Registration at the Ministry of Justice in 2022. These companies are comprised mainly of micro, small-medium enterprises, business associations, and cooperatives. The private sector faces several bottlenecks, including inadequate infrastructure, skills shortages, capacities to develop bankable climate finance proposals, and limited access to capital and high lending rates, which hold back its contribution to economic transformation, including financing climate and green growth. Other constraining factors include a high level of informality, weak human capital, especially entrepreneurship abilities, and increased business costs.

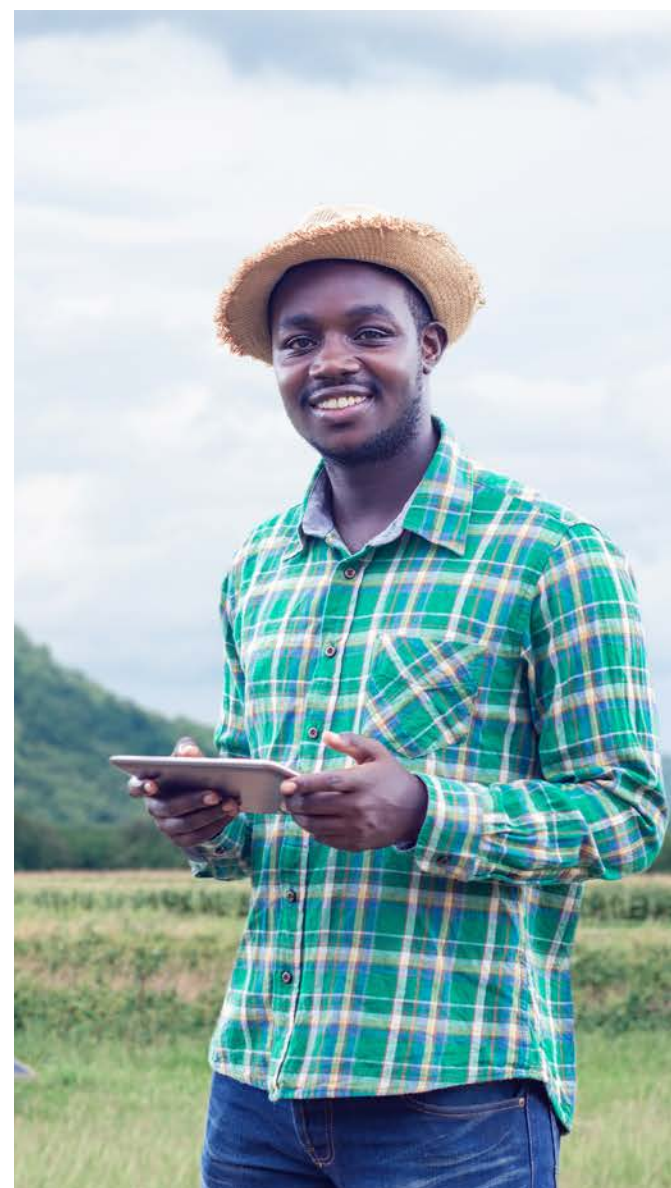
According to the Government's Second National Determined Contribution (SNDC) Report in September 2021, the

country's financing needs for climate change and green growth are estimated to be around USD102.127 billion over 2020-2030. These resources will be used to address climate adaptation and mitigation across various sectors, including agriculture, livestock, fisheries, forests, and disaster risk management. But access to conventional capital continues to challenge local and foreign businesses due to the country's newly independent financial sector. South Sudan's commercial banks are risk-averse and unwilling to lend to early-stage ventures as the nascent regulatory environment does not offer sufficient protection to lenders. Most banks are centered in urban areas such as Juba and Wau, Malakal, Bor, and Rumbek and have limited presence in rural areas due to poor socioeconomic infrastructure.

Seeking private sector investments in renewable energy

Despite the challenges, there are several sectors with potential for private investment and business development besides the oil sector, such as agriculture, telecommunications, renewable energy, road transport, and industrial diversification, among others. In helping to capitalize on the country's potential, we adopted the principle of non-discrimination between national and foreign investments and a legal and institutional framework for competition following the creation of the Anti-Monopoly and Competition Council in 2013. In addition, the government is also seeking to introduce best practice policy measures to enforce the rule of law and respect for property rights. Promoting digital entrepreneurship will be critical in creating a business ecosystem that supports firms in generating new products and services. Furthermore, with support from the African Development Bank, the government is taking measures to prepare the legal and regulatory framework for public-private partnerships (PPP) to catalyze private investment and finance.

Development partners could assist the Government by delivering capacity building and accessing funds they manage and external climate finance resources such as the Green Climate Fund, the Global Environment Facility, the Climate Investment Facility, and the Adaptation Fund. The Bank's upcoming support through the Sustainable Energy Fund for Africa will provide technical assistance to the energy sector and will be instrumental in catalyzing private sector investments in renewable energy, including solar systems and off-grid solutions. ⁶⁰



A smiling female healthcare worker with dark hair, wearing a teal scrub top and a stethoscope, stands in a pharmacy. She is holding a small white packet in her right hand and a blister pack of pills in her left. The background shows shelves stocked with various medications and health products.

Africa on its way to get access to the technologies needed to produce its own medicines

Africa learned an important lesson from the Covid-19 pandemic:

the health and wellbeing of its 1.4 billion people cannot be left to the benevolence of others.

During 2022, even as pandemic surged worldwide, Africa received only a tiny portion of the 12 billion Covid-19 vaccine doses administered globally, despite being home to nearly 17% of the world population. Wealthy countries choose to throw away vaccines rather than share them.

More generally, the pandemic exposed Africa's lack of capacity to manufacture and supply essential drugs and personal protective equipment needed to control diseases like Covid-19. As the world turned to research and development, and more generally global collaborations to find a fast fix for Covid-19, African companies and countries were excluded from these initiatives. All of this has brought home a clear point: Africa's health and well-being relies on a competitive domestic pharmaceutical sector. And the time to build it has come. Even before the pandemic, around half of Africa's total population lacked access to essential medicines. Africa imports more than 90% of its pharmaceutical and medical consumables with production capacity concentrated in a few countries such as Egypt, Kenya, Tunisia, Morocco, Ghana, Nigeria, Senegal and South Africa. As of 2019, the continent had roughly 375 pharmaceutical manufacturers, compared to about 5,000 and 10,500 in China and India. But Africa now comprises a fifth of the global pharmaceutical market, which was valued at USD324.42 billion in 2019 and is expected to grow at a compound annual growth rate (CAGR) of 13.74% from 2020 to 2027. A thriving African pharmaceutical sector is needed to serve the needs of this expanding market.

That is why the African Development Bank is establishing an African Pharmaceutical Technology Foundation. This lifesaving initiative will give Africa access to the technologies it needs to produce its own medicines, vaccines, and other pharmaceutical products. The goal is to become fully self-sufficient, by promoting a sustainable and competitive domestic pharmaceutical sector in Africa.

Pharmaceutical industry challenges

Small fragmented markets and weak regulatory frameworks, inadequate human resource capacity, poor procurement and supply chain systems, and policy incoherencies in countries' trade, industry, health, and finance departments have for too long impeded the growth of Africa's pharmaceutical sector.

Today, new companies seeking to produce pharmaceutical products in Africa compete with

in the sector is also the reason for the lack of pharmaceutical supply chains in Africa.

The difficulties faced by African governments in fostering local production of antiretrovirals (ARVs) in the early 2000s exemplifies some of these constraints. The evidence shows that while many local companies were able to overcome routine barriers to entry in the pharmaceutical sector (such as working capital, and preliminary production investments), they were incapable of reaching scale. A lack of technological know-how, difficulties in overcoming intellectual property constraints, no capacity to produce drugs from scratch, and an overall international environment that poses significant barriers to new entrants from accessing markets.

Game-changer in healthcare

The African Development Bank's initiative for an African Pharmaceutical Technology Foundation

Every dollar invested in health in developing countries will produce immense benefits. The African Development Bank is setting the bar high. In early 2022, the Bank committed to invest at least \$3 billion over the next 10 years in projects and operations to support Africa's pharmaceutical and vaccine manufacturing sector.


The African Pharmaceutical Technology Foundation will give Africa's fragile healthcare system a timely shot in the arm, by fixing the technology ecosystem in the region. For too long, the continent was forced into vulnerability by having to rely on outsiders. The African Pharmaceutical Technology Foundation will end this situation and boost to the health prospects of a continent battered for decades by the burden of diseases and pandemics.

The African Pharmaceutical Technology Foundation will match technology suppliers with companies that need their products, assist, and catalyse access to technological products and processes, create a conducive regional pharmaceutical innovation ecosystem, provide know-how, build capacity, and unlock financing.

With a rapidly growing population, Africa offers one of the largest markets for pharmaceutical products on the planet. Empowering African companies to seize this massive opportunity and branch out into new, value-added activities, the foundation will prioritize technologies, products and processes focused primarily on diseases prevalent in Africa, including current and future pandemics.

With world-class experts on pharmaceutical innovation and development, intellectual property rights and health policy, the foundation will act as a transparent intercessor advancing and brokering the interests of the African pharmaceutical sector with global players and other Southern pharmaceutical companies to share IP-protected technologies, know-how and patented processes.

To be hosted by Rwanda, the African Pharmaceutical Technology Foundation will operate independently and raise funds from various stakeholders including governments, development finance institutions, philanthropic organizations among others. The setting up of the foundation has an enormous potential for a homegrown robust, predictable, accountable, and efficient pharmaceutical sector.

The Covid-19 vaccine is not the first example of Africa being left behind. But it will be the last. The African Pharmaceutical Technology Foundation will ensure Africa can look after its people just like other continents look after theirs. 



established multinationals, and large international firms from India, China and other developing countries that supply to much of the Africa market. They function in industrial environments that are highly constrained, with low-skilled work force (especially a low number of graduates), a weak emphasis on technology absorption capacity, and low support from public research institutes. The lack of technological wherewithal impacts them all around. They face challenges in establishing production facilities, achieving good manufacturing practices, expanding production to large profit margin. Technological access

follows calls from Africa's Heads of State and Government at the African Union Summit in February and is part of a bigger plan to build a quality healthcare defence system that includes significant indigenous vaccine manufacturing capacity.

Achieving the "health for all" vision is gaining support from development organisations and political goodwill from African governments seeking to "build back better" from the devastating impact of the Covid-19 pandemic on lives and livelihoods.



Sustaining Livelihoods in Times of Climate Change

Climate change poses significant challenges to developing countries, and Sudan is no exception. Not only are many of its important ecosystems and natural resources adversely affected, but its farmers and pastoralists—spread over thousands of villages from northern desert regions to southern forests—are also encountering increasing difficulty in sustaining their livelihoods in the face of rising temperatures, recurrent floods, and drought.

The underlying conditions are further exacerbated by a range of human pressures, creating a situation in which Sudan is already highly vulnerable to climatic shocks. Given the inadequate adaptation measures taken so far, Sudan is even more vulnerable to future climate change risks. Also, the economic consequences of Covid-19 have weakened state and societal resilience, livelihoods and food security. Furthermore, the legacy of natural resource mismanagement has increased the marginalization of rural communities and accelerated land degradation, exacerbating local vulnerabilities to climate change.

The government, in coordination with development partners, is working to incorporate indigenous knowledge on natural resource management and conflict management practices, leverage alternative energy sources, integrate flood and drought risk management into planning, and implement locally owned

adaptation programming in line with community needs. Also, within the framework of its general policies, Sudan has taken great strides to involve the private sector in adaptation and mitigation strategies. However, the engagement of the private sector is still in its infancy stage.

Reducing GHG emissions depends on external support

The government is undertaking internal consultations with development partners and stakeholders to identify a comprehensive range of climate change adaptation strategies, establish country-driven criteria by which to evaluate and prioritize adaptation measures, make consensus-based recommendations for adaptation activities, and implement capacity building programs. In this regard, Sudan has received huge finance from the AfDB amounting to USD165.9 million to implement climate change-related projects such as the Agricultural Value Chain Development Project, ENABLE youth Program, Rural Livelihoods' Adaptation to Climate Change in the Horn of Africa, Solar Powered Pumping System Project, Africa Disaster Risk Financing and Drought Resilience and Sustainable Livelihood Programs. Through these interventions there have been remarkable achievements attained through mitigation measures, increases in productivity and improvements in the quality of life of the people of Sudan. Also, the International Fund for Agricultural Development, the World

Bank and UN agencies have made available considerable funds, albeit much less than required to finance climate action.

On the flip side, Sudan is among the least developed countries that requested the implementation of the Paris Agreement as a major priority for countries suffering from the effects of climate change and the inability to confront its impacts. With the economic blockade and political discrimination practised against it in obtaining bilateral sources of climate financing, Sudan has become more fragile and vulnerable to the impact of climate change. This then affected the population and natural environments on which their livelihoods depend. Sudan contributes effectively to the implementation of the agreement at the global, regional, national and local levels, and it has employed many of its human capital, technical capabilities and own resources for this purpose. In this respect, Sudan committed to reduce greenhouse gas emissions by 38% in the energy sector (12.4 Mt CO₂e), 45% in the forestry sector (13.4 Mt CO₂e), and 20% in the waste sector (1.3 Mt CO₂e) by 2030 compared to business-as-usual, conditional on external support. Furthermore, the revised Nationally Determined Contributions also identifies agriculture as a key adaptation priority and proposes scaling up more efficient irrigation systems powered by renewable energy. According to the NDC, the financial support needed for mitigation and adaptation measures is USD 8.24 billion over the next 10 years. ^{6D}



**GIBRIL IBRAHIM
MOHAMED**

Minister of Finance and Economic Planning

Bio

Dr. Gibril Ibrahim Mohamed has been Minister of Finance and Economic Planning since 2021, having joined the Transitional Civilian Government of Sudan in October 2020. As Finance Minister, he is determined to oversee the transformation of the Sudanese economy, ensuring the implementation of a balanced pro-poor economic policy whilst supporting private investment and seeing Sudan benefit from the HIPC initiative process. Dr. Mohamed has led the Justice and Equality Movement since 2012. He earned a MA and a PhD in Economics from Meiji University in Japan and a BSc in Business Administration from the University of Khartoum.



SWITZERLAND



DOMINIQUE PARAVICINI

Head of Economic Cooperation
and Development Division

Bio

Ambassador Dominique Paravicini has led the Economic Cooperation and Development Division, Directorate of External Economic Affairs of the State Secretariat for Economic Affairs (SECO) since 2021. He also serves as a member of SECO's Board and a delegate of the Federal Council for Trade Agreements. Paravicini has held numerous diplomatic posts, including Ambassador of Switzerland to the Republic of Turkey. He has also been deputy director for the directorate of European Affairs in the Federal Department of Foreign Affairs (FDFA). He has also been head of economic affairs at the Swiss embassy in Rome. He joined the diplomatic service in 1998. Prior, he was a delegate of the International Committee of the Red Cross, working in field operations in Sri Lanka, Mexico, Haiti, South Sudan, and Rwanda, and at its headquarters in Geneva.

Switzerland remains committed to a resilient future for Africa

Climate change puts at risk the lives and livelihoods of billions of people globally and particularly in Africa. Failure to address this global challenge threatens to reverse progress on poverty reduction and undermine future development prospects. Switzerland recognizes that addressing climate change and promoting a green transition is fundamental to Africa's sustainable development.

Business as usual is no longer an option. Climate change and other global challenges call for a renewed effort to rethink how multilateral development banks, including the African Development Bank Group, can step up support for global and regional public goods without compromising their focus on fighting poverty and inequality. The unprecedented scale of financing needed for fighting climate change and poverty and for securing a livable future for Africa means that no single institution can do it alone. Partnerships—between development actors, governments, civil society and the private sector—based on a shared understanding of development challenges, a prospective division of labor and a harmonized framework of action, are key to maximizing impact. Given scarce public resources, all multilateral development banks, including the African Development Bank, must work in tandem to make the most out of their existing capital by following the G20 Capital Adequacy Frameworks recommendations, while preserving their financial solidity. Mobilizing and enabling private capital must equally be part of the answer.

Promoting climate-smart food systems by collaborating with the private sector

The African Development Bank is well positioned to play a relevant role in mobilizing more private sector financing for climate and green growth in Africa. We encourage the Bank to further build on its strengths and proven track record in key economic sectors. Creating a conducive enabling environment for climate action and green investments is critical for attracting local and international investors. The African Development Bank must work with governments and other partners to set the right framework conditions, such as phasing out fossil fuel subsidies and aligning financial flows with climate objectives, introducing carbon pricing, improving the overall

business environment, strengthening institutions and enhancing governance. Bridging the implementation gap requires developing a strong pipeline of bankable, high quality, Environment, social, and governance-compliant projects. The African Development Bank can support early-stage project development with technical assistance and high-risk equity and work with other public and private partners to undertake innovative and transformative investments into climate-resilient infrastructure and energy systems, while also ensuring additionality and selectivity of its investments. Given the large potential for increasing food production in Africa, the African Development Bank can support the promotion of climate-smart food systems through innovative collaboration with the private sector. Agro-ecological investments should not only improve nutrition and food sovereignty but also address environmental degradation and desertification through the development of new technologies adapted to African contexts. By following through with its commitment to the Paris Alignment for all new operations by the end of 2023 and adopting a forward-leaning energy policy, the African Development Bank can further spreadhead actions to decarbonize economies and set high standards for the green transition of the continent.

Switzerland remains committed to work with the African Development Bank to support an inclusive, resilient and sustainable future for Africa. The replenishment of the African Development Fund, including the establishment of the Climate Action Window to which Switzerland is pleased to contribute, and continued progress on institutional and governance reforms put the African Development Bank in a strong position to play its part in delivering on the development challenges ahead. **GD**





Preparing bankable projects to enhance financing options

Key sectors of the Tanzania's economy, including agriculture, industry, and natural resources are all vulnerable to climate-related risks. Prolonged droughts have led to the drying out of some bodies of water, the loss of biodiversity and of grazing lands. This has significantly and adversely affected agricultural production and productivity. The government's recent estimates suggest a loss of agricultural GDP to the tune of USD27 billion over the coming five decades from the impacts of climate change, equivalent to an annual average loss of about USD540 million. Also, food production is projected to decline by 8-13% by 2050 due to increased heat stress, drying, erosion and flood damage as well as post-harvest losses. The performance of the industrial sector is also affected by the lack of a reliable power supply following prolonged droughts, leading to reduced hydropower generation capacity. Currently, about 31.5% of Tanzania's electricity supply comes from hydropower sources. In the natural resources sector, competition for grazing land has caused conflict between herders and farmers in some parts of the country, compromising social cohesion between communities.

Climate financing

Tanzania's climate financing needs are estimated at about USD4 billion annually, but only 16% of these needs are met through the existing funding mechanisms, severely constraining the country's ability to achieve emission reduction targets outlined in the Nationally Determined Contribution (NDC). The government's Five-Year Development Plan (FYDP III, 2021/22-2025/26) aims to strengthen environmental conservation

and protection to mitigate the adverse effects of climate change through key interventions, including the promotion of renewable energy technologies (biogas, LPG, solar energy), and climate change adaptation. The cumulative financing needs for Tanzania to respond adequately to climate change are estimated at about USD39.95 billion over the 2020–2030 period—the equivalent of about USD3.99 billion annually. Total adaptation and mitigation costs are estimated at USD9.62 billion each year over the 2020-2030 period, which is equivalent to 48.14% of the total. At the same time, loss and damage costs are projected at USD20.72 billion, equivalent to 51.86% of the total. From 2016-2020, Tanzania received USD3.2 billion in climate finance mobilized by developed countries—equivalent to an annual average of USD639.2 million—which is only about 16% of annual climate finance needs. If the country continues to receive the same amount of annual climate finance as it received over the 2016-2022 period, the resulting financing gap will amount to an average of USD3.4 billion a year between 2020–2030. This huge climate financing gap will hold back the Tanzania's ability to build climate resilience and achieve its emissions reduction targets as outlined in the NDC.

Market-based approaches

To bridge the climate finance gap, the introduction of market-based approaches including revenues generated from carbon credits could be helpful in mobilizing private sector finance for climate and green growth. Tanzania has recently started engaging in green finance and is planning to issue sustainability-linked green bonds and green loans. In 2022, Tanzania issued Carbon Trading Regulations to provide the legal framework necessary for sustainable environmental management that

enhances environmental conservation and the country's NDC commitment of reducing 138-153 metric tonnes of carbon equivalent, equivalent to a 30-35% emissions reduction to contribute to the global target of net zero by 2050. Tanzania has put in place a Green Bond program to mobilize private sector finance for climate and green growth. The program aims to raise funds for climate-friendly investments by issuing bonds certified as green by international standards. In addition, Tanzania has also established the Tanzania Renewable Energy Association (TAREA) to promote the development of renewable energy sources in the country. TAREA works to mobilize private sector investment in renewable energy projects and has helped to secure funding from international development partners for these projects. Further to these initiatives, Tanzania has implemented a number of policy and regulatory measures to support private sector investment in climate and green growth, including tax incentives for renewable energy projects, and streamlined approval processes for environmental permits, indicating that Tanzania has the basic institutional and policy frameworks necessary for green financing.

Preparing bankable projects

Tanzania needs to strengthen its capacity to prepare bankable projects to be able to benefit from global climate funds and expand the options for private sector climate financing. The authorities continue to explore emerging



sources of finance including green climate performance bonds, carbon credits/markets including blue carbon pricing, debt-for nature/ debt-for-climate swaps, climate-related risk management initiatives, green bonds, and a national climate fund. Also, the country can tap into the several global climate change funds including the United Nations Framework Convention for Climate Change Special Climate Change Fund, the AfDB Adaptation Benefits Mechanism, and the African Adaptation Acceleration Program. However, FYDP-III notes that Tanzania has not been able to tap into these global funds due to inadequate capacity to compete and limited access to climate finance from both bilateral and multilateral sources. The FYDP-III also reports that critical capacity needs are the identification and preparation of eligible projects, and the negotiation skills (for loan syndications, semi-concessional loans, and export credit agency loans). Efforts to develop such capacity are being enhanced. Furthermore, in ensuring that the country, and particularly the private sector, is well engaged and benefits from the global climate funds, financial institutions like CRDB have successfully been accredited to directly access the Green Climate Fund (GCF) and the National Environment Management Council being accredited to the Adaptation Fund; meanwhile the Ministry of Finance and Planning and the President's Office Regional Administration and Local Government, NMB Bank, National Bank of Commerce and the Tanzania Agricultural Development Bank are in the process of being accredited to the GCF. ⁶⁰



MWIGULU LAMECK NCHEMBA MADELU

Minister for Finance and Planning



Bio

Dr. Mwigulu Lameck Nchemba Madelu has been Minister for Finance and Planning since 2021. He has held several ministerial posts, serving as Minister for Constitutional and Legal Affairs, Minister for Home Affairs, and Minister for Agriculture, Livestock and Fisheries. In addition, he served as Deputy Minister in charge of economic policies at the Ministry of Finance and Planning. Mwigulu Lameck Nchemba Madelu earned his Ph.D. in Economics from the University of Dar es Salaam in Tanzania.



SEEDY K. M. KEITA

Minister of Finance and Economic Affairs

Bio

Mr. Seedy K. M. Keita was appointed Minister of Finance and Economic Affairs in May 2022. Before this appointment, he was Minister for Trade, Industry, Regional Integration, and Employment. From 2011 to 2020, he was the director of the finance department of the Islamic Corporation for the Development of the Private Sector, the private sector entity of the Islamic Development Bank in Jeddah. Between 2010 and 2011, he served as deputy director in the IFAD Treasury where he managed liquidity and oversaw operations and funding. As Minister of Finance and Economic Affairs, Mr. Keita believes in developing a robust, sound economy grounded in prudent financial management to support the Gambia's development agenda and improve the lives and livelihoods of Gambians.

A collective effort is needed to address climate change

It is disheartening that Africa bears the brunt of climate change. Climate change is not just an existential threat, it is currently threatening development progress and exacerbating global inequities, increasing water and food scarcity, the need for humanitarian assistance, and displacement, and contributing to conflict. The continent is still reeling from the impact of the Covid-19 pandemic coupled with already extremely elevated levels of debt and escalating commodity prices from the Ukraine-Russia War. Climate change challenges add to the difficulties facing the continent and its inhabitants.

Our respective budgets have been stretched to their limits to finance the impact of climate change without the corresponding assistance from the highly industrialized economies. Addressing this crisis must be a collective effort. Cooperation is needed with global partners to strengthen climate ambition, especially if we are to halt the increase in temperatures beyond 2.0 degrees Celsius.

The public sector has been setting goals, building the enabling environment, and investing in research, development and public infrastructure in ways that support the transition. It is therefore apparent that private sector engagements and collaboration are needed to achieve the desired results. The private sector is a critical player in moving to a climate compatible future. The financing needs are large, and public finance is insufficient. Net mitigation costs in developing countries, over and above the cost of business-as-usual

investment needed for economic development, are estimated in the range of USD60 billion to USD175 billion a year whilst adaptation costs are estimated to range from USD75 billion to USD100 billion a year.

Are debt for climate swaps viable?


It is hard to achieve commitments when countries are struggling to fund green initiatives or rather to even adapt to climate change. Some African nations are considering “debt-for-climate swaps,” which allow a nation’s debt to be reduced in exchange for commitments on green investments. Alternative sources of financing climate actions could leverage industrial companies with high CO2 emissions to pay a surcharge towards financing climate change projects. A tax or charge could be levied directly on the incomes of all working individuals as another measure.

It is high time that Multilateral Development Banks review their current roles in developing and demonstrating the viability of investing in climate-friendly projects. New technologies should be made available to private sector investors so that they are better informed of the risks involved in investing in green initiatives.

The African Development Bank should have projects all over the continent to gather data and train their respective labour forces in efficient ways to achieve green growth. New information technology that is transparent could allow every country on the continent to benefit from another country’s experience.

Taxes, duties and customs among African countries should be vastly reduced, especially for importing or exporting climate-friendly products or intermediate goods.

The African Development Bank should engage the private sector in projects in partnership with the public sector. The private sector should have access to viable information to make green investment decisions.

For our continent to survive climate change, we must be prepared to move away from the ordinary mechanics of doing things to the realm of the extraordinary. 



The continent is still reeling from the impact of the Covid-19 pandemic coupled with already extremely elevated levels of debt and escalating commodity prices from the Ukraine-Russia War.

SAMIR SAÏED

Minister of Economy and Planning

Bio

Minister of Economy and Planning of Tunisia since 2021, Samir Saïed was President and CEO of the telecommunications operator Tunisie Telecom before taking a government post. Chair of the Board of Banque Tuniso-Koweïtienne, he served as Managing Director of the Société Tunisienne de Banque, the Al-Hosn Investment Company and the Oman Development Bank, and as Deputy Managing Director of the Arab Tunisian Bank. A trained engineer, he graduated from École Centrale, Paris, and has chaired or been a member of many boards of directors of financial, industrial and service companies.



Financing a
just ecological
transition for Africa



United Nations Secretary-General António Guterres has repeatedly highlighted a lack of commitment by developed countries to meeting their \$100 billion-a-year climate pledge.

The failure of developed countries to honour their commitments is not only an injustice and a failure of global solidarity, it also fuels serious tensions and divisions that prevent global action being taken on a multitude of other issues, including peace, security and human rights.

The issue of climate justice was at the heart of COP27 in Egypt in November 2022, crowned by the adoption of a breakthrough agreement, described by its promoters as historic, on “losses and damages” compensation for the damages caused by climate change that the poorest countries have already suffered. This will receive closer follow-up at COP28 in the United Arab Emirates in late 2023.

We consider this resolution to be a key step in the process of establishing a special “Green Fund for Africa”. This fund should be supported by contributions from the developed countries in proportion to their contributions to global warming. There is no shortage of tools to accurately assess each contribution.

Although Africa is responsible for only 4% of global CO2 emissions, it pays the highest price for global warming, with more frequent and longer heat waves, droughts, floods, cyclones and other adverse climate events. Yet the continent has the world’s greatest potential for solar, wind, hydroelectric, geothermal and recently discovered green hydrogen energy. However, for this potential to become a climate solution—not only for the African continent but for the entire planet—significant funding and know-how, including “green” technologies are crucial.

The fight against climate change in Africa is more a matter of compensation than of shared responsibility

The major challenge, therefore, is to mobilize the necessary resources and harness them effectively to meet these challenges. Africa has often claimed its right to legitimate compensation from the developed countries historically responsible for this climate scourge.

African countries already spend an average of nearly 18% of their tax revenues on debt servicing, leaving them little room to finance basic services and the transition to green and inclusive growth. In such a context, it is unlikely

that public funding alone will be sufficient to fill the climate and green growth financing gap. The international community must stand with Africa on this issue and help to provide the major resources it needs. Africa needs USD3 trillion by 2030 to play its part in limiting global warming to 1.5 °C and to address the consequences of climate change. However, the entire continent received just USD40 billion in global climate finance in 2022.

The continent’s ability to respond to climate challenges has been seriously compromised by the severe impact of the Covid-19 pandemic, which has caused Africa’s first economic recession in 25 years and, in so doing, driven millions of Africans into extreme poverty. In this respect, regional member countries’ expectations of the African Development Bank are enormous. In addition to being a source of proposals on critical issues such as debt and the revival of growth, the Bank must continue to mobilize resources by using innovative financing instruments to attract private climate investment to Africa, given the changing global financial architecture and the role of multilateral development banks. Moreover, the Bank should continue to be a leader of and spokesperson for African countries in their fight for compensation by developed countries responsible for global warming to achieve a just ecological transition for Africa. ⁶¹



Green Bonds for Emerging Markets

MURAT ZAMAN

Deputy Minister of Treasury and Finance

Bio

Director General of Financial Markets and Exchange at the Ministry of Treasury and Finance from 2019 to 2021, Murat Zaman currently serves as governor and executive director for the Islamic Development Bank, Asian Development Bank, African Development Bank, ECO Trade and Development Bank and Black Sea Trade and Development Bank. He is alternate governor at the World Bank, Asian Infrastructure Investment Bank, and European Bank for Reconstruction and Development and is the chairman of the Turk Eximbank. Before joining the Ministry, he held senior management positions in portfolio management companies. Mr. Zaman earned his degree in Public Administration from Istanbul University, and his MA from Marmara University, where he is currently pursuing his PhD.



As impacts of climate change become increasingly apparent, the need for urgent action becomes ever more pressing. While governments have a crucial role to play in tackling this global challenge, the private sector is also critical in financing the green transition.

In this regard, there is a need to better engage with the private sector to mobilize resources, knowledge, and innovation for addressing climate change and promoting green growth.

However, the volume of climate finance mobilized by the private sector in Africa is well below the global average, indicating that there is significant room for growth in this area. Some of the reasons for the low share of private sector climate finance in Africa include limited access to finance, high transaction costs, and policy and regulatory barriers.

Multilateral development banks have a critical role in eliminating such impediments and mobilizing the private sector for climate and green growth investments. They have the expertise, resources and network to leverage private sector investments in emerging markets, where there is significant potential for climate and green growth investments.

Although the share of mobilized finance by the private sector is below the desired level for climate-related investments, the African Development Bank is the third-largest multilateral development bank in mobilizing private sector finance in this area.

Innovative Ways to Mobilize Private Sector Investments in Türkiye: Green Bonds


Since lack of financing emerges as one of the key bottlenecks for investments, bond markets offer certain opportunities. As an emerging economy, Türkiye plans to accelerate green bond issuances aiming to access finance needed for her own green transition. To this end, Türkiye prepared several policy documents and set legal frameworks, strengthening the ecosystem conducive to green and sustainable bond markets and ensuring traceability and transparency for investors. Since 2016, more and more public and private financial institutions have issued green and sustainable bonds to finance investments in Türkiye.

Potential of Green Bond Markets in Africa

According to the Stockholm Sustainable Finance Centre, Africa accounted for 0.4% of global green bond issuances from 2007 to 2018 even though the continent has a huge untapped renewable energy potential and a growing young population. Therefore, from our perspective, there is a tremendous opportunity for the development of the green bond markets in Africa and countries such as South Africa, Morocco, and Nigeria are successful examples for other African countries.

As a member of the African Development Bank, Türkiye supports the green transition and strengthening climate resilience of African countries. Within the framework of the Climate

Change and Green Growth Strategy for 2021-2030, the Bank's objective of developing green finance markets is very timely. Besides, we fully support the AfDB's Green Bond Program to mobilize public and private capital for green projects.

In conclusion, we firmly believe that the Bank can increasingly play a key role in supporting the development of the necessary infrastructure for green bond issuance in African countries and African green bonds will become attractive investment instruments in the near future. 

Türkiye supports the green transition and strengthening climate resilience of African countries.



UGANDA



MATIA KASAIJA

Minister of Finance, Planning and Economic Development

Bio

Mr Matia Kasaija enjoyed a long career in the private sector and in political life before becoming Uganda's Minister of Finance, Planning and Economic Development. He served as Minister of State for Internal Affairs from 2006 until 2010, and in 2011 became Minister of State for Finance responsible for Planning before being appointed to his current position in 2015. He began his political career in 1981 when he was first elected to parliament. Subsequently he held several positions in Uganda's National Resistance Movement Secretariat, as Deputy Director of Mass Mobilization, Executive Director of the Departed Asians Property Custodian Board and as Political Mobilizer. He also worked as a distribution manager at Shell and BP. Mr Kasaija has also served as governor of several international organizations, including the World Bank Group, the International Monetary Fund, the African Development Bank and the Trade Development Bank, formerly the PTA Bank.

Uganda sees electric vehicles in its future

2022 was a landmark year in Uganda for climate change. The country completed and submitted an updated Nationally Determined Contribution (NDC) to the United Nations Framework Convention on Climate Change (UNFCCC) in October 2022 that seeks to reduce projected emissions by 24.7% by 2030, which is higher than the 22% target of the first NDC. Adaptation is the main priority of the response measures to climate change in prioritized sectors including agriculture, cities and built environment, forestry, natural ecosystems, health, energy, transport, manufacturing, tourism, water sanitation and hygiene, and education. The prioritized sectors for climate change mitigation and their corresponding targeted emission reductions include agriculture, forestry and other land uses (82.7%), transport (7.56%), waste (3%) and industrial processing and product use (0.4%).

The projected costs of achieving the updated NDC are USD28.1bn by 2030 with 15% to be sourced domestically and 85% to be mobilized from external sources.

Fast tracking National Climate Finance Mobilization

Uganda is intentionally positioning itself to leverage and tap into the growing pool of climate finance at the domestic and international levels. The recent flagship development in this venture is the Climate Finance Unit in the Ministry of Finance, Planning, and Economic Development. This is a deliberate part of the measures to reform, create and continuously enhance

the ministry's capacity to perform its role as a National Designated Agency by mobilizing climate finance from all sources to facilitate the implementation of climate action.

Equally important, the ministry of Finance is undertaking a climate change budget tagging exercise to seamlessly allocate, track and report on climate finance expenditures in line with national and global (UNFCCC) reporting obligations.

Leveraging Private Sector Finance for Climate and Green Growth

The private sector is proving to be a strong emerging source of domestic and international climate finance both nationally and globally. Although private climate finance is growing more slowly than public climate finance, estimated at 4.8% and 9.1% annually respectively, the immense potential of the private sector as source of climate finance cannot be overstated. An appropriate enabling environment will inevitably unlock private sector investments in climate change adaptation and mitigation. Uganda is undertaking the following interventions to stimulate private sector finance flows towards climate and green growth.

De-risking the climate and green investment space

Investing in climate and green businesses remains in its nascent stages with few success stories. It has been marred with transition risk due among other things to high capital requirements. As such the government of Uganda in collaboration with development finance institutions such as the Uganda Development Bank is playing a supportive role to spread the investment risks and crowd in more private sector investments.

Private sector capacity building

The private sector can be both a source of climate and green finance and a beneficiary/recipient by tapping into existing global climate finance windows. Both roles require knowledge and capacity building on existing climate finance funds access requirements, on the potential commercial and reputation gains accruing to investing in climate and green business ventures, and the ability to integrate climate risk in overall business risk analysis. The climate finance unit intends to roll out a capacity building exercise for the private sector to bolster it as a key green and climate finance ally.

Build commercially viable climate change and green business cases

The private sector is profit oriented. As such, building commercially viable climate and green growth business cases goes a long way in attracting it. One relatively successful, ongoing private sector investment in climate action is in Uganda's transport sector, where electric mobility is being piloted.

Electric Mobility as a Sustainable Solution

Uganda boasts of one of the highest urban population growth rates in the world estimated at 5.2% annually, over and above the global average of 1.6%. Rapid urbanization coupled with a high rate of population growth at 3% inevitably results in a spike in demand for transport services and a rise in motorization. This has triggered several negative externalities such air pollution, traffic congestion and steadily rising greenhouse gas emissions from the transport sector. To alleviate this, Uganda's Third National Development Plan (2020/21-2024/25) calls for developing "a seamless, safe, inclusive, and sustainable multi-modal transport system".

The country is home to the first electric bus manufactured on the African continent. This is paralleled only by South Africa and Ethiopia that assemble small numbers of electric cars. It is part of the government's broader strategy to promote green innovations and technologies, which has resulted in the proliferation of private green innovation enterprises specializing in e-mobility services such as Zembo, and Bodawerk, which deals in electric motorbikes.

Also, state-owned vehicle manufacturer Kiira Motors plans to scale up production of zero emission electric vehicles to provide sustainable transport in the country.

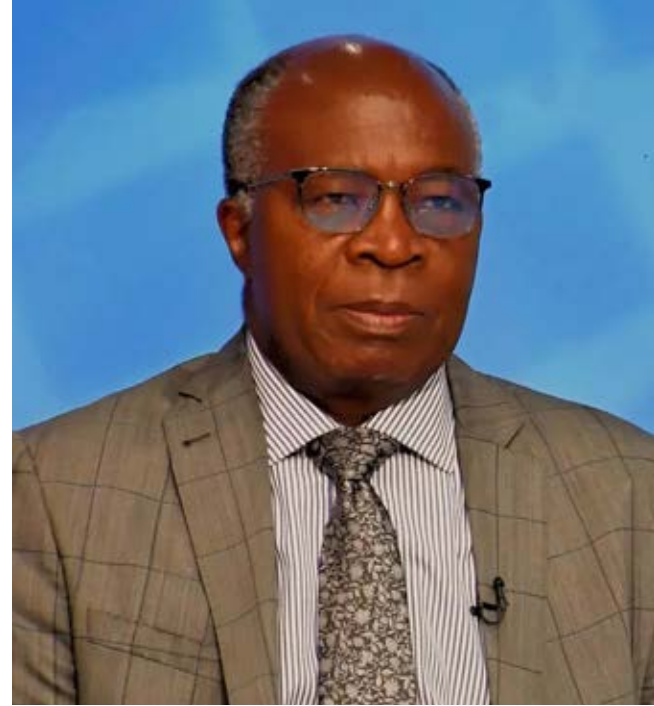
Despite the growth potential of e-mobility in Uganda, the business models for market adoption of electric vehicles are still evolving and being tested before massive production for the market can take place. The lack of funding towards advance research, product development and service provision remains a major problem in Uganda. ⁶⁶

One relatively successful, ongoing private sector investment in climate action is in Uganda's transport sector, where electric mobility is being piloted.



SITUMBEKO MUSOKOTWANE

Minister of Finance



A framework to attract private investment

Bio

Dr. Situmbeko Musokotwane was appointed Minister of Finance and National Planning for the Republic of Zambia in 2021. In his current portfolio, he has been spearheading Zambia's economic recovery and transformation agenda. He successfully led discussions for Zambia to reach a Staff Level Agreement with the International Monetary Fund for the Extended Credit Facility, which was approved in August 2022. He holds a Doctorate in Monetary Economics from the University of Konstanz, Germany, a Master of Arts in Monetary Economics from the University of Dar Es Salaam and a Bachelor of Arts in Economics from the University of Zambia.

The capability of developing countries such as Zambia to raise financing to address climate-related shocks has been weakened by high debt levels and limited fiscal space. The impact of these climate-related shocks such as floods and droughts, has been witnessed in the increase in food insecurity especially for the African continent whose economy is highly dependent on agriculture. At the same time, increased social expenditures arising from climate shocks impose pressure on governments' budgets and may result in increased external borrowing.

Therefore, the need for alternative financing, especially through the private sector, cannot be overemphasized. One development is the advent of green bonds issued by governments to mobilize private sector participation in climate financing.

Innovative ways of mobilizing private sector funds

Institutions such as the African Risk Capacity, of which Zambia is a member, are aimed at contributing to strengthening the risk capacity management of countries for better planning and preparation to respond to extreme weather events and natural disasters. In addition to the cooperating partners that

support the ARC, there is a need for private sector players such as insurance companies to play a role in the mandate of institutions such as ARC in providing insurance products against climate shocks.

Zambia is also considering accreditation to the Green Climate Fund, as a means to attract private investment. Once the accreditation process is finalized, the Fund will potentially provide an opportunity for Zambia to attract investments of up to USD240 million, which can assist in scaling up the renewable energy sector in the country.


To further counter the debt challenges and raise financing to support climate change adaptation and mitigation, countries will have to continue to follow through on the policies that have been put in place to provide a conducive environment for the private sector to invest in climate change adaptation and mitigation efforts. For instance, Zambia is putting in place necessary policies to promote an environment that will attract innovative financing such as green bonds by developing guidelines and listing rules for green bond trading to support low carbon development pathways and innovative sources of sustainable financing.

In addition, the government is developing legislation to regulate the carbon market in line with the Kyoto Protocol on climate change in the wake of carbon trading, which has emerged as a promising source of financing while contributing to addressing the effects of climate change.

Development financing institutions and multilateral development banks must use their convening powers to help to crowd in private climate financing. A regional approach would continue to be more effective, and a potential remediation measure would be the provision

of guarantees from development finance institutions, which would act as underwriters to climate finance-related transaction and hence increase access to more favorable terms.

Success story

In addition to the policy and legislative actions that Zambia has undertaken, one other success of which Zambia can be proud is signing a green growth compact with the UK Government to enable the participation of project developers in the carbon market through the United Nations Framework Convention on Climate Change. This will facilitate foreign direct investment from the United Kingdom in renewable energy, urban planning, trade connectivity and other sectors. 

Zambia is putting in place necessary policies to promote an environment that will attract innovative financing such as green bonds by developing guidelines and listing rules for green bond trading to support low carbon development pathways and innovative sources of sustainable financing.





Options for ensuring a favourable environment for private sector participation

In Zimbabwe, under the Second Republic, the private sector is regarded as the engine for driving economic growth and development. As such, from the onset, the government has implemented and continues to introduce measures to create a conducive environment for private sector participation in developmental projects through the “Zimbabwe is open for business” initiative.

The private sector is expected to complement government’s efforts by exploiting opportunities, including collaboration with state institutions to produce globally competitive strong local brands.

In an endeavour to promote green growth, the government recently concluded the Implementation Agreement (GIA) with Independent Power Producers (IPPs) for the issuance of Guarantees to the private sector for the implementation of green energy projects. The GIA addressed the long-standing issues of tariffs inhibiting IPPs from venturing into green projects. The government through the ZERA has to date licensed 120 IPPs in the renewable energy space, with a capacity to generate over 2000MW. However, off take of the projects has been slow because of viability issues. To date, over 95MW has already been added to the national grid and many more are at various stages of completion.

With technical assistance from the African Legal Support Facility (ALSF), the government, in consultation with the relevant stakeholders, is working on improving the bankability of IPP projects, by addressing currency related risks, which should accelerate the implementation of renewable energy projects in the country.

A total of 12 383KW of Solar PV installation capacity was registered with ZETDC in 2022, which has removed a similar amount in demand



HON. PROFESSOR MTHULI. NCUBE

Minister of Finance and Economic
Development


from the national grid. More savings are being realized through the installation of Solar PVs on rooftops. To date, 10 009 rural institutions have been electrified nationwide using both grid and solar technologies, with a total of 430 solar mini grid systems installed at remote rural schools and clinics countrywide.

More similar projects are being implemented in 2023. These interventions are envisaged to support Education 5.0 in rural schools, providing opportunities for beneficiaries to innovate and industrialize, as a catalyst for achieving the Country's Vision 2030.

In the 2023 National Budget, the government made provision for a zero-customs duty regime on capital equipment imported by the agriculture, manufacturing, mining and energy sectors, with a view to simplify tax administration. This goes a long way to reducing the cost of doing business by companies willing to pursue investments in green projects. Under the National Development Strategy 1, the government is promoting value addition and the beneficiation of minerals

through various incentives for the production of lithium-ion batteries for electric cars that underpin the transition to green energy.

The government recently launched the Zimbabwe National Statistics Agency (ZIMSAT 1) which will assist in forecasting weather conditions and enhance preparedness for climatic shocks. The data produced can assist farmers and private sector players to better prepare and build resilience against risks.

Furthermore, through the 2023 National Budget, the government has upscaled the engagement with relevant stakeholders to review the current agricultural financing model, to increase the role of the private sector in the financing of agriculture activities. Currently, the Agricultural and Rural Development Authority (ARDA) is reviving its estates around the country in partnership with the private sector, as well as commercialising agriculture activities at communal irrigation schemes, including value addition programmes, to increase incomes and uplift the welfare of rural communities. 

HOW CAN WE LEVERAGE EVALUATIONS TO MOBILIZE PRIVATE SECTOR FINANCING FOR CLIMATE AND GREEN GROWTH IN AFRICA?

Climate change is one of the most pressing global challenges of our time, and Africa is particularly vulnerable to its effects due to its dependence on natural resources, high population growth, and limited ability to cope with a changing environment. The continent is already experiencing the consequences of climate change, leading to further socio-economic hardship.



To tackle the impacts of climate change in Africa, green growth and climate action must be prioritized – a massive undertaking that requires a vast amount of resources. Despite recognition of what climate change represents for development and recent efforts by African countries, public financing remains limited. That is where private sector financing comes in as a viable and essential option for the continent to achieve sustainable development. In this respect, the African Development Bank (AfDB or ‘the Bank’) is committed to supporting African countries in their efforts to address climate change and promote green growth by investing its own resources and mobilizing additional, including private, resources.

[Independent Development Evaluation](#) (IDEV) contributes to the Bank’s work by providing knowledge on what works well and less well from independent evaluations. Below are some key insights on the Bank’s actions in this area as well as lessons from the recent IDEV evaluations on partnerships, resource mobilization, and the mainstreaming of climate change and green growth.

Partnering with the Private Sector

The [Evaluation of the Partnerships of the AfDB](#) (2008–2019) found that the Bank’s partnerships, particularly those of the latest generation (under the Ten-Year Strategy, 2013–2022), have become progressively more attentive to socially and environmentally sustainable development principles.

Overall, these partnerships have strived to include the crosscutting issues of climate change and green growth, gender and youth, job creation and income generation, as well as fragility and community livelihood in suburban, rural and remote areas in their projects. Some partnership projects in the infrastructure sector have promoted cutting-edge strategies for adapting to climate change by facilitating African countries and development partners to share technologies, skills, and creative ideas.





Mainstreaming Green Growth and Climate Change in the Energy and Transport sectors


The [Evaluation of Mainstreaming Green Growth and Climate Change into the AfDB’s Interventions](#), in particular the [Energy and Transport cluster evaluation](#), found that over the period 2008–2018, the Bank leveraged additional resources from the private sector to support green and climate-resilient energy and transport programs. This includes an investment of US\$20 million in the Evolution II Fund, a Pan-African clean and sustainable energy private equity fund with the aim to crowd in more than US\$ 200 million of private and commercial capital. The Bank is also providing policy support and technical assistance to develop national renewables strategies and underwriting additional capital costs and risks associated with renewable energy investments.

The Bank has also successfully managed and mobilized climate funds for regional application, including from the Climate Investment Funds (CIF – grants, concessional loans, risk mitigation instruments, and equity), the Global Environment Facility (GEF – US\$313 million mobilized in grants since 2007), the Green Climate Fund (GCF – almost US\$200 million mobilized since 2018 for mitigation and adaptation projects), and private equity clean energy financing. This has enabled Regional Member Countries (RMCs) to address global climate change issues through their infrastructure programming.

During the period 2008–2018, the Bank approved 22 projects for US\$2.5 billion (AfDB US\$1.8 billion, CIF US\$0.7 billion) and has mobilized an additional US\$12.3 billion in co-financing. Key projects funded by the AfDB include the Noor 1, 2 and 3 Concentrated Solar Power Projects in Morocco, the Eskom Renewables Support Projects and Sere Wind Farm in South Africa, and the Line of Credit for Renewable Energy and Energy Efficiency in Nigeria.

Lessons learned

-  The key success factors to mobilizing the private sector include effective country leadership, clustering investments, strong technical assistance, and legal support.
-  The main hindering factors that the Bank and African countries are advised to address are limited necessary infrastructure to attract private sector investment, the high-risk investment profile of many RMCs, inadequate legal and regulatory frameworks, and the weak capacity (technical, financial and human) of many RMCs to effectively implement green growth initiatives.
-  Private sector actors have the resources, expertise, and networks to help drive the transition to a low-carbon, climate-resilient economy. The Bank should continue to support RMCs to adopt comprehensive strategies and create the enabling environment for private sector actors to invest in climate and green growth initiatives, including providing appropriate incentives. Innovative financing mechanisms including green bonds, carbon credits, and impact investing can also be used.
-  Public-private partnerships (PPPs) are also an effective way to mobilize private sector financing for climate and green growth in Africa in a way that benefits both parties. PPPs can for example be used to finance renewable energy projects, energy efficiency initiatives, and sustainable agriculture projects.

For further knowledge from evaluations on these topics, please see IDEV’s [contribution](#) and [background paper](#) on Fostering climate resilience and a just energy transition for Africa. 

KAREN ROT-MUNSTERMANN

Evaluator General
African Development Bank





EXECUTIVE DIRECTORS

Executive Directors of the African Development Bank Group guide strategy, help to develop policy, and provide advice on operational implementation. Their role in ensuring inclusiveness and sustainability in Africa's economic transformation is invaluable.



MALIKA DHIF

Representing Morocco, Tunisia, and Togo | Since August 2022

Ms. Dhif served as Deputy Director of the Treasury and External Finance in Morocco, responsible for the Arab and Islamic world, America, Asia and international institutions. She also worked in the Ministry of Economy and Finance between 1989 and 2014. Ms. Dhif has expertise in resources mobilization; negotiation; external debt management; preparations of finance law; piloting and negotiating free trade agreements, investment promotion and protection agreements with development partners; SME financing and guarantee instruments; and conducting technical cooperation studies. She holds a Ph.D. in International Relations, a Master's in Strategic Management, and Bachelor's in Political Science.



EDMOND WEGA

Representing Canada, China, Korea, Turkey, and Kuwait | Since August 2022

Amb. Wega has more than 20 years of experience in international development and relations. Amb. Wega held several leadership positions at Global Affairs Canada including Director General for the International Assistance Operations Bureau, Ag. Director General for the Eastern and Southern Africa Region and Senior Director, Pan African Programming. At the Canadian International Development Agency, he led the Canada Fund for Africa Secretariat, delivering on Canada's \$500 million commitment to the NEPAD and also served as Ag. Director, Management Services, Europe, Middle East, and Maghreb. In Canadian Diplomatic Missions overseas, Amb. Wega served as Canada's Ambassador to Burkina Faso and Benin but also as Canada's Head of Development Cooperation for countries including Mozambique, Malawi and Ethiopia. Amb. Wega held positions in other Canadian departments such as the Privy Council Office, the Treasury Board Secretariat and the Department of Finance. Prior to that, he worked at Laurentian Bank of Canada. Amb. Wega holds an MBA, Finance, from the University of Quebec, Montreal.



METTE KNUDSEN

Representing Denmark, Finland, India, Ireland, Norway and Sweden | Since September 2022

Ms. Knudsen is a former Deputy Special Representative of the Secretary General for Political Affairs at the UN Assistance Mission in Afghanistan. She was previous Ambassador of Denmark to Afghanistan, Ethiopia, Greece and Kenya as well as to several other countries. She has also been posted to Danish embassies in Tanzania and Zambia. Ms. Knudsen has experience in international relations and administration of development assistance. She was Denmark's Alternate Governor for the African Development Bank and Board Member of the African Guarantee Fund. She holds a Master's degree in Political Science from the University of Aarhus, Denmark, and speaks English and Greek, with a working knowledge of French.

EXECUTIVE DIRECTORS



STÉPHANE MOUSSET

Representing France, Spain and Belgium | Since September 2020

M. Stéphane Mousset is the Chair of the AfDB's Ethics Committee. From 2017 to 2020, he was IFAD's Chief of Staff. As Head of International Financial System Division at the French Treasury, he has overseen the preparation and coordination of the French positions for the main multilateral Summits from 2015 to 2017. He headed the Treasury's Americas Division from 2013 to 2015, after having been Consul of France for economic affairs in Sao Paulo, Brazil (2010-2013). He was Secretary of the G20 Working Group on Multilateral Development Banks (2008-2009) and wrote the Group's Report presented to the London Summit during the financial crisis (2009). He has worked on the banking sector's regulation in France (2006-2008).



BRAHIM BOUZEBOUDJEN

Representing Algeria, Guinea Bissau and Madagascar | Since August 2022

Mr. Bouzeboudjen is an economist with extensive experience at the Algerian Ministry of Finance. He has served as Director of the Budget; the Treasury; Head of the General Inspectorate of Finance; and Secretary General of the Ministry. He held several high-level positions, including President of the National Organ to Prevent and Combat Corruption and Director of the Immediate Office of the Prime Minister. Mr. Bouzeboudjen was a member of several Boards of Directors, including the Maghreb Arab Cooperation Bank, the Algerian-Kuwaiti Investment Company and the Arab Bank for Economic Development in Africa. Mr. Bouzeboudjen has a degree in economics.



ADAMA KONÉ

Representing Côte d'Ivoire, Guinea and Equatorial Guinea | Since October 2019

In his distinguished career as a high-ranking civil servant in Côte d'Ivoire, Adama Koné has held several senior government positions, including Minister of Economy and Finance, from 2016 to 2019. He has served as Director-General of the Treasury and Public Accounting. His numerous honors for his government service include Commandeur of the National Order of Côte d'Ivoire. He is a graduate of the École Nationale d'Administration de Côte d'Ivoire. He holds a degree in economics from the University of Abidjan and an Master of Business Administration (MBA) from New York's Adelphi University.

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JOÃO LUIS NGIMBI

Representing Angola, Mozambique, Namibia and Zimbabwe | Since August 2022

João Luis Ngimbi was the Alternate Executive Director for the African Development Bank and Senior Advisor. He was a consultant to Angola's Finance Minister on macroeconomic issues, and represented the Minister at the provincial level as Delegate for Finance. He worked for the Finance Ministry at the Office for Studies and International Economic Relations, providing technical support for public finance, and international financing and cooperation. He has expertise in public financial management, coordination of privatization, and is a State analyst for State-Owned Enterprises. He holds post-graduate degrees in Economics, Banking Management, Africa's Studies and Development, and a degree in Monetary and International Economy.



DÉSIRÉ GUÉDON

Representing Gabon, Benin, Burkina Faso, Cabo Verde, Union of the Comoros, Mali, Niger and Senegal | Since August 2022

In the course of his stellar career as a senior state official, Mr Désiré Guédon held many positions in the Gabonese government from February 2012 to October 2016: Minister Delegate to the Minister of the Economy, Employment and Sustainable Development; Minister of Energy and Water Resources; Minister of Urban Planning and Housing; and Minister of Higher Education and Scientific Research. He also served as Secretary-General of the Bank of Central African States from 2017 to 2022 and Deputy Director-General of Ecobank Gabon from 2008 to 2012. Mr Guédon is a Commander of the Order of Merit of the Republic of Congo, an Officer of the National Order of the Gabonese Republic, and an Officer of the National Order of Chad. He holds a master's degree in economics from Omar Bongo Libreville University, Gabon, a diploma in computer development and applications from the University of Aix Marseille and a diploma in microeconomic modelling from the University of Caen.



AHMED MAHMOUD ZAYED

Representing Egypt and Djibouti | Since June 2018

Ahmed Mahmoud Zayed has worked extensively with the Egyptian government as Deputy Minister of International Cooperation for African Affairs, where he pioneered several initiatives to enhance economic cooperation between Egypt and the rest of Africa. He also served as senior advisor to the Minister of Planning and Economic Development, with special focus on community development programs supporting employment and training. He graduated from Cairo University's Faculty of Economics and Political Science and has various academic awards and diplomas, including from the Columbia University School of International and Public Affairs.

EXECUTIVE DIRECTORS



GERARD BUSSIER

Representing Mauritius, Botswana, Malawi and Zambia | Since August 2022

Before his appointment, Mr. Bussier was the Alternate Executive Director of the Bank Group from 2019. He is a former Deputy Financial Secretary at the Mauritius Ministry of Finance, Economic Planning and Development. He has extensive experience in various auditing functions, anti-corruption efforts, and public sector financial management, with more than three decades in senior managerial positions within the Ministry of Finance, Economic Planning and Development, the National Audit Office and the Anti-corruption Body. He also served as board member in a number of international and national institutions including the Global Environment Facility, the Green Climate Fund and Trade and Development Bank. Mr. Bussier holds a Master's degree in Business Administration specializing in finance and is a Fellow of the UK Chartered Association of Certified Accountants.



CHANTAL MODESTE NONAULT

Representing Republic of the Congo, Burundi, Cameroon Central African Republic, Chad, Democratic Republic of the Congo | Since August 2022

Ms Nonault is a Congolese national representing Burundi, Cameroon, Central African Republic, Chad, Republic of Congo and Democratic Republic of Congo. Prior to becoming a Director, Ms Nonault had been Administrative and Financial Director of the World Bank's Mali Regional Office since 2018. She held the same position for the World Bank's country offices in Congo for more than a decade and in DR Congo for 18 months. Ms Nonault has extensive experience in financial and accounting auditing and in consulting and internal control after working at Ernst & Young for more than a decade. In this context, she joined several boards of directors of the organizations that she audited. She was also a member of the board of directors of a microfinance institution. She has been a CEMAC Chartered Accountant since 2014 and holds a master's degree in management science and finance and a master's degree in applied economics and management from Paris IX Dauphine University.



OREN ELAINE WHYCHE

Representing United States of America | Since August 2022

Ms. Whyche-Shaw was Deputy Assistant Administrator for Africa, Coordinator for President Obama's Partnership in Growth, and for USAID's Trade Africa Initiative. She was Senior Advisor in the Multilateral Development Bank Office at the Department of Treasury. Ms. Whyche-Shaw served in the AfDB's Private Sector Investments Department and represented the Bank on the board of African Export-Import Bank. She previously worked at Citibank and J. P. Morgan. She holds a Bachelor of Science in Theoretical Mathematics and French from Capital University in Columbus, OH, and a Master's in Finance, Money and Financial Markets, and International Business, from Columbia University.

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NIELS BREYER

Representing Germany, Luxembourg, Portugal, and Switzerland | Since September 2020

As an official of the German Federal Ministry of Economic Cooperation and Development (BMZ) since 1987, Niels Breyer has dealt with African affairs for most of his career. He headed BMZ's divisions for Central, West and East Africa, and gained on-the-ground experience in Somalia, Mozambique and Nigeria, where he led the German support program to the ECOWAS Commission. He is a development economist, with a Diplom-Volkswirt degree from the University of Goettingen. He also successfully concluded a post-graduate programme on development policy and economics with the German Development Institute. Mr. Breyer has a banking background, which led to him serving as the coordinator to the G8 Africa Personal Representative to the German Chancellor and one of the German chief negotiators for the 2030 Agenda for Sustainable Development including the SDGs.



ABDULHAKIM MOHAMED ELMISURATI

Representing Libya and Mauritania | Since August 2019

Abdulhakim Mohamed Elmisurati has held senior positions in a range of financial institutions, most recently as director of financial institutions and technical cooperation at the Libyan Ministry of Finance. Previously, he was the Managing Director, Libya, for an investment holding company in Egypt, a subsidiary of the Libyan Arab Foreign Investment Company. He was also Managing Director of the Libyan Development Bank from 2009-2010. He has served on several boards, including the Libyan African Investment Company, the Arab Organization for Agricultural Development, and the National Housing and Construction Company in Uganda. He has a PhD in accountancy from Egypt's Suez Canal University.



RUFUS N. DARKORTEY

Representing The Gambia, Ghana, Liberia, Sierra Leone and Sudan | Since August 2022

Mr. Darkortey is an economist with over 20 years of experience in public, private, commercial and multilateral sectors. He previously worked at the Liberian Finance Ministry, Forest City Real Estate Trust, KeyBank, and the State of Ohio, USA. He was the African Development Bank's Alternate Executive Director and Senior Advisor. Mr. Darkortey has expertise in economic development, infrastructure and real estate development, revenue management and domestic resource mobilization, fiscal and monetary policy formulation, trade management, and enterprise development and investment. He holds an MA and BA in Economics from Cleveland State University, USA, and an Associate Degree in Computer Science.

EXECUTIVE DIRECTORS



JONATHAN NZAYIKORERA

Representing Kenya, Eritrea, Ethiopia, Uganda, Rwanda, Seychelles, Somalia, South Sudan and Tanzania | Since August 2022

Jonathan Nzayikorera is an Economist and Chartered Banker with 13 years of experience in Board operations, international development, investment banking and public financial management. He served as the Senior Advisor to African Development Bank's Executive Director, and as Chairperson of Rwanda's National Development Agency Board. He was a Non-Executive Director of the Rwandan Commercial Bank, serving in Risk, Audit, ALM and Credit Committees. He has experience and understanding of corporate governance, audit and internal control matters for international organizations. He holds a Master of sciences in Economics and an MBA with various professional certificates in Banking and public financial management.



Dr. SAMSON OYEBODE OYETUNDE

Representing Nigeria and São Tomé & Príncipe | Since May 2021

Dr. Oyetunde is the former Senior Special Advisor to President Buhari of Nigeria, advising on finance, fiscal policy and legal matters. As a qualified chartered accountant and legal practitioner he has wide knowledge of legal and financial matters and served as special advisor to Nigeria's Minister of Finance. He was Vice Chair of Nigeria's committee on fiscal policy reforms, the working group that produced Nigeria's National Development Plan. He is a former senior member of the Standard Bank Group and holds a Master's degree and Doctorate from Queen Mary, University of London and a Master's degree from the London School of Economics and Political Science.



TAKAAKI NOMOTO

Representing Argentina, Austria, Brazil, Japan and Saudi Arabia | Since July 2021

Takaaki Nomoto is a seasoned Japanese economist who began his career in Japan's Ministry of Finance in 2004, where he held a range of senior positions, including Deputy Director of the Financial Institutions Division, Tax Examiner, and Budget Examiner. From 2011 to 2014, he served as Economist at the Asian Development Bank, and in July 2018 became Senior Advisor to the Executive Director for Japan at the World Bank. He holds an LLB from the University of Tokyo, a Master's in Economics from University College London, and a Master's in Economic History from the London School of Economics and Political science, UK.

EXECUTIVE DIRECTORS



NOMFUNDO XENIA NGWENYA

Representing Lesotho, South Africa and Swaziland
| Since August 2022

During her time at the National Treasury of South Africa, Ms. Ngwenya represented the country in multilateral organizations: BRICS, African Development Fund, the African Union, Southern African Development Community, among others. Since 2016, she pursued her business interests in Mining and Diversified Investments. Ms. Ngwenya is a political economy and global economic governance specialist with 20 years' experience from government, research institutions and academia. She has a PhD. from the University of Cambridge, a MSc in Politics of the World Economy from the London School of Economics and Political Science, a MA in International Studies from the University of Stellenbosch and BA (Hons) in Political Science from the University of Port Elizabeth.



DOMENICO G. FANIZZA

Representing Italy, the United Kingdom, and the Netherlands | Since November 2022

Before joining the Executive Board of the AfDB in November 2022, Domenico Fanizza represented Italy and other countries at the Executive Board of the International Monetary Fund (IMF) from 2018. Previously, he was the Executive Director for Italy, the Netherlands, and the UK at the AfDB from 2016 to 2018 and held over the years several senior managing positions at the IMF, with focus on African and the Middle Eastern countries. Mr. Fanizza holds a Ph.D. from the Department of Economics at Northwestern University, Ill. He has extensive publishing record that range from labor economics to development, monetary policy and financial sector issues.

This publication acknowledges the dedicated and visionary leadership of the African Development Bank's Governors, who guide its mission to transform the continent, grow economies and improve the quality of life for millions of Africans. The men and women featured in this Governors' Digest are among the 81 Ministers, Central Bank Governors and senior leaders at the forefront of Africa's transformation. The strategic insights they offer are a testament to their strong commitment to the people of Africa.

African Development Bank Group/PCER, May 2023



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