

# **The sustainable debt coalition and the African Green Finance Coalition- Delivering sustainable finance for Africa**

## **Africa Pavilion at COP27**

**10<sup>th</sup> November, 2022, 0900- 10.30 am**

### **Concept Note**

**Organisers : UNECA, Financial Sector Deepening Africa, COP 27 presidency**

#### **Background and Context**

Following the hosting of the International Cooperation Forum (ICF) and the pre COP27 finance, economy and environment ministers meeting in Cairo from 7<sup>th</sup>-9<sup>th</sup> September, the need for African countries to be able to access predictable and affordable green finance instruments was underlined.

The African Green Finance Coalition has aimed to bring governments and private sector operators together to improve the landscape for green financing across the continent by addressing the policy space through governments while also encouraging the deployment of initiatives that allow direct investment in climate resilient and sustainable interventions.

To further promote the sustainable management of debt, the Egyptian COP27 presidency has also championed the opportunity to deliver more specifically climate linked debt instruments. In that regard, at COP27 a sustainable debt coalition is proposed to bring like-minded countries to commit to the delivery of principles on sustainable debt aligned with the goals of the Paris Agreement. This would bring together initiatives to increase access to affordable green finance and to facilitate either refinancing of existing debt or issuance of new debt aligned to climate key performance indicators.

In this event, the high-level participants will reflect on the existing landscape for sustainable finance across the continent and will propose strategic interventions to improve the conditions for access to appropriate instruments and the development of climate aligned debt instruments.

The role of the African Green Finance Coalition and the Sustainable Debt Coalition will be outlined in developing these green financing opportunities.

#### **Objectives of the event**

To engage key partners on access to green finance instruments across the African continent and address the principles of sustainable debt from the perspective of African countries.

## **Draft Programme**

Moderator: UNECA- Jean-Paul Adam

### **Opening remarks (6 mins each)**

Speaker 1. H.E Mohammed Mait, Minister of Finance of the Arab Republic of Egypt- Overview of the need for a coordinated approach to improve access to green finance and address sustainable debt

Speaker 2. H.E Mr. Njuguna Ndung'u, Cabinet Secretary for Finance, Republic of Kenya- Highlighting the role of the African Green Finance Coalition

Speaker 3- Ms. Hanan Morsy, Deputy Executive Secretary and Chief Economist of the UNECA- the support of ECA for reducing the cost of green finance for African countries and support for sustainable debt swaps and support to the sustainable debt coalition

Panel Discussion (1 hour)

- H.E Minister Mohammed Mait, Minister of Finance of the Arab Republic of Egypt
- H.E Mr. Njuguna Ndung'u, Cabinet Secretary for Finance of the Republic of Kenya
- H.E Mr. Olavo Correia, Deputy Prime Minister and Minister of Finance of Cabo Verde
- H.E Ms. Nicole Jeanine Roboty, Minister of the Economy, Gabon
- Ms. Hanan Morsy, Chief Economist and Deputy Executive Secretary of the United Nations Economic Commission for Africa
- Mr. Kevin Urama, Acting Chief Economist and Vice President for Economic Governance and Knowledge Management, African Development Bank
- Ms. Jill Dauchy, CEO Potomac Group
- Mr. Brian O'Callaghan, UNECA/ Oxford University

## **Key messages**

- Development of Green Finance Strategies in African countries can help to mobilise domestic as well as foreign investment into climate priorities
- African countries can make more use of green bond markets to mobilise required finance for climate priorities
- Investing in green sectors can stimulate high levels of growth and strong rates of return on investment
- Increasingly private sector operators including banks and investment funds are seeking green financing instruments for the allocation of their capital
- The use of Key Performance Indicators aligned to climate goals can make financing instruments more effective
- Existing debt can be refinanced to create new resources for investment in climate resilience
- New debt issuances using climate Key Performance Indicators can improve tracking of climate commitments and also improve affordability of new debt
- Coherence and harmonisation is required among development partners to use blended resources to support sustainable green finance

-A sustainable debt coalition of countries can help shape the future issuances of debt to ensure climate alignment

**Links to background documentation:**

Cairo Communique following meeting of ministers of finance, the economy and environment to prepare for COP27 Finance day:

[https://www.uneca.org/sites/default/files/documents/9th-sept-clean-final-communique\\_egypt-icf-and-meeting-of-african-ministers.pdf](https://www.uneca.org/sites/default/files/documents/9th-sept-clean-final-communique_egypt-icf-and-meeting-of-african-ministers.pdf)