# African regional round tables under the theme:
# "Towards the twenty-seventh session of the Conference of the Parties to the United Nations Framework Convention on Climate Change: catalysing climate finance and investment flows to ramp up climate action and advance the Sustainable Development Goals"
# Summary and key recommendations

**Emerging key action areas of the Economic Commission for Africa and organizing partners**

*Negotiations among the Parties to the United Nations Framework Convention on Climate Change*

1. In advance of the twenty-seventh session of the Conference of the Parties, plan and organize finance round tables with the participation of African minsters responsible for finance and the environment or climate, to provide a platform for generating inputs and refining African priorities as well as the identified projects.
2. Provide support to the Presidency of the twenty-seventh session.
3. Strengthen engagement with and support for the African Group of Negotiators on Climate Change, including by providing evidence to advance Africa's key priorities, such as a just energy transition, fulfilment of the pledge from developed countries of $100 billion, advancing the post-2025 global finance goal, and loss and damage from climate change.

*Bankable green projects*

4. Design and maintain a portal, to be hosted by the Economic Commission for Africa, which presents a dynamic compendium of bankable green and climate resilience projects.
5. Review and refine the projects discussed at the African regional round tables for submission and presentation at the twenty-seventh session of the Conference of the Parties.
6. Design and implement a capacity-development programme for the preparation of bankable green and climate-resilience projects in Africa. Where applicable, support should be provided for the aggregation of projects.
7. Link or match project developers with providers of the necessary technical support and financing.

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*Green finance mechanisms*

8. Design and implement a capacity-development programme on green financing mechanisms, including carbon credits, green and blue bonds and debt swaps for climate-change adaptation in Africa. Where possible, debt neutral mechanisms should be emphasized.
9. Design activities and interventions to mobilize increased financing to manage disaster risk, expand risk insurance and scale up African risk capacity.

*Scaling up adaptation investments and projects*

10. Move from incremental to transformational adaptation, and thus develop a regional adaptation strategy and programme with clear goals, targets and priority sectors as a strategic tool to advocate and mobilize increased investment in climate adaptation.

*Private-sector engagement*

11. Design implementation plans for nationally determined contributions involving and clearly defining the areas in which private-sector engagement/investment can be effective.
12. Design a programme to engage and attract private insurance companies.

*Creating an enabling environment*

13. Support member States in formulating, strengthening and enforcing regulatory frameworks and incentives for public and private green investment and financing.

## I. Introduction

1. The Economic Commission for Africa (ECA), the United Nations high-level champions for climate action for the twenty-sixth and twenty-seventh sessions of the Conference of the Parties to the United Nations Framework Convention on Climate Change, and the Presidency of the twenty-seventh session (held by Egypt), in collaboration with the African Union Commission and entities of the United Nations system, organized a series of African regional round tables from 2 to 4 August 2022. The round tables were held under the theme “Towards the twenty-seventh session of the Conference of the Parties to the United Nations Framework Convention on Climate Change: catalysing climate finance and investment flows to ramp up climate action and advance the Sustainable Development Goals”. The present report provides a summary of the deliberations and the key action items that emerged from the regional round tables.

2. Public and private climate finance must flow at the pace and scale necessary to adequately address the climate emergency. The delivery of this financing is especially urgent to avoid further pressure on the fiscal space of developing countries, in particular countries in Africa. Against this backdrop, five series of regional round tables across the globe were to be held in the lead up to the twenty-seventh session of the Conference of the Parties. The round tables were intended to focus on access to financing, channelling investments, and the link between climate and sustainable debt, with a view to supporting a just transition for all,

grounded in a holistic approach to sustainable development in critical areas such as the energy transition, food security, digital transformation and the transition to a circular economy.

3. More than 400 participants attended the African round tables, including high-level policymakers and experts, high-level representatives from the private sector, in particular from the private financial sector, and civil society representatives.

4. Participants in the African round tables deliberated on catalytic mechanisms to mobilize climate-finance investments and to engage the private sector to build climate resilience and advance the 2030 Agenda for Sustainable Development and Agenda 2063: the Africa We Want, of the African Union. The discussions focused on channels and means to catalyse and scale up financing for concrete initiatives, investment opportunities and policy measures. The round tables provided the opportunity to showcase both examples of successful investment by the private sector in climate arena and the investment-ready climate initiatives transpiring in member States.

5. Participants in the round tables also considered project-based investment proposals that contribute to the Sustainable Development Goals and to climate resilience, mitigation and adaptation. Nineteen headline projects were presented across the three panels and six African round tables, with a further project bank being developed by ECA in partnership with the high-level champions, the presidencies of the twenty-sixth and twenty-seventh sessions, and other partners.

## II. Opening

6. The Under-Secretary-General of the United Nations and Executive Secretary of ECA, Vera Songwe, welcomed participants to the round tables. Opening statements were made by the Minister for Foreign Affairs of Egypt and President-designate of the twenty-seventh session of the Conference of the Parties, Sameh Shoukry; the Minister of Finance of Ethiopia, Ahmed Shide; the United Nations high-level champion for climate action for Egypt and Special Envoy on Financing the 2030 Agenda for Sustainable Development, Mahmoud Mohieldin; the Chair of the African Group of Negotiators on Climate Change, Ephraim Shitima; the Chief Commercial Officer of Ninety One, John Green; and the Co-Chair of the Glasgow Financial Alliance for Net Zero and United Nations Special Envoy on Climate Action and Finance, Mark Carney.

7. The session was moderated by the Ambassador of Egypt to Ethiopia and Permanent Representative to the African Union, Mohamed Gad, who noted that the meeting was kicking off an important initiative organized by Mr. Mohieldin, and other high-level champions, leading up to the twenty-seventh session of the Conference of the Parties to the United Nations Framework Convention on Climate Change. Participants in the round tables were to deliberate on catalytic mechanisms to mobilize finance for building climate resilience and advancing the 2030 Agenda and Agenda 2063, in particular in the light of the many crises facing the world. African countries, he said, needed a new approach and model for financing the green transition, in which the private sector and blended finance would play important roles.

8. In her welcoming remarks, Ms. Songwe stated that the twenty-seventh session must be a Conference of the Parties that goes beyond talk to deliver action. Africa’s capacity to afford fuel, food and fertilizer had been hindered by the conflict between the Russian Federation and Ukraine and monetary tightening by the United States of America and Europe, hence the need to focus on Africa’s resilience to crises, which was related directly to the subject of the

Conference of the Parties. However, she also noted that amid those great challenges, there were many opportunities for Africa. Africa needed to develop the right energy mix, which would mean tapping into the continent’s gas reserves to facilitate the transition towards renewables. This could also lead to export opportunities for Algeria, Mozambique and other countries and contribute to global energy security. Regarding food, there was significant potential in Ethiopia, Southern Africa and elsewhere to increase their production of wheat and other crops. Since Africa was a net exporter of fertilizer, there was also the opportunity to invest in and boost local production of low-nitrogen fertilizer.

9. Ms. Songwe said that ECA was working on a carbon registry, because a significant amount of carbon was sequestered in Africa. If carbon pricing were implemented in alignment with the goals of the Paris Agreement on Climate Change, Africa could generate $82 billion in revenue per year.

10. This access to reliable liquidity was essential, Ms. Songwe said, given Africa’s limited penetration in international capital markets, and especially its low share of green bond issuances. African countries also faced a high price premium for such issuances. To address these obstacles, ECA had proposed the Liquidity and Sustainability Facility to increase the market access of African countries and improve the environment for raising capital to invest in green sectors and climate resilience.

11. Mr. Shoukry shared the vision of Egypt for the twenty-seventh session of the Conference of the Parties: moving from talk to action and enabling Africa to show its climate leadership. Even though the region contributed the least to climate change, it was the most impacted by it, and had always stood ready to help address global climate issues. The focus of Africa’s participation during the session should be on a just transition, including in the energy arena, and on raising climate-change financing. The outcomes of regional forums would help to inform the Conference of the Parties with platforms, projects and initiatives in line with the Sustainable Development Goals, the scaling up of which could help to achieve climate targets. Africa should be a showcase regarding these opportunities during the session.

12. Mr. Shide acknowledged the billions of people worldwide who were affected by climate change, in particular in vulnerable countries. The solution, he said, was to adhere collectively to the Paris, Glasgow and other agreements; it was especially important for developed countries to limit their emissions and fulfil their financing pledges. Only 20 per cent of global climate finance was flowing to the most vulnerable countries, and the twenty-seventh session of the Conference of the Parties provided an excellent opportunity to address this. Ethiopia, he said, had been implementing strategies for climate resilience and a green economy and had committed to reducing emissions and expanding green energy. These objectives were being pursued through the implementation of those strategies, including in the energy sector. The country’s Green Legacy programme was another example of its commitment to investing in adaptation and providing nature-based solutions to improve people’s lives.

13. Mr. Mohieldin acknowledged both the interest in supporting climate projects from financial institutions and the plethora of climate projects that lacked finance. Therefore, events like the African round tables provided an excellent opportunity to link the two and also to address pressing debt issues through instruments such as debt swaps and carbon markets. A holistic approach to the twenty-seventh session of the Conference, he said, meant that climate action could address poverty and inequality, and lead to action. Moreover, regional round tables could facilitate investments in human capital, infrastructure and resilience, which were crucial for implementation. He concluded that countries should enhance and leverage commitments to

climate finance, with better alignment of public and private finance through budgeting based on the Sustainable Development Goals.

14. Mr. Shitima noted that the African round tables provided an opportunity to interact with African partners to forge Africa’s common position and priorities for the twenty-seventh session of the Conference of the Parties. The priorities he identified for Africa included making the upcoming session an “implementation Conference”; ensuring that all countries met their obligations, including developed countries; achieving recognition for Africa’s special needs and circumstances; and increasing pledged financing for grants, not loans, to developing countries, with 50 per cent for climate change mitigation and 50 per cent for adaption.

15. Mr. Green said that successful investments in Africa needed to reflect a long-term perspective on sustainability, in particular in the sectors that were the focus of his company, Ninety One: infrastructure and telecommunications. These were sectors where Africa invested only 3.5 per cent per cent of its gross domestic product (GDP), compared with 5 per cent per cent in other regions of the world. Ninety One, he said, had 24 renewable energy projects underway, and had expertise in environmental, social and governance issues and in development impact expertise, and helped to draw further capital to those sectors.

16. Mr. Carney stressed that the world was already one quarter of the way through the decade of delivery for the net-zero transition, which was particularly vital for Africa as it faced the greatest impact of climate change. More than 500 global financial institutions had come together to support the green transition and a net-zero economy, he said, which would require unprecedented public-private collaboration. Mr. Carney said that the Glasgow Financial Alliance for Net Zero provided expertise, supported just energy partnerships and bottom-up climate projects, and that it would launch a network in Africa to have a presence on the continent and to continue capacity-building and knowledge sharing.

17. The speakers in the opening segment called for the following:

(a) The twenty-seventh session should be a uniquely African Conference of the Parties, moving from talk to action, making it truly an implementation Conference;

(b) The regional round tables leading up to the Conference should identify impactful green projects, and initiatives to match these projects with financing;

(c) Developed countries should meet their commitments in respect of previously announced nationally determined contributions, even increasing them, and reduce their emissions, in accordance with past agreements;

(d) Innovative green financing mechanisms should be made more available in Africa, to enable access to a greater share of global green and blue bonds;

(e) Africa’s sustainable finance market should be developed. Therefore, innovations on the continent, such as the Liquidity and Sustainability Facility and carbon markets, should be scaled up.

# III. Summary and key recommendations for action

## A. Panel 1. Financial vehicles for just-transition finance

### 1. Presentation

18. This panel discussed the strategic importance of a just transition. It highlighted efforts being made by governments, businesses and investors to deliver a just transition and measures to deepen and scale up such efforts across all countries and sectors to produce real-world outcomes.

19. The presenters were the Chief Operating Officer of Africa50, Tshepidi Moremong; the Minister of Planning and Economic Development of Egypt, Hala el-Said; the Director of Export Development at the African Export-Import Bank and lead on the bank’s climate finance initiative, Oluranti Doherty; the Senior Adviser for Africa at Convergence, Micheline Ntiru; the Global Head of Sustainable Finance at Standard Chartered Bank, Daniel Hanna; the Managing Director of the Namibia National Reinsurance Corporation, Patty Karuaihe-Martin; the Managing Director at SFR-Consulting for the African Energy Guarantee Facility, Thomas Mahl; the Minister of International Cooperation of Egypt, Rania el-Mashat; and the lead negotiator on climate finance for the African Group, Richard Sherman.

### 2. Discussion

20. Ms. Moremong highlighted the requirements for addressing Africa’s post-coronavirus (COVID-19) recovery and sustainable development, including scaling up climate finance from domestic and external resources and leveraging the public and private sectors. Past and current climate finance commitments had fallen short of expectations and financing needs; because developed countries had failed to meet their commitments of $100 billion, there was a significant deficit. Moreover, the pandemic and the existing conflict between the Russian Federation and Ukraine had significantly reversed development gains made by African governments. She concluded that it was critical to leverage innovative financing instruments and models to drive collaboration among diverse stakeholders.

21. Ms. El-Said noted that the conversation around investing in Africa had shifted from one of risks and challenges to one of opportunities and potential. She elaborated on the significance of private investments and public-private partnerships to mitigate and adapt to the adverse effects of climate change and to encourage investments in the region, as no bold climate action would materialize without the required finance levels. She highlighted efforts by the Government of Egypt to accelerate the transition to a green economy through reducing carbon emissions, which included amending the country’s public-private partnership law to expand the scope of private-sector participation, and launching a package of financial and non-financial incentives to motivate private investors in green sectors, such as renewable energy. She emphasized that immediate action was necessary to address the prevailing financial challenges that impeded investment in recovery, climate action and achieving the Sustainable Development Goals in Africa. She urged increasing financial flows to Africa through collective action by all parties, especially those in the private sector, and enhancing transparency to ensure predictability in capital movements for all investment projects.

22. Ms. Doherty pointed out that a key pillar of the African Export-Import Bank was to support and promote the implementation of the African Continental Free Trade Area, specifically, localizing industries on the continent and advancing their achievement of net-zero

emissions. The objective was to develop the continent's energy infrastructure, create jobs, and reduce emissions caused by shipping minerals and resources across continents. The African Continental Free Trade Area adjustment facility, developed by the African Export-Import Bank, supported the gradual integration of African States into the African Continental Free Trade Area. Ms. Doherty outlined a plan to create a transition funding scheme for mobilizing capital and implementing technical assistance for African States. The bank also supported the creation of the Liquidity and Sustainability Facility. The African Export-Import Bank had developed a project preparation facility to support and attract private-sector financing for sustainability projects.

23. Ms. Ntiru argued that the massive needs of climate finance required blending public and philanthropic capital with commercial capital to achieve the scale of financing required. She noted that 40 per cent of global blended finance was used for climate finance, and that such catalytic funding ought to be increased because the $100 billion in funds promised by the developed countries had yet to materialize. Challenges hindering the mobilization of private capital included the lack of a coherent strategy by most African countries, the scarcity of appropriate financial instruments on the market, and the need to collaborate better with the private sector. Given the debt crises in many African markets, equity would be of crucial importance for some of them, as would grants for the less-developed markets. She echoed the need for a regional approach to the use of carbon markets, and for increasing the affordability of green bonds to encourage wider use on the continent.

24. Mr. Hanna asserted that net-zero goals that failed to reflect a just transition were not an acceptable outcome for Africa. Achieving climate justice was critical, given Africa's low contribution to the climate crisis and its extreme vulnerability to the impact of climate change. There was a current financing gap of $94.8 trillion to help emerging markets reach net zero by 2060. If emerging markets financed this on their own, it would lead to a decline of $79 trillion in their living standards. However, if developed markets contributed to reaching net zero, not only would emerging economies be better off by $70 trillion, but developed countries would be better off by $4 trillion. He called for a people-centred transition, leaving no one behind as the world headed towards a carbon-neutral future. Mr. Hanna underscored that the developed world ought to help Africa to capture opportunities and to finance its huge competitive advantage in renewable energy technologies. There was a need to embrace innovative technologies to democratize opportunities in sustainable finance, including scaling up blended finance, just-transition-financing loans and carbon markets. He urged greater climate ambition to provide not only green finance, but also transition finance.

25. Ms. Karuaihe-Martin outlined the insurance sector's strategies to mitigate and de-risk the impact of climate disasters. She pointed out that the traditional insurance business model was not as effective in all scenarios. Loss prevention and risk engineering ought to be upgraded and green credentials to be considered in risk assessments. There was a need to increase the penetration of insurance products, establish emission baselines, find innovative incentives to encourage partners and stakeholders to decarbonize through discounts and increased premiums on high-emission projects. The actions that were a high priority for insurance-sector entities in building resilience against climate risks included deploying capital and supporting the market by extending insurance coverage, thereby diversifying their portfolios and balancing the risks related to increased frequency and severity of disasters in Africa. Ms. Karuaihe-Martin reiterated the commitment of the insurance sector to support the achievement of the Sustainable Development Goals and the objectives of the twenty-seventh session of the Conference of the Parties to the United Nations Framework Convention on Climate Change. She said that the Nairobi Declaration on Sustainable Insurance, an Africa-focused initiative, was a signal of

willingness to engage in climate action and to present a united front for sustainable insurance in Africa.

26. Mr. Mahl described SFR-Consulting's pilot risk-mitigation solution for sustainable energy projects. Among the underlining structural problems that hindered universal access to energy were limited economic incentives for utilities to connect new customers; challenges in raising financing for grid expansion and electrification; lack of economic sustainability in off-grid and mini-grid options; high risk, which caused onerous and costly financing for renewable energy projects; and lack of regulatory and legal frameworks for private-sector investments. Another problem was the absence of power system flexibility, which hindered the integration of larger amounts of renewable energy into most African grids. Mr. Mahl lamented the overall lack of risk-mitigation instruments on the continent, and urged that more work be done to scale up risk insurance.

27. Ms. El-Mashat lauded the whole-of-society approach depicted in the organization of the round tables, saying it was crucial to raising climate action ambition. It was critical, she said, for governments to unlock finance and financing instruments. She highlighted the 2050 Country Climate Strategy of Egypt, which had a variety of mitigation and adaptation projects across various sectors, in which job creation and private-sector involvement were key features. She called upon the participants to attend the upcoming pre-twenty-seventh session Ministerial Finance Round Tables to be held in Sharm el-Sheikh, Egypt from 7 to 9 September 2022, which would be a launchpad for Finance Day at the twenty-seventh session of the Conference of the Parties, on 9 November 2022.

28. Mr. Sherman underscored the urgent need to restore trust to developing nations by meeting the $100 billion goal. He observed that for every dollar spent by multilateral development banks, only 29 cents were being mobilized by the private sector, and he called for enhanced commitments from the private sector. Furthermore, he lamented the lack of country ownership and of engagement between the private sector and the countries themselves. He also called for more local currency lending to developing countries. Despite the wide-ranging discussion on risk mitigation and related instruments, the real issue, he said, was the insufficient risk appetite of multilateral development banks and institutions. This problem had to be solved to pave the way for a radical transformation in the provision of private-sector financing, which called for systemic reform of the global economic order and of global institutions, in particular international financial institutions, such as the World Bank, the International Monetary Fund and the International Finance Corporation. He concluded that it was impossible to separate climate-change finance from the rest of the international economic order.

### 3. Recommendations

(a) In the light of the massive financing requirements, it was critical to leverage new, innovative financing instruments and models to drive collaboration between diverse stakeholders with varying risk appetites, including public-sector and private-sector players, and development finance institutions, whether local, regional or international.

(b) Climate justice had to be paramount, since there would be no net-zero future for Africa without achieving a just transition. The transition must also be people-centred, which required a whole-of-society approach that left no one behind.

(c) The trust of developing nations had to be urgently restored, by meeting the $100 billion goal.

(d) Adopting a regional approach to financing was of crucial importance, as was developing carbon markets that could deliver a price high enough to adequately benefit African countries. There was also an urgent need to make green bonds more affordable on the continent to widen their use and provide much needed climate finance.

(e) Despite notable green financing provided by financial institutions, it was necessary for international banks, development finance institutions and policymakers to work in unison to urgently scale up such innovative financing.

(f) Developed countries should adapt and widen the scope of existing financing infrastructure, from merely "green finance" to "transition finance", without which developing countries could not attain net-zero goals.

(g) The insurance market needed to play a wider role in leveraging and mobilizing more private investment. The de-risking of projects at the very early stages was essential to increasing project bankability, thereby attracting more capital.

(h) Multilateral development banks and institutions had to make efforts to increase the currently insufficient appetite for risk, without which private-sector financing would remain minimal.

(i) Systemic reform at global institutions, in particular the international financial institutions, such as the World Bank and the International Monetary Fund, was needed to address climate finance priorities.

(j) Transparency had to be enhanced to ensure the predictability of capital movements for all investment projects.

(k) Since Africa should tap into global pension funds, it was critical for African asset managers and pension funds to take the lead in investing, specifically in infrastructure, on the continent.

## B. Round table 1. Energy access, security, stability, just energy transition, and transport

### 1. Presentation

29. This round table was aimed at inspiring accelerated financing for suitable projects in Africa, with a focus on energy access, security, stability, just energy transition, and transport. Participants engaged in an exchange on the need for financing these areas, and shared examples of potential projects for the continent. The round table unpacked key challenges that new initiatives and financiers face, and how to overcome these challenges.

30. The Africa Director and Special Adviser, United Nations high-level champions for climate action, Bogolo Kenewendo, introduced the moderator, the principal energy specialist at Sustainable Energy for All, Alvin Jose. The presenters were the Director of Infrastructure and Energy of the African Union Commission, Kamugisha Kazaura; the Chief Sustainability Officer of the Commercial International Bank, Dalia Abdel Kader; a sustainability specialist at Ninety One, Annika Brouwer; the group head of public affairs for Koko Networks, Sophie Odupoy; and Head of Cooperation with International Finance Institutions and the United Nations at the Ministry of International Cooperation, Egypt, Mohamed Abdelgawad.

31. Ms. Kenewendo, on behalf of Mr. Kazaura, presented 15 energy and transport projects in Africa that were ready for investment. The key challenge across all projects, regardless of their stage, was in financing project preparation, specifically their feasibility studies. It was also challenging to convince donors to invest in projects.

32. Ms. Kader addressed what happens after project preparation financing, from the private sector's point of view. Africa had great potential in terms of energy and transport, but the weighted average cost of capital was higher than in Europe and in North America. Africa needed to attract private investment with innovative mechanisms and blended finance.

33. Ms. Brouwer emphasized the importance of the enabling factors for these projects. Large projects must be financed through pooled funding, and small projects by institutional funding. An enabling policy environment was critical, as well as making sure that projects were demand-driven in response to the needs of industries and of people.

34. Ms. Odupoy elaborated on Koko's affordable clean cooking solutions, which were being developed in Kenya and Rwanda. Thanks to selling carbon credits, Koko could sell its ethanol to consumers at lower prices.

35. Mr. Abdelgawad presented the vision of Egypt for the 15 projects in relation to preparations for the twenty-seventh session of the Conference of the Parties to the United Nations Framework Convention on Climate Change. The projects were a result of successful engagement over the years. The mission of Egypt at the twenty-seventh session, he said, would be driven by a programmatic approach involving three pillars: resilience, mitigation and adaptation. The nexus between water, food and energy and its link with climate change would also be explored.

### 2. Discussion

36. Regarding the implementation of blended finance, the need to develop new instruments to ensure a win-win scenario was noted. The blended finance fund of South Africa, which focused on African infrastructure, was highlighted. The blended fund finances small and large projects in 22 countries, promoting the transition to clean energy and connecting the African continent to global investors.

37. Factors that were crucial in getting financial institutions to commit to financing projects included feasibility studies, the de-risking of investment, foreign currency agreements, project governance, and simplifying environmental, social and governance criteria.

38. It was emphasized that Africa paid far more for energy than other regions. The need to consider people and the gender component when considering a just energy transition was also stressed.

39. Africa needed to take advantage of the knowledge available from the Climate Technology Centre and Network of the United Nations Framework Convention on Climate Change.

40. Countries would need to work on adaptation and resilience mechanisms, which were much harder to implement and measure compared to mitigations tools.

41. In addition, building transport networks would be key to reaching rural areas to improve resilience in agriculture.

### 3. Recommendations

(a) Member States should build an enabling policy environment to facilitate private investment in energy.

(b) Development partners should establish innovative mechanisms to finance sustainable energy projects, including de-risking investments and providing blended finance and support to ensure the flow of investment into the most vulnerable areas.

## C. Round table 2. Food security and climate-smart agriculture, land restoration, adaptation, building resilience and developing ecosystem-based approaches

### 1. Presentation

42. The purpose of this round table was to inspire accelerated financing of suitable projects in Africa, focusing on food security and climate-smart agriculture, land restoration, adaptation, building resilience and developing ecosystem-based approaches. Participants exchanged knowledge on the need for financing in these areas and shared examples of potential projects for the continent. The round table also addressed key challenges that new initiatives and financiers faced, and how to overcome such challenges.

43. The round table was co-moderated by a strategic finance adviser for the United Nations high-level champions for climate action, Roopal Kanabar, and the Food and Agriculture Organization Subregional Coordinator for Eastern Africa, Chimimba David Phiri, who made introductory remarks. Presentations were made by the Director of the Global EverGreening Alliance, Chris Armitage; the Managing Director of the Nairobi Office of the Boston Consulting Group, Chris Mitchell; and the Executive Director of the Global Alliance for Improved Nutrition, Lawrence Haddad. The respondents were the Director of the Rockefeller Foundation Food Initiative, Betty Kibaara; the Executive Director of Citizens' Climate International and senior adviser on sustainable finance of the EAT Foundation, Joe Robertson; and the Executive Director of the Syngenta Foundation for Sustainable Agriculture, Simon Winter.

44. In the introductory remarks, it was noted that Africa needed approximately $2 billion to finance the ecological transition, and that less than one tenth of climate finance went to agriculture. In 2020, 282 million people in Africa (i.e., one out of five persons) were threatened by famine, and 670 million people could face hunger in 2030. Climate shocks were set to be important factors threatening food security.

45. Mr. Armitage presented the Restore Africa initiative, which sought to transform and restore land across six countries. The initiative aimed to restore 1.9 million hectares and sequester 36 million tons of carbon dioxide-equivalent emissions. This would help countries in making progress towards their commitments under the African Forest Landscape Restoration Initiative.

46. Mr. Mitchell presented the Boston Consulting Group's integrated policy for the transformation of food systems in Sub-Saharan Africa, highlighting the need to better define

regenerative agriculture and match the practices involved to various stakeholders along the value chain. Blended finance (e.g., from banks) could play an important role in a demand-led approach. The Boston Consulting Group had piloted an approach that could be scaled across Africa.

47. Mr. Haddad described the Zero Hunger private-sector pledge to enhance farmer productivity. The initiative, which had mobilized $15 million in funding, targeted small and medium-sized enterprises in seven African countries to connect farms to markets.

48. The participants in the round table described other projects and initiatives, including the Angololo multipurpose water resources development project, crop adaptation in the Nile valley and delta, and the climate-smart agriculture initiative of the United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women).

### 2. Discussion

49. The discussion highlighted the lack of consideration given to small producers in agricultural development strategies and projects on the continent, in particular in terms of financing and the provision of agricultural inputs, an issue that has been brought to light by the conflict between the Russian Federation and Ukraine.

50. The challenges of strengthening the resilience of the agricultural system by strengthening the negotiation capacity of national actors were raised, as was the need to strengthen the partnership between the African Union, the United Nations system and other development actors to achieve greater coherence and synergy.

51. Compatible innovative financing initiatives for land restoration and regeneration were also discussed, and the approach to financial compensation for farmers in relation to the level of sequestered carbon was considered promising for Africa.

52. It was also underlined that the Zero Hunger private-sector pledge offered an opportunity for companies and investment funds to align their investments with new evidence and commitments by donors, governments, and global institutions to end hunger by 2030 and nourish the future. In the same vein, the Nutritious Foods Financing Facility was presented as a blended finance approach focused on improving nutrition by supporting small and medium-sized enterprises in Sub-Saharan Africa to scale up the production and sale of locally-produced safe, nutritious food for domestic markets.

53. The participants also focused on the weak sustainability of the massive use of chemical fertilizers to stimulate greater agricultural yields. To this end, more ecologically friendly approaches, such as crop rotation, were considered more sustainable. A more resilient approach, based on the supply of agricultural inputs produced in Africa, was encouraged, a lesson learned from the negative effects for the continent of the conflict between the Russian Federation and Ukraine.

54. Moreover, the participants focused on the issue of financing smart agriculture, which they considered imperative for the development of sustainable and climate-resilient agriculture that took into account environmental requirements.

55. The participants noted the great opportunity presented by the fact that the twenty-seventh session of the Conference of the Parties was being held in Africa, which provided an

opportunity for the continent to focus on agricultural issues and to agree on a common position that took into account various commitments, such as the 2014 Malabo Declaration on Accelerated Agricultural Growth and Transformation for Shared Prosperity and Improved Livelihoods and the Comprehensive African Agriculture Development Programme. A common African position would be a step towards addressing the fragmentation and lack of coherence of the continent's various initiatives and programmes on agricultural development.

### 3. Recommendations

(a) Promote agricultural programmes and projects with the potential to bring in innovative financing and that integrate the principles of sustainability and climate resilience.

(b) Promote the use of sustainable land regeneration and restoration approaches to increasing agricultural yields that take into account environmental preservation and producers' resilience. In this regard, regenerative agriculture approaches should be replicated and expanded to cover broader areas.

(c) Design agriculture projects and initiatives within the framework and to achieve the goals of the Comprehensive Africa Agricultural Development Programme.

(d) Develop effective scientific observatories of sustainable agriculture that meet environmental requirements and strengthen producers' resilience.

(e) Enhance the link between subsistence agriculture for small producers and agribusiness, taking into account agricultural livelihoods to ensure stable and sustainable incomes for producers.

(f) Seize the opportunity of the twenty-seventh session of the Conference of the Parties, which is being held in Africa, to focus on the issue of African agriculture's profitability and sustainability, and reach a common position that enables greater synergy and coherence in agricultural programmes and projects in Africa.

(g) The United Nations system, including ECA and other regional and international development organizations, should support the African Union in building the capacity of national actors to engage in climate negotiations and to promote the climate resilience of agricultural systems.

## D. Panel 2. Upscaling investment in adaptation, ecosystem-based approaches, disaster-risk reduction, and mitigating loss and damage from climate change

### 1. Presentation

56. This panel discussed and identified effective mechanisms for mobilizing private finance for climate adaptation. Presentations and discussions highlighted efforts being made by governments, businesses and investors to mobilize and deliver financing for adaptation and for measures to scale up such efforts across all countries and sectors to produce real-world outcomes.

57. The panel was moderated by the director of risk at FSD Africa, Kelvin Massingham, and also included the Minister of the Environment of Egypt, Yasmine Fouad; the group head of environmental, social and climate risk at First Rand Group, Madeleine Ronquest; the Chief

Executive Officer of African Risk Capacity Group, Lesley Ndlovu; the Regional Coordinator for Africa of the United Nations Environment Programme Finance Initiative, Reuben Wambui; the Chairman of the Egyptian Exchange, Mohamed Farid; and the Africa Green Finance Coalition team leader, Samuel Njoroge.

57. In his introductory remarks, Mr. Massingham underlined that, although adaptation and resilience were priorities for Africa, public funding alone would not be sufficient, which was why private finance had a crucial role to play. Currently, adaptation finance in Africa came mainly from public actors (only 30 per cent came from the private sector), while 80 per cent of private finance went to sectors involved in mitigating the effects of climate change, primarily the energy industry.

58. Ms. Fouad noted the role of the national climate change strategies, updated national adaptation plans and nationally determined contributions that Egypt had adopted to drive adaptation projects. She indicated the need for different sources of finance, including grants, and highlighted the sovereign green bond issued by Egypt and its contribution to adaptation financing. She mentioned that there was also interest in issuing sub-sovereign green bonds. She stressed the need to place nature at the centre of initiatives and programmes for adaptation, disaster-risk reduction and building resilience. Challenges included better valuation of nature, developing bankable adaptation projects and incentives for private-sector investment, in particular in ecosystem-based adaptation approaches.

59. Ms. Ronquest described the work of First Rand Group in the area of adaptation finance, highlighting its commitment of 200 billion South African rand (approximately $11.1 billion) in capital flows towards sustainable finance. The challenge they faced was that it was easier to finance mitigation and adaptation for existing commercial clients and commercial farmers than for new commercial clients with no financial history or small-scale farmers. Plans were underway to issue a biodiversity bond, and First Rand Group was looking forward to the outcomes of the fifteenth meeting of the Conference of the Parties to the Convention on Biological Diversity, to be held from 5 to 15 December 2022.

60. Mr. Ndlovu introduced the African Risk Capacity Group, the largest insurance mechanism for climate-related risks (drought, floods and cyclones), which affected two thirds of Africa’s economic activities and approximately 700 million people. Risk insurance, he said, was important for both risk transfer and de-risking projects. In its 10 years of existence, the African Risk Capacity Group had transferred approximately $1 billion of risk from African countries to the global reinsurance market. The private insurance industry had a major role to play, given the rising frequency and severity of climate-linked disasters. Success would require a coalition of private and public actors.

Mr. Wambui said that sustainable financing for adaptation was not yet mainstream in many banks. The key barriers were project pipelines, financing structures within banks and mobilizing finance. However, many banks were gearing up to provide improved financing for adaptation. The Africa Adaptation Acceleration Programme was supporting banks, and an assessment was underway to better understand what banks were doing. Moreover, an insurance facility for small and medium-sized enterprises had been launched by the finance ministers of world’s most climate-vulnerable economies with support from the United Nations Environment Programme.

61. Mr. Farid described the role of the Egyptian Exchange, which included linking investors and financiers, data sharing, capacity development, creating markets and facilitating

mobilization of equity finance. He noted that most of the investments were in mitigation rather than adaptation. Among the main challenges were commercializing adaptation initiatives and turning them into viable projects, mobilizing equity finance and creating the right markets.

62. Mr. Njoroge noted that Africa needed to invest at least $3 trillion to meet its mitigation and adaptation needs. The African Green Finance Coalition, to be launched at the twenty-seventh session of the Conference of the Parties, aimed to bring together all the countries of Africa to pool resources, share learning and create a pathway for increased flows of green investment capital to the continent. It would facilitate learning and technical assistance across countries, while a peer review mechanism would hold members accountable for their commitments to the necessary reforms.

### 2. Discussion

63. In the ensuing discussion, emerging issues, trends and opportunities were highlighted. The need to move from incremental to transformational adaptation was underlined.

64. It was reiterated that there was a huge financial gap for adaptation, as most climate finance had targeted mitigation. Adaptation was underserved, which was being addressed by the Race to Resilience, designed to catalyse a significant change in global climate resilience ambition. To date, adaptation financing had been from public sources, with limited mobilization to date from private sources.

65. The high price of technology and limited data and climate information services all posed challenges for the development of bankable adaptation projects.

66. Beyond adaptation, loss and damage associated with the impact of climate change was becoming a critical issue. Existing institutional arrangements under the United Nations Framework Convention on Climate Change were inadequate to handle some aspects of loss and damage. Pre-emptive action was needed to deal with these challenges, including capacity-building to develop projects to mitigate loss and damage.

67. Disaster risks were intensifying, yet insurance premiums remained too high for Africa. It was crucial to scale up disaster risk finance and to support the African Risk Capacity Group, which included supporting the most vulnerable countries in acquiring insurance coverage.

### 3. Recommendations

(a) African countries should develop a regional strategy for adaption, including the identification of priority sectors, goals and targets.

(b) The level of adaptation finance in green or climate finance programmes should be increased to reach 50 per cent of their total allocation.

(c) African governments and their development partners should carry out coordinated capacity-needs assessment and capacity-building to enable various stakeholders to develop bankable projects, including adaptation entrepreneurs, such as small-scale farmers.

(d) African countries should critically review their nationally determined contributions to provide more accurate estimates of finance needs for adaptation. Average adaptation needs were 24 per cent of the current total climate finance needs.

(e) Governments in Africa should identify key areas for private-sector participation in implementing nationally determined contributions, and actively promote these opportunities.

(f) African countries and development partners should strengthen availability and access to accurate climate information to support the design and implementation of adaptation projects.

(g) Platforms should be created to encourage trading of carbon credits, thereby providing further incentives for investing in nature-based adaptation projects.

(h) Disaster-risk finance and insurance in Africa should be increased, by such means as scaling up risk insurance through the African Risk Capacity Group and crowding in private insurance companies.

## E. Round table 3. Digital transformation

### 1. Presentation

68. This round table was chaired by the Representative for Southern Africa of the International Telecommunication Union (ITU), Chali Tumedo. The Chief of the Innovations and Technologies Section at ECA, Mactar Seck, delivered the presentations. There was also an intervention by the Circular Economy Coordinator of the International Telecommunication Union (ITU), Garam Marc-Bel, and the E-waste Data Associate Officer at ITU, Rosie McDonald. The panel comprised the senior officer for environmental management at Safaricom, Valentine Cheruiyot; the Chief Executive Officer of Iken, Hossam Elgamal; the general manager for sustainability and shared value at MTN Group, Marina Madale; the associate director of sustainable finance at Standard Chartered Bank, Oliver Phillips; and the joint promotor of the Fix Nigeria project, Olutoyin J. Oloniteru.

69. Ms. Tumedo stressed that, over the past two decades, African development had been fuelled by the growth of digital technologies, and that, facing the climate crisis, Africa should use green information and communications technology to slash carbon emissions while achieving its digital development targets.

70. Mr. Seck presented three projects. The first, in Kenya, involved transborder submarine fibre points of presence, and plans for a regional smart hub facility and a data centre, to foster interstate digital connectivity. It would provide connectivity between submarine cables in the Indian Ocean and the eastern coast of Africa. Data centres, he said, were very important in tackling climate change, enabling climate modelling and preventing disasters. The project would provide opportunities for Kenya to use digital technologies as key enablers of climate resilience.

71. The second project presented by Mr. Seck, in the United Republic of Tanzania, was the extension of a national information and communications technology broadband backbone to Mozambique, through which fibre optic cable and points of presence had been installed to provide connectivity with Mozambique. The Government of the United Republic of Tanzania had constructed a national information and communications technology broadband backbone that connected various regions in the country and provided cross-border connectivity with Burundi, Kenya, Malawi, Rwanda, Uganda and Zambia. The principal objective of this project was to connect Mozambique and the United Republic of Tanzania, thereby enabling access to submarine cables for both countries and increasing the reliability of sea cables in the subregion.

72. The third project, in Mauritius, was to modernize water infrastructure through implementing a telemetry, supervisory control and data acquisition system for the country. The smart water monitoring and management system would transform the existing water storage and distribution system, making it more efficient in servicing water needs across economic sectors. The objective was to enable remote monitoring and control of the equipment and accessories (such as pumps, gensets, meters and water levels sensors) at various pumping stations, service reservoirs and water treatment plants throughout the water distribution network. The supervisory control and data acquisition system would include telemetry, to collect basic operational data on the various sites and transmit them to control centres; remote monitoring, to transmit notifications to the control centres in case of malfunction, defective equipment or systems and abnormal intrusions; and telecontrol, to enable automatic and remote control of the operation of equipment, such as pumps and valves.

73. Mr. Marc-Bel and Ms. McDonald presented a project to collect data on e-waste generation for all African countries. The project should start in 2023 and run up to 2026.

74. Ms. Cheruiyot said that 92 per cent of Safaricom operators were using electricity and had generators as a backup. Safaricom had committed to net-zero emissions by 2050; to that end, it was reducing emissions by connecting to solar power facilities, and had committed to cutting carbon emissions through offsetting, including by planting trees. Safaricom intended to improve network availability while reducing carbon emissions and electricity use. It had invested in energy efficiency at 800 stations (an investment totalling 1 billion Kenya shillings, or approximately $8.27 million).

75. Mr. Phillips said that Standard Chartered Bank was helping clients to deliver their projects. Its work focused on sustainability and had two components: green initiatives that supported infrastructure, in particular, more efficient data centres; and resilience and enabling infrastructure through digital transformation to deliver on the green agenda. Regarding the bankability of projects, he said that financial institutions were struggling to understand how to make profits while delivering on sustainability. He saw a need for overall corporate creativity, in particular in the area of blended financing.

76. Mr. Elgamal enumerated the bankable projects in climate change in Egypt, including infrastructure-related initiatives in data centres where energy consumption was high; e-waste initiatives in the area of recycling also held investment potential. Digital transformation in waste management could help cities to become more attractive by reducing energy consumption. He also mentioned smart electric grids that improve efficiency, including smart meters and artificial intelligence.

77. Mr. Oloniteru said that environmental sustainability was key to addressing climate change. Some initiatives in Nigeria were focused on small and medium-sized enterprises and the informal sector. The combination of corporate social responsibility and crowdfunding is essential to ensure that people benefit from information and communication technologies.

78. Ms. Madale noted that MTN Group, a telecom operator working across 19 countries with more than 270 million subscribers, has pledged to achieve net-zero emissions by 2040. MTN Group, she said, was introducing renewables into its ecosystem. Energy efficiency measures to be considered included digital solutions, namely, big data and artificial intelligence. Funding was essential for green industrialization to spur economic development and create jobs, and partnerships were needed.

### 2. Discussion

79. A focal point of the discussion was the best way to make projects bankable. It emerged from the discussion that digital technologies were key enablers for climate resilience in Africa and that appropriate data was needed to make informed decisions. Information and communications technology could be used to tackle climate change through promoting energy efficiency and solar technologies, improving network availability and reducing carbon emissions. Crowdfunding using blockchain and smart contracts were considered options for project financing. A blockchain for a climate change initiative in Africa could be implemented by the African Union or the United Nations. It was noted that Africa needed green industrialization and that this would be possible only through adopting digital technologies. A submarine cable project in West Africa would be example of a bankable project in support of fibre-optic connectivity. Investment in early-stage development was of critical importance.

### 3. Recommendations

(a) There is a need to design and present projects in a way that was attractive to bankers. Awareness-raising sessions with banks could help to clarify their needs.

(b) Projects should make a strong business case, but also have the greatest impact possible in terms of climate resilience, economic growth, job creation and support for local businesses on the continent.

(c) Programmes that build capacity to prepare bankable projects should be prioritized.

## F. Round table 4. Development of African carbon credit markets

### 1. Presentation

80. Participants in this round table discussed how to create carbon credit markets that are effective, efficient and transparent, and capture the true value of the continent's natural capital. The round table was a showcase for success stories in this regard, with a focus on dealing with market mechanisms that often frustrate African players.

81. The opening statement was made by the Director of the Technology, Climate Change and Natural Resources Division at ECA, Jean-Paul Adam. The round table was moderated by the representative of the Africa Climate Foundation, Ravi Sikand. The presenters were the regional head of coastal and ocean resilience of the International Union for Conservation of Nature, Thomas Sberna; and the Chief of the Green Economy Section of the ECA Technology, Climate Change and Natural Resource Management Division, Nassim Oulmane. The discussants were the lead negotiator for the African Group on Article 6, El Hadji Mbaye Diagne; Mr. Farid; the head of carbon market development at Standard Chartered Bank, Chris Leeds; the CEO of Climate Action Platform for Africa, Jack Kimani; and, from the African Export-Import Bank, Patrick Young.

82. Mr. Adam welcomed the participants and gave a brief introduction on the imperative of developing carbon credit market in Africa as part of a green transition built on new models of domestic resource mobilization.

83. Mr. Sikand stated that the round table was apt, because of the opportunity for carbon markets to contribute to reducing greenhouse gas emissions, improving sustainable natural capital management and generating substantial revenue in climate finance for Africa.

84. Mr. Sberna focused his presentation on the Great Blue Wall initiative, whose goals include preserving mangroves along the western Indian Ocean coast. The initiative was based on three pillars: effective and equitable ocean conservation, obtaining net gain of critical blue ecosystems, and creating a regenerative blue economy to benefit communities and deliver conservation outcomes. He said that mangroves stored 800 million tonnes of carbon, and 41,000 hectares of mangroves could potentially be restored. The project was committed to developing a restorative blue economy that benefitted coastal communities directly while also reducing carbon emissions. The International Union for Conservation of Nature was proposing a blue carbon accelerator fund and a regional restoration hub. Investors were interested, he said, and were looking for a pipeline of projects, as well as a cost-effective and transparent mechanism to gain access to carbon credit markets. Some of the key challenges highlighted included lack of skills to scale up carbon projects.

85. Mr. Oulmane's presentation centred on forest conservation efforts in the member countries of the Commission for Central African Forests that were focused on empowering local landowners in high biodiversity areas of the subregion. The project was currently at the feasibility study stage and required $7 million as a start-up fund, with the goal of expanding it to other African countries.

### 2. Discussion

86. The discussants emphasized that there was tremendous potential for carbon markets to efficiently finance climate-change adaptation. However, barriers included complex procedures and lack of access to markets.

87. There was a need to build regional carbon markets, whether mandatory or voluntary. At the twenty-seventh session of the Conference of the Parties, the rules for the operationalization of the carbon market under Article 6 would be discussed, and it was important to consider the specificities of the continent.

88. African agency was needed in the development of carbon markets. Equally important was the need to ensure equity in carbon credit markets and to ensure that the integrity of the market could be upheld.

89. The carbon credit market needed to mature and develop high-quality carbon credits, with the issues of integrity and risk being properly integrated. There was some concern about how carbon credits were generated and who benefited from them. Carbon credit markets, even if domestic, must be interconnected and interoperable to realize all their benefits. It was noted that Standard Chartered Bank had committed $300 billion to support net-zero projects, especially in emerging markets in Asia and Africa. To this end, the bank had established a taskforce to contribute to the development of efficient and high-integrity carbon markets.

90. The carbon credit market in Africa was fragmented, with many small-scale projects. There was a need to develop large projects to ensure appropriate benefits in terms of the climate impact and the revenue raised. There was also incoherence in carbon credit pricing, and this often posed a barrier to investors. Risk management of carbon credits, by ensuring their integrity, was critical for the market's development.

91. Climate for Africa, a non-governmental organization, was working with farmers on how to use carbon credits to generate financing by sequestering carbon through their climate-resilient agricultural activities. In this regard, national and multilateral organizations needed to support such initiatives on the continent as climate adaptation financing, the development of innovative financing instruments, and capacity-building for young people in Africa.

92. The issue of risk needed to be addressed systematically from the investor perspective to facilitate the flow of finance into potential sequestration projects.

93. There was a need to address incoherence in carbon credit pricing, which could be a barrier to investors.

### 3. Recommendations

(a) The African continent needed to scale up its ambition to attract investors, and to de-risk the market through the implementation of large projects.

(b) The carbon credit market in Africa was fragmented, with many small-scale projects. There was a need for large project developers.

(c) Coordination of approaches and methodologies for ensuring higher integrity needed to be prioritized.

## G. Round table 5. The blue economy

### 1. Presentation

94. The aim of this round table was to inspire actions to accelerate financing of suitable projects in Africa, with a focus on the blue economy, exchanging knowledge on the need for financing in this area, and sharing examples of potential projects for the continent. The round table also addressed key challenges that new initiatives and financiers faced, and how to overcome such challenges.

95. The session was moderated by the blue economy adviser to the African Union Commission, Barkha Mossaë. Presentations were delivered by Mr. Sberna; an associate professor at University College London Energy Institute, Tristan Smith; the co-founder and CEO of OceanHub Africa, Alexis Grosskopf; the coordinator on oceans of the African Group of Negotiators on Climate Change, Fatou Ndeye Gaye; and an analyst from Société Générale Corporate and Investment Banking, Anne-Laure Rajaona.

96. In her introductory remarks, Ms. Mossaë emphasized the importance of the blue economy because of the role of oceans in the fight against climate change. However, she observed that Sustainable Development Goal 14 was the least funded, which presented a great challenge considering that two thirds of the countries in Africa have blue economy potential.

97. Mr. Bernard pointed out that Goal 14 represented only 0.1 per cent of funding, although water represented 80 per cent of the Earth's surface. The African continent had the strongest demographic growth in the world and was experiencing the greatest climatic challenges. He outlined three pillars to promote the blue economy:

(a) Achieving effective and equitable ocean conservation, aiming for 30 per cent of oceans to be protected by 2030 to stop biodiversity loss;

(b) Achieving a net gain of critical blue ecosystems to enhance socio-ecological resilience;

(c) Developing a regenerative blue economy that directly benefits coastal communities, while delivering conservation outcomes.

These actions would protect 30 per cent of the oceans and protect 2 million hectares of critical ecosystems by 2030, thereby unlocking livelihood opportunities for 70 million people and creating 7 million jobs.

98. The main mechanisms indicated by Mr. Bernard to capture the benefits of investments in the blue economy included:

(a) Setting up a blue natural capital financing facility;

(b) Developing seven seascapes in the western Indian Ocean;

(c) Adopting a regional framework for blue economy sustainability that recognized in particular the vulnerability of small island developing States and fragile coastal States.

A regional framework would reduce risk perception, the cost of transition and the premium on blue bonds.

99. Mr. Smith emphasized the need to establish a financing and accountability policy to enable significant investment in Africa. He indicated that countries must move towards initiatives to set up green corridors for low greenhouse gas emissions. Moreover, it would be useful to promote an initiative to decarbonize maritime transport.

100. Mr. Grosskopf concurred with the previous speakers and stressed the role of his organization in supporting many projects to benefit coastal communities by assisting in the development of bankable projects.

101. Ms. Gaye recalled that Africa has 38 coastal and island States where aquatic products provided a significant source of the protein necessary for nutrition. She also stressed the need to avoid concealing marine pollution.

102. Ms. Rajaona explained that her bank worked closely with the Great Blue Wall initiative and Ocean Hub Africa to support entrepreneurs in developing bankable projects.

103. Discussants noted that carbon credits had been proposed as an additional potential solution to raise finance for blue economy projects.

### 2. Discussion

104. Discussions revolved around the importance of countries moving towards pooled debts and consolidated actions. In Morocco, the coastal zone accounted for 50 per cent of national GDP formation, and Morocco had established institutional mechanisms for investments in key sectors of the blue economy.

105. In Gabon, the risk of waste being dumped into the oceans was highlighted, as well as risks of over-exploitation of mangroves, such as when fishers used them as sites for smoking their catch. Another issue raised was the limited engagement of local populations in developing the potential of river-based resources.

### 3. Recommendations

(a) Regional blue and innovative financing initiatives should be designed and scaled up.

(b) Bankable projects should be identified and designed to cover major blue economy sectors, with support from philanthropic and development partners.

(c) A regional framework should be developed to foster integrated action among countries.

(d) An architecture for specific climate finance to target blue economy projects should be created.

## H. Round table 6. Water and cities

### 1. Presentation

106. The goals of this round table were to inspire actions to accelerate financing of suitable projects in Africa, with a focus on water and cities; to exchange knowledge on the need for financing in this area; and to share examples of potential projects for the continent. The round table also addressed key challenges that new initiatives and financiers faced, and how to overcome such challenges.

107. The session was moderated by the regional director for Africa of the C40 network of mayors, Hastings Chikoko. The project presenters were the regional director for Africa of the World Resources Institute, Wanjira Maathai; the World Resources Institute representative in Ethiopia, Aklilu Fikreselassie; the CEO of Wellers Impact Limited, Neil Sandy; and a blended finance expert with the International Committee of the Red Cross, Liz Muange. A response was provided by the managing director of climate investment at Macquarie Asset Management, the United Kingdom of Great Britain and Northern Ireland Richard Abel.

108. Introducing the session, Mr. Chikoko pointed out that Africa was the world's fastest urbanizing region, and that most of this growth would be in the continent's less developed intermediary agglomerations. Cities were greatly affected by the impacts of climate change, such as increased drought, more extreme flooding and rising sea levels, which were projected to worsen. The development of water-resilient cities in Africa was constrained by limited access to finance, among other factors. With public finance being woefully inadequate, innovative financial instruments were crucial to unlocking urban water resilience on the continent.

109. Ms. Maathai reiterated the centrality of water and livelihoods and noted the need to raise water conscientiousness, building on examples of similar campaigns, such as those in Israel. Given that 950 million Africans (or 70 per cent of the population) would eventually be living in cities, the continent would need a 300 per cent increase in its water resources to meet the anticipated demand. She said that funding of $9 billion per year must be earmarked for water as part of the required $66 billion that the continent needed annually for infrastructure development.

110. Mr. Fikreselassie listed the six cities in Ethiopia, Rwanda and South Africa that were the focal points of the African Cities Water Adaptation Fund. He highlighted barriers including lack of data and tools for risk-based planning, lack of mainstreamed solutions for building resilience at scale, and difficulty in mobilizing finance. On the other hand, solutions abounded, such as grounding investment in local risk assessment, emphasizing learning and capacity-building, bringing innovation to scale, and unleashing local entrepreneurship and the private sector. The African Cities Water Adaptation Fund was presented as an opportunity to channel financing into water priorities.

111. Mr. Sandy highlighted five key issues in funding water projects, namely:

(a) A need for visionaries and corporations prepared to make multiyear commitments;

(b) Addressing the “missing middle”, supporting scalable businesses and charitable foundations, all of which were needed for sustainable water resilience to achieve the Sustainable Development Goals;

(c) Financial restructuring to enable the de-risking needed by the private sector;

(d) Technical assistance to boost governance;

(e) The right talent teams, prepared to learn and move forward.

112. Ms. Muange, elaborated on the Goma West water project, saying that the project sought to address some of the water-related challenges that people faced, such as water-borne diseases and long distances to access water. She highlighted blended finance as a way to bridge the humanitarian and development divide and presented the timeline of the project up to 2026.

113. A presentation was also made on three other projects: the Lesotho-Botswana Water Transfer Scheme, water desalination using solar energy in Egypt, and solid river waste treatment in the Congo basin.

114. In his response Mr. Abel said that he was impressed by what was going on in Africa to address water challenges. He noted the need to address such issues as capacity-building, consolidation of the necessary systems and building the requisite infrastructure. He said that successfully mobilizing the huge amounts of funds required hinged on these issues. It would take some time before purely market-based finance could be used for water investments, and that arrangements including public-private partnerships were needed, partly to ensure the inclusion of de-risking for the private sector.

### 2. Discussion

115. Discussions centred on the crucial importance of blended finance, which could succeed if the basic requirements were met, including the creation of regulatory frameworks and the provision of some guarantees. Delegates also stressed the need to restructure projects to unlock financing. Over time and once projects were in place, the consideration of other sources of funding could come to the fore, including payment by consumers.

### 3. Recommendations

(a) More support was required for project preparations to ensure that a robust set of projects could be presented ahead of the twenty-seventh session of the Conference of the Parties.

(b) To develop viable project proposals, the focus should be on the availability of data and building capacity at the local government level, as well as within small and medium-sized enterprises.

(c) Although blended finance was needed as a form of initial funding, other sources of funding, such as pension funds, could be considered. These could include different forms of public-private partnerships to attract private capital, including de-risking components.

## I. Round table 7. Profiling and matchmaking for winning green businesses and social enterprises in Africa with a proven track record on the continent, willing and ready to scale and seeking investment

### 1. Presentation

116. This session showcased green businesses, and examined barriers and requirements to scale up green enterprises across Africa.

117. The round table was moderated by the financial resilience lead of the United Nations high-level champions for climate action team, Hanan Bakr. The presenters were the head of the Nairobi office of the Boston Consulting Group, Mills Schenck; the co-founder and CEO of SunCulture, Samir Ibrahim; Ms. Odupoy; and the founder and CEO of Victory Farms, Joseph Rehmann.

118. Mr. Schenck emphasized that the private sector could be part of the solution to climate change in Africa. However, green companies needed to scale their businesses to address the problem. In this context, Boston Consulting Group had developed “Green Ventures Africa” to support companies, focusing on the following sectors: energy, mobility, agriculture and food, global supply chains and nature-based solutions. Four dimensions were considered when selecting the companies: social impact, environmental practices, economic and financial aspects, and sound management. Boston Consulting Group could help to attract the right investors, with a “ready to go” market strategy, talent recruitment, technology, legal and financial advisory services, regional expansion, government interaction and procurement strategies.

119. Mr. Ibrahim explained that small farmers relied on the weather for their production. They were being pushed into poverty, and to make ends meet, they resorted to diesel pumps and charcoal, which contributed to the climate crisis. Often, they had to move to the cities,

which meant fewer people producing food, which deepened the food crisis. He said that SunCulture used off-grid solar technology to provide customers with reliable access to water, irrigation, lighting and cellular phone charging; this solution was more affordable than diesel. SunCulture served as a science platform that connected farmers to the agriculture value chain, which would help farmers to increase their profits, and consequently, increase food security.

120. Ms. Odupoy presented Koko as a climate technology company that was seeking to address deforestation issues as people moved to urban areas. She said that 75 per cent of households across Africa relied on firewood or charcoal to cook. Koko clean-cooking solutions were currently available in four cities. Koko had an agreement with the Government of Rwanda for tax exemptions, which would contribute to scaling up their business and to make it more affordable for people. Their solutions were needed in 3 million households across 60 countries. She said that governments must provide an enabling environment so that new clean business could thrive.

121. Mr. Rehmann introduced Victory Farms as a sustainable fish farm with the goal of feeding 2 billion Africans with affordable, accessible and healthy protein over the next two decades. Their goal was to be a carbon-negative, biodiversity-positive platform. Although fish was a part of the African diet, there had been a drop in per capita consumption as prices rose. The company was overseeing the entire value chain, from tilapia eggs to the fish distribution system. He pointed out that their cold chain for fish was very effective, with less than 1 per cent spoilage.

### 2. Discussion

122. The barriers to scaling up green business were discussed. Among these barriers were high taxes, and thus there was a need for government incentives, especially through tax exemptions. Inadequate enabling environments to support green ventures and lack of carbon credit markets in Africa also hindered scaling up green businesses. There was also difficulty in attracting investment in Africa, compared to other regions. Other barriers included local purchasing power, regulatory environments, and investment and capital challenges.

123. Regarding the carbon credit mechanism, it was noted that an independent monitoring agency had audited Koko's database. Koko sold the carbon credits on the international market to Asian companies. There was a persistent disparity in the carbon selling prices in Africa when compared to Europe and the United States.

124. It was also noted that Boston Consulting Group was picking winners that had strong social and environmental impact, management capacity and a proven business model.

125. The key challenges to accessing finance included the high cost of capital, the slow pace to raise money and the need for long due diligence processes to gain access to capital.

126. The round table participants showed interest in, and sought ECA support for, linking up with green businesses to replicate the presented experiences in their countries.

127. Boston Consulting Group and the Government of South Africa could work together, but the firm had not yet worked with companies in the Southern African Development Community. However, if they found companies that fit Boston Consulting Group criteria, a partnership could be developed.

128. In response to the question of financing green projects in Africa, it was noted that there were international investors in Africa focused on climate finance, and there was space for partnership with the private sector.

129. Regarding communication channels for green start-ups to access African markets, Koko's experience was shared. This involved visiting the target country to understand the regulatory environment and possible challenges. It was necessary to find out who were the key stakeholders in the government and reach out to them.

130. The transformational drivers to achieved ten-fold growth in green ventures were outlined as government and regulatory support, large investments and access to technical expertise.

### 3. Recommendations

(a) Governments in Africa should create an enabling economic, political and regulatory environment for green companies.

(b) Policy instruments such as green subsidies and tax exemptions should be developed and implemented by governments to enable green business start-ups and scaling of green businesses and enterprises.

(c) Development partners should facilitate access to capital, which was currently expensive and time- consuming.

## J. Panel 3. Africa-focused initiatives of the Presidency of the twenty-seventh session of the Conference of the Parties

131. The session was moderated by the Ms. Kenewendo. The presenters were the Director of the Environment and Sustainable Development Department of the Ministry of Foreign Affairs of Egypt, Mohamed Nasr; Mr. Shitima; an adviser to the Minister of Finance of Cabo Verde, Louis Maximiliano, and the Deputy Minister of Cooperative Governance and Traditional Affairs of South Africa, Thembisile Nkadimeng.

132. On the subject of how to address climate change from a global and multilateral perspective, Mr. Nasr said that Africa was committed and had set ambitious climate action goals. However, Africa was not receiving the support it needed. The twenty-seventh session of the Conference of the Parties to the United Nations Framework Convention on Climate Change would present the opportunity to put forward Africa's priorities and needs. To this end, each day of the session would feature a segment dedicated to Africa's priorities, including climate and gender. Coming out of the twenty-sixth session of the Conference of the Parties, 17 topics of interest had been identified, which would be thematic areas for the twenty-seventh session. Five of them were focused on Africa, such as African adaptation initiatives. The twenty-seventh session would address six important areas: greening budgets; a just energy transition in Africa; enhancing access to clean energy for 600 million Africans; waste management, including recycling; peace and security; and the impact of climate change on the vulnerable population of Africa. These six points were ways to bring Africa's concerns to the table. The other important area for Africa was how the private sector could participate in climate action. Presentation on these initiatives would be made to African governments. The high-level champions would present them through private-sector engagement.

133. Regarding the unfulfilled pledges for climate finance, Mr. Shitima highlighted the difference between pledges made in negotiations, which were monitored through the United Nations Framework Convention on Climate Change, and initiatives aimed at raising ambition, which were driven by the high-level champions for climate action. He underlined the importance of ensuring that the projects being implemented were people- centred. Moreover, although there was some funding and ongoing work on the ground, more funding was needed, as demonstrated by scientific studies for the United Nations Framework Convention on Climate Change showing that Africa required $86.5 billion per year purely for adaptation.

134. On the significance of the upcoming session, the representative of Ethiopia highlighted that, speaking as a member of the Bureau of the twenty-seventh session, it would focus on delivering financing, in particular funding for adaptation.

135. Regarding expectations for the upcoming session of the Conference, in particular in respect of crowding in private sector funding, Mr. Maximiliano highlighted the need for effective responses to address the impact of climate change and for designing policies to attract these funds from the private sector.

136. Explaining what an African Conference of the Parties should look like, and what the position of South Africa would be, Ms. Nkadimeng stated that the major concern was urban development to ensure that cities were safe for people. South Africa would like to learn from other countries, and how they address various challenges.

137. In closing, Mr. Nasr outlined ways to take the various initiatives forward. He pointed out the need for buy-in from the private sector in Africa and around the world, and the importance of finance and the delivery of a just transition for Africa.

### K. Panel 4. The development of African climate finance infrastructure

138. This panel discussed the strategic importance of building a shared understanding of green finance to enable alignment with an effective global response, taking into account the characteristics and challenges particular to African nations.

139. This session was chaired by a high-level champion for climate action and member of the Glasgow Financial Alliance for Net Zero, Nigel Topping. The presenters were the Chief of Intergovernmental Relations and Africa at the United Nations Global Compact, Olajobi Makinwa; the CEO of the Botswana Stock Exchange, Thapelo Tsheole; a lead coordinator for finance from the African Group of Negotiators on Climate Change, Zaheer Fakir; Ms. Ntiru; and a senior manager at the African Export-Import Bank, Youssef Beshay.

140. In his opening statement, Mr. Topping outlined the many consequences of climate change that were likely to lower GDP in the future. He pointed out that, through the Glasgow Financial Alliance for Net Zero, existing alliances had been pooled together to form financial infrastructures and raise funds. He called upon African financial institutions to join the Glasgow Financial Alliance for Net Zero, which was also mobilizing finance for emerging economies.

141. Addressing the question of the importance of paying attention to Africa’s infrastructure, Ms. Makinwa pointed out that the African private sector had taken a back seat in mobilizing funds. Therefore, it was important to mobilize the private sector to be part of and contribute to the just transition debate. The United Nations Global Compact had mobilized 50 major corporations in the Africa Business Coalition to discuss and make commitments. The private

sector should not just talk about its needs, but also put forward commitments, since everyone had a role to play.

142. In responding to a question on how to develop mature green market infrastructure and the role of exchanges in Africa to support climate infrastructure and green financing, Mr. Tsheole highlighted that $3.9 billion in green bonds had been issued in Africa, with $3.6 billion of that amount issued in the Southern African Development Community, in particular in South Africa, which is considered to be a mature market. However, Africa only represented 0.4 per cent of the total world bond market. The stock market, he said, was a good platform to advocate for and raise green finance for either adaption or mitigation. He also highlighted that the initiatives launched by African stock exchanges in this regard included facilitating the listing of green finance companies.

143. Mr. Tsheole said that the issue was not a lack of green bonds, but rather a lack of bankable projects that could be financed through green bonds, in the light of the associated risk-benefit assessments. Also, the projects presented were small and did not reach the threshold of $500 million that is required to attract international investors. Institutional capacity was also limited. Although there were issuers, they lacked the skills to structure an issuance of green bonds.

144. It was encouraging, he said, to note the launch by FSD-Africa of a green bond programme in the Southern African Development Community. There would be peer-to-peer learning through such markets as Mauritius and South Africa. National high-level champions for climate action would assist in setting a course for green finance and gathering stakeholders, as those processes were fragmented. Mr. Tsheole further addressed the concern of cost of capital for stakeholders, indicating that there could ultimately be benefits in the long run, but costs had to be incurred for a time.

145. Mr. Zaheer presented some of the experiences of the sovereign wealth fund of Gabon. He explained that the current financial architecture was not designed for what the world was facing: it was specifically designed to finance only bankable projects, and not risky projects. He therefore highlighted the need to take risks. It was also concerning that funds were only designed to maximize leverage, rather than being focused on maximizing impact. Mr. Zaheer also said that there was potential in South Africa for debt relief based on the value of assets, which could potentially free up funds for use in financing a just transition.

146. In response to a question about the opportunities and challenges to develop mature green finance for a just transition, Ms. Ntiru noted that risk was speculative. It was important to be cognisant of what the risks were and how to mitigate them; this represented the principal bottleneck. The opportunities, she said, were the ability to have reliable access to blended finance to mitigate those risks.

147. Mr. Beshay of the African Export-Import Bank was asked about ways to increase the flow of finance. He replied that the first important point for the bank was consolidation, because in Africa a great deal of finance was far too fragmented. There also needed to be a clearer consensus on what was considered sustainable finance, not only in Africa, but also globally. The case of South Africa provided a good example: there was an incentive to invest outside the country, with pension funds being invested in West Africa and Egypt. Hence countries that were facing capital shortages could obtain needed liquidity

## IV. Closing session

148. The closing session was moderated by Mr. Adam. Statements were delivered by Mr. Mohieldin, Mr. Nasr, Mr. Topping, Mr. Shitima, Mr. Massingham, and a senior policy officer at the Directorate of Sustainable Environment and Blue Economy of the African Union Commission, Leah Wanambwa Naess.

149. A closing statement was also delivered by the Deputy Secretary-General of the United Nations and Chair of the United Nations Sustainable Development Group, Amina Mohammed.

150. Mr. Adam provided a recap of the round table sessions and underscored the importance of scaling up climate finance in Africa and in the context of the twenty-seventh session of the Conference of the Parties to the United Nations Framework Convention on Climate Change, which he called the “implementation Conference”.

151. Mr. Mohieldin lauded the African round tables and said that their success would be built upon by the remaining four regional round tables to be held. He highlighted seven action areas:

(a) Further refining the projects in the lead-up to the twenty-seventh session;

(b) Taking forward work on debt reduction for climate change action;

(c) Intensifying efforts to realize the $100 billion commitment;

(d) Developing carbon markets suitable for emerging markets in Asia and Africa;

(e) Increasing environmental, social and governance investments and linking them with climate change;

(f) Enhancing supervision and regulation of carbon markets;

(g) Leveraging the role of States to align financing with climate action and the Sustainable Development Goals.

152. Mr. Nasr reiterated the importance of the African regional round tables in making the upcoming Conference of the Parties an “implementation Conference”. He underlined the importance of transformative climate finance, highlighting the need to scale up financial flows for investment in water, agriculture and cities. He also called for increased private-sector participation in financing the energy transition.

153. Mr. Topping welcomed the concrete projects presented at the round tables and emphasized the need for a dynamic pipeline of projects. He emphasized the need to build trust, to de-risk projects, to use carbon markets to unlock climate finance; and to muster the needed political will.

154. Mr. Massingham underlined the need to crowd in private-sector finance through public-private partnerships, to leverage insurance and reinsurance, to set ambitious goals, and to strengthen collaboration for nature-positive development.

155. Mr. Shitima welcomed the interaction between the African Group of Negotiators on Climate Change, African institutions and other participants in the round tables, which he said

had enriched Africa’s position for the twenty-seventh session of the Conference of the Parties. He called for more support from African institutions and underlined the need to speak with one voice at the Conference. He pledged the full support of the African Group of Negotiators for the Egyptian Presidency of the twenty-seventh session of the Conference of the Parties.

156. Ms. Wanambwa reiterated the importance of speaking with one voice. In this regard, she urged the African Group of Negotiators to share updates and the emerging African common positions. She observed the need for coordination meetings among the groups of African negotiators involved in the three Rio conventions.[1] She outlined Africa’s preparations for the upcoming Conference of the Parties and called for support in this regard. She urged more engagement with young people and with women.

157. Ms. Mohamed underlined that the twenty-seventh session of the Conference must deliver implementation. She outlined three priorities for action:

(a) Advancing a just energy transition for Africa;

(b) Making good on the commitment to deliver the pledge of $100 billion;

(c) Ensuring that the private sector played its role in climate action.

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[1] The Convention on Biological Diversity, the United Nations Convention to Combat Desertification, and the United Nations Framework Convention on Climate Change.