



ASSOCIATION OF AFRICAN DEVELOPMENT FINANCE INSTITUTIONS

# 2024 ANNUAL WORKSHOP

“A practical road map for African DFIs  
in accessing green funds”

May 27, 2024 | Nairobi, Kenya

## SUMMARY REPORT

Co-Hosts



Partner



# Executive Summary

The 2024 Annual Workshop of the Association of African Development Finance Institutions (AADFI) was held on the theme "A practical road map for African DFIs in accessing green funds" on May 27, 2024, from 8:30 am to 12:30 pm in the Kenyatta International Conference Center (KICC), in Nairobi, Kenya. The workshop was hosted by AADFI members in Kenya – Kenya Development Corporation (KDC), Agricultural Finance Corporation (AFC), and Kenya Industrial Estates (KIE) – and supported by the African Development Bank (AfDB).

The workshop's main objectives were to enhance African development finance institutions' role in mobilizing green finance, update and expand their knowledge and operational methods for accessing green funds, and encourage peer learning and experience sharing. The workshop also discussed ways to make green funds more accessible, promote sustainable and equitable economic growth, and foster strong partnerships and collaboration for sustainable development.

The Opening Ceremony recorded the presence of Prof. Njuguna Ndung'u, Cabinet Secretary of the National Treasury of the Republic of Kenya, represented by Mr. Lawrence Kibet, Director General of Public Investments and Portfolio Management of the Republic of Kenya; Dr. Kevin K. Kariuki, the Vice-President of Power, Energy Climate Change, and Green Growth at the African Development Bank (AfDB), represented by Prof. Anthony Nyong, Director for Climate Change and Green Growth of AfDB; Prof. Patrick Verkooijen, CEO of the Global Center on Adaptation (GCA), represented by Mr. Charles Nhemachena, Regional Director for Africa of the Global Center on Adaptation (GCA); Mr. Thabo Thamane, Chairman of AADFI and CEO of the Citizen Entrepreneurial Development Agency (CEDA); and Ms. Norah Ratemo, Director General of the Kenya Development Corporation (KDC).

More than 200 delegates attended the event, comprising chief executive officers and senior management executives of African DFIs, regional and multilateral development banks, senior officials of DFI supervisory authorities, including ministries of finance, economic planning, departments and agencies involved in implementing SDGs and Paris agreement, and central banks, development partners, and other key stakeholders.

Thirty-two (32) countries worldwide were represented at the event, namely Angola, Botswana, Burundi, Côte d'Ivoire, Democratic Republic of Congo, Djibouti, Egypt, Eswatini, France, Gambia, Ghana, Guinea, India, Kenya, Lesotho, Malawi, Morocco, Mozambique, Namibia, Niger, Nigeria, Republic of Korea, Seychelles, Sierra Leone, South Africa, South Sudan, Sudan, Tanzania, Uganda, United Kingdom, USA, and Zimbabwe.

The conclusions and recommendations from the Workshop to facilitate African DFIs' access to green funds and help them contribute effectively to climate finance initiatives were as follows: (1) Conduct internal self-assessments to identify gaps and weaknesses in accessing green funds; (2) Build internal capacity and expertise in climate finance; (3) Seek technical assistance and capacity-building support from development partners and accredited entities; (4) Align projects with national and global climate action goals and priorities; (5) Develop a diversified and robust project pipeline that covers various sectors and regions; (6) Adopt innovative and flexible financing solutions and instruments to mobilize and leverage green funds; (7) Engage in dialogue and collaboration with governments, supervisory ministries, and national designated authorities; (8) Establish and strengthen partnerships and networks with other DFIs, development partners, and accredited entities; (9) Collect and leverage data and information on climate change and climate finance; (10) Integrate just transition principles into climate finance strategies and projects.

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Africa remains the most vulnerable continent to the effects of climate change despite having a relatively small contribution to global greenhouse gas emissions. Empirical evidence reveals that Africa has seen more increases in temperature and sea levels, changed patterns of precipitation, and increased climate variability. These changes have threatened human health and safety, education, security (life, food, and water), drought, flooding, the extinction of up to a third of the world's plant and animal species, and Africa's socioeconomic development.

The negative impact of climate change necessitated the global call for action to address climate change, including the mobilization of finance. However, the resources required to implement the actions are enormous for African regions. For instance, Africa's cost of adapting to climate change is projected at \$50 billion per year by 2050, and cumulative climate financing needs are estimated at 2.7 trillion dollars between 2020 and 2030. The Sustainable Development Goals (SDGs), Agenda 2063 of the African Union, and the AfDB's High 5s have all established climate adaptation development priorities with various financial implications.

The African Development Bank (AfDB) and other regional development banks in Africa have made efforts to mobilize resources to address climate change. Other MDBs and development partners have also shown concerns in mobilizing resources for climate change.

Since 2018, the African Development Bank (AfDB) has mobilized \$189.6 million in concessional finance for mitigation and adaptation programs. The Global Climate Fund (GCF), Global Environment Facility (GEF), and the Climate Investment Funds (CIF), among others, are all set out to provide funding and support for climate change-related projects. Considering the worldwide focus on combating climate change, accessing green funds has become essential for financing projects aligned with environmental sustainability.

Despite these efforts, mobilising climate finance is increasingly difficult for African countries. Africa receives roughly 3% of global climate finance, with only 14% from the private sector. As a financing mechanism for sustainability-driven projects worldwide, including in Africa, green finance is not readily accessible to African DFIs, particularly the national DFIs. The Nairobi Declaration on Climate Change in 2023 reiterated this funding challenge and called for easing the process and fast-tracking access to climate funds for African institutions.

This issue underscores the rationale for the conversation at the 2024 AADFI General Assembly Workshop on the theme "A practical road map for African DFIs in accessing green funds" to discuss in practical terms how African DFIs and institutions can enhance the prospects in mobilizing climate finance. The 2024 Annual Workshop is driven by the AADFI Climate Change Working Group and jointly organized by the African Development Bank (AfDB)/ African Financial Alliance on Climate Change (AFAC).

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1. <https://www.afdb.org/en/cop25/climate-change-africa>
  2. <https://reliefweb.int/report/world/africa-suffers-disproportionately-climate-change>
  3. <https://unfccc.int/news/climate-change-is-an-increasing-threat-to-africa>
  4. <https://www.files.ethz.ch/isn/136704/PAPER220.pdf>
  5. <https://www.afdb.org/en/cop25/climate-change-africa>
  6. <https://ccsi.columbia.edu/sites/default/files/content/ccsi-roadmap-zero-carbon-electrification-africa.pdf>
  7. <https://www.afdb.org/en/topics-and-sectors/initiatives-partnerships/green-climate-fund>
  8. <https://blogs.worldbank.org/voices/how-new-financing-pact-can-help-climate-vulnerable-countries>



# Objectives

The objectives of the workshop were to:

1. Establish AADFI's convening power as a significant player in mobilizing green finance.
2. Update knowledge on the operational modalities for GCF, Global Environmental Facility, and other green funds,
3. Present in practical terms and share practical experience on how African DFIs, particularly the national DFIs, can fast-track accreditation and access modalities to green funds.
4. Encourage peer-to-peer learning among AADFI members based on various experiences.
5. Scale up the capacity of DFIs to identify, and access green funds.
6. Discuss innovative ways of using green finance to crowd private sector investments in developing countries.
7. Explore opportunities for building more resilient and gender-equitable economies.
8. Promote investments that deliver development impact (contributing to the Sustainable Development Goals) and NDCs (Nationally Determined Contributions).
9. Build strong partnerships and collaboration.



# Reflections and Highlights

The ceremony was opened with an introduction by Mr. Cyril A. Okoye, Secretary-General of the Association of African Development Finance Institutions (AADFI). This was followed by a warm welcome address by Ms. Norah Ratemo, Director General of the Kenya Development Corporation (KDC). Mr. Thabo Thamane, Chairman of AADFI and CEO of the Citizen Entrepreneurial Development Agency (CEDA), and Prof. Patrick Verkooijen, CEO of the Global Center on Adaptation (GCA), delivered the opening remarks. The audience was then enlightened by the keynote address from Dr. Kevin K. Kariuki, the Vice-President of Power, Energy Climate Change, and Green Growth at the African Development Bank (AfDB). Finally, the opening address was pronounced by Prof. Njuguna Ndung'u, the Cabinet Secretary of the National Treasury of the Republic of Kenya.

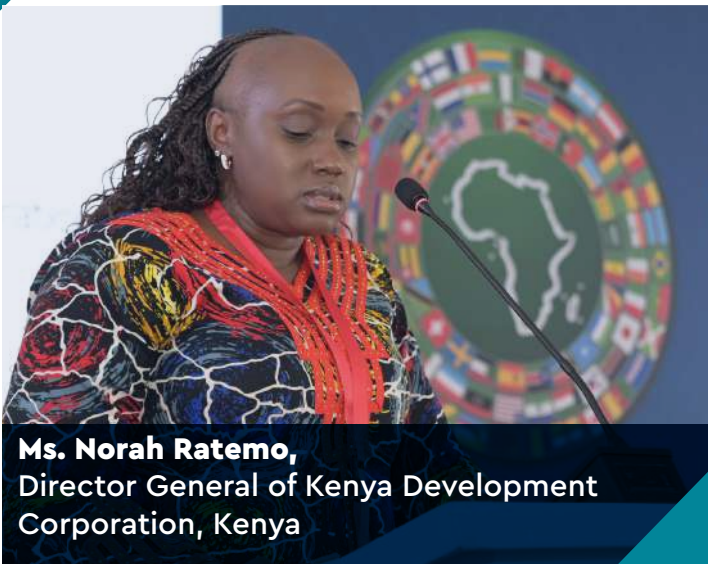
The 2024 Annual Workshop's agenda was divided into five sessions: an Opening Ceremony, two panel discussions, one research presentation, and a closing session. The first panel session was held on "Access to Climate Finance for African DFIs: Challenges & Opportunities." The second panel discussion addressed the following: "What support systems are available to African institutions in mobilizing climate finance?" The research presentation focused on "Just Transition and the Role of Development Finance Institutions (DFIs)."





## Session 1

# Opening Ceremony



**Ms. Norah Ratemo,**  
Director General of Kenya Development Corporation, Kenya

**Ms. Norah Ratemo**, Director General of Kenya Development Corporation, in her welcome address, recalled the theme of the 2024 AADFI Annual General Assembly in Nairobi, “A Practical Road Map for African Development Finance Institutions in Accessing Green Funds.” She highlighted the critical role of African Development Finance Institutions (DFIs) in promoting sustainable development, financial inclusion, and economic resilience amidst

environmental challenges. She also outlined the primary objectives of the DFIs and underscored the urgency to mobilize green funds to stimulate economic growth while ensuring environmental sustainability and social inclusion.

Besides, Ms. Ratemo stressed the importance of unity and collaboration among African stakeholders. She called for the continent to unite and leverage its collective strengths, and share diverse experiences to achieve common goals. Recognizing the contributions of representatives from banks, government entities, the AADFI Board, and the African Development Bank (AfDB), she emphasized that such partnerships are essential for the continent’s progress.

Concluding her welcome address, Ms. Ratemo expressed her confidence in the collective wisdom and commitment of participants in the 2024 Annual General Assembly of AADFI to forge a greener and more prosperous future for Africa. She conveyed her gratitude for their attendance and invited them to engage fully in the proceedings of the event’s meeting and contribute to shaping a sustainable path forward for Africa.



**Mr. Thabo Thamane,**  
Chairman of AADFI & CEO of CEDA  
Botswana

**Mr. Thabo Thamane**, AADFI Chairman and CEO of the Citizen Entrepreneurial Development Agency (CEDA) in Botswana, centered his opening remarks on the theme of the 2024 Annual General Assembly of AADFI, “A Practical Road Map for African DFIs in Accessing Green Funds,” where he highlighted the challenges and opportunities for African DFIs in climate finance. He underscored the critical need for a strategic approach to navigate the complexities

of climate finance, which presented both hurdles and prospects for Africa's development.

Mr. Thamane's address also highlighted the stark reality of Africa's vulnerability to climate change despite its minimal contribution to global greenhouse gas emissions. He cited empirical evidence of the disproportionate impact of climate change on the continent, highlighting the significant costs of adaptation and the extensive climate financing needs for Africa. In this context, he emphasized that less than 2% of African national DFIs currently have access to climate finance, pointing out the increasing difficulty for African countries in mobilizing such green funds.

In concluding his opening remarks, Mr. Thamane thanked the Government of the Republic of Kenya, the AfDB, the co-hosting Kenyan member institutions, and all the esteemed colleagues and delegates for their unwavering support and partnership. He acknowledged the importance of the collective efforts and the outcomes of the 2023 Africa Climate Summit hosted by Kenya, which set the stage for achieving the objectives of the 2024 Annual Workshop of the AADFI.



**Mr. Charles Nhemachena**, Regional Director for Africa of the Global Center on Adaptation, representing Prof. Patrick Verkooijen, CEO of the Global Center on Adaptation (GCA), in his opening remarks, emphasized the urgent need to enhance the capacity of the African DFIs to effectively participate in climate finance. He highlighted the current situation where DFIs were struggling to keep pace with the demands of climate adaptation, noting that Africa was receiving a mere 20% of climate funds, which is insufficient to contribute effectively to climate finance initiatives.

Besides, Mr. Nhemachena pointed out the alarming trend of Africa's increasing reliance on borrowing from the private sector to fund more than half of its adaptation needs, exacerbating the continent's debt burden. He stressed that Africa requires substantial finance and more viable opportunities to attract investors. In response to this need, he recalled the program developed in 2021 by the GCA and the AfDB to accelerate climate finance on the continent.

Closing his opening remarks, Mr. Nhemachena declared climate adaptation as the defining revolution of the 21st



**Mr. Charles Nhemachena,**  
Regional Director for Africa of the Global  
Center on Adaptation, GCA

century. He called for intensified efforts in climate finance, particularly in Africa, to address the challenges of climate change. He underscored the need for innovative financing solutions and the creation of attractive investment opportunities as critical steps toward achieving sustainable development and resilience against environmental changes.





**Prof. Anthony Nyong,**  
Director for Climate Change and Green  
Growth of AfDB

**Prof. Anthony Nyong**, Director for Climate Change and Green Growth of AfDB, representing Dr. Kevin K. Kariuki, Vice-President, Power, Energy Climate Change, and Green Growth of the AfDB, in his keynote address, commended the AADFI's leadership in promoting sustainability. He shared the AfDB's success in mobilizing climate finance for Africa, highlighting the Bank's achievement of allocating 55% of its total financing to climate finance in 2023, which exceeded its target of 40% set for 2020. The AfDB's partnerships with various climate funds and its innovative financial mechanisms were also emphasized, showcasing

the Bank's commitment to greening the financial sector.

Prof. Nyong added that the AfDB's proactive approach to climate challenges was further demonstrated by the launch of the Climate Action Window under the African Development Fund. This new instrument, starting with \$429 million in seed funding from donors, was designed to support low-income and vulnerable countries in climate adaptation, mitigation, and technical assistance, with an ambitious goal to grow the facility to \$13 billion. Additionally, the Bank introduced the African Green Banks Initiative, a pilot project aimed at establishing national green banks to increase financing for climate and environmental projects, backed by technical assistance and resources from the Green Climate Fund (GCF).

In closing his keynote address, Prof. Nyong highlighted the AfDB's advocacy for the innovative use of IMF Special Drawing Rights as hybrid capital for multilateral development banks, a move approved by the IMF board. This strategy enables the AfDB and other banks to significantly amplify their climate finance lending capabilities. Finally, he called for deeper collaboration with AADFI members to enhance access to multilateral climate funds, offering the AfDB's platform for awareness, peer learning, capacity building, and advocacy as a resource for African DFIs to navigate the landscape of climate finance effectively.

**Mr. Lawrence Kibet**, Director General of Public Investments and Portfolio Management of the Republic of Kenya, representing Prof. Njuguna Ndung'u, Cabinet Secretary of The National Treasury of the Republic of Kenya, opened the workshop with a warm welcome to all attendees, emphasizing the timeliness and critical importance of the workshop's theme for Africa's future. He highlighted the continent's wealth in resources and potential for green solutions, acknowledging the high costs of harnessing this potential. Besides, he urged the African DFIs to leverage green funds to finance projects that would bolster their economies sustainably.

Addressing the challenges faced by DFIs in green finance, Mr. Kibet pointed out the complexity of green finance mechanisms and noted the opportunities for innovation, collaboration, and knowledge sharing. He called for developing a comprehensive, actionable, and tailored roadmap for climate finance in Africa and stressed the importance of improving project preparation steps. He commended the AADFI for strengthening DFIs across the continent and expressed gratitude to the AfDB for its dedication to promoting green growth in Africa.

Closing his opening speech, Mr. Kibet extended his heartfelt thanks to the event's co-hosts – Kenya Development



**Mr. Lawrence Kibet**  
Director General of Public Investments and  
Portfolio Management of the Republic of  
Kenya

Corporation (KDC), Agricultural Finance Corporation (AFC), and Kenya Industrial Estates (KIE) – for their significant contributions to Kenya's sustainable development. He reaffirmed the Kenyan government's commitment to supporting sustainable development initiatives and expressed readiness to collaborate with development partners. Finally, he wished for productive deliberations and successful outcomes from the meetings, underscoring the belief that the future of Africa was green.





L-R: Mr. David Ashiagbor | Dr. Tony Okpanachi | Dr. Christiane Abou Lehaf | Mr. George Kubai | Dr. Olasupo Olusi | Ms. Norah Ratemo | Mr. Olympus Manthata

## Session 2

# Panel Discussion

*"Access to Climate Finance for African DFIs: Challenges & Opportunities"*

### **Moderator:**

Mr. David Ashiagbor, *Chief Financial Sector Strategy Officer, AfDB*

### **Panelists:**

Dr. Tony Okpanachi, *Managing Director/CEO, Development Bank of Nigeria*

Ms. Norah Ratemo, *Director General, Kenya Development Corporation (KDC)*

Mr. George Kubai, *Managing Director, Agricultural Finance Corporation (AFC) Kenya*

Dr. Olasupo Olusi, *Managing Director/CEO, Bank of Industry, Nigeria (BOI)*

Dr. Christiane Abou Lehaf, *Senior Manager, International Cooperation, Research & International Cooperation Department, African Export-Import Bank (Afreximbank), Egypt*

Mr. Olympus Manthata, *Head of Climate & Environmental Finance, DBSA, and Coordinator of the AADFI Working Group on Climate Change*

The panel discussion centered on the critical issue of limited climate finance access for African Development Finance Institutions (DFIs), which currently stands at less than 2%. It aimed to dissect the challenges hindering DFIs from playing a substantial role in climate change mitigation, such as stringent funding criteria and complex processes,

while highlighting opportunities to enhance their access to green funds. Additionally, the discussion provided a platform for sharing experiences and success stories from DFIs that have managed to secure climate finance, offering valuable insights and strategies for others to emulate.

**Dr. Tony Okpanachi**, Managing Director/Chief Executive Officer of the Development Bank of Nigeria (DBN), highlighted the bank's proactive approach to green finance. He presented DBN's green finance strategy, centered on internal capacity building to transform projects with a green focus. Recognizing the availability of funding, DBN has developed green finance lines and has worked on creating the internal capacity necessary to access green funds effectively. These efforts include building the capacity of Micro, Small, and Medium-sized Enterprises (MSMEs) to catalyze funding and reach out to financing institutions.

Dr. Okpanachi shared DBN's strategies in mobilizing funds, such as establishing a green line to mobilize funds with institutions like KfW and partnering with the rural agency of Nigeria to provide funding for solar panels and MSMEs. DBN has also implemented specific incentives, such as

interest drawbacks, to encourage financial institutions to participate in climate finance initiatives. Moreover, DBN focused on showcasing vital projects to raise awareness of green finance, build capacity, and provide affordable funding to contribute effectively to climate finance initiatives.

Addressing the challenges faced by DBN in accessing green funds, Dr. Okpanachi pointed out the need for a comprehensive database on green and climate finance and the complexity of the accreditation process with the entities providing green funds. He described the accreditation process as tedious, requiring high technical skills and competence. Moreover, he raised the need for a robust pipeline of projects that align with the accreditation process, which presented another layer of complexity in scaling up access to green funds for African DFIs.

**Ms. Norah Ratemo**, Director General of the Kenya Development Corporation (KDC), emphasized the institution's investment in critical sectors such as manufacturing, infrastructure, tourism, and agro-industry, with a critical eye on the impact of these projects. KDC's strategic approach involves identifying suitable projects for investment, strategic planning, achieving accreditation, and mobilizing the right skill sets within the organization to access green funds.

Besides, KDC was addressing the challenges of climate change by collaborating with partners and leveraging financial instruments to access green funds. KDC has strategically financed projects that de-risk livestock loss, create buffers for drought, and support businesses affected by flooding. These initiatives are expected to

attract partners and facilitate the mobilization of funds from green fund organizations.

Ms. Ratemo also shed light on the broader challenges African DFIs face in accessing green funds, including the lack of standardized policies, expertise, technical skills, and assistance. She pointed out the high upfront costs, the tedious process of accessing green finance, and the long tenure required by green projects. Additionally, she noted the high-risk premium attached to Africa, which affects credit availability and the ability to invest in green projects. These challenges underscore the need for a concerted effort to standardize policies, build expertise, and develop comprehensive data to inform climate change and facilitate access to green finance.

**Mr. George Kubai**, Managing Director of the Agricultural Finance Corporation (AFC) in Kenya, outlined the institution's commitment to climate change mitigation. The AFC has deliberately supported green projects through partnerships with other institutions. In alignment with Kenya's national goal to plant 15 billion trees by 2032, the AFC has tailored its funding decisions to support this initiative. To green its portfolio further, the AFC has allocated funds specifically for green projects, providing loans to farmers to cultivate their forests and thereby increase the country's forest cover.

The AFC's approach to addressing climate change included working with partners to enhance Kenya's forest cover, a key aspect of the corporation's green portfolio. The AFC also collaborated with international development partners

to secure resources and amplify its impact on climate initiatives. A notable collaboration is the signed agreement with the Kenya Development Corporation (KDC) to access funds for developing and financing climate change mitigation strategies.

Mr. Kubai shared the challenges faced by the AFC in contributing to climate finance initiatives, including a lack of resources and capital adequacy, insufficient capacity, and the need to develop expertise in climate finance. He also raised a scarcity of data on climate finance, which hampers the development of informed policy frameworks and unlocking the country's green resource potential. These challenges highlighted the need for enhanced support and data-driven strategies to advance climate finance in Kenya.

**Dr. Olasupo Olusi**, Managing Director/Chief Executive Officer of the Bank of Industry (BOI) in Nigeria, reflected on the global response to COVID-19, noting the decisive actions taken across countries due to the perceived threat to humanity. He contrasted the global urgency demonstrated in addressing the pandemic with the response to climate change, which he believes lacks the same level of awareness and commitment at the national level. He also shared BOI's efforts to raise awareness about climate change and to find financial solutions for climate change mitigation and adaptation.

Dr. Olusi indicated that BOI's strategy to contribute effectively to climate finance initiatives involved internal and external assessments to address weaknesses and leverage strengths within the institution. Furthermore, the bank identified alternative methods to mitigate climate

**Dr. Christiane Abou Lehaf**, Senior Manager, International Cooperation, Research & International Cooperation Department at the African Export-Import Bank (Afreximbank), Egypt, shared insights into the Afreximbank's extensive involvement in climate finance initiatives. Collaborating with partners like the African Union, Afreximbank was developing comprehensive climate finance strategies that include equity provision, lines of credit, and capacity-building programs. The bank was also dedicated to mitigating climate risks by financing renewable energy projects, such as solar energy initiatives in South Sudan, the Democratic Republic of Congo, and other nations, to maximize benefits for Africa.

Dr. Abou Lehaf also pointed out Afreximbank's contributions to climate finance, such as developing a socioeconomic zone and financing climate change adaptation facilities in partnership with other entities. These initiatives were

**Mr. Olympus Manthata**, Head of Climate & Environmental Finance at the Development Bank of Southern Africa (DBSA) and Coordinator of the AADFI Working Group on Climate Change (WGCC) underscored the pressing need to mobilize private finance at scale due to the scarcity of public resources. He advocated for the innovative use of these limited public funds to leverage additional resources from the private sector. He shared that the DBSA successfully utilized its public resources to attract private finance, emphasizing that partnerships were crucial to advancing Africa's climate finance agenda.

Mr. Manthata, in outlining DBSA's strategy to assist southern African countries in tackling climate change, stressed the essential need for appropriate financial instruments, a deep understanding of green project financing, and

change and developed programs to transition to green and renewable energy sources. It supported entities in Nigeria in shifting from fossil fuels to cleaner energy. Additionally, BOI was adapting its operations to comply with recommended environmental standards and seeking the right accreditations and certifications to access international climate funds.

Dr. Olusi highlighted BOI's challenges in contributing to climate change mitigation, particularly the perception of risk, which often results in funds not being allocated to the most suitable projects. He suggested that insurance companies should play a role in de-risking the sector by developing solutions to address the risks associated with green projects. This would help ensure that funding was directed towards projects that effectively contribute to climate change mitigation.

part of the bank's commitment to fostering sustainable development and addressing the impacts of climate change across the continent.

However, she acknowledged that Afreximbank needed help in its climate finance efforts, including the long tenures required by adaptation facilities, a general lack of preparedness for climate change, and the absence of concrete project pipelines that are attractive for funding. To address these issues, the bank created programs to bridge capacity gaps and develop appealing projects. Therefore, she recommended that the African DFIs properly prepare, strengthen their capacities, seek technical assistance, and adopt a parallel approach to mobilize green funds from various accredited institutions through diverse projects and initiatives. She stressed that this strategy was essential for effectively harnessing green funds and advancing climate finance in Africa.

incorporating biodiversity and climate change adaptation considerations at the initial stages of project planning. He pointed out that these strategic aspects were crucial to the DBSA's commitment to enhancing the region's response to environmental challenges.

Furthermore, Mr. Manthata identified the primary obstacle faced by most African DFIs as a deficiency in the capacity and knowledge required to craft compelling projects that can draw on available donor resources, including those from the Green Climate Fund. To address this gap, he indicated that the AADFI Working Group on Climate Change (WGCC) was actively working to enhance the capabilities of African DFIs, thereby improving their access to green funds and enabling them to contribute more effectively to climate finance initiatives.





L-R: Mr. Olympus Manthata | Ms. Amanda Archibong | Ms. Nagnouma Kone | Ms. Rita Effah | Mr. Nimit Ved

## Panel Discussion

*“What are the support systems available to African institutions in Mobilizing Climate Finance”*

**Moderator:**

Mr. Olympus Manthata, *Head of Climate & Environmental Finance, DBSA and Coordinator of the Working Group on Climate Change of AADFI*

**Panelists:**

Ms. Amanda Archibong, *Snr. Partnerships Manager, Africa, Global Center on Adaptation*

Ms. Nagnouma Kone, *Senior Regional Business Development Lead- Africa Global Green Growth Institute (GGGI)*

Mr. Nimit Ved, *General Manager, Export-Import Bank, India (Eximbank India)*

Eduardo M. de Freitas, *Regional Manager, Africa, Green Climate Fund (GCF)*

The panel discussion focused on identifying and addressing African DFIs’ challenges in mobilizing climate finance. It highlighted the critical need for knowledge about green funding institutions, their operational methods, and the complex processes involved. It aimed to explore support systems for capacity building, technical

assistance, and project preparation that could assist African DFIs. By bringing together major players in climate finance, the discussion sought to share valuable insights and partnership modalities to help these institutions quickly access green funds, thereby supporting national development priorities and promoting green growth.

**Ms. Nonhlanhla Zindela**, Deputy Director and Head of Programming at the Green Climate Fund (GCF), spoke via video. She reiterated GCF's commitment to least developed countries (LDC), particularly Africa and small island developing states (SIDS). She noted that of the 128 entities accredited with GCF, only 22 were African, with 11 being financial institutions. Despite this disparity in accreditation, GCF has invested \$4.3 billion in 104 projects across Africa, complemented by \$14.5 billion from partners, and provided \$205 million in readiness support. These investments cover various sectors targeted at increasing the number of accredited entities in Africa to enhance direct access to climate finance.

Ms. Zindela also emphasized the need for more Direct Access Entities (DAEs) in Africa to support climate action meaningfully. In that regard, GCF was working to fast-track

accreditation and increase regional DAEs to cover multi-country projects. She cited the Rural Climate Adaptation Finance Mechanism for East Africa and the Infrastructure Climate Resilient Fund as examples of GCF's efforts to mobilize private sector investments and provide resilient infrastructure services across multiple African countries.

Furthermore, Ms. Zindela urged African institutions to develop funding proposals and partner with accredited entities to access GCF investments. She highlighted the potential of co-financing and blended finance approaches to enhance project viability and impact. Finally, she invited the African DFIs to collaborate with GCF and their National Designated Authorities (NDAs) to drive climate action and sustainable development, emphasizing the importance of partnerships in facilitating finance flow and project implementation.

**Ms. Amanda Archibong**, Senior Partnerships Manager for Africa at the Global Center on Adaptation (GCA), emphasized the critical need for increased climate finance in Africa, noting that only 20% of global climate finance was currently allocated to the continent. She highlighted the GCA's collaboration with the African Development Bank (AfDB) on the Africa Adaptation Acceleration Program, which aims to mobilize funding for adaptation efforts. She also indicated that the GCA's engagement spans multiple financial institutions, including DFIs and commercial banks, focusing on supporting bank investments in specific areas and assisting in raising funds for climate change adaptation.

Moreover, she discussed the GCA's initiatives with the Tanzania Agricultural Development Bank (TADB) to strengthen the institution's investment in adaptation and value chains. She outlined the GCA's flagship program

for DFIs, designed to address adaptation issues and enhance their lending portfolios. The program, initially in partnership with the AfDB, has expanded to include other Multilateral Development Banks (MDBs) to support climate change adaptation initiatives. Besides, the GCA ensured the availability of technical assistance and provided rapid support and training to DFIs to understand and manage risks associated with their portfolios.

Finally, Ms. Archibong stressed the importance of tailoring technical assistance to the specific needs of DFIs. She mentioned the GCA's work with la Banque Agricole to aid in project preparation for accessing green funds. She underscored the significance of contextualizing support to effectively address the unique challenges faced by DFIs in mobilizing climate finance for sustainable development in Africa.

**Ms. Nagouma Kone**, Senior Regional Business Development Lead for Africa at the Global Green Growth Institute (GGGI), presented the institute's role in adapting to environmental needs and setting the pace for green growth architecture. She indicated that the GGGI provides tailored support in climate adaptation to countries, working closely with governments, ministries, and stakeholders to develop strategies for effectively absorbing finance from the Green Climate Fund (GCF). Through gap analysis and simulations, the GGGI offers capacity-building services, guiding institutions to develop appropriate instruments, strategies, and models for climate action.

Ms. Kone highlighted African DFIs' challenges in mobilizing green funds, particularly the lack of climate change rationale in many projects and the knowledge gap that hinders effective climate finance mobilization. She

underscored the need for the African DFIs to align with their government's priorities and engage in dialogue with their supervisory ministries to understand and address these issues. Furthermore, she mentioned that the GGGI was assisting the African DFIs in obtaining accreditation with the GCF, emphasizing the importance of collaboration and effective partnerships in developing robust mechanisms for climate action.

Furthermore, Ms. Kone stressed the importance of data availability on climate change and climate finance at national and international levels. She emphasized that DFIs must enhance their capacity to collect and leverage this data effectively. She advocated for strong partnerships and collaboration as crucial elements and practices that must be executed effectively to support the transition toward sustainable green growth and climate resilience in Africa.



**Ms. Rita Effah**, Senior Climate Finance Officer and Coordinator of the Africa Climate Change Fund (ACCF) at the African Development Bank (AfDB), highlighted that the ACCF's mission was to assist countries in formulating their Nationally Determined Contributions (NDCs) and provide grants for bank-led projects. Additionally, the ACCF was extending technical assistance to mobilize further grants, bolstering countries' capacity to engage in climate finance.

Furthermore, Ms. Effah outlined the ACCF's collaborative efforts with the African Financial Alliance on Climate Change (AFAC) to support financial institutions and DFIs, emphasizing that the partnership also aimed to develop clear standards reflecting an African perspective. She cited an example of a project supported by ACCF, which was the provision of technical assistance to the Tanzania

Agricultural Development Bank (TADB) in assessing climate risks, screening investment portfolios, and integrating climate finance into the institution's fundamental operations.

Ms. Effah emphasized the critical role of the African DFIs in the climate finance landscape, urging them to conduct internal self-assessments to pinpoint their shortcomings. By identifying these gaps and seeking the necessary technical assistance, the African DFIs could effectively contribute to climate finance initiatives and fulfill their mandates. She emphasized that this proactive approach was essential for the African DFIs to align their projects with global climate action goals and ensure active participation in Africa's sustainable development.

**Mr. Nirmitt Ved**, General Manager of Export-Import Bank (Eximbank) India, showcased the bank's significant involvement in Africa, particularly in aiding African DFIs. He detailed Eximbank India's efforts in generating funds and issuing sustainable bonds to finance green projects, focusing on renewable energy and infrastructure initiatives. These financial instruments supported the continent's transition to sustainable development.

Mr. Ved also highlighted Eximbank India's strategy of raising long-term bonds on the international market. He indicated that this approach was intended to facilitate co-financing partnerships with other institutions, thereby amplifying

the impact and reach of sustainable projects throughout African regions. By doing so, Eximbank India contributed to the mobilization of climate finance in Africa, aligning with the continent's growing emphasis on green growth.

Finally, he reiterated Eximbank India's commitment to supporting sustainable development in Africa through strategic financial solutions. He stressed that the bank's active role in raising and allocating funds for African green projects underscored its dedication to fostering environmental resilience and economic growth across the continent.





# Research Presentation

## "Just Transition and the Role of Development Finance Institutions (DFIs)"

Session 4



**Dr. Ric Amansure,**  
Senior Researcher at the Centre for Sustainability  
Transitions (CST) at Stellenbosch University

**Dr. Ric Amansure**, Senior Researcher at the Centre for Sustainability Transitions (CST) at Stellenbosch University, emphasized the urgency of a just transition for Africa. He highlighted the importance of data and research for operational guidance in the energy transition. To buttress his point, he highlighted the stark disparity in electricity production between Africa and countries like Germany and France, underscoring the need for equitable energy

strategies aligned with sustainable development goals and the just transition narrative.

Referencing the challenges outlined in the Nairobi Declaration, Dr. Amansure identified key areas for African DFIs to focus on. These include innovation in financing models, collaboration beyond traditional silos, and strategic expansion in operations and stakeholder engagement. These points of departure were vital for African DFIs to support the continent's transition towards low-carbon energy development and harness opportunities for growth within the context of climate action.

Dr. Amansure stressed the importance of DFIs in leveraging collective expertise, fostering innovation, and strategically expanding to meet the challenges posed by increasing global emissions. He advocated for integrating just transition principles into sustainable development goals, ensuring that Africa's Nationally Determined Contributions (NDCs) contribute to a sustainable and equitable future in line with the Paris Agreement. Finally, he stressed that the role of African DFIs was pivotal in this context of just transition, as they were instrumental in accelerating the implementation of Africa's low-carbon energy strategies.

# Closing

Session 5



**Mr. Abdelouahab Boushaba**  
2nd Vice-Chairman of AADFI and Deputy CEO,  
Tamwil El Fellah/GCAM, Maroc

**Mr. Abdelouahab Boushaba**, 2nd Vice-Chairman of AADFI and Deputy Chief Executive Officer, Tamwil El Fellah/Groupe Crédit Agricole du Maroc (GCAM), in his closing remarks of the workshop commended the productive exchange of knowledge and ideas that marked the event. He reiterated that achieving the climate change agenda requires collective action and commitment from

all to combat climate change. He highlighted the financial hurdles, particularly the limited access to green finance, stressing that less than 2% of members benefit from climate funds, underscoring the need for urgent action.

Furthermore, he urged the African DFIs to be proactive in climate dialogues, advocating for the mobilization and effective utilization of green funds. He underscored the importance of considering proposals to reform the international financial architecture, which would facilitate easier access to finance, especially for institutions in developing countries. He also acknowledged the AADFI Working Group on Climate Change's dedication to enhancing collaboration and ensuring that African DFIs' perspectives are incorporated into global strategies.

In closing the event, Mr. Boushaba expressed his gratitude to the various organizations and individuals who contributed to the workshop's success. He particularly thanked the AADFI Working Group on Climate Change, AFAC, DBSA, AfDB, KDC, AFC, and KIE for their support in organizing the workshop and the experts, colleagues, and delegates for their active participation.

# IV Conclusions and Recommendations

African DFIs, particularly the national DFIs, have critical role to play in achieving the climate agenda. However, capacity gap and lack of access to green funds are major challenges hindering their progress. Therefore, to facilitate African DFIs support to the continent's transition towards low-carbon energy development and harness opportunities for growth within the context of climate action, the following are recommended:

**1 There is need to conduct internal assessments to identify gaps and weaknesses in the climate finance landscape within the African DFI community.** The African DFIs should evaluate their current status and readiness to access green funds, considering aspects such as governance, policies, strategies, technical skills, project pipelines, and accreditation processes. By identifying the gaps and shortcomings, they will prioritize their needs and seek the necessary support and assistance to address them. This proactive approach would enable African DFIs to align their projects with global climate action goals and ensure their active participation in Africa's sustainable development.

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**2 Build internal capacity and expertise in climate finance in DFIs.** The national DFIs should invest in developing the knowledge and skills of their staff to understand and manage the complexities and risks of climate finance. This is imperative given the lack of climate change rationale in many of the national DFIs' projects and the knowledge gap that hinders effective climate finance mobilization.

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**3 Technical assistance and capacity-building support from development partners and entities.** Bridging the technical gaps and skills deficit in climate finance in national DFIs will require leveraging available resource and competence from development partners and entities, such as the AfDB, the GCF, the GCA, the GGGI, and the ACCF. Thus, deliberate effort is required to support African national DFIs with capacity building and technical assistance.

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**4 Align projects with national and global climate action goals and priorities.** African DFIs should ensure that their projects are consistent with the national and global climate goals and priorities, such as the Nationally Determined Contributions (NDCs), the Sustainable Development Goals (SDGs), and the Paris Agreement. Such alignment will help to demonstrate the climate rationale and impact of their projects, as well as to mobilize support and funding from relevant stakeholders and donors. In addition, African DFIs should develop a diversified and robust project pipeline that covers various sectors and regions, such as renewable energy, agriculture, infrastructure, and water. DFIs should ensure that their projects are well-prepared, bankable, and scalable, with clear objectives, outcomes, indicators, and budgets.

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**5 Integrate just transition principles into climate finance strategies and projects.** The African DFIs should integrate just transition principles into their climate finance strategies and projects, ensuring that their interventions are socially inclusive, environmentally sustainable, and economically viable.

**6 Building strong partnerships and collaborations.** Collaboration and partnerships are important in the efforts to achieve the Paris Agreement. African DFIs should strengthen partnerships and collaborations with development partners and entities to access technical assistance, build capacity, and access green funds. This collaboration should be beyond traditional silos, and to focus on strategic expansion in operations and stakeholder engagement. These efforts will help to enhance their capacity, leverage their collective strengths, and amplify their impact on climate action and sustainable development.

Moreover, African DFIs should engage in dialogue and collaboration with governments, supervisory ministries, and National Designated Authorities (NDAs) to align their climate finance strategies and activities with the national development plans and priorities. Such engagement will help to ensure policy coherence, coordination, and support for their projects, and assess readiness and adaptation funds from the GCF and other sources.



**7 National Governments should take deliberate steps to increase the capital base of DFIs.** DFIs with adequate capitalization will be more attractive to other blended funding from development partners and private sector for climate project financing







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