



United Nations
Economic Commission for Africa

Financing North Africa's transition to green economies

Amandine Nakumuryango
Economic Affairs Officer
Economic Commission for Africa

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General facts

- The climate crisis is worsening, and extreme weather events have become increasingly common.
- Despite accounting for only 3.8 percent of global greenhouse gas emissions, Africa is one of the regions most susceptible to the effects of climate change.
- Implementing Africa's nationally Determined contributions (NDCs) between 2020 and 2030 is estimated to cost between USD 2.8-3 trillion.
- On the African continent, the largest emitters and economies account for the bulk of financing needs: South Africa, Egypt and Nigeria alone comprise over half of the total needs.
- The IPCC (2022) predicts that climate change will have the greatest impact on Northern Africa and the southwestern parts of Southern Africa, with a 'medium to high confidence' level.
- 2021 updated NDCs for five North African countries (Egypt, Mauritania, Morocco, Sudan, and Tunisia) reveals that the implementation of the NDCs over the next decade will require climate financing totaling USD 393 billion.

General facts (Continued...)

- Although climate financing flows falls short of needs, funding for adaptation actions, as opposed to climate mitigation, appears to be particularly challenging.
- Africa received only 20% of global adaptation finance flows (USD 13 billion) annually in 2021–2022.
- In the North African region , current adaptation finance represents less than 30 percent of total climate finance received;

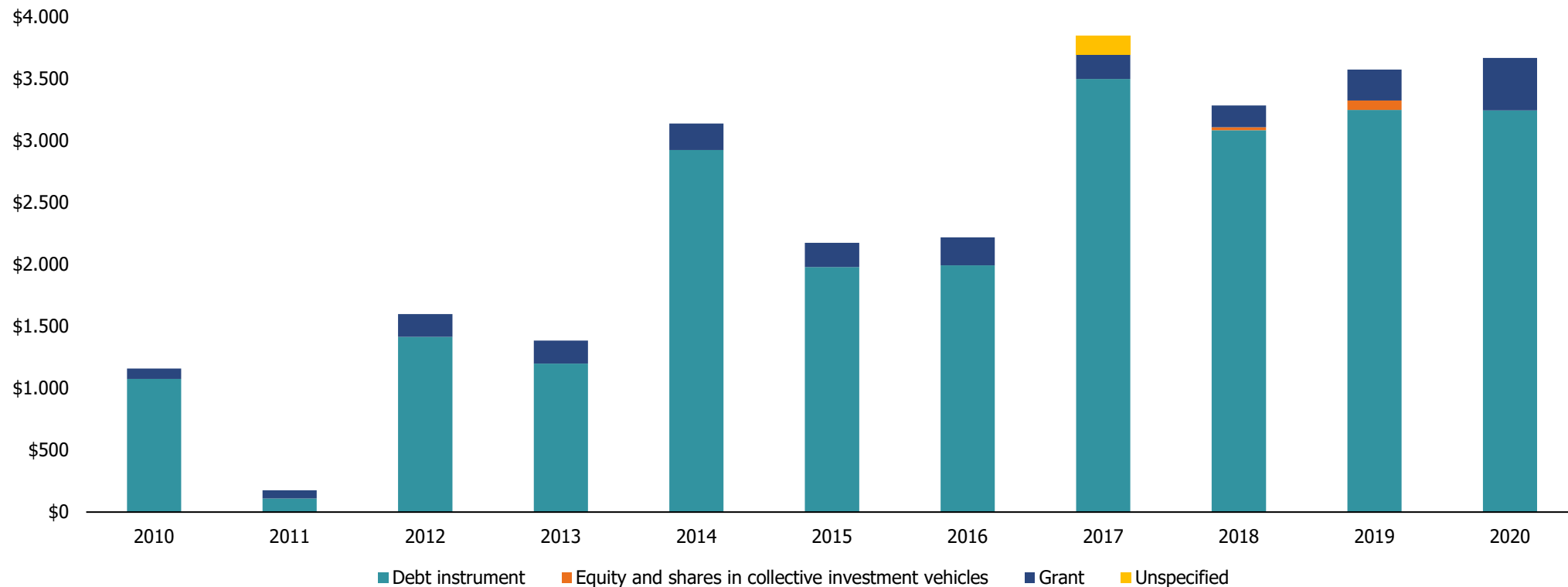
- Climate financing needs per country

Countries	Needs as %GDP
Egypt	5
Mauritania	59
Morocco	5
Sudan	7
Tunisia	4

Source: Climate Policy Initiative. The State of Climate Finance in Africa: Climate Finance Needs of African Countries. San Francisco: CPI, 2022b

- Delivering ambitious mitigation and adaptation projects will require a substantial mobilisation of both domestic and international funding

Climate Finance Flows to North Africa by Type of Financial instrument (2010–2020)



Source :ESCWA calculations based on OECD DAC data

4 Mobilising financing for a green transition

- The response to the climate crisis in Africa broadly calls for a three-pronged approach: Mitigation, adaptation, and nature
- Climate finance should respond to regional and national needs and be based on the articulated priorities and development objectives of countries.
- The main financing for climate action will come from three sources: domestic resources, the Multilateral Development Banks and bilateral resources, and the private sector—capital markets, institutional investors. Philanthropy is increasingly becoming an important source of resources.
- To finance the transition to inclusive green economies, it will be necessary to increase domestic resource mobilisation through tax and carbon emissions markets, reform the international financial system, and attract private sector participation in climate finance.
- Transitioning to a more inclusive green growth agenda offers Africa and North Africa in particular , the best opportunity to accelerate growth, provide jobs, transform their economies, and build thriving, prosperous societies.

Thank You

