



United Nations
Economic Commission for Africa

Climate Finance: ECA Support to Member States

Khaled A. Hussein
Chief, Sub-Regional Initiatives Section
ECA Office for North Africa



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AGENDA

- ❖ **African Climate Policy Center (ACPC)**
- ❖ **Debt-for-nature**
- ❖ **Innovative Financing Solutions for Debt Sustainability Challenges in Africa**
- ❖ **Africa Fiscal Restoration for Sustainable Finance Initiative**
- ❖ **Mobilizing external financial resources for greener, more equal and sustainable development in selected vulnerable Small Island Developing States in Africa and Latin America and the Caribbean (2022-2025)**

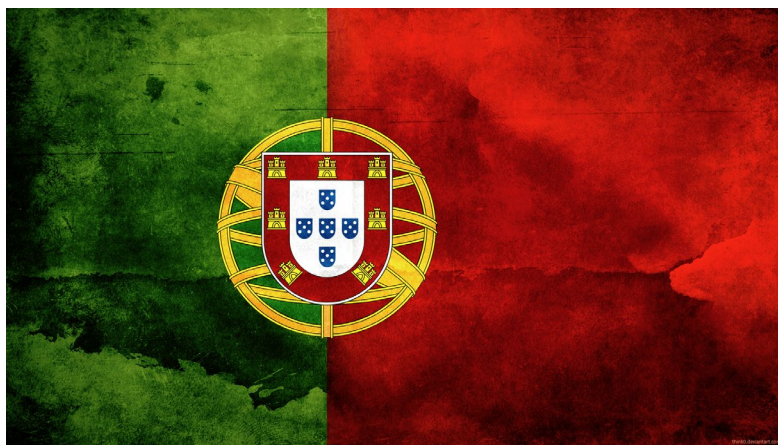
Established in 2010 to contribute to poverty reduction through successful mitigation and adaptation to climate change in Africa and to improve the capacity of African countries to participate effectively in multilateral climate negotiations.

ACPC Programs

- Climate Information Services
- Strengthening Resilience
- Climate Governance and Climate Policy in Africa
- Delivering Climate Resilient Development Policies in Africa
- The Weather and Climate Information Services for Africa (WISER)
- Climate Research for Development in Africa (CR4D)
- Africa Climate Resilient Investment Facility (AFRI-RES)
- Climate Change and Development in Africa conference (CCDA)

Debt-for-nature

In 2023, Portugal has signed an agreement to swap \$153 million Cape Verde's debt for investments in an environmental and climate fund.



Mobilizing external financial resources for greener, more equal and sustainable development in selected vulnerable Small Island Developing States in Africa and Latin America and the Caribbean (2022-2025)

UNCTAD, ECA, ECLAC and DESA

It includes Cabo Verde and Comoros from Africa among other countries from Latin America and the Caribbean.

This project aims to strengthen the national capacities of selected vulnerable SIDS in Africa and Latin America and the Caribbean to mobilize affordable external financial resources for greener and sustainable development and a more equitable society.

The project provides a sustainable development finance assessment framework for target countries to determine the funding gaps related to the climate-related SDGs, as well as supporting these countries in implementing a national external financial strategy that will encompass climate-related innovative financial instruments, such as green bonds and debt-to-climate swaps.

Innovative Financing Solutions for Debt Sustainability Challenges in Africa

To address Africa's challenge of debt sustainability and climate transition, ECA in partnership with FSD Africa will support member states through the adoption and scaling of three main innovative financing solutions:

- (i) Climate-related debt swaps.
- (ii) Carbon credits, and carbon-linked debt instruments.
- (iii) Sustainability-linked instruments.

ENVIRONMENT
GOALS

FINANCIAL
DEBT

Africa Fiscal Restoration for Sustainable Finance Initiative

This initiative is meant to help African countries who have liquidity crisis and in debt distress to create borrower-led alternatives for fiscal restoration.

Those alternatives are needed to allow borrowing countries to “take control” of their debt situation before it deteriorates further and countries are forced into debt restructuring.

The programme includes 4 pillars..

Africa Fiscal Restoration for Sustainable Finance Initiative 1:2

Pillar 1: Data collection, coordination, and analysis:

To support Debt Management Office to record, process, monitor, report and analyze the country's public debt.

Improving coordination between the debt management unit and relevant fiscal and monetary policy authorities (namely, the Ministry of Finance and the Central Bank)

To support and facilitate a borrower-led shift to pre-emptive debt reprofiling.

Pillar 2: Development of instruments and creditor engagements:

To create conditions for resilient debt relief solutions. Support the development of appropriate climate and sustainability debt instruments in parallel with Supporting debtor countries to engage with bilateral lenders and private sector creditors.

Africa Fiscal Restoration for Sustainable Finance Initiative 1:3

Pillar 3: Collective engagement:

To engage with credit rating agencies, as well as lobbying support for MDB capital adequacy and resourcing.

Pillar 4: Build out domestic capacity (long-term):

To support capacity building in risk and debt management, sustainable budgeting and local markets development (including natural assets) to stabilise debt, foster productive growth and lower borrowing costs.



THANK YOU!

Ideas
to
Action