

Creation of Africa Green Finance Coalition hailed as “ground-breaking” moment for funding of continent’s green transition

FSD Africa welcomes the Africa Green Finance Coalition, launched at the COP26 World Leaders Summit with the aim of closing the continent’s green finance gap through financial sector reforms, technical assistance, and peer learning

NAIROBI, November 2, 2021 – FSD Africa welcomes the announcement at the COP26 World Leaders Summit that African nations will come together to create the Africa Green Finance Coalition (AGFC).

The AGFC brings 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 will facilitate learning and technical assistance across countries, while a peer review mechanism will hold members to account on their commitments to the necessary reforms.

Mark Napier, CEO of FSD Africa, said: *"The Africa Green Finance Coalition is exciting because it shows African countries working together and with a high level of ambition to put in place the policy and regulatory reforms that will allow them to compete effectively for the billions of dollars that are potentially available for decarbonisation and adaptation. We warmly welcome this ground-breaking initiative and look forward to supporting its further development"*.

The AGFC was presented to world leaders by Ukur Yatani, Cabinet Secretary for Kenya’s National Treasury, and Seyni Nafo, Spokesperson of the Africa Group of Negotiators, on day two of the COP26 climate summit.

Hosted by Kenya’s National Treasury & Planning, the AGFC has received initial support from FSD Africa to conduct a baseline assessment of 15 African countries to establish where they are in relation to policy, legislation and regulation in green finance.

African countries continue to struggle to mobilise the finance they need to decarbonize their economic development and adapt to climate change. Of the \$580bn of climate finance mobilised each year, only \$19bn—or 3%—finds its way to the continent according to the [Climate Policy Initiative](#). In contrast, the World Bank estimates \$4 trillion a year will be required by developing and emerging economies, many of whom have made their Nationally Determined Contributions contingent on obtaining large volumes of international support and private capital. The majority of this funding gap will have to be met with private capital; however, attracting this investment will require the right skills and regulatory infrastructure, as well as advocacy to overcome the perception that there are few viable investment opportunities on the continent.

The AGFC is a critical step in the continent’s efforts to coordinate their response to the global climate crisis and channel private capital into sustainable development. Through cross-country learning and technical assistance, the Coalition will enable members to import successful initiatives and legislation from their peers and adapt them to their own conditions. Meanwhile, the peer review mechanism will give credibility to the commitments members make on financial sector reforms and provide AGFC with the authority to become a voice for Africa in global discussions on green finance rules.



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