

# Funding African-led climate initiatives



**D**uring the United Nations Climate Change Conference of the Parties (COP27) in Egypt, African leaders led by Egypt played an active role during negotiations, resulting in several African-led climate initiatives. These initiatives aim to improve the living

conditions in the rural villages of sub-Saharan Africa, secure access to affordable energy, establish a vibrant African carbon market and support climate change research (Table 1). Although these efforts are ambitious, they are feasible as they build on African countries' experience in related projects and on their

deep knowledge of enabling factors and local constraints.

The African-led initiatives represent an opportunity for Africans to create solutions for Africans and to unlock much-needed finance. In contrast to initiatives led by international organizations, the African-led initiatives

**Table 1 | African- and international-led climate initiatives for the African continent that were established or reinforced during the COP27 meeting**

Theme	Initiative	Impact	Initiative champion	Status
Energy	Africa Just and Affordable Energy Transition Initiative (AJAETI)	Provide access to clean and sustainable energy systems, increase share of renewable energy by 25% by 2028 and 100% by 2063	African-led	New
	Africa Carbon Markets Initiative (ACMI)	Expansion of carbon credit production and the creation of jobs in Africa	African-led	New
	Efficiency for Access	Access to clean energy on the African continent	International	Ongoing
	Green Sharm El-Sheikh	The operation system in Sharm El-Sheikh hotels is replaced by solar panels	African-led	Ongoing
	Desert to Power initiative	Boost the solar energy generation capacity to provide people with affordable electricity access across Africa's Sahel region	International	Ongoing
Equity	Decent Life for Africa	Improve the quality of life for all African nations in a changing climate	African-led	New
	African Women's Climate Adaptive Priorities (AWCAP)	Increase women's representation in the green sector through extending good jobs and leadership opportunities in science, technology, engineering and math (STEM) fields	African-led	New
	Silencing the Guns	End all wars, conflict and gender-based violence, and prevent genocide	International	New
	Africa-based networked centre of technical competence and excellence (AFRI-RES)	Increase the ability of African institutions to organize, develop and implement infrastructure projects that are resilient to climate change and fluctuation	International	Ongoing
	Youth Adaptation Solutions Challenge	Boost sustainable job creation through support for entrepreneurship and youth-led innovation in climate change adaptation and resilience across Africa	African-led (50% women)	Ongoing
Agriculture	Prepare For Green	Raise awareness of the importance of afforestation, preserve marine organisms, reduce air pollution and protect natural reserves	African-led	Ongoing
	100 Million Trees	Double the per capita sharing of green spaces, improve air quality and reduce greenhouse gases	African-led	Ongoing
	Bardawil & Sinai Initiative	Restore Sinai's agricultural land and vegetation cover	International	New
	Reducing Cost of Green, Sustainable Borrowing	Hasten post-COVID-19 green recovery in Africa	African-led	Ongoing
	Climate Smart Initiative	Provide technical support, technologies and training for farmers	African-led	Ongoing
Climate adaptation	Africa Adaptation Initiative (AAI)	Promote climate adaptation coordination across Africa through strong pan-Africa and regional discussions	African-led	Ongoing
	The Great Green Wall initiative	Restore the continent's degraded landscapes and transform millions of lives in the Sahel region	African-led	Ongoing
	Friends of Greening National Investment Plans in Africa and Developing Countries	Develop and design economic policies in the field of climate adaptation	African-led	New

would allow Africans to determine where and how to use climate mitigation and adaptation funding, which is an important step forward. For example, between 1990 and 2020, about 78% of the funds from international organizations were allocated to research institutions based in Europe and North America to find solutions to African climate challenges. African institutions studying climate change received only 14.5% of the funding<sup>1</sup>.

Such unequal distribution is concerning, and funding sources must facilitate and support African leadership. Many African countries already have experience in leading, developing and implementing programmes to reduce rural poverty that could serve as a blueprint for larger-scale plans to reduce vulnerability to climate change. Examples are the country-scale Takaful and Karama Cash Transfer Program and the Economic Empowerment of the Poor and Most Vulnerable Program established in Egypt<sup>2</sup>; the most extensive programmes in the region that were successful in improving the living conditions of 58% of the rural population.

Large-scale initiatives will require funding far above the country-level budget. Funding must come from the combined efforts of African governments, regional institutions (for example, the African Union and the African Development Bank) and bilateral development agencies. One possible funding mechanism is debt-for-nature swaps, where a debtor country is given a substantial discount on the debt owed to its creditors in exchange for investments in conservation and enactment of environmental protection measures. For example, such finance schemes were successful in the Seychelles, where the country entered a debt-for-nature swap that restructured its foreign debt of US\$21.6 million in exchange for its commitment to protecting the ocean<sup>3</sup>.

Another potential funding mechanism is the newly established Africa Carbon Markets Initiative (ACMI)<sup>4</sup>. The ACMI is particularly compatible with initiatives combining climate action with poverty reduction, as the system

requires that any carbon claim requires investment in projects that benefit people living in poverty in rural areas. The ACMI estimates that Africa has the potential to generate 2,000 metric tons of carbon dioxide equivalents (MtCO<sub>2</sub>e) just from the nature-based solutions projects. The aim is to scale up the voluntary carbon market to produce 300 million carbon credits annually by 2030 and 1.5 billion by 2050. This level of production would unlock US\$6 billion in income. Even realizing a small part of the ACMI potential could bring billions of dollars in climate funding to Africa, boosting energy access, biodiversity and health, while assisting in the creation of employment and sustainable livelihoods.

Burundi, Gabon, Kenya, Malawi, Mozambique, Nigeria and Togo, some of the countries that are most vulnerable to the impacts of climate change, have already developed plans to sell carbon credits in African nations<sup>5</sup>. For example, the Kasigau Corridor REDD project in Kenya has sold carbon credits totalling more than US\$1.2 million since June 2011 (ref. 6). Similarly, the Egyptian Exchange (EGX) subsidiary has signed a contract with the Agricultural Bank of Egypt and Enara Group's Libra Capital to launch Libra Carbon, the first Egyptian project to develop and issue carbon certificates<sup>7</sup>. These efforts are a stepping stone in creating a voluntary, Africa-wide carbon credit exchange to boost and expand investment in the continent's green economy. Despite increased supply and demand for African carbon credits, Africa has not untapped its full potential yet.

Finally, African leaders must set up a transparency, accountability and monitoring framework to promote the trackable impact of the funds received and to safeguard against the misuse of the funding. Strong leadership and new cross-continental cooperation will be needed, while at the same time considering the unique requirements of and the advancements made by individual African countries. Leaders must account for African countries' cultural and ethnic diversity, national circumstances, priorities and climate risks. Given the scale of

climate change impacts and the need to act fast, these tasks will not be easy to achieve. However, Africans are already showing strong leadership ideas and are using resources efficiently. The upcoming COP28 in the United Arab Emirates will be a critical opportunity for Africans to demonstrate to other world leaders where and how action can meet the ambitions of African climate initiatives.

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## Competing interests

The authors declare no competing interests.