

Regional Network Spotlight: GFANZ Africa Network

Earlier this month, The GFANZ Africa Network held its third Advisory Board meeting for this year on the sidelines of the Africa Climate Summit in Nairobi, where the GFANZ Africa Network also announced a partnership with the Africa Development Bank.

GFANZ recently caught up with Africa Network Advisory Board Chair Mahmoud Mohieldin to talk about what's next for the Network and the role the continent plays on the road to net zero.

What are the biggest accomplishments of the Africa Network and its Advisory Board since it launched in September 2022?

Africa contributes less than 3% of global emissions, yet is disproportionately impacted by the global temperature rise and projected to see escalating physical climate risks. Africa faces particularly severe climate-related challenges, including drought, desertification and increasing cyclones, leading to displacement, migration, and food crises.

Yet climate finance barriers in Africa are significant. The average ratio of public debt relative to GDP has climbed in developing countries. 57% of African governments allocate more funds to debt servicing than healthcare.

The Africa Climate Summit outlined a positive vision for Africa's climate future – which has the youngest workforce, huge potential for future renewable energy supply, and strong endowments of important natural resources – including minerals, forests, and mangroves. But we need to unleash the finance to realize this potential, for the benefit of both Africa and the world. Africa is indeed an important part of the solution to the climate crisis. Some countries have already leapfrogged fossil fuel economies.

I am proud that the GFANZ Africa Network has leaned into these topics, bringing the private finance sector voice to the recent Africa Climate Summit. This was Africa's first climate summit, hosted by Kenya's President Ruto with African political leaders, the private sector, and civil society participating. During the summit, the GFANZ Africa Network focused on overcoming barriers to climate finance including debt reduction, developing project pipelines, de-risking climate investment and carbon markets.

Working together through partnerships is critical for mobilising finance for real world change in Africa. A new partnership between GFANZ and the African Development Bank will help bring together development finance institutions and the private sector, focusing on supporting country platforms, technical assistance and capacity-building, and innovative finance tools.

The GFANZ Africa Network has been supporting the development of the Senegal Just Energy Transition Partnership (JETP), which was announced during the Summit for a New Global Financing Pact, in Paris. The GFANZ Africa Network is also supporting Egypt's country platform the Egypt Nexus for Water Food and Energy (NWFE) that includes the buildout of renewables to replace inefficient thermal gas plants.

Pioneering projects in Africa need private finance and the GFANZ Africa Network is helping. In Nairobi, we hosted a financier-project owner matchmaking session with the Climate Champions and the Green Climate Fund. Our session in Nairobi featured investable projects such as Edison Phoenix, a first-mover in waste-energy in Lagos, Schonau Solar looking to export electricity from Namibia to South Africa, and Ampersand, which has announced closing a successful fundraising of USD \$13 million to finance the expansion of its electric motorbikes fleet. See the Ampersand video [here](#).

What do you think are the biggest opportunities for African companies in the transition to net zero?

This is Africa's moment. According to the [IEA](#), Africa could supply the whole world with affordable low-carbon energy in the form of hydrogen. In addition, it could power its rising industry and provide green energy to the [600 million people](#) on the continent living without access to electricity and the approximately [one billion](#) without means of clean cooking.

Africa has 60% of the world's best solar resources, but only 1% of current solar generation capacity. If we unleash the financing and necessary enabling environment, Africa could become the energy powerhouse of the world.

The continent is also home to critical biodiversity hotspots and more than 20% of the world's protected areas, but receives less than [3% of global climate finance funding](#). Africa is well-placed to develop a bioeconomy, capitalising on restoring and protecting vital carbon sinks, achieving many of the Sustainable Development Goals

by 2030, creating jobs, improving health and food security, generating wealth and connecting smallholder farmers to new [bio-based](#) value chains.

But to take these opportunities, and protect some of the world's most vital biodiversity spots and carbon sinks, will require finance. That is why GFANZ's work with MDBs and others to ensure that public finance does better at mobilizing private investment is so important. We are also working with the Africa Carbon Market Initiative to help ensure African countries can develop high-quality carbon projects that receive a fair price for the carbon and other co-benefits they deliver – including biodiversity.

GFANZ views 2023 as the year of the transition plan. What is the current regulatory landscape around transition planning like in Africa, and what do you expect to see this year?

Transition needs to be just and equitable. The regulatory landscape for transition is still developing across the continent – with many countries showing leadership in this space.

In 2022, during the International Cooperation Forum and Meeting of African Ministers of Finance, Economy and the Environment in Egypt, the African ministers supported the International Sustainability Standards Board (ISSB) work and called for early adoption of its Standards by African jurisdictions and companies. Currently, in Africa, four countries have adopted ISSB early: Nigeria, Zimbabwe, Ghana, and Kenya. This leadership should be applauded and we must help those early adopters to implement the standards.

That is why at the Africa Climate Summit, GFANZ announced a partnership with AfDB that includes supporting African financial institutions in their journey to net zero focusing on both transition planning and finance, including working with the ISSB and UNEP FI to support the adoption of climate disclosures and eventually transition plans across the continent.

Just as or even more important is helping to improve enabling environments to facilitate increased investment in resilience and clean energy. This year, following a relevant regulatory change, South Africa's solar capacity has increased by over 300% in less than a year. We need to learn from and help to replicate success stories.