



United Nations  
Economic Commission for Africa



10<sup>th</sup> ARFSD

Tenth Session of the Africa Regional  
Forum on Sustainable Development

23 April to 25 April 2024  
Addis Ababa, Ethiopia



# Climate finance for African agri-food systems

Food Systems Transformation Progress Review  
Regional Meeting for Africa

22<sup>nd</sup> April 2024, Addis Ababa

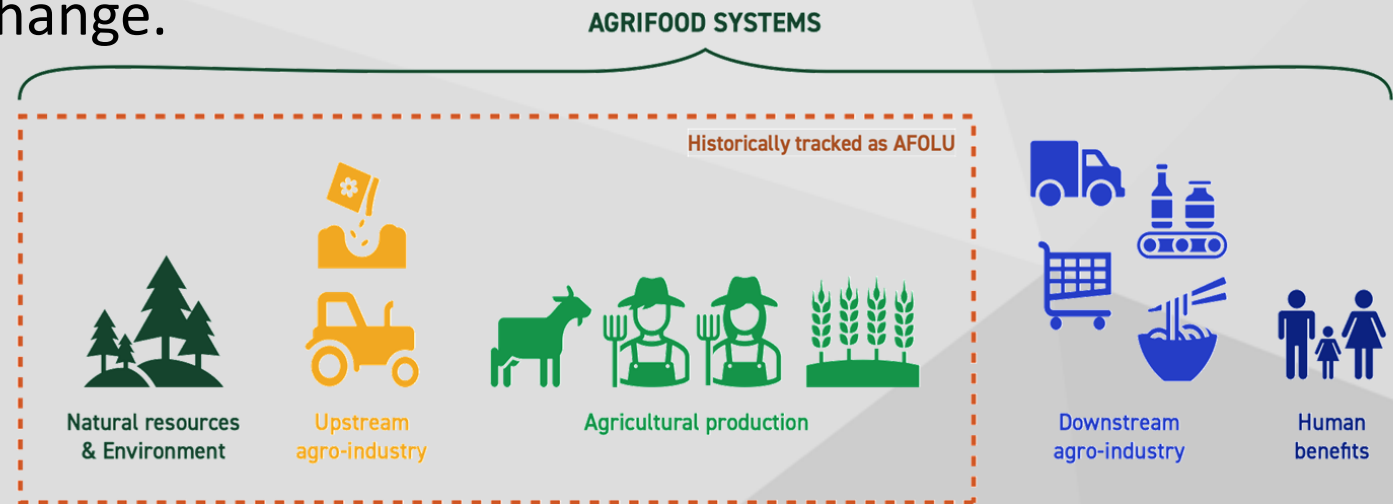
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- Climate finance context
- Challenges and solutions
- Sustainable Debt Coalition
- RESIslands Initiative
- Reform GFA and MVI
- Q&A

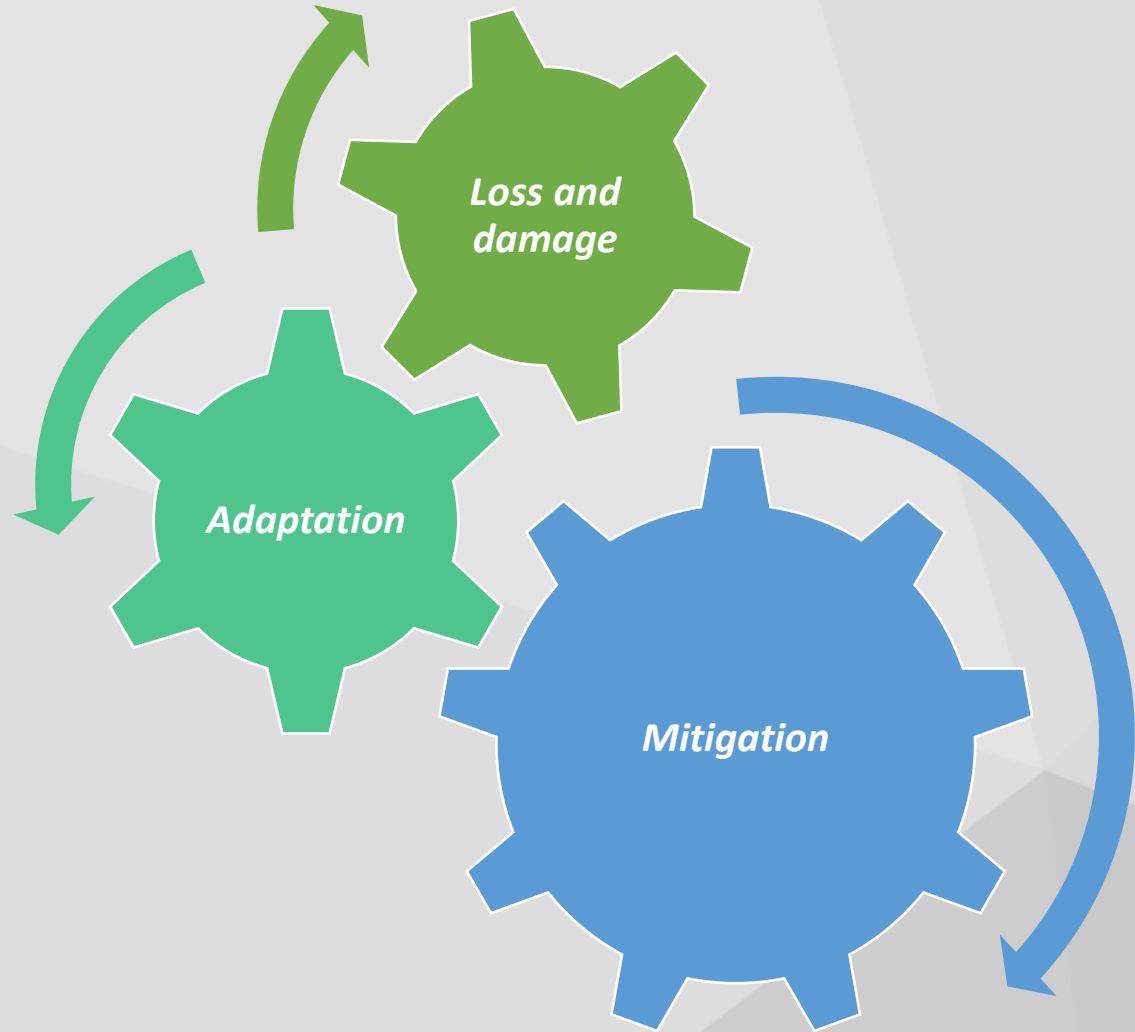
# Context

- Agri-food systems account for up to 37% of global greenhouse gas (GHG) emissions worldwide (IPCC), but they are also vulnerable to the adverse impacts of climate change.
- Big finance gap: significant investment is needed to transition to low-carbon and climate-resilient agri-food systems.
- Smallholder farmers from developing countries produce one-third of the world's food but receive less than 1% of total global climate finance, although they are amongst the most adversely affected by climate change.



Source: Campanhola and Pandey, 2019, adapted

# Climate Finance





# Loss and Damage

Loss and Damage was introduced to the UN climate change negotiations in 1991, when the Alliance of Small Island States (AOSIS) called for the creation of an international insurance pool to 'compensate the most vulnerable island and low-lying coastal developing countries' for loss and damage caused by sea level rise (UNFCCC).

Discussion on considering Loss and Damage as the third pillar of climate finance in the New Collective Quantified Goal on Climate Finance (NCQG) to be finalized at COP29



The Paris Agreement

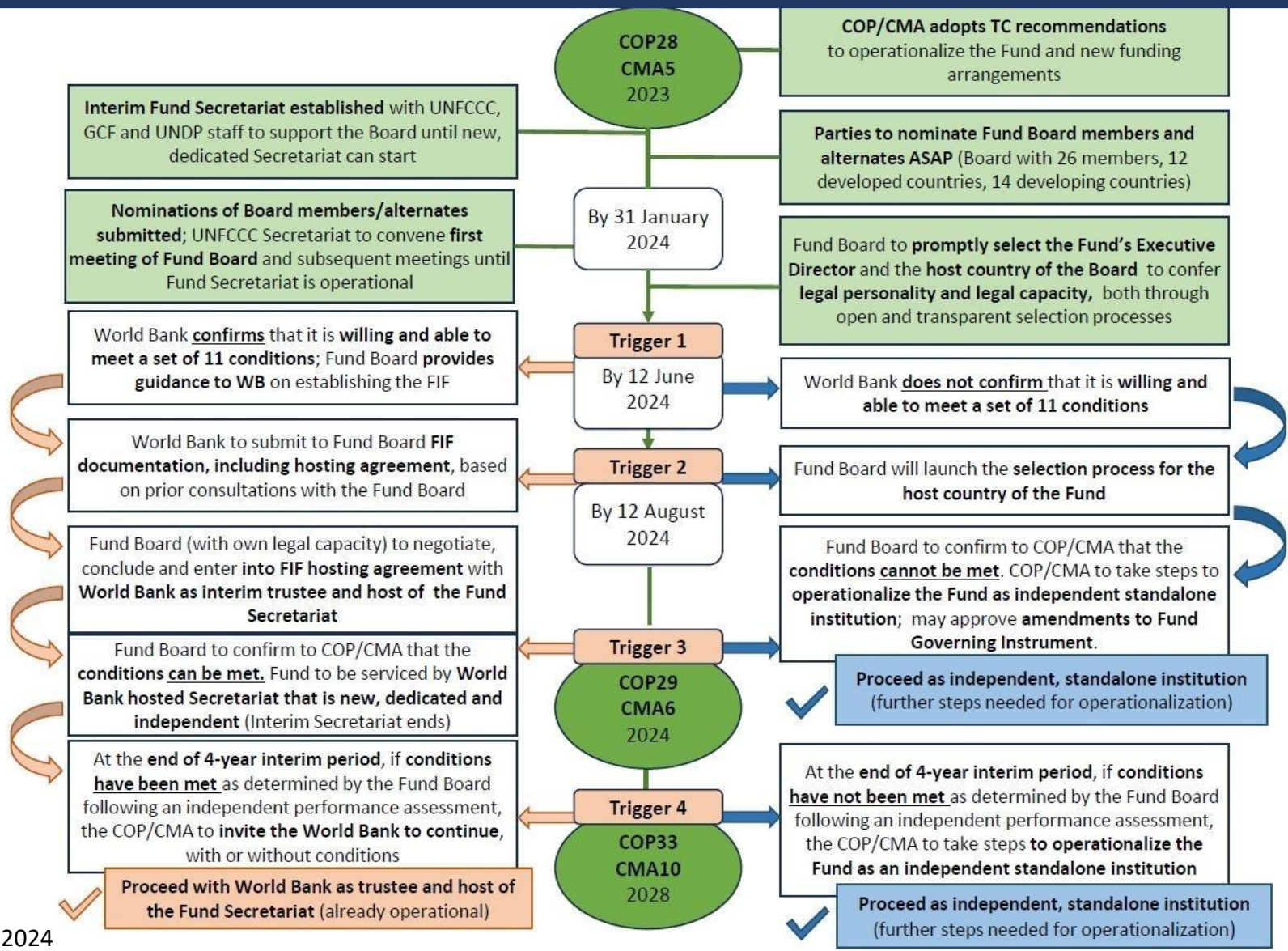
The Santiago  
Network

The Glasgow  
Dialogue

Agreement to  
create the Loss  
and Damage  
Fund

# Loss and Damage Fund

Initial \$661M pledged to the LDF by 18 countries and the EU



Source: HBS, 2024

# Challenges for African agri-food systems



Loans account for 2/3 of the public climate finance: risk of increasing the public debt in African countries



Complexity in access to climate finance from international institutions



Eligibility and criteria for countries to access to climate finance



# Solutions for African agri-food systems

UNECA initiatives to support member States





# Sustainable Debt Coalition

Secretariat hosted by UNECA



# Sustainable Debt Coalition

## Obj 1

Highlight the difficult fiscal position of emerging market and developing economies and its debilitating impacts on climate action and development.

## Obj 2

Spur Coalition partners to align on a set of new crucial commitments to alleviate the debt burden while supporting the environment.

## Obj 3

Launch a new track for consultations at the intersection of debt, climate, and development.



The Coalition aims to accelerate debt reform with the purpose of supporting development and climate.

## Key proposals include:

- Debtor-defined Key Performance Indicators
- Thematic bonds
- Debt-for-climate investment swaps
- Blended finance
- Climate-contingency clauses in new debt
- Sustainable budgeting approach
- More grants, less debt
- Debt relief



# RESIslands Initiative

Strengthening the institutional capacities of the African Island States Climate Commission (AISCC) member states to manage climate risks and bolster resilience



GREEN  
CLIMATE  
FUND

# Partnership

Main donor: Green Climate Fund

Delivery Partner: United Nations Economic Commission for Africa

Partner Countries: Cabo Verde, Comoros, Equatorial Guinea, Guinea-Bissau, Madagascar, Mauritius, Sao Tome and Principe, Seychelles, Tanzania (Zanzibar)

Implementation Partners: AISCC, COI-IOC, EW4A, UT-ITC

# Beneficiary Member States



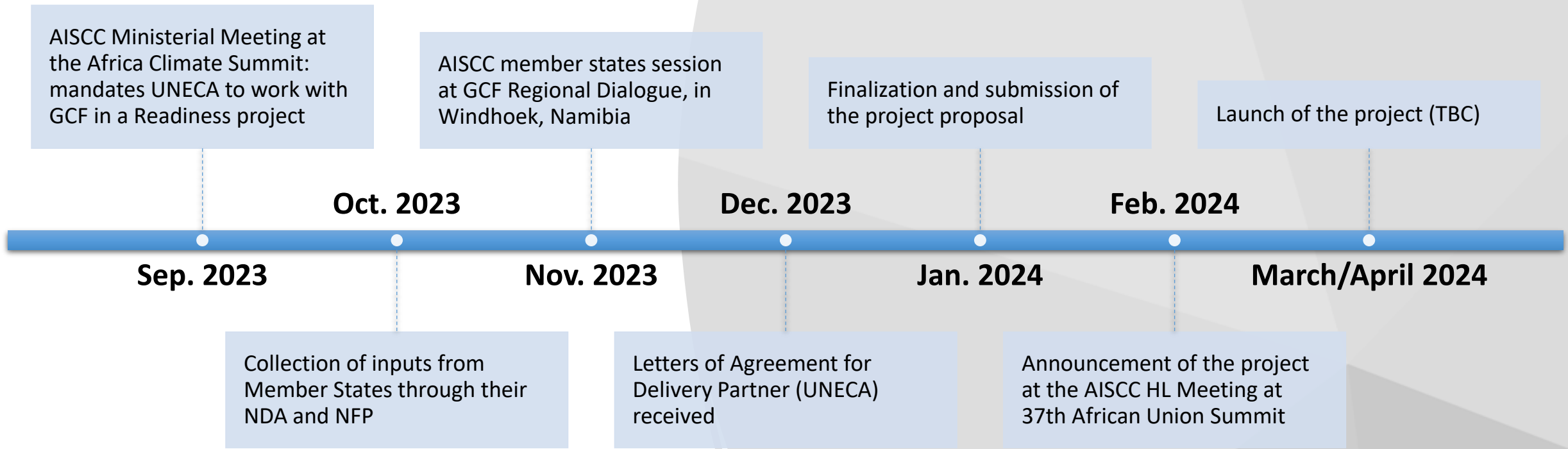
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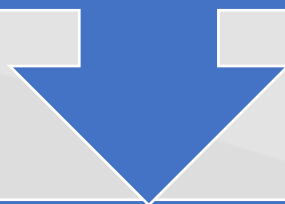


# Consultation process



# Objectives

Strengthening the institutional capacities of the African Island States Climate Commission (AISCC) member states to manage climate risks and bolster resilience - **RESIslands Initiative**



It will contribute to:

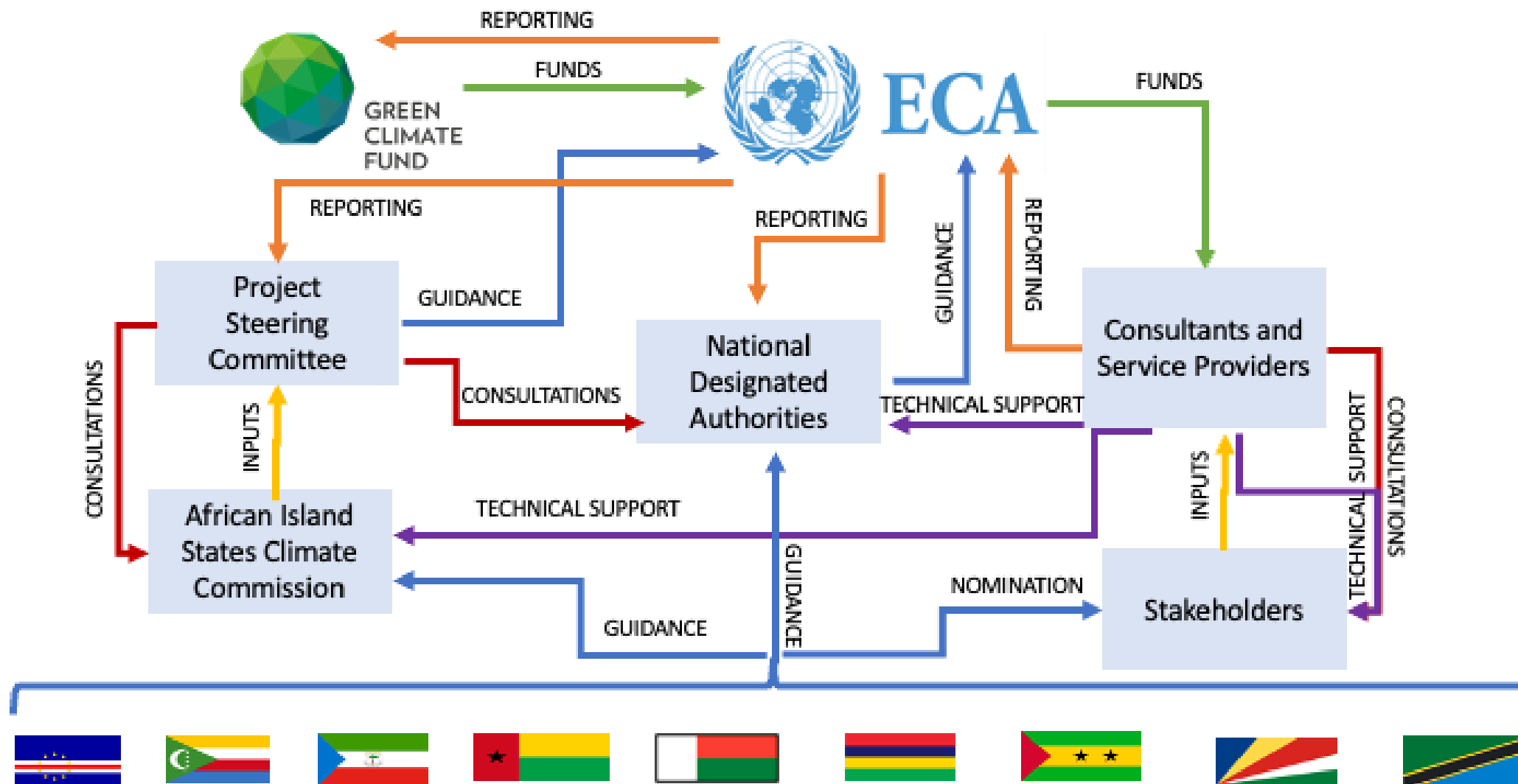
Objective 1. Capacity Building

Objective 2. Framework Development

Objective 4. Pipeline development

Objective 5. Knowledge sharing and learning

# Implementation



RESIslands Initiative

MEMBER STATES

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# Other initiatives

Reform of the  
Global Financial  
Architecture

Multi-Dimensional  
Vulnerability  
Index

# Reform of the Global Financial Architecture

Africa High-level Working Group on the Global Financial Architecture coordinated by UNECA: African Ministers of Finance, Planning and Economic Development, African Union, African Development Bank, Afreximbank, World Bank, and IMF.

Key issues: Ensuring the availability of lending and Improving the terms of lending, addressing systemic imbalances, risk and credit rating review.

IMF: Increase access to liquidity and bolstering the global financial safety net and securing adequate loan and subsidy resources for the Poverty Reduction and Growth Trust. Strengthen the Resilience and Sustainability Trust to support countries build resilience to external shocks and ensure sustainable growth.

WB: Develop joint guarantee products supported by all World Bank Group institutions to crowd in the private sector “de-risking” techniques and “blended finance” vehicles.

# Multi-Dimensional Vulnerability Index Framework

## *Multidimensionality*

- *Indicators should be drawn from all three dimensions of sustainable development*

## *Universality*

- *the vulnerabilities of all developing countries must be included in the index.*
- *the index needs to employ available, recognized, comparable and reliable data.*

## *Exogeneity*

- *only factors that are structural should be considered.*
  - *Structural: factors that are inherent or slow-moving, independent from current or recent policy choices*

## *Evidence-based*

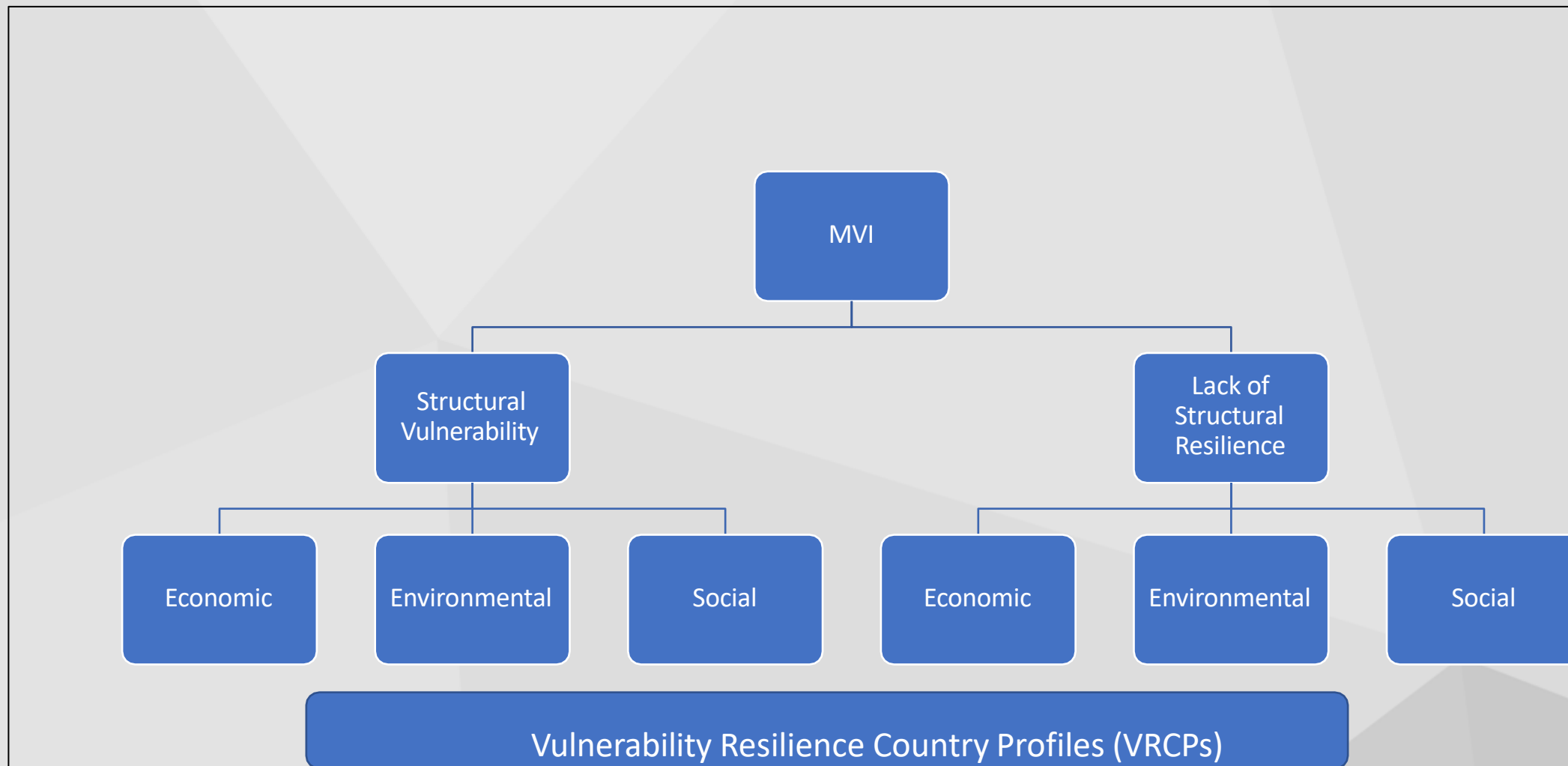
- *There should be evidence relating index concepts to vulnerability*

## *Simplicity*

- *the framework of the MVI should be based on a simple structure*



# Multi-Dimensional Vulnerability Index Framework



# Multi-Dimensional Vulnerability Index

Reset Model

Country

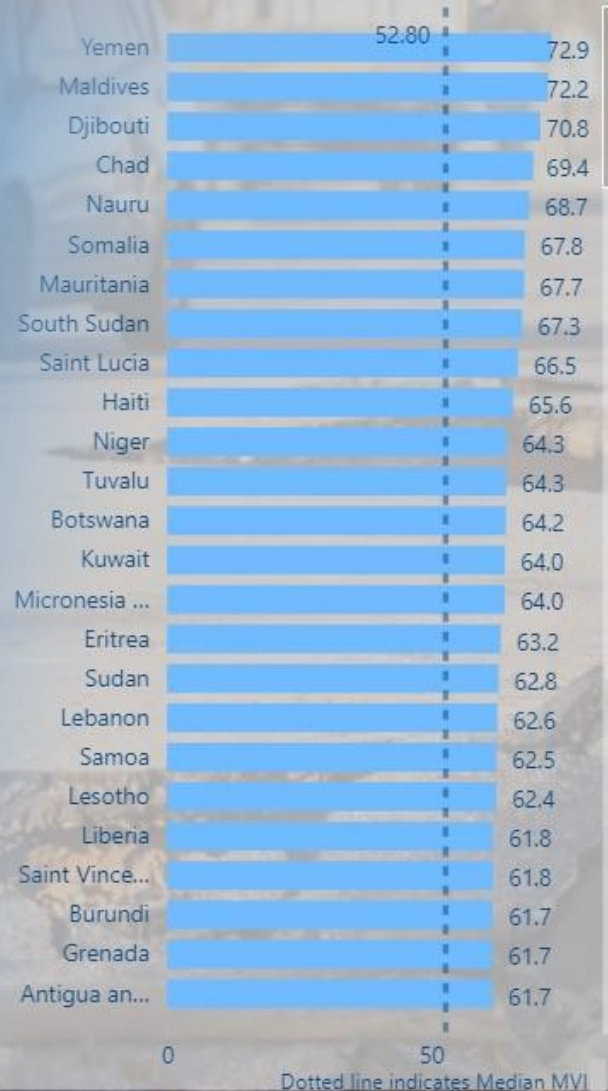
(Press Ctrl + Click to select multiple countries)

All

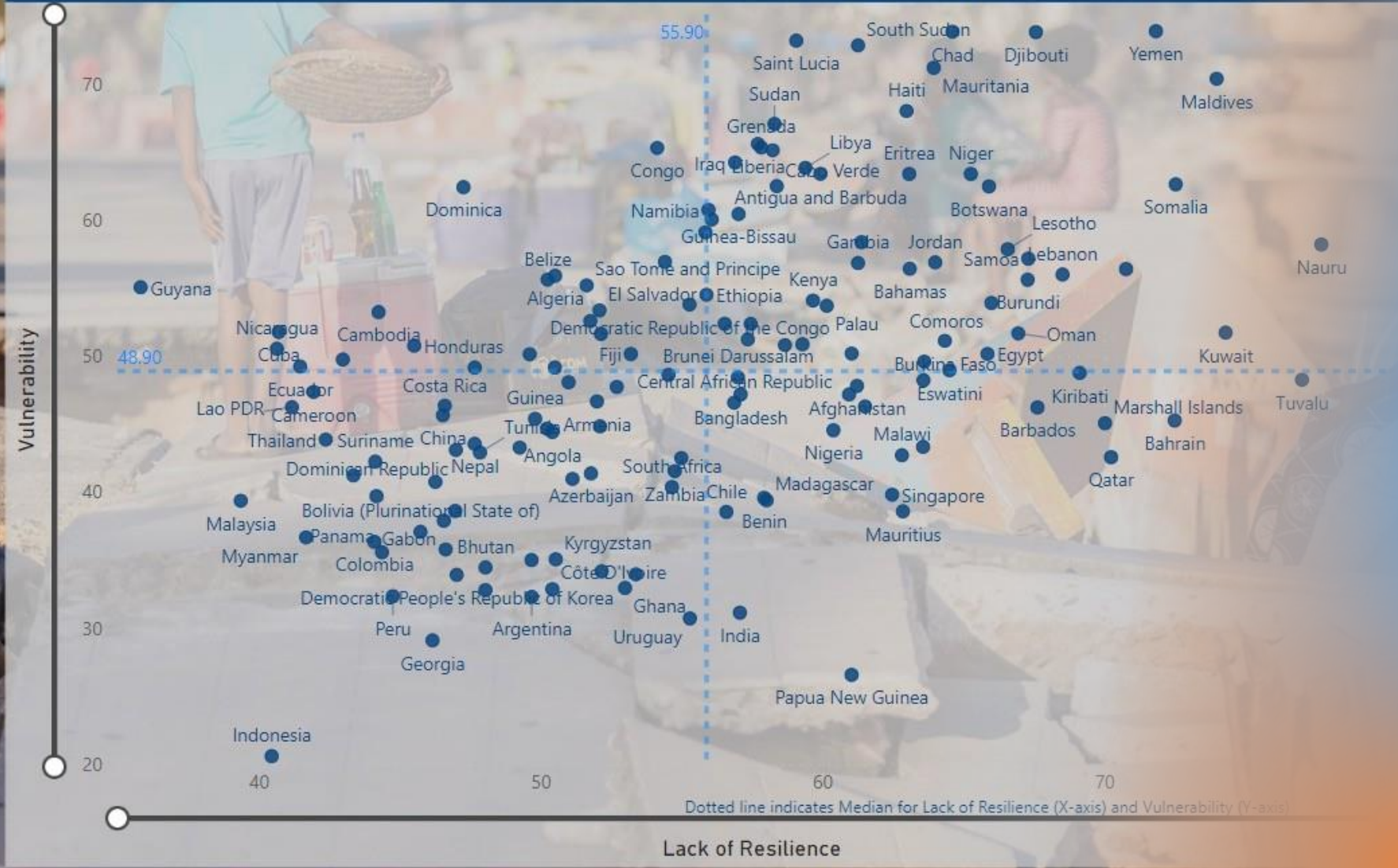
Income Group (World Bank)

All

## MVI Score by Country



## Lack of Resilience and Vulnerability by Country





United Nations  
Economic Commission for Africa

**Thank you very much!**

**Merci beaucoup!**

**Muito obrigado!**

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