COP27 BRIEF

Day 3 sees big climate financing wins for Africa

The issue of climate adaptation continued to dominate the African agenda on Day 3 of COP27.

On Wednesday, the International Capital Market Association (ICMA), who set the rules in the bond market, laid out plans for countries hit by climate induced natural disasters, such as flooding and hurricanes, to automatically freeze debt payments. The ICMA introduced new 'climate resilient debt clauses' or CDRCs, specifically targeting low-income countries, that governments can plug into sovereign bonds they sell to raise money on global capital markets. With many African countries on the brink or knee-deep in a debt crisis, the mechanism will allow them to pause debt payments for a maximum of 2 years to free up cash flow to provide aid and assistance to battle climate disasters.

Speaking during COP27, President & CEO at Africa Finance Corporation, Mr Samaila Zubaru noted that adaptation must be a priority for the continent but it puts additional pressure on Africa's current infrastructure needs. "In Africa we have a lot of need. The infrastructure deficit is about USD 2.3 trillion. If you factor in the need to climate-proof and build resilient infrastructure, it becomes about USD 3 trillion."

Also on Wednesday, a group of over 85 African insurers unveiled the African Climate Risk Facility (ACRF) to help climate-proof the continent's most vulnerable communities. The commitment will provide protection for 1.4bn people against floods droughts and tropical cyclones by providing $14bn in climate risk insurance to 2030 to African sovereigns, cities, aid agencies and NGOs. Both measures will go a long way in bridging the gaping climate risk financing gap on the continent as rich nations continue to shrug off demands for compensation for countries due to 'loss or damage' caused by global warming.
sufficient defaults while they're grappling with the fallout from their latest climate disaster, this will benefit not only affected populations but their global creditors too.

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Episode 2: Africa's pragmatic road to net zero

Without drastic action to reduce emissions, the latest estimates are that global temperatures will rise by between 2.5°C and 4.5°C by 2100. We are at a critical juncture in needing to restore the earth's delicately balanced carbon cycle. Watch Episode 2 in our COP27 series, exploring Africa's pragmatic road to net zero.

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Episode 1: Africa’s transition at COP27

FACT OF THE DAY

44,174 attendees at COP27

To put this number into context, this is a little over the number of fans present at the Aston Villa V. Man. U. match this past Sunday (Villa won 3-1).
Climate trouble brewing for Africa’s coffee industry
With climate models predicting a dramatic drop in the availability of coffee as temperatures rise, farmers are preparing themselves for an uncertain future.

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Industry makes case for Southern African hydrocarbons

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AFC @ COP27 – 10 NOVEMBER

Event highlights

09:30 - 11:00 | **Decarbonizing an Oil Rich Region: A Case for the Niger Delta, Nigeria**
*At the Nigeria Pavilion, Blue Zone*

12:00 - 13:00 | **Development of Regional Value Chains under the AfCFTA as a Climate Resilience Initiative**
*At the AU Pavilion, Blue Zone*

FEATURING:

Samaila Zubairu
President & CEO at Africa Finance Corporation

15:30 - 17:30 | **Africa Renewables Forum**
*At the Glasgow Breakthrough Room, Innovation Zone*

Renewable energy holds tremendous promise for Africa and the rest of the world. The pivot to a low carbon future is a necessity for all. Many of the bigger economies in Africa have shown firm commitment towards accelerated use of modern renewable energy and are leading energy transition efforts, while some of Africa’s smaller countries have also set ambitious renewable energy targets.
the African Influencers for Development (AI4Dev), UNDP’s multi-stakeholder partnerships platform, and the Africa Business Council, the African Union’s private sector advocacy platform. The event is hosted by Africa Finance Corporation (AFC) in the Innovation Zone

FEATURING:

Ayaan Zeinab Adam  
Senior Director and Chief Executive Officer at AFC Capital Partners

Samaila Zubairu  
President & CEO at Africa Finance Corporation

Africa Energy TV is powered by the Africa Finance Corporation (AFC).

AFC is a multilateral financial institution, created by African sovereign states to provide pragmatic solutions to Africa’s infrastructure deficit and challenging operating environment.

We actively pursue these solutions by developing and financing infrastructure, natural resources and industrial assets for the enhanced productivity and economic growth of African states.

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