



zero
EMISSIONS | OMISSIONS

FINANCING A JUST TRANSITION IN AFRICA

A position paper from the Zero Emissions | Omissions Coalition to the African Development Bank

Introduction

This position statement targets the African Development Bank Group (AfDB) and is the outcome of consultative processes with CSOs across Africa. We commend the Bank on encouraging the participation of Civil Society Organisations (CSOs) to come together and collaboratively develop this position paper. The paper highlights the urgent need to advance a just transition to a more equitable and sustainable future for all African people by ending the finance of all new and proposed fossil fuel-based energy, large-scale mining and plantations and large-scale industrial/intensive livestock farming investments and developments. The paper also reiterates the critical need for public and private sector actors to equitably transition, in a just manner, from destructive extractive investments to environmentally and socially sustainable business models that restore and enhance natural climate solutions and build resilience at local levels with benefits for people and nature.

Furthermore, ahead of and beyond COP26, this position paper reinforces the importance of Development Finance Institutions (DFIs) such as the AfDB in influencing the achievement of the Sustainable Development Goals that are aligned to the Paris Agreement through their beneficiaries, regional and non-regional member countries, and influence on policy.

CSOs across Africa have conducted systematic and long-term advocacy campaigns targeting DFIs such as the AfDB. The campaigns have centred on holding these institutions accountable to their mandate to contribute to concrete positive economic, environmental, and social development that does no harm to people or the planet. Several global and regional [studies](#) reveal that the way DFIs do business does not always produce the desired results¹. Numerous interventions by CSOs, which detail the human and environmental cost of DFI loans, both directly and indirectly through financial intermediaries, [reflect](#) the significance of DFIs in combatting the ongoing climate crisis².

COP26 is a critical summit for countries and DFIs to raise their ambition and commit to global action in order to limit average global temperature increase to 1.5 degrees Celsius.

For this reason, this paper presents to the AfDB the position and policies CSOs would like the Bank to adopt on three selected themes: Energy; Agriculture, Forestry, Land and Ecosystems; and Climate Finance. The impacts of the climate crisis are far-reaching, but solutions exist that can improve the quality of life around the world right now and work towards a healthier, more sustainable, and just future for all.

Key Points:

We are demanding the AfDB address or adopt the following key points in relation to Energy; Agriculture, Forestry, Land and Ecosystems; and Climate Finance:

Energy:

We call on the leadership of the AfDB to:

1. Commit to 2022 as a target date for publishing a roadmap for the 1.5°C Paris alignment goal for reducing emissions, to be implemented by 2023–2025. This target will establish AfDB as a leader and go a long way in influencing other African development finance institutions to raise their ambition.

¹ Applying the Fair Finance Guide Methodology to DFIs Report by Profundo and Fair Finance International (2020)

² Oil Change International CSO Statement ending international public finance for fossil fuels (2021)



2. Prioritize the development and implementation of a fossil fuel finance exclusion policy that states that the bank will not fund, provide financial services, or capacity support to any coal, gas, or oil project or related infrastructure project that is carbon intensive on the African continent after 2022. At the least, establish an immediate ban on any new fossil fuel projects and publish a roadmap for phasing out all fossil fuel development financing to advance the just transition in line with the Paris Agreement. The policy should guide a managed and equitable phase-out, taking into account principles of equality and justice for those primarily affected within the timeliness needed to meet the goals of the Paris Agreement.
3. Following the development of a draft policy, immediately publish the draft on the AfDB website and allow a public comment period of a minimum of 90 days, and promote this process of public participation on the Bank's social media channels and through media interventions in addition to the Bank's civil society database and committee to ensure widespread civil society and public engagement;
4. We insist that next-generation solar, wind, pumped-storage, and tidal power be based upon democratically-run and socially-owned energy, rather than the extractive, privatised character of the fossil fuel industry that has caused ecosystem destruction, contributed to climate change, and has negatively affected the social fabric of African communities with limited return of benefit to African people. We call on the AfDB to disregard any technical and financial support that enables fossil fuel energy to thrive over renewable energy.

Agriculture, Forestry, Land and Ecosystems:

5. Establish a green framework that recognises the [drivers](#)³ contributing to biodiversity loss as well as destruction of ecosystems and vital carbon sinks (e.g degradative or high-tillage agriculture, logging, fuelwood, land use change for energy or other purposes) before identifying the solutions it intends to invest in.
6. Work with and involve the private sector to develop and commit to zero deforestation supply chains and policies that are beneficial and of mutual benefit to all stakeholders.
7. Embed nature-based solutions into the AfDB agenda and Regional Member Countries' Country Strategy Papers, and their national development plans. Sustainable farming (agroecology, organic farming, etc.) and forestry practices must be implemented at the local and national levels by aligning national development plans, forestry, and

³ The African Climate Reality Project Report: A People-Centred Approach to Africa's Forests (2021)



agricultural policies with the Paris Agreement and Sustainable Development Goals. To contribute to a just, green recovery, Africa's carbon sinks must be protected and managed in a sustainable and people-centred way. In light of this, we call on the AfDB to increase their financing of nature and nature-based solutions, for protecting and restoring nature in its country strategies and action plans.

8. Enhance public and civil society participation while working with Regional Member Countries to improve and secure land tenure rights of indigenous and forest dependent communities and farmers. This includes adopting or strengthening existing funding policies on land and forest tenure rights as a prerequisite for community-based and female-led sustainable forest management.
9. Strengthen partnerships with CSOs to monitor, research, and implement projects that support nature-based solutions and also offer an independent review of progress on targets set at country levels on agriculture, forestry, land-use management, and ecosystems.
10. The AfDB should increase investments in humane and sustainable proteins and divest from funding large-scale livestock industrial/factory farming which has been shown by a recent [UN report](#)⁴ to have negative impacts on animals, people, and the environment. The Bank can achieve this by: strengthening their policies and performance standards on animal welfare, climate and biodiversity, classifying industrial livestock projects as high risk, voting against their approval, and only investing in projects with high animal welfare.

Climate Finance:

11. Shift investment portfolios already connected to agriculture related investments to support 100% sustainable agricultural approaches like agroecology and other regenerative processes, which are to be included in the eligibility criteria for biodiversity and [land degradation neutrality](#) projects. AfDB climate finance portfolios must also support investments in nature-based solutions more suited to the geopolitical architecture of Africa.
12. The AfDB must prohibit harmful financing to the [8 key critical ecosystems](#)⁵ and areas, including those which are most at threat from harmful development projects, such as intact primary forests, free flowing rivers, habitats with endangered species, and areas

⁴ Preventing the next pandemic - Zoonotic diseases and how to break the chain of transmission: UN Report (2020)

⁵ Banks and Biodiversity: How Banks impact Biodiversity



which have not received the free, prior, informed consent of local and indigenous communities.

13. Increase transparency about how funds and financing flow in and out of the AfDB, develop accountability mechanisms that show how those funds reach communities, and provide timelines for when funding starts and ends. This further indicates the need for a set criteria or factors which are considered by the AfDB and its Board in making decisions on the distribution of climate finance through a participatory mechanism and how those funds reach affected communities.
14. The AfDB must ensure that its methodology for adaptation and mitigation finance includes gender indicators and targets that ensure that women have equitable access to funds for climate related projects. Developing a gender-responsive and inclusive approach to climate finance is vital to achieving long term climate goals⁶.
15. The AfDB should assess its existing and prior loan and investment portfolio in terms of greenhouse gases produced. Consistent with the [Polluter Pays principle of environmental economics](#)⁷ - so as to internalise externalities like pollution not incorporated in market transactions - calculate loss and damage done now and in future as a result of this portfolio (the [Social Cost of Carbon](#)⁸ has most recently been estimated at \$51/ton).
16. The AfDB should support regional member countries in developing their development plans centred on sustainable / renewable energy in an effort to leapfrog the industrialisation pathway of developed nations as a means to manage GHG emission constraints. The AfDB must prioritise the need to make [ecosystem services payments](#) and restore environmental wealth through the Natural Capital for African Development Finance Programme. In applying these techniques, it is possible to estimate the institution's [climate debt](#)⁹, a methodology that should be encouraged throughout the multilateral financing system with the AfDB's leadership. Identifying [reparations-payment systems](#)¹⁰ that are appropriate for victims of climate catastrophes should be done in conjunction with local civil society, especially in cases where emergency relief is needed during and after a localised, climate-related extreme weather event.

⁶ Priorities for Public Climate Finance in The Year Ahead: COP26 Report (2021)

⁷ Organisation for Economic Co-operation and Development: The Polluter-Pays Principle

⁸ The Social Cost of Carbon (2021)

⁹ Basel Committee on Banking Supervision: Climate-related financial risks – measurement methodologies (2021)

¹⁰ Organisation for Economic Co-operation and Development: Disaster Risk Financing (2015)



17. Establish a free, prior, and informed consent process for communities as an integral element in the development and implementation of projects affecting them or the resources they depend on.

Problem Statement:

The AfDB is an important development partner for African countries. It helps regional member countries by:

1. Mobilizing and allocating resources for investment in Regional Member Countries; and
2. Providing policy advice and technical assistance to support development efforts.

African countries require a significant stream of financial support to solve numerous development challenges. They often lack tarred roads to connect rural communities with transport infrastructure such as ports, airports, etc. They lack electricity – in fact, energy poverty is one of the biggest challenges on the African continent with more than [40%](#)¹¹ of the population lacking quality, affordable electricity.

Climate change is already a major threat to the African continent. The [hottest](#) years in the continent’s modern history have all occurred over the past 20 years. Globally, more than [90%](#) of all the extra heat energy trapped by our atmosphere is going into the oceans, and half of the increase in global ocean heat content has occurred in less than 20 years. This heat makes ocean-based storms like hurricanes, typhoons, and cyclones stronger and more destructive – like Cyclone Idai in 2019. Idai was one of the [deadliest](#) tropical cyclones recorded in the South-West Indian Ocean basin, and affected over [3 million](#) people. In order to align to the world ambition of limiting global average temperature increase to 1.5 degrees Celsius compared to preindustrial times, African countries, with the support of African DFIs, need to channel key investments into climate resilience, adaptation, and mitigation.

The AfDB also needs to include human rights principles; the Bank has done well to incorporate gender, youth, and other social inclusion principles and discourse into various policies and strategies. However, there is a need for policies and strategies across the Bank to include explicit recognition of the interconnection between climate justice and human rights in the just transition to a low-carbon, resilient, and sustainable pathway for Africa.

¹¹ Over 640 million Africans have no access to energy: AfDB Light Up and Power Africa – A New Deal on Energy for Africa



THEME ONE: ENERGY

The AfDB's draft Climate Change and Green Growth Strategic Framework commits to ceasing all investment in coal or coal-related technologies, ensuring that it will not perpetuate or provide longevity to coal¹². Although we welcome this development, there is a need for policy alignment across the Bank, as well as the development of a fossil fuel finance exclusion policy and timelines to ensure this commitment is upheld. In addition, it is concerning that the Climate Change and Green Growth Strategic Framework fails to mention the financing of oil power generation or extraction. While the language used regarding natural gas is cautious in that “Natural gas will have a limited and transitional role to play in the Bank's investments, in light of the AfDB's stated commitment to Paris Alignment”, the Bank should provide support to Regional Member Countries (RMCs) in performing comprehensive whole energy system studies, under support from the International Renewable Energy Agency or other renewable energy thought leaders to develop investment plans that enable the transition to 100% renewable energy systems in Africa.

Civil society continues to call on the Bank to raise their ambition in line with the [International Energy Agency's](#)¹³ Net-Zero by 2050 roadmap for the Global Energy Sector that no new fossil fuel investments take place from 2021. Under the [Zero Emissions | Omissions campaign](#), the [African Climate Reality Project](#) (ACRP) and African campaign coalition members have called on the leadership of the Bank to establish a fossil fuel finance exclusion policy, stating that the bank will not fund, provide financial services, or give capacity support to any coal, gas, or oil project on the African continent. Importantly, the policy should be developed and consulted on with CSOs to ensure that the transition away from fossil fuels does not worsen existing social and environmental inequities.

One of the aspirational goals of the Bank's [High 5 programme](#) under “Light Up and Power Africa – A New Deal on Energy for Africa” is to help the continent achieve universal electricity access by 2025 with a strong focus on encouraging clean and renewable energy solutions¹⁴. This will require providing 160 GW of new capacity, 130 million new on-grid connections, 75 million new off-grid connections, and providing 150 million households with access to clean cooking solutions. To achieve these goals, the investment needed will range between US \$60 billion and US \$90 billion per [year](#)¹⁵. The Bank will invest US \$12 billion of its own resources in

¹²Transitioning towards [Green Growth](#) A Framework for the African Development Bank (2021)

¹³ International Energy Agency Net Zero by 2050 Report: A Roadmap for the Global Energy Sector (2021)

¹⁴ AfDB Light Up and Power Africa – A New Deal on Energy for Africa

¹⁵ African Development Bank: Light Up and Power Africa – A New Deal on Energy for Africa



the energy sector over the next five years. We commend the Bank for this ambition and urge it to stick with this commitment.

The most significant infrastructure deficit in Sub-Saharan Africa is in the power sector. Africa's power infrastructure, whether assessed in terms of generation capacity, electricity consumption, or security of supply, delivers only a fraction of the service required. A [significant number](#)¹⁶ of the population remains without access to electricity, representing the largest population experiencing energy poverty of all world regions. A rapid and just energy transition from fossil fuels to renewable energy is needed to combat climate change, but also in achieving SDG 7 for affordable and clean energy for all by providing access to affordable, reliable, sustainable, and modern energy for the [640 million](#) Africans who still do not have energy access. To reduce the energy deficit, governments and financial institutions like the AfDB need to prioritize investments in renewable energy, and put strict measures in place to ensure that no new fossil fuel projects are funded. Initiatives that promote decentralized renewable grid systems lead to healthier and more prosperous communities while mitigating climate change and helping to preserve the environment and natural resources.

Success in mitigating global climate threats arising from the indiscriminate burning of fossil fuels for energy depends not only on the policies adopted but also on political will, the speed of their implementation, and the level of resources committed. With this in mind, CSOs across Africa are calling on the AfDB to invest in the transformative decarbonization of societies by increasing investments in renewable energy projects. The AfDB must make important strides in enhancing local Renewable Energy beneficiation using lessons learnt from frameworks such as the [South African Renewable Energy Masterplan \(SAREM\)](#)¹⁷. Renewable energy has numerous benefits that we believe the AfDB must consider including:

- Renewable energy has a [higher employment potential](#), creating safer, better-paying jobs (e.g. for installers and technicians) than the fossil fuel industry, with a greater diversity of opportunities for all. Currently, [women represent about 32%](#)¹⁸ of renewable energy employees across the sector, compared to the 22% in the energy sector overall. Moreover, [the renewables sector could easily absorb and re-skill the fossil fuel workforce](#)¹⁹.

¹⁶ Electricity Access in Sub-Saharan Africa: Uptake, Reliability, and Complementary Factors for Economic Impact Report (2019)

¹⁷ SAREM: Challenging Privatisation, Centring Public Ownership and Decent Work (2021)

¹⁸ International Renewable Energy Agency: Renewable Energy: A Gender Perspective (2019)

¹⁹ New York Times Article: They Grew Up Around Fossil Fuels. Now, Their Jobs Are in Renewables (2019)



- Renewable energy is already a feasible alternative to fossil fuel-based energy sources. The cost of Renewable Energy technologies continued to fall significantly, making them cheaper²⁰ than fossil fuel technologies.

As we look towards safeguarding the future of the environment and humanity, we call on the AfDB to undertake points 1 to 4 as highlighted on page 2 in the key points section.

THEME TWO: AGRICULTURE, FORESTRY, LAND, AND ECOSYSTEMS

The majority of Africans depend on natural resources to sustain their livelihoods, and live in low and middle-income countries that have contributed the least to climate change, yet are the most vulnerable to its impacts. Their lives and livelihoods are directly threatened by the global climate crisis and related impacts such as extreme weather events, food shortages, water scarcity, and the spread of diseases. These effects are already hampering economic development, sometimes eroding years of economic progress, exacerbating conflict and pushing hundreds of thousands of people every year into exile, especially those living in arid zones and areas affected by desertification.

As global temperatures continue to rise, the protection and sustainable management of carbon sinks (e.g forests, soil, grasslands, ocean, etc.) that offer natural solutions for the mitigation and adaptation of the ongoing climate crisis has become essential. [Carbon sinks](#) act as the world's last line of defense against climate change. For instance, [forests](#) and [soil](#) play a crucial role in climate change mitigation by helping maintain carbon stocks, improving carbon sequestration, and reducing greenhouse gas emissions. [Nature-based solutions](#) offer us an opportunity to manage carbon sinks sustainably and when implemented correctly, it provides us with cross-cutting adaptation and mitigation benefits. Likewise, these practices are important for climate change adaptation in terms of buffering societies from the impacts of climate change by building ecosystem resilience and reducing disaster risk. Nature-based solutions has contradictions because the term is broad and tends to cover various interventions, yet it remains important because biodiversity and indigenous and people centred approaches are integral to the solutions²¹.

As CSOs across Africa, we recognise and applaud the Bank's commitment to adaptation support in order to boost Regional Member Countries' resilience and adaptive capacity. The

²⁰ Carbon Brief Report (2020)

²¹ Nature-Based solution Initiative, University of Oxford: What are Nature-based solutions? (2021)



draft [AfDB Climate Change and Green Growth Strategic Framework](#)²² does identify and acknowledge that biodiversity loss, land degradation, desertification, and decreasing carbon sinks across Africa contribute to its vulnerability. However, the Bank's [existing policies](#) mention very little on the drivers contributing to ecosystem deterioration and destruction across Africa. We request the draft AfDB Climate Change and Green Growth Strategic Framework and Policy highlight these drivers as well as propose solutions to them. For instance, the AfDB policies provide very little guidance on how to address large-scale industrial agriculture and its practices (e.g. use of pesticides, fertilizers, tillage of soil, monoculture animal feed crops), which have led to significant biodiversity loss, deforestation, greenhouse gas emissions, as well as pollution of air, soil, and water. In fact, the expansion of industrial agriculture across Africa has left [40% of Africa's soils](#)²³ low in nutrients and 25% contaminated by aluminium²⁴.

Along with the well-documented environmental harms caused by intensive livestock production, there are also significant harms to public health which are often overlooked. Intensive livestock production creates significant risks both for new zoonotic diseases²⁵ and for antimicrobial resistance. Large-scale intensive farms have been described as the "[perfect breeding ground for the next pandemic](#)²⁶". Keeping large numbers of genetically uniform animals in cramped, stressful environments, increases the risk of new viral pathogens emerging and spreading to humans.²⁷ Furthermore, factory farming is a major driver of global antibiotic use with up to [70% of the world's antibiotics going to farm animals](#)²⁸. Antibiotics are administered to groups of animals to prevent them getting sick in dismal conditions, or to speed up their growth for profit. Drug-resistant infections already kill 700,000 people globally each year²⁹. The global risk is set to increase dramatically, as up to 10 million people are expected to die annually [by 2050](#) through superbugs rendering antibiotic treatment ineffective. The World Bank estimates that by 2030 up to 24 million people could be forced into extreme poverty, mainly in low-income countries, and annual economic damage as a result of antimicrobial resistance could be comparable to the shocks experienced during the 2008-2009 global financial crisis³⁰. UN Inter-Agency Consultative Group states that the UN SDGs cannot

²² African Climate Reality Project and Strategic Youth Network for Development submitted input and comments on the AfDB's draft Climate Change and Green Growth Strategic Framework.

²³ The African Climate Reality Project Sink Our CO2 Report: What can we do for Africa's Soil (2021)

²⁴ The African Climate Reality Project Factsheets: What can we do for Africa's Soil (2021)

²⁵ Preventing the next pandemic - Zoonotic diseases and how to break the chain of transmission: UN Report (2020)

²⁶ The Guardian: What does more environmental damage: eating meat from the wild or a factory farm? (2020)

²⁷ Jones, BA, Grace, D., Kock, R., Alonso, S., Rushton, J., Said, MY, McKeever, D., Mutua, F., Young, J., McDermott, J. and Pfeiffer, DU, 2013. Zoonosis emergence is linked to agricultural intensification and environmental change. *Proceedings of the National Academy of Sciences*, 110 (21), pp. 8399-8404.

²⁸ Farm Animal Investment Risk & Retire Report. (2016)

²⁹ No time to wait - securing the future from drug-resistance infections: Report to the Secretary General of the United Nations (2019)

³⁰ World Bank. Drug-resistant infections: A threat to our economic future. March 2017.



be achieved if antimicrobial resistance is not addressed with greater urgency³¹. The impacts of Antimicrobial Resistance are not distributed equally among countries, with more pronounced negative impacts in low income countries than in high income countries. We therefore recommend the AfDB commit to only fund sustainable agricultural approaches such as agroecology and other regenerative processes, with a smaller number of farmed animals kept in high welfare conditions.

A comprehensive land use plan fostered through community forestry within the structure of the AfDB country strategy framework will help identify forest areas in need of restoration or protection, single out non-forested, and degraded areas that could be used for other purposes such as agriculture, as well as reduce the likelihood of conflict arising from competing land use interests (e.g. conservation priorities vs. livelihoods of local communities)³². Developing land use plans that are both sustainable and socially just requires equal participation and input from a variety of groups, including civil society, smallholder farmers, the private sector, and different levels of government. Community forestry will foster sustainable pathways that will offer alternatives, such as agroecology, to land-degrading activities.

Climate smart agriculture is referred to in several of the Bank's [policies](#) and strategies, but these usually lack a clear articulation of what climate smart agriculture is. The lack of clarity around the term and the way it's often used to greenwash the practices of agribusiness corporations are some of the reasons the term is considered problematic [among CSOs](#)³³, along with the limited involvement of farmer voices and knowledge as well as social and environmental safeguards. To be [climate smart](#), agriculture must use agroecology, organic agriculture, and similar agricultural practices that contribute to resilience, mitigation and long-term productivity.

The [COVID-19 pandemic](#) revealed the inherent flaws within and vulnerability of Africa's food system and supply chains to external shocks, reinforcing the need to shift to more sustainable and resilient food systems. Supporting agroecology and smallholder farmers is integral to building a more sustainable, resilient food system, and also aligns with the AfDB's goal to protect and restore biodiversity across Africa. Recent [research](#) reveals that small farms are associated with higher yields and more biodiversity³⁴. Similarly, [agroecology](#) enhances the resilience not only of agricultural systems, but also farmers and their livelihoods. Its

³¹ Interagency Coordination Group on Antimicrobial Resistance. No Time To Wait: Securing The Future From Drug-Resistant Infections Report To The Secretary-General Of The United Nations (2019).

³² The African Climate Reality Project [Report](#): A People-Centred Approach to Africa's Forests (2021)

³³ Climate Smart Agriculture Concerns: COP21 [Statement](#) (2015)

³⁴ Nature Sustainability [Journal](#): Higher yields and more biodiversity on smaller farms (2021)



practices enhance soil fertility (i.e. ability of soil to store carbon) through organic matter inputs (e.g. compost, green manures), minimum tillage, use of cover crops and others, while also improving biodiversity by avoiding synthetic inputs, reducing water pollution, and encouraging high levels of agro-biodiversity, among others. The absence of synthetic fertilisers is also far more in line with the needs and realities of African smallholder farmers who manage roughly [80% of Africa's farmland](#).

Smallholder farmers must no longer be pushed to adopt practices such as those of [agribusinesses](#) which are largely dependent on chemical inputs as a prerequisite to receive funding³⁵. CSOs across Africa stand with the smallholder farmers and call on the AfDB to shift funding from industrial, commodity agriculture to supporting smallholder farmers to adopt or implement agroecology as a means to strengthen local food systems, improve livelihoods, and promote African food sovereignty. There is a duty and opportunity for the AfDB to create just and equitable pathways on sustainable agricultural practices with nature-based solutions on the forefront of the Bank's agenda.

As we look towards safeguarding the future of the environment and humanity, we call on the AfDB to undertake points 5 to 10 as highlighted on page 3 in the key points section.

THEME THREE: CLIMATE FINANCE

Look at the cost of climate inaction and the continued dominance of extractive economic systems. Finance is needed to support the transition towards a low-carbon and inclusive society, to enhance mitigation efforts, and develop adaptive and resilient capacity. Losses and damages through impacts of the climate crisis require compensation and support for people's livelihoods. Floods have ravaged the continent leaving millions of people vulnerable. A few recent examples include:

- In March and April 2019, Southern Africa was hit by two consecutive cyclones that left a [trail of destruction](#) in their path, with at least 1400 deaths in Mozambique, Malawi and Zimbabwe, and close to 2.2 million people in need of urgent assistance in Mozambique alone.
- In 2019-21, swarms of locusts [devoured](#) crops in the Horn of Africa, and their extreme proliferation was traced to climate change.
- April 2020: Flooding displaced 100,000 families in [Kenya](#).

³⁵ African Development Bank: [Feed Africa](#)



- March 2020: More than 70,000 people lost their homes to flooding in the [Democratic Republic of Congo](#).
- September 2020: [Sudan](#) experienced flooding described as a “once in a century” event. Over 600,000 people were displaced.

Extreme floods have become more frequent, violent, and costly in recent years. Over the last two decades, floods have caused significant [fiscal damage and displaced over 1 billion people](#).³⁶ Flooding is expected to occur 40 times more frequently in coastal communities by 2050 than it does now.

The Paris Agreement defines Climate Finance as “*finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development.*” Climate finance is also defined as financial investment flows from private, public, and not-for-profit sectors and other alternatives for initiatives, policies, and sustainable development projects for a sustainable economy³⁷.

At COP15 the goal to jointly mobilize \$100 Billion per year by 2020 was agreed in Copenhagen in 2009, and at COP21 in Paris in 2015, this goal was reiterated and extended to 2025. There are [four distinct components](#)³⁸ of climate finance, which is to be provided and mobilised by developed countries, to flow to developing countries that do not have the financial capital to respond to the climate crisis: bilateral public climate finance, multilateral public climate finance attributed to developed countries, climate-related officially supported export credits, and private finance mobilised by bilateral and multilateral public climate finance, attributed to developed countries. Another aspect of the finance architecture is the delivery to developing countries to scale up long term financing. As of November 2020, the \$100 Billion had not been reached per year for 2020 by private and development banks - due to time lags in official reporting this data will only be available in 2022, and it is yet to be seen how the economic impacts of the COVID-19 pandemic have affected climate finance flows³⁹.

There is wide agreement and support for the rapid and successful deployment of international public finance as a critical step in developing countries having access to the resources they need to adapt to climate change and finance the just transition to a low carbon development pathway. There is a need to track and report these financial flows to build trust and

³⁶ World Meteorological Organization: Weather-related disasters increase over past 50 years, causing more damage but fewer deaths (2021)

³⁷ Policy [Brief](#): Making Finance Flows Consistent with the Paris Agreement (2020)

³⁸ Statement from OECD Secretary-General Mathias Cormann on climate finance (2019)

³⁹ International Monetary Fund: Policy Responses to Covid-19



accountability with regard to climate finance commitments and monitor trends and progress in climate-related investment. It is important and urgent to adjust official and private creditor preferences and policies, so that they take into account the ongoing climate crisis as that will inform the nature and design of projects being funded by the Bank.

Currently, developed nations are putting more [funds into fossil fuels](#) than climate finance. Thus, there is a need for a larger commitment and accountability with the AfDB holding non-regional member countries accountable, especially those channeling funds towards fossil fuels. A comprehensive picture of the climate finance landscape is critical to this end and, ultimately, a prerequisite for ensuring the effective and productive use of available financial resources. This is essential to inform governments and policy makers on how to spend their money wisely.

Recognizing this need and the shortcomings of the existing tracking systems, [the Vice Presidents of the Multilateral Development Banks \(MDBs\)](#) agreed to establish a joint methodology for tracking climate change mitigation and adaptation finance. The objective was to agree on key reporting principles, eligibility for aggregation, and transparency. A Joint MDB Working Group on climate finance tracking was established, with the Inter-American Development Bank leading efforts on mitigation and AfDB leading efforts on adaptation. This [report](#)⁴⁰ sets out AfDB's methodology for adaptation and mitigation finance tracking which is the same as the Joint MDB methodology for adaptation finance reporting and an extension of the Joint MDB methodology for mitigation finance. We insist that the AfDB establishes a clear and comprehensive transparency and accountability framework for finance tracking by 2022.

We applaud the Bank's contribution to climate finance through the various investment programmes including the [Resilient Africa Covid-19 and beyond](#). We however want to urge the Bank to increase its investments and safeguard the livelihoods of the millions of Africans receiving support from climate impacts or shocks. The AfDB must ensure that funding of new projects and new credit is in reasonable, concessional, and equitable volumes, to provide countries the fiscal and financial space to finance climate-related expenditures. They must continue to support recovery and response plans for more vulnerable countries through grants, rather than loans, to avoid worsening the debt crisis. We also demand that the AfDB support the establishment of a Nature and Climate Sovereign Bond Facility Center in Africa. This would assist countries experiencing debt as a result of the ongoing climate crisis.

⁴⁰ AfDB Methodology for Adaptation and Mitigation Finance Tracking (2013)



Furthermore, the center may act as a reparations unit that assesses climate reparations going towards countries as a result of climate change⁴¹.

As we look towards safeguarding the future of the environment and humanity, we call on the AfDB to undertake points 11 to 16 as highlighted on page 4 in the key points section.

Conclusion:

As the [leading](#) financial institution on the continent, we believe that the Bank can and must do more to substantially expand their level of support by increasing Africa's resilience and ambition to leave fossil fuels and large-scale livestock industrial/factory farming in the past, and leapfrog to the age of 100% renewable energy and inclusive sustainable development.

Setting an ambitious, yet realistic target will also place the Bank in a unique position to influence the Asian Development Bank, the World Bank, and other Development Finance Institutions to enhance their commitments.

List of organisations who have contributed to and endorsed this position paper:

1. African Climate Reality Project (ACRP)
2. Africa Coal Network
3. Strategic Youth Network for Development (SYND)
4. 350Africa.org
5. Agency for Health and Food Security (AHEFS)
6. Northern Advocacy Center for Peace and Climate Change, NACPACC
7. Institute for Sustainable Energy and Environmental Solutions ([ISEESghana.org](#))
8. World Animal Protection (Africa Regional Office)
9. WoMin African Alliance
10. Laudato Si Movement
11. Climate Action Network Zimbabwe
12. Two Hands One Life (THOL)
13. Pan African Centre for Climate Policy
14. Citizens Climate Lobby
15. Abibinsroma Foundation

⁴¹ [Greening](#) Sovereign Debt Building a Nature and Climate Sovereign Bond Facility (2021)



16. Rainforest Coffee Uganda
17. Kalkal Human Rights Development Organization (KAHRDO)
18. Environmental Friendly Initiative
19. Women for Green Economy Movement Uganda
20. CARE FOR ENVIRONMENT
21. World Vision Ghana
22. Environmental Education for a Better Earth
23. Gabidezin House Of Fashion-Boadi
24. 350Ghana Reducing our Carbon
25. Lekeh Development Foundation (LEDEF) Nigeria
26. Yereba Women Foundation, Nigeria
27. Nigeria Coal Network
28. SOS Environnement
29. Centre for Muslim youth in peace and development
30. ASDEPO Ethiopia
31. Insight Novelty Network
32. A Rocha Ghana
33. Support Humanity Cameroon
34. REWILD AFRICA (PTY) LTD
35. Youth Alliance for Green Ghana (Y.A.G.G)
36. Media Awareness and Justice Initiative
37. Centre for Natural Resource Governance
38. Just Finance International
39. Botswana Climate Change Network
40. AJVDC Green Brigade
41. CITY OF KISUMU URBAN AREAS ASSOCIATION
42. Arab Watch Coalition
43. People's Federation for National Peace and Development (PEFENAP)
44. Fossil Free South Africa
45. Greenleaf Advocacy and Empowerment Center
46. Gate for Opportunity (GO)
47. Empowerment Initiative Ghana
48. Bridge That Gap Initiative Hope For Africa Initiative
49. Network of Civil Society in Environment (NCSE)
50. Double-Link Corporate Ventures
51. NGO JEUNES VERTS



52. AICED RDC
53. Ezra Community Helpers Initiative
54. Association pour la Promotion des Activités de Développement-International (APAD-Inter)
55. Kishoka Youth Organization
56. Samkaddo Environmental Solutions
57. Campaign for climate change awareness and renewable energy
58. Johannesburg Urban Forest Alliance
59. ORGANIC ILEMBA LIMITED
60. South African Organic Sector Organisation (SAOSO)
61. Ben Newman Hope Care Foundation
62. Greenglobe Ghana
63. Cercle des Grands Pionniers
64. DABY Foundation
65. Cercle des Grands Pionniers
66. ProHumane Afrique International
67. Centre for Social Mobilization and Sustainable Development (CENDODEV)
68. McGharbins Network
69. COMMUNITY AND FAMILY AID FOUNDATION-GHANA
70. Adolescents, Youth and Health International
71. FAPIMPA Foundation
72. NGO: ADET
73. Réseau sur le Changement Climatique RDC, RCCRDC
74. Global Platform Ghana
75. Connected Advocacy for Empowerment and Youth Development Initiative
76. Alliance for Empowering Rural Communities
77. Euphrates Institute-Liberia
78. catholic Relief Services
79. Offinso Partners in Sustainable Development
80. Climate and Sustainable Development Network of Nigeria
81. Tearfund Nigeria
82. Oil Change International
83. Centre for Alternative Development
84. Sustainable Development Goals Radio - SDG Radio
85. Foundation for Environmental Rights Advocacy and Development FENRAD Nigeria
86. Centre for Disaster Risk and Crisis Reduction



87. Behind Life Ghana
88. Women for Green Economy Movement Uganda
89. Regional Advisory Information and Network Systems (RAINS)
90. Centre for Active Citizenship and Leadership
91. Sierra Leone School Green Clubs (SLSGC)
92. Millennium Group
93. Arab Watch Coalition
94. Green Faith Network
95. Bank Information Center
96. One Love Initiative Foundation
97. Friends of Lake Turkana (FoLT)
98. Zambia Alliance for Agroecology and Biodiversity (ZAAB)
99. REPA-AFRIQUE
100. Global Shapers
101. Project 90 by 2030
102. AEM Foundation
103. Centre for Human Rights and Civic Education
104. NGO: ADET
105. Citizen's Network For Community Development Zambia
106. Noordhoek Environmental Action Group
107. Global Initiative for Food Security and Ecosystem Preservation- GIFSEP
108. Citizens Climate Lobby Africa
109. Campaign for climate change awareness and renewable energy
110. Centre for Citizens Conserving Environment (CECIC)
111. MyClimate Smart Action Zambia
112. Gender and Environmental Risk Reduction Initiative(GERI)
113. Young Volunteers for Environment Zambia
114. Network of Civil Society in Environment
115. Coalition of Associations for Leadership, Peace, Empowerment and Development
116. Abalimi Bezekhaya (farmers of home)
117. Oxfam South Africa
118. ESAFF- Uganda
119. The Movement in Africa
120. Innovea Development Foundation
121. Pan African Centre for Climate Policy
122. Youth Against Drug Abuse YADA International



123. Gabidezin House of Fashion
124. Like Mountains
125. HIRED Consult
126. The A'ray Justice and Peace Initiative (TAJPI)
127. Extinction Rebellion SA
128. Center For Early Green Education
129. Green leaf Advocacy and Empowerment Center
130. Project13
131. AJECC
132. Ecovista
133. Imvelo Ye Azania
134. FORESTS, RESOURCES AND PEOPLE
135. Development Associates International

