



Address by Mr. Thabo Thamane, AADFI Chairman and Chief Executive Officer of the Citizen Entrepreneurial Development Agency (CEDA), Botswana, at the 2024 Annual General Assembly Workshop held in Nairobi, Kenya, on Monday, 27, 2024

*Kenyatta International Conference Center (KICC)
Tente 2 / Mombassa*

- **Prof. Njuguna Ndung'u**, Cabinet Secretary, The National Treasury, Republic of Kenya
- **Dr. Kevin K. Kariuki**, Vice-President, Power, Energy Climate Change, and Green Growth, AfDB
- **The Chief Executive Officers of AADFI member Kenya national DFIs:**
 - Ms. Norah Ratemo, Director General, Kenya Development Corporation (KDC)
 - Mr. George Kubai, Managing Director, Agriculture Finance Corporation (AFC)
 - Mr. Charles Mativo, Ag. Managing Director, Kenya Industrial Estate (KIE)
- **Mr. Adama Mariko**, Secretary General of Finance in Common, & Deputy Executive Director, Mobilisation, Partnership of AfD
- Distinguished Colleagues and Delegates,
- Ladies and Gentlemen,

1. I welcome you to the Association of African Development Finance Institutions (AADFI) Annual Workshop on “*A Practical Road Map for African DFIs in Accessing Green Funds.*” Interestingly, the Government of Kenya hosted the Africa Climate Summit (ACS) on September 4-6, 2023, less than a year ago, and today, we are here to discuss a theme that aligns with some of the summit’s outcomes.

2. On this note, on behalf of the AADFI Board of Directors and the entire AADFI family, I would like to thank the Government of the Republic of Kenya and the people for the opportunity to gather for the annual meetings in this beautiful country known for its rich tourism.

3. We are also thankful to the African Development Bank (AfDB) for its partnership with and support of the Association in hosting the AADFI General Assembly. The AfDB is also partnering with the Association to organize this workshop, which is traditional in AADFI’s decades of relationship with the Bank.

4. The fact that our Kenyan member institutions- (Kenya Development Corporation (KDC), Agricultura Finance Corporation (AFC), and Kenya Industrial Estate (KIE)) are co-hosting the Association is also an honor. This attests to the depth of AADFI's footprints in African subregions. Our networks define unity in development financing for Africa's development.

5. So, I thank Ms. Norah Ratemo, Director General of KDC; Mr. George Kubai, Managing Director of AFC; and Mr. Charles Mativo, Ag: Managing Director, KIE, for joining hands to host this event.

Distinguished colleagues, Ladies and Gentlemen,

6. During 2023, we focused on advancing the Climate Change Agenda. The theme of our OGA in 2023 was "*The Role of African DFIs in Achieving Just Energy Transition.*" Our joint AADFI-ADFIAP CEO Forum in November 2023 discussed DFIs' *role in achieving a climate-smart future*. The Association also launched its *Working Group on Climate Change (WGCC)* in the year, drawing from the outcomes of the 2023 Annual Workshop. This workshop is also driven by the WGCC and supported by the *African Financial Alliance on Climate Change (AFAC)*. These actions attest to the deliberate and strategic steps taken by the AADFI to support the African DFI community in taking a front seat in the climate change conversation and providing solutions.

Why are we so concerned about climate challenges?

It is a consensus that Africa remains the most vulnerable continent to the effects of climate change despite having a relatively small contribution to global greenhouse gas emissions¹. Empirical evidence reveals that Africa has seen more increases in temperature and sea levels, changed patterns of precipitation, and increased climate variability. These changes have threatened human health and safety, education, security (life, food, and water), drought, flooding, the extinction of up to a third of the world's plant and animal species, and Africa's socioeconomic development²³⁴.

¹ <https://www.afdb.org/en/cop25/climate-change-africa>

² <https://reliefweb.int/report/world/africa-suffers-disproportionately-climate-change>

³ <https://unfccc.int/news/climate-change-is-an-increasing-threat-to-africa>

⁴ <https://www.files.ethz.ch/isn/136704/PAPER220.pdf>

7. The threats are at the core of the reasons for our existence as development finance institutions.
8. The negative impact of climate change has no doubt necessitated a global call for action, including mobilizing finance. The resource challenge for climate finance is huge in Africa, and access to available resources is very restrictive and challenging for African national DFIs.
9. To drive the point further, Africa's cost of adapting to climate change is projected at \$50 billion per year by 2050⁵, and cumulative climate financing needs are estimated at \$2.7 trillion between 2020 and 2030.
10. A recent survey by our association, AADFI, shows that less than 2% of African national DFIs have access to climate finance. It is little wonder why green finance constitutes a tiny proportion of their investment and lending portfolios. Yet, these institutions have a pivotal role in advancing climate action in our countries.
11. The global development finance system assumes that funding for climate projects is available. However, these funds are not easily accessible.
12. Mobilizing climate finance is increasingly difficult for African countries. Africa receives roughly 3% of global climate finance, with only 14% from the private sector⁶.
13. Considering the worldwide focus on combating climate change, accessing green funds has become inevitable and urgent for African national DFIs to finance projects aligned with environmental sustainability.
14. The 2023 Africa Climate Summit adopted many resolutions, including advocating for a new financial framework and commitment to climate adaptation in Africa, among other proposed actions in *the Nairobi Declaration*.

⁵ <https://www.afdb.org/en/cop25/climate-change-africa>

⁶ <https://blogs.worldbank.org/voices/how-new-financing-pact-can-help-climate-vulnerable-countries>

Ladies and Gentlemen,

15. The issues highlighted above underscored the choice of the theme “*A practical road map for African DFIs in accessing green funds*” for our conversation at the 2024 AADFI General Assembly Workshop “.

16. We hope the outcome will define a practical trajectory to scale up knowledge, access to green finance, and a support system to improve African DFIs’ involvement in climate finance.

17. I look forward to a very engaging conversation.

18. Thank you for your attention!