



**SPEECH BY HON. SIMON CHELUGUI, CABINET SECRETARY FOR
COOPERATIVES AND MICRO, SMALL AND MEDIUM ENTERPRISES
DEVELOPMENT DURING THE 50TH ORDINARY GENERAL ASSEMBLY OF
ASSOCIATION OF AFRICAN DEVELOPMENT FINANCIAL INSTITUTIONS HELD
AT KICC, NAIROBI ON 27TH MAY 2024**

**The Chairman- Association of African Development Financial Institutions
(AADFI),
Board Members,
The Secretary General- AADFI,
Distinguished Delegates and Guests,
Ladies and Gentlemen**

I am very pleased and honored to join you all on the 50th Ordinary General Assembly of the Association of African Development Financial Institutions (AADFI). On behalf of the Government of Kenya, I welcome all the delegates who have travelled across the continent to participate in this noble annual conference. I want to congratulate The Association of African Development Financial Institutions (AADFI) for coming up with this brilliant idea that has been bringing us together in seeking solutions to the economic challenges facing Africa.

I note the objectives of AADFI are to stimulate cooperation for the promotion and financing of sustainable development and to encourage the process of economic integration in the African region through its membership made up of over 80- institutions comprising of National, Regional, Multilateral development finance institutions and from other continents engaged in development finance activities in Africa. We support the idea of coming together as we look forward to build a better Continent through our Development Financial Institutions.

Going by the Conference theme **“A Practical Road Map for African Development Financial Institutions in Accessing Green Funds”** the conference provides us with

a perfect forum to exchange ideas, and experiences in matters relating to Accessing Green Funds by our Development Financial Institutions.

I would be glad to share the following messages:

1. Green Funds offer an opportunity to change the economy of our respective Countries

Green funds are focused investment vehicles that specifically target institutions with strong environmental credentials. The institutions are able to typically invest the funds in businesses that are engaged in renewable energy, energy efficiency, clean technology, sustainable agriculture, and other environmentally friendly industries. The funds are able to provide the institutions with an opportunity to participate in the growing green economy while diversifying their investment portfolios

The aim of green funds is to generate financial returns while also promoting positive environmental impact. Investors who allocate their money to green funds often do so with the intention of supporting companies and initiatives that are aligned with their values and have a commitment to sustainability. This inspiration, support in fulfilling the requirement of Sustainable Development Goal 8 which aims at promotion of inclusive and sustainable economic growth, full and productive employment, and decent work for all.

I am happy to say that we have institutions in Kenya that are ready to invest the green funds in business that are engaged in the green sector namely: Kenya Development Corporation, Agricultural Finance Corporation and Kenya Industrial Estates

2. Green Funds are a mitigation of climate crisis which is one of the biggest security and development threats of our time in Africa

Conflicts around the world are becoming more and more extensive, complex, and protracted. An estimated 2 billion people live in fragile and conflict-affected areas today. Most of the fragile areas are in Africa. This number is expected to increase further. At the same time, the increasing consequences of the climate crisis exacerbate conflicts over food, water, land and resources and thus also refugee and migration movements.

People in fragile and conflict areas are particularly affected. Availability of green funds for development and growth in our respective Countries can mitigate these conflicts.

This is the reasons why our government has decided to make green funds as one of its ways to raise capital to signal stakeholders the importance it attaches to green initiatives. In doing so - we have embraced a broader, more integrated conception of resource mobilization – one that also focuses on the ability to ensure the Development Financial Institutions have adequate funds and are ready to contribute towards well-being of our citizens. And to achieve adequate resource mobilization, Kenya government is ready to support its Development Financial Institutions to play key roles in mitigating the effects of climate change by supporting them to access and utilize the green funds available.

3. Charting the path to a new development and economic growth through Development Financial Institutions:

Our African development financial institutions have the capacity to unlock economic sustainability, resilient prosperity and stability using Green Funds. Through the availability of Green Funds, the institutions are able to support enterprises that can build on renewable energy, create new jobs, provide new trading opportunities, that prioritizes contribution towards economic development.

The institutions can access the green funds in its various forms, including mutual funds, exchange-traded funds (ETFs), and venture capital funds. These will provide investors with an opportunity to participate in the growing green economy while diversifying their investment portfolios.

We have the chance to breathe life into this new development and economic growth this year - at the Association of African Development Association 50th Ordinary General Assembly through serious engagement with the African Development Bank. We need to take advantage of various green funds offered by the African Development Bank and other Banking Institutions to support in development and growth of our institutions.

I appreciate that the AADFI Annual Conference is taking a close look at these issues.

Mr. Chairman,

I have an immense respect for your organization which is ready to support its membership institutions through:

- Capacity-building programs that help its members understand the requirements and procedures for accessing green funds and assisting its members in preparing bankable green projects that meet the requirements of green fund providers;
- Facilitating knowledge sharing among its members by organizing forums, conferences, and networking events focused on green finance such as the one today;
- Advocating for supportive policies and regulatory frameworks that facilitate the mobilization of green funds in African countries;
- Establishing networking, partnerships and collaborations with international financial institutions development agencies, and private sector entities that provide green funds;
- Promoting green finance opportunities to its members and raise awareness about the benefits of investing in sustainable development initiatives; and
- Support in promoting innovation and technology transfer in green finance.

Our institutions are ready to work with AADFI to realize maximum use of the services provided. We are ready to work with partner's organizations from other countries as well to diversify renewables production and supply chains – and create a resilient and robust market. We also have the desire to foster a regional and Africa wide vision of a well-established and strong enterprises within the green sector creating jobs and wealth and becoming green industrial hub benefiting from the overall global transition.

In conclusion, I would like to thank you once more for choosing to hold this important event Kenya in collaboration with our Development Financial Institutions and wish to thank the African Development Bank for all their support. I wish you all fruitful deliberations. I also welcome you to enjoy our hospitality during your stay in our Country.

I wish you all God`s blessings.

Thank you.