



# **Africa Private Sector Statement on the Occasion of the Inaugural Africa Climate Summit, 2023**

## **Building Climate Action for Resilience and Green Growth**

Nairobi, Kenya

6 September 2023

## PREAMBLE

We, the undersigned private sector leaders, representing a diverse range of sectors within Africa offer this declaration of commitment to combating climate change while acknowledging the importance of collaboration between the private and public sectors in achieving the shared goal of building climate action for resilience and green growth.

1. *We NOTE* that the impacts of climate change are being experienced globally in the form of unparalleled weather fluctuations such as heatwaves, intense rainfall, droughts, tropical cyclones, and other phenomena;
2. *We are AWARE* of the 6<sup>th</sup> Assessment Report of the Intergovernmental Panel on Climate Change that highlighted the increasing role of human activities in advancing climate change and the staggered progress in limiting global warming to 1.5°C;
3. *We are DEEPLY CONCERNED* that the challenges posed by climate change, which erode long-term growth, fiscal stability, and economic welfare, disproportionately impact developing nations; particularly those within Africa, despite Africa accounting for the least amount of emissions per capita in comparison to other continents;
4. *We ACKNOWLEDGE* that Africa's developmental journey must endure, yet it cannot adhere to the conventional routes that prove unsustainable and detrimental to the environment;
5. *We APPLAUD* the commitment of the African states to address climate action and drive green growth and climate finance for Africa and the World, under the Nairobi Declaration and commit our partnership to the goals of the African states to uphold the Nairobi Declaration;
6. *We RECOGNISE* the pivotal role of the private sector in advancing climate change adaptation and mitigation in Africa through investments in low-carbon solutions, reduction of emissions through sustainable practices and catalysing green innovations, and strengthening resilience of value chains;
7. *We UNDERSCORE* the need to have an enabling, predictive and conducive policy and regulatory environment for climate action and green growth in which the private sector can effectively invest and participate in decision making;
8. *We APPRECIATE* that Africa has the unique potential to be an essential part of the solution to the global climate change crisis by contributing her immense and untapped renewable energy potential, tapping into the demographic dividend of the world's youngest and fastest growing workforce, as well as relevant natural assets.

## CLIMATE FINANCE

We call for:

- a. Restructuring of the global finance architecture to scale up affordable and sustainable financing. This includes reviewing lending terms, revisiting capital adequacy and making finance flows consistent with low emissions and resiliency;
- b. As global tax regimes on climate change develop, African governments should ensure they establish clear and predictive regulations, policies and long-term strategies that support a just energy transition;
- c. African states to put in place transitional mechanisms in line with common but differentiated responsibilities aligned to the Paris Agreement;
- d. African states to include micro, small and medium enterprises (MSMEs) into every national strategy focused on climate action and sustainable growth by offering accessible financial support and facilitating skill development programs to build capacity;
- e. Multilateral development banks (MDBs) and development financial institutions (DFIs) to speed up their alignment with the Joint MDB Paris Alignment Framework and pledge to carry out the Bridgetown Initiative. They can do this by making investments in climate action in Africa less risky. This could involve providing grants, concessional financing, credit, and risk guarantees to promote skill development and innovation, which will lead to enhanced improvement of private sector impact in African markets. This will require MDBs and DFIs to transform into institutions that are more risk-agnostic, leading to increased investments in key sectors; and
- f. Review of climate finance models from project-based approaches to long term climate investment plans aligned to growth and developmental needs. Concerning this, we call for enhanced support to develop climate investment readiness plans towards the realisation of a systems transition to sustainable and resilient economies.

We commit to:

- a. Work with African states to ensure that mechanisms are in place that channel needed funds to mitigate and adapt to climate change in Africa;
- b. Establishing mechanisms that scale up green investments within the private sector that include PPPs and a specific focus on MSMEs;
- c. Enhancing approaches and innovations for increasing inclusion through finance and/or technology to address climate challenges in Africa;
- d. Participate and provide insights in the development of climate investments readiness plans.

## ***Green Investments***

We call for:

- a. African states to work with the private sector in the development of an African centric climate taxonomy that is accepted internationally and provides for the definition of acceptable risk profiles that enable the delivery of green bankable projects within Africa;
- b. The establishment of a joint public-private forum for climate change and green investments in Africa that is designed to access larger market dynamics, bolster sustainable production and consumption and drive eco-friendly consumer patterns; and
- c. African states to encourage sustainable practices and circular models across all sectors and value chains inclusive of impacted, highly impactful and priority sectors including but not limited to manufacturing, agriculture, tourism and hospitality, transport and green infrastructure.

We commit to:

- a. Adopting green and circular business models, designing products that are environmentally friendly, and ensuring integration of sustainability throughout the value chains;
- b. Supporting the advancement of trusted information dissemination to build knowledge on the opportunities inherent in African markets; and
- c. Working with African states to raise awareness and adoption of value addition and green manufacturing practices by industries, and in particular by MSMEs, that require more technical and financial support to scale up sustainable practices into their businesses.

## **DECARBONISATION**

### ***Carbon Markets***

We call for:

- a. African states to actively participate in the global discussion around carbon markets and global carbon trade adjustment mechanisms;
- b. African states to include the private sector as a key stakeholder in the design of global carbon markets and carbon trade adjustment mechanisms that uphold the principle of just transition and common but differentiated responsibilities to allow Africa to compete on fair and equitable terms;
- c. African states to develop transparent and equitable carbon market frameworks within Africa that uphold fairness, including community benefit sharing frameworks and environmental integrity in carbon trading activities; and
- d. African states to recognise the inherent transitional challenges and expenses linked to establishing and operating carbon credit systems and develop enabling policies, expertise and structures that deliver on an effective African carbon market which allow the private sector to participate.

We commit to:

- a. Encouraging and developing awareness channels which offer the general public vehicles to understand and engage in carbon markets at the grassroots level and to striving for inclusion across the value chains linked to carbon markets; and
- b. Actively seeking opportunities for nature-based solutions in decarbonisation plans and our commitment to net zero.

### ***Just Transition and Renewable Energy***

We call for:

- a. African states to prioritise universal energy access and clean technologies as a central objective within their renewable energy commitments for both households, institutions, and businesses;
- b. African states to provide for effective technology transfer and skill development that allows Africa to benefit socially and economically from the energy transition; and
- c. African states to increase incentives and enablers in the renewable energy sector to foster a just transition and increased access to clean and renewable energy.

We commit to:

- a. Establish feasible corporate goals aimed at significantly increasing the proportion of renewable energy in our energy consumption as businesses;
- b. Take action to reduce greenhouse gas emissions within our businesses and to encourage our own stakeholders, customers and partners to do the same; and
- c. Equip the young and growing Africa workforce with green skills as well as removing systemic barriers and promoting technologies to create an enabling environment and support a stronger and more sustainable systemic transition to green economies.

## **GREEN TRANSITION MINERALS**

We call for:

- a. African states to recognise the role of informal sector participants, such as artisanal miners, in the extraction of green minerals and commit to formalising this sector in order to improve working conditions, ensure fair returns, and safeguard the health and safety of artisanal miners;
- b. African states to provide a more cohesive and conducive enabling policy framework on the processing and value addition in Africa's primary sectors which are fragmented and challenged by market structure deficiencies and need to be connected by technology, better coordinated, and more strategically financed.

We commit to:

- a. Investing in green mineral projects and their value chains to provide fair working conditions, ensure equitable wages and safeguard the health and safety of employees and any informal sector participant;
- b. Supporting skills training and social development programs which allow the informal sector in mining to formalise and scale their work and businesses;
- c. Optimise value chain efficiency by crowding in investment into shared infrastructure, enhance pricing efficiencies and Research and Development; and
- d. Maximise market access by supporting last mile connectivity and by offering technologies to enhance transparency and traceability.

## **FOOD AND AGRICULTURE**

We call on African states to commit to ensuring food security within Africa by:

- a. Recognising the impact and contribution of small-scale farmers in the food and agriculture value chain and to provide the mechanisms and infrastructure which allow small scale farmers to be part of the formal food and agricultural ecosystem;
- b. Supporting Research & Development in producing climate resilient crops and increasing agricultural productivity;
- c. Scaling up sustainable soil, land and forest management regulations and policies in order to deliver climate co-benefits;
- d. Investing in the design of practical logistics and infrastructure for food storage in Africa to prevent food loss while advancing economic development;
- e. Building transport infrastructure to enable rural connectivity and facilitate market access within Africa; and
- f. Scaling up warning systems that detect and manage natural disasters, yield failures and pest outbreaks.

We commit to:

- a. Build capacity and invest in climate-smart, regenerative agriculture, resilient value chains and food systems that minimise land use and further damage to the environment whilst increasing productivity;
- b. Create critical infrastructure such as refrigeration facilities and warehouses that reduce post-production waste and support market and trade opportunities;
- c. Sourcing value chain linkages through aggregation of smallholder farmers fragmented output and the enhancement of offtake arrangements between stakeholders;
- d. Offering value chain coordination and access to credit to include well-structured financial services to assist and coordinate flow of goods, services and value across the value chain. This will not only drive productivity gains but also help reduce financial diversion in the value chain.

## NATURE AND CARBON SINKS

We call for:

- a. African states to commit to preserving and conserving Africa's natural resources given the importance of our natural assets in biological carbon sequestration and preservation of biodiversity;
- b. African states to commit to incentivise environmental protection using Payment for Ecosystem Services that will allow all those responsible for managing resources at the source to economically benefit for their effective resource management while ensuring the sustainable delivery of ecosystem services;
- c. African states to consider the funding modalities in relation to nature-based solutions as adequate funding is essential to ensure the sustainability and long-term success of nature-based solutions. Nature based solutions often require ongoing management, maintenance, and monitoring to achieve their desired outcomes. Funding modalities that consider the full lifecycle of projects can ensure that nature-based solutions continue to deliver benefits over the years; and
- d. African states to create structured mechanisms through which the positive outcomes of nature-based solutions translate into tangible gains for the people living in and around the ecosystems being preserved or restored.

We commit to:

- a. Recognising the pivotal role of nature-based solutions and grassroots innovations by making certain that our adaptation efforts are guided by principles that prioritise the safeguarding and revival of Africa's natural resources. This will be done while upholding the rights of indigenous communities, local populations, and all those affected; and
- b. Research innovation and actively seeking to invest in nature-based solutions resulting in sustainable socio-economic development and preservation of Africa's natural assets.

## ADAPTATION AND RESILIENCE

We call for:

- a. African states to integrate prevention, adaptation and resilience-building measures into development policymaking and planning;
- b. African states to build climate information systems to provide accurate, data centric information on the effects of climate change and related challenges;
- c. African states to create a communications strategy which consistently delivers information to the public on adaptation measures in order to disseminate critical news and to prepare and empower the population to be adaptive and resilient in their own lives and communities;

- d. African states to strengthen efforts to create regional and/or national dedicated mechanisms and agencies focused on emergency management and addressing loss and damage caused by climate change; and
- e. African states to pledge to invest in resilient infrastructure that can withstand the impacts of climate change such as extreme weather conditions in vulnerable locations and geographies.

We commit to:

- a. Optimise the flow of climate finance invested in climate adaptation and resilience; and
- b. Build awareness and capacity on adaptation and resilience that will lead to sustainability, business continuity, and which minimises negative impacts on society due to disruptions caused by climate emergencies.

## **CLIMATE AND SUSTAINABILITY REPORTING**

We call for:

- a. African states to provide a minimum climate and sustainability reporting framework and avail required data and climate information systems that creates clarity and standardisation of reporting requirements for all private sector given evolving global sustainability requirements;
- b. African states to support the implementation of climate and sustainability reporting throughout ministerial and government agencies, championing the initiative from the highest offices.

We commit to:

- a. Applying national and international best practice in relation to climate and sustainability reporting;
- b. Fundamentally incorporating ESG (Environmental, Social, and Governance) considerations in the strategic and operational decision making of our businesses for the benefit of the triple bottom line (People, Planet, Progress) which can socio-economically transform the lives and livelihoods of the people of Africa; and
- c. Provide complimentary reports on progress of realisation of Nationally Determined Contributions.



**ADOPTED** by the African private sector along the auspices of the inaugural Africa Climate Summit on 6 September 2023 in Nairobi, Kenya.

These are the founding signatories to this statement:



**Karim S. Anjarwalla**  
Director  
ALN

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**Dr. James Mwangi**  
Group MD & CEO  
Equity Group Holdings PLC

A handwritten signature in black ink, appearing to read 'Dr. James Mwangi'.



**Carole Kariuki**  
CEO  
Kenya Private Sector Alliance

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**Rosie Glazebrook**  
CEO  
Commonwealth Enterprise  
and Investment Council

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**John Bosco Kalisa**  
Executive Director  
East African Business Council

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**Anthony Mwangi**  
CEO  
Kenya Association of Manufacturers

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Signed in the presence of:

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**Sanda Ojiambo**  
Assistant Secretary-General and CEO  
United Nations Global Compact,  
Africa Business Leaders Coalition

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**Stephen Jackson**  
Resident Coordinator, Kenya  
United Nations

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In addition to the founding signatories, and to further strengthen Africa’s private sector commitment to this statement, we welcome the following signatories who share in its principles and call to action:



**Julius Opio**  
Board Director, Chair Environment & Energy  
Commission.  
International Chamber of Commerce – Kenya

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**Martin Robert Ochien’g**  
Group Managing Director  
Sasini PLC

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**Dr. Patrick N. Tumbo**  
Group Chief Executive Officer/Principal Officer  
Sanlam Kenya Plc.

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