

Some Issues in Financing

How Much?

Figure 2. Total climate finance needs identified by cost type (US\$ billions)

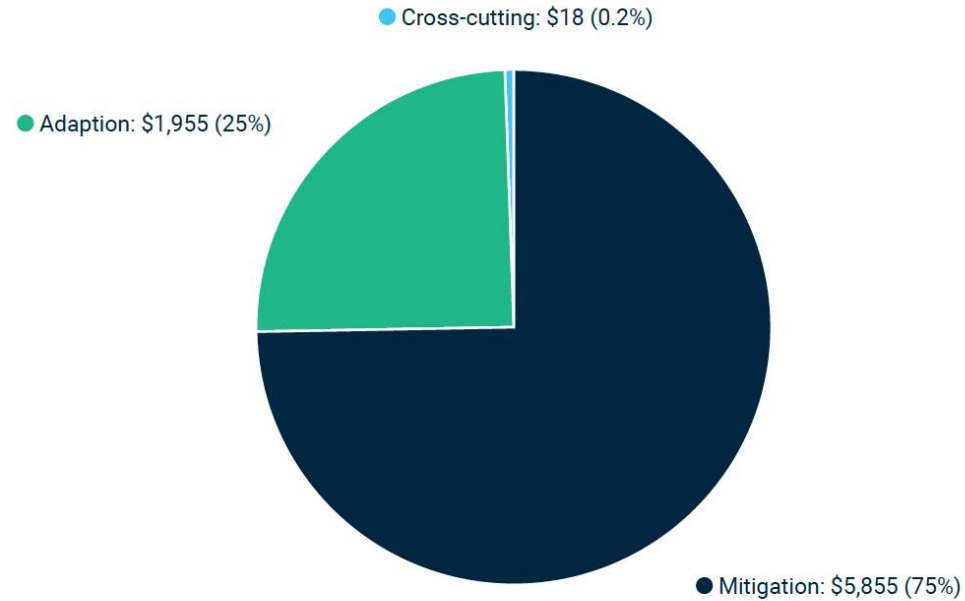
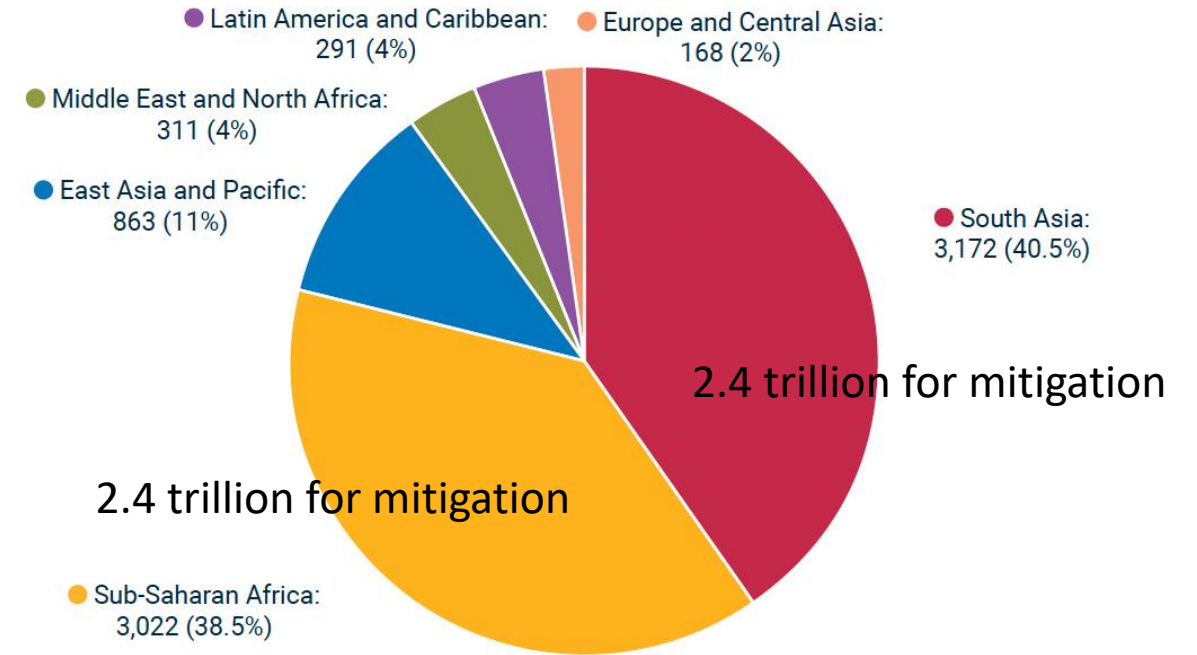


Figure 4. Total climate finance needs identified by region (US\$ billions)



Source: Mind the Gap: An Estimate of Climate Finance Needs by Developing Countries to Fund their NDC Commitments. Pg 14 &16

Please note that this is just a breakdown of the sample size 106 countries with available data

Cost of Borrowing



Source: The Economist, Africa Faces a Mounting Debt Crisis 16th May 2023

Yield | 5:05 PM EDT

USTB 10YRS

3.698% ▲ +0.09

1D 5D 1M 3M 6M YTD 1Y 5Y ALL

+ Comparison

1D



Source: CNBC website as of 5 June 2023

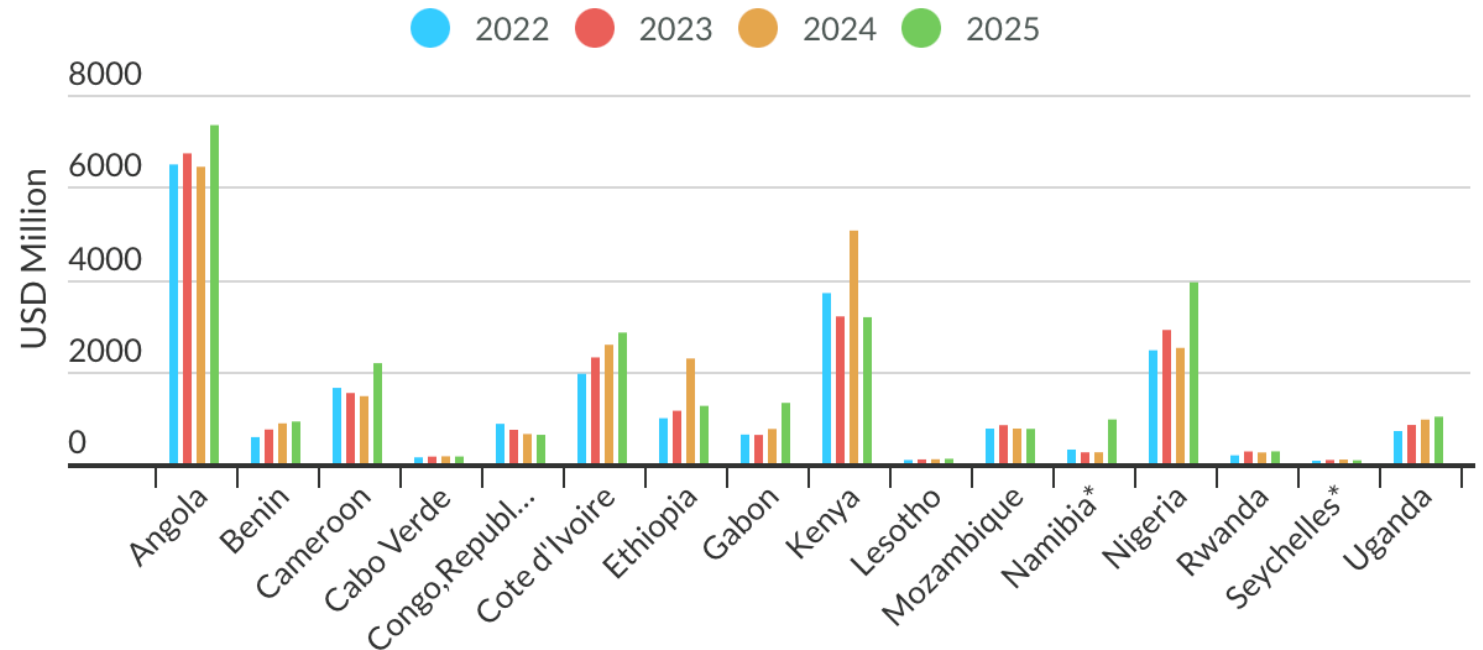
Debt Burden



Source: The Economist, Africa Faces a Mounting Debt Crisis 16th May 2023

Sub-Saharan African Sovereigns, Total External Debt Service Due

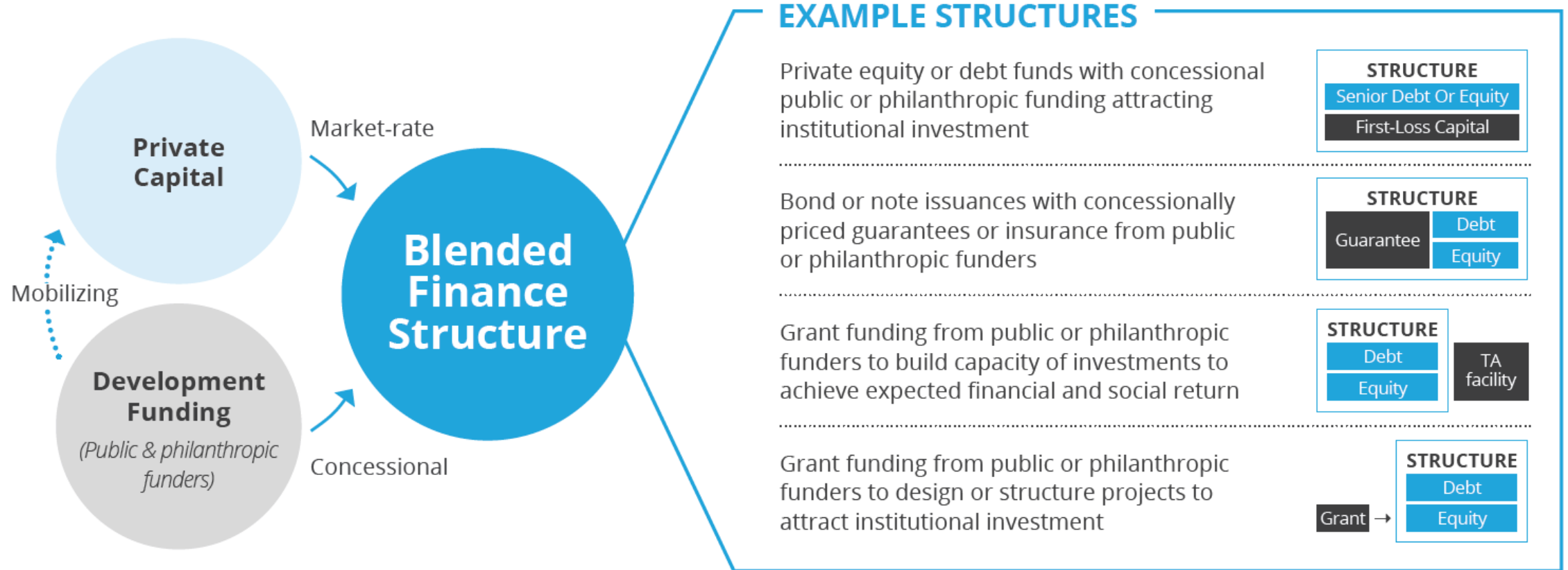
(World Bank International Debt Statistics)



Note: World Bank International Debt Report does not include Namibia and Seychelles, so Fitch's latest assumptions are used
Source: Fitch Ratings, World Bank

Structure Not a Solution

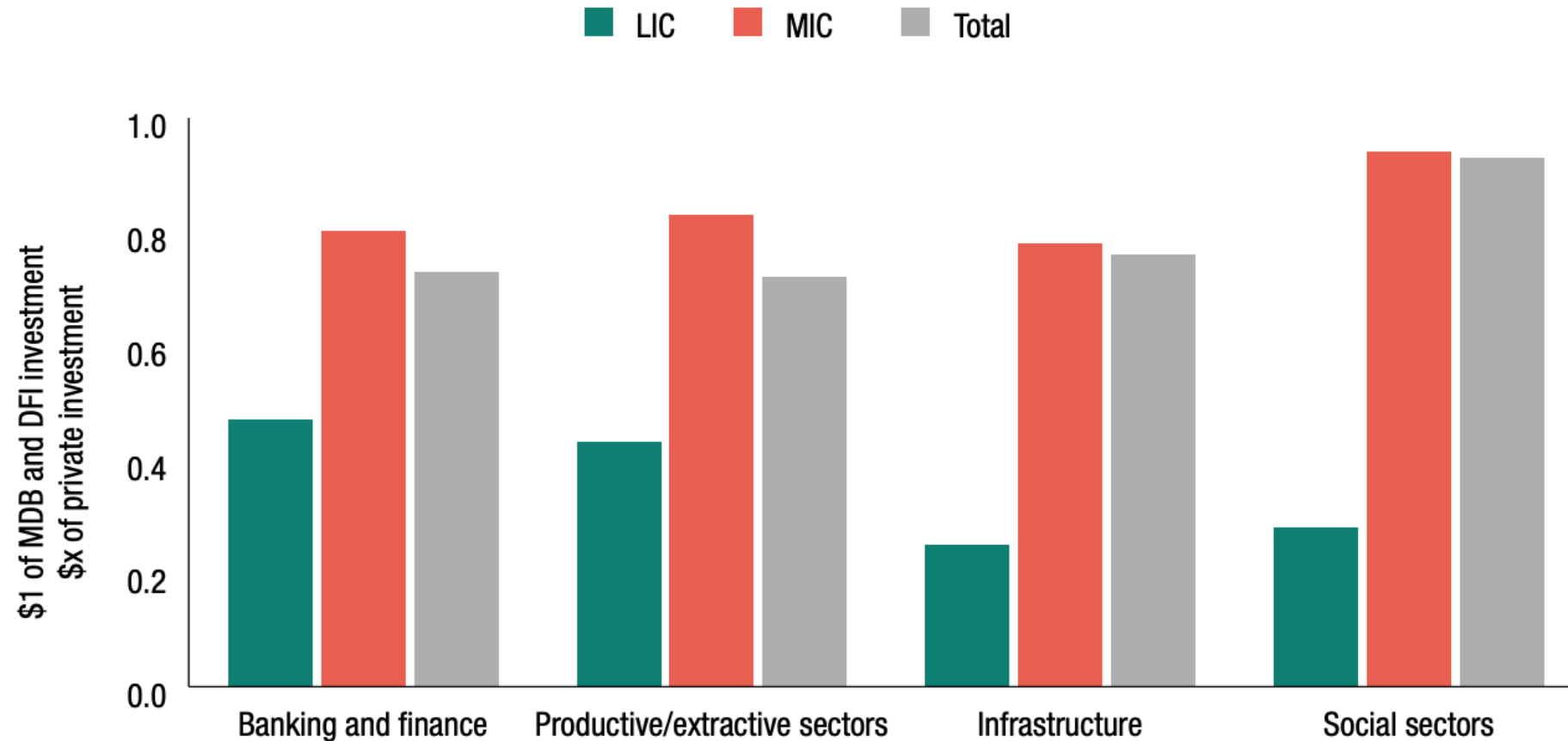
Figure 1: Typical Blended Finance Mechanics and Structures



Source: State of Blended Finance Report (Climate Edition) pg 12.

\$1 = \$0.37

Figure 4 Sector leverage ratios by country income group, nine selected MDBs and DFIs, 2013–2015

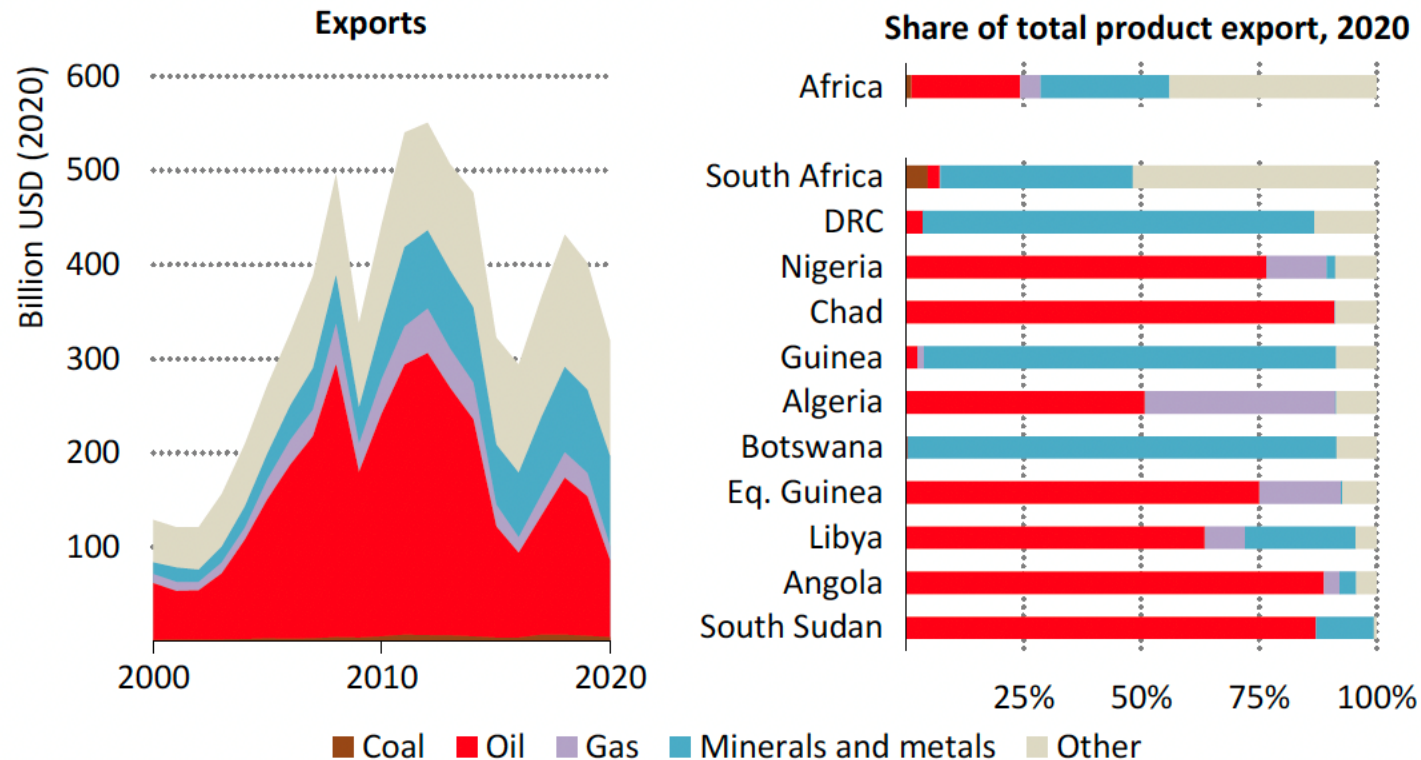


Source: Authors' calculations based on ODI dataset and OECD mobilisation survey.

Source: Attridge, Samantha; Engen, Lars "Blended finance in the poorest countries: The need for a better approach" pg 38.

Key Source of Income, Export Earnings

Figure 1.13 ▸ Export value of fossil fuels, minerals and metals from Africa and share in total exports in selected African countries



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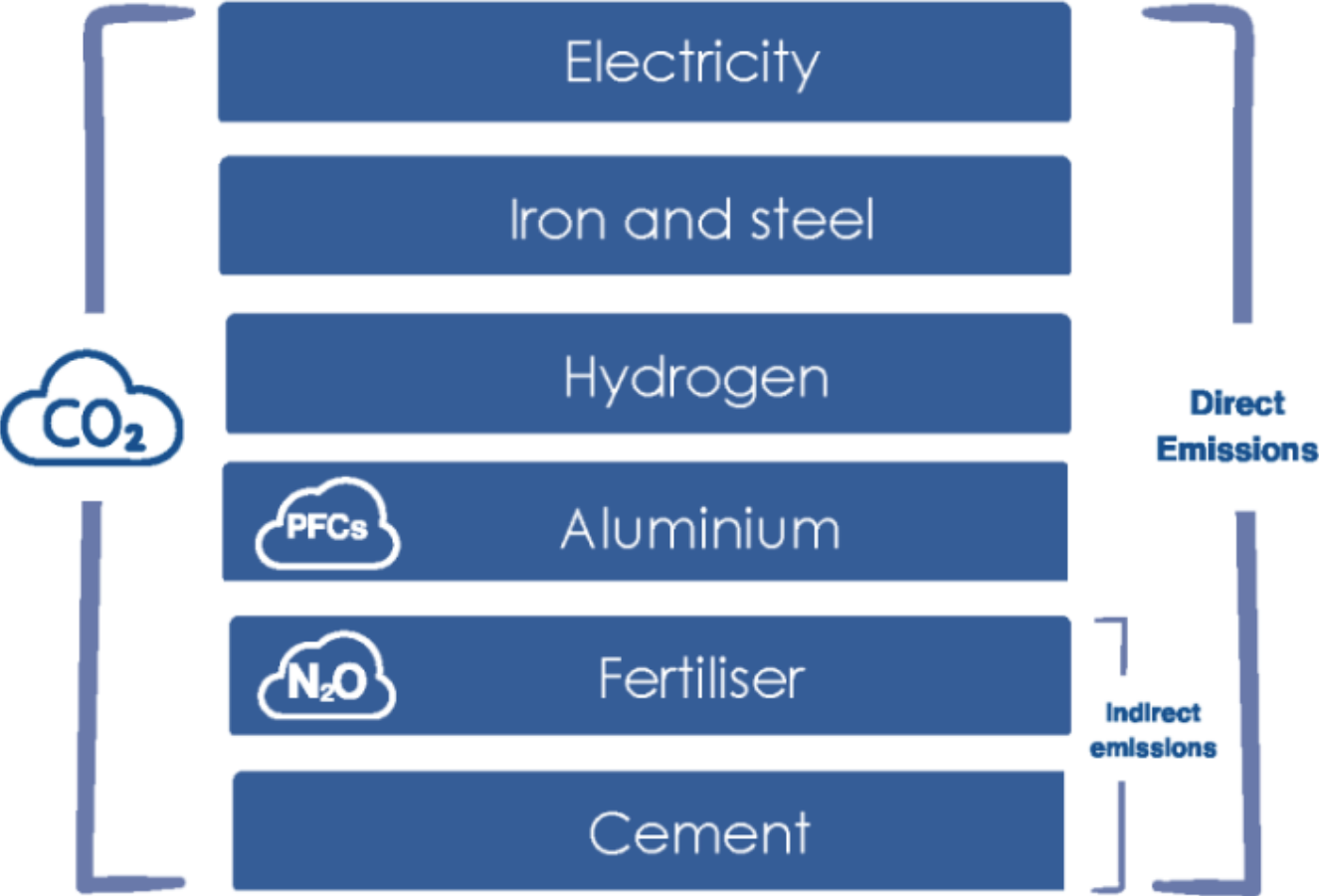
Many African countries rely heavily on exports of fossil fuels, minerals and metals

Notes: DRC = Democratic Republic of the Congo; Eq. Guinea = Equatorial Guinea. Standard international trade classification (SITC) codes 27, 28, 68, 667 and 971 were included in the minerals and metals category; SITC code 3 categories were used for fossil fuels.

Sources: IEA analysis based on United Nations Conference on Trade and Development (UNCTAD) data (2022).

Source: IEA, African Energy Outlook 2022, pg 45

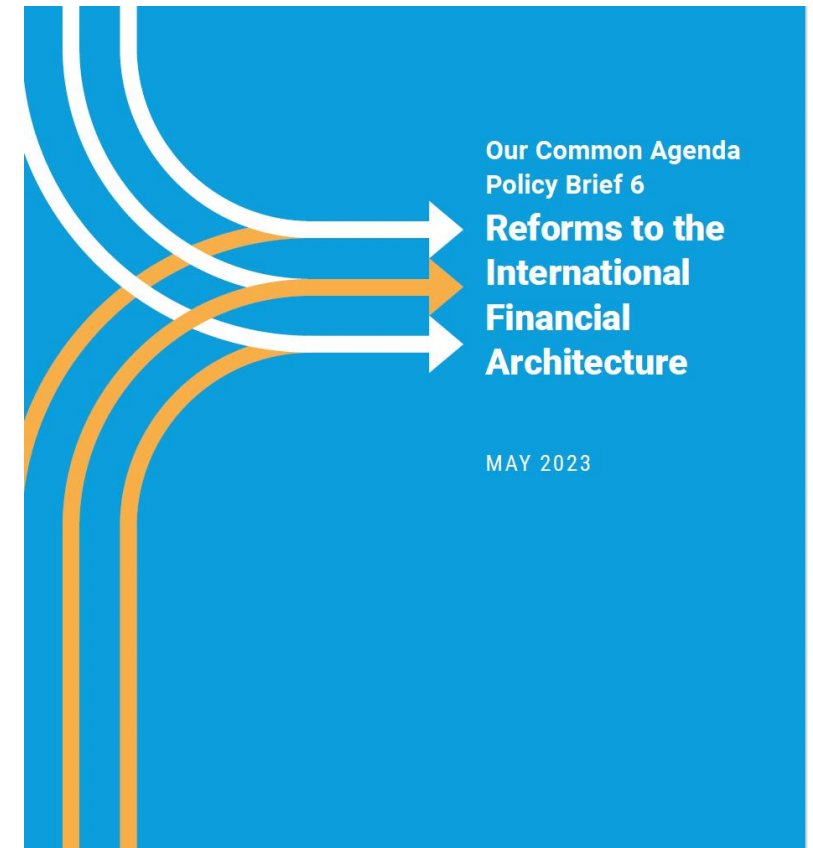
SECTORS & EMISSIONS COVERED



CONCLUSION

1. Enhanced mobilisation of concessional financing, grants from MDBs, DFIs and official bilateral sources remain critically important
2. Debt relief and resolution
3. National economic development is key to generate more resources and capital and in creating markets for more investments in mitigation efforts

4.



THANK YOU

Figure 7. Total climate finance needs identified by region and cost type (US\$ billions)

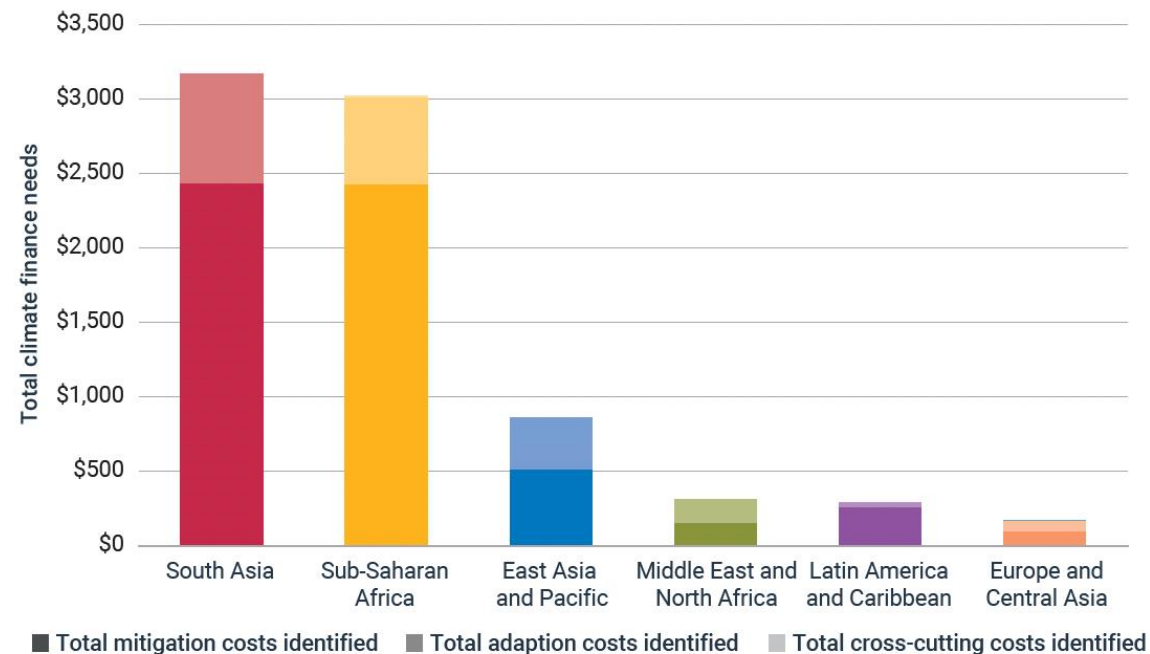
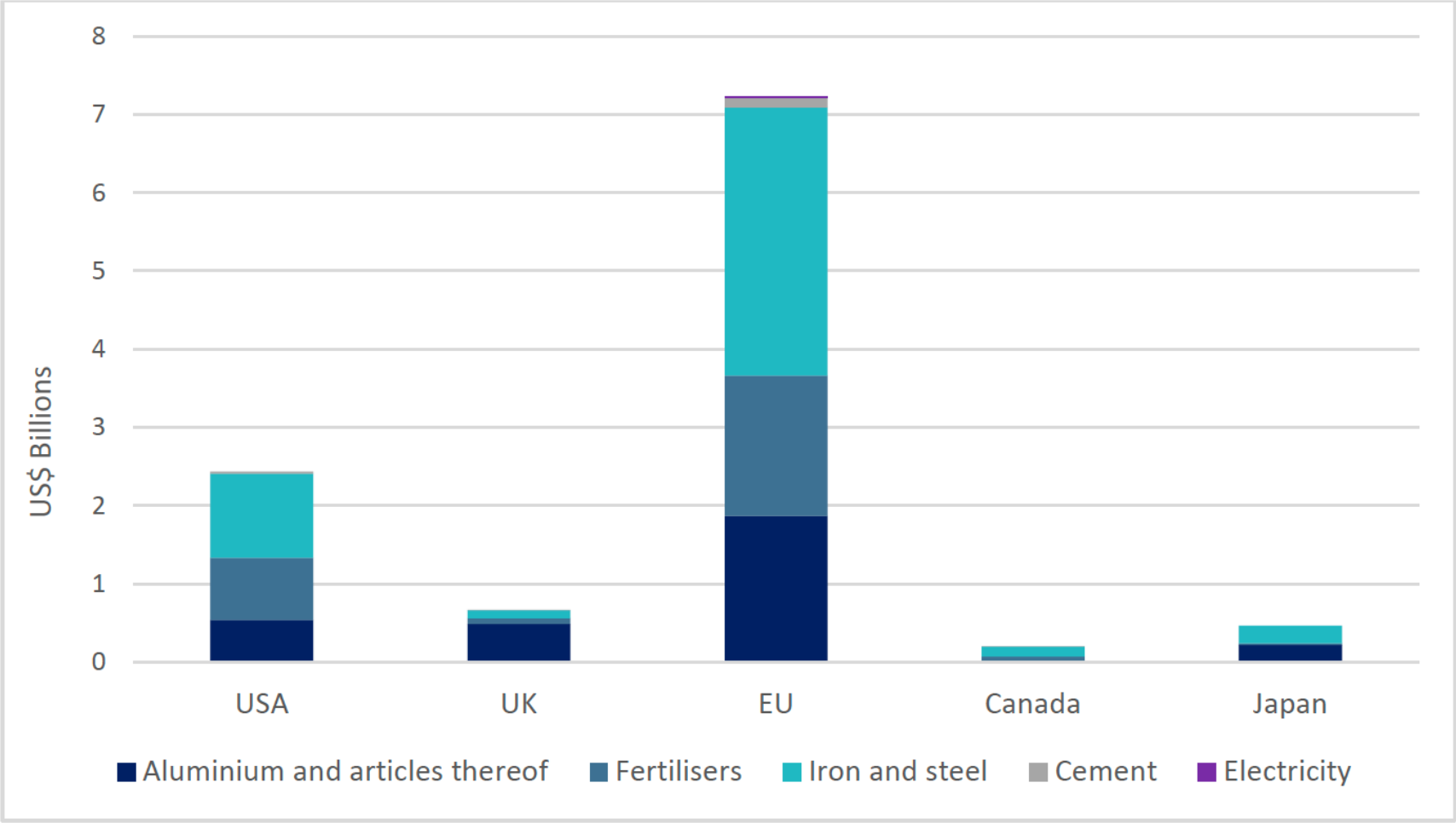


Table 10. Ratio of mitigation costs to adaptation costs by region

Region	Mitigation costs identified (US\$ billions)	Adaptation costs identified (US\$ billions)	Ratio (mitigation costs: Adaptation costs)
South Asia	2,433	738	3.30
Sub-Saharan Africa	2,421	587	4.12
East Asia and Pacific	507	356	1.42
Middle East and North Africa	147	163	0.90
Latin America and Caribbean	253	36	7.02
Europe and Central Asia	93	74	1.26
Total	5,855	1,955	

Figure 2 Exports from Africa exposed to CBAM by Market in 2021



Source: Author's calculations based on ITC TradeMap (2022)