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At One Planet Summit, African leaders commit to raise up to USD 1.4 billion to finance clean infrastructure projects in Africa
GCOM, Afreximbank, AfroChampions Initiative, R20 and BlueOrchard Finance join forces in a global coalition to define roadmap for African sustainable infrastructure

New York, 26 September 2018 - On the occasion of the *One Planet Summit*, H.E.M. Olusegun Obasanjo, Former President of the Republic of Nigeria and Patron to the AfroChampions Initiative, announced the creation of an international coalition of public and private stakeholders to fast-track sub-national sustainable infrastructure on the African Continent. Over the next 4 years, the Sub-national Climate Fund Africa (SnCF Africa) will first commit up to USD 350 million, mobilizing private co-investment to reach up to a total of USD 1.4 billion, in partnership with African sovereign wealth Funds, Afreximbank, and private investors from the AfroChampions Initiative. This major step forward in climate finance, implemented by R20 Regions of Climate Action and BlueOrchard Finance, with support from the European Union and the Global Covenant of Mayors (GCOM), is expected to further innovative clean tech and low-carbon projects in Africa while providing this rapidly urbanizing continent with an ambitious roadmap to cleaner growth.

“For me, this coalition is the perfect continuation of several key past initiatives led by Africans to develop sustainable infrastructure, such as the African Renewable Energy Initiative started on the sides of the COP 21 in Paris or the African Energy Leaders Group started under the umbrella of UN’s Sustainable Energy for All Project”, said H.E.M. President Obasanjo. *“Now that we have a better understanding of the needs at sub-national level in our countries, we are creating the financial tools allowing our continent not only to grow, but also to enhance its competitive advantage on renewables and clean tech. I strongly believe that Africa can become a laboratory for innovative projects against climate change which may be replicable in a few years in other emerging regions”.*

The coalition presented by President Obasanjo serves as a bold statement of commitment from one of the regions of the world most vulnerable to the climate change, making it a top priority for policy and a unique opportunity for both inclusive growth in Africa and partnerships at global level. Catalytic political and financial support from African leaders will accelerate project deployment in up to 15 countries that are amongst the least developed in Africa. In order to have the maximum positive social, economic and environmental impact on local communities, eligible projects shall focus on access to waste management solutions to improve public health, renewable energy, and quality clean public lighting. Building on the commitment made at last year’s One Planet Summit to unlock financing for sub-national climate solutions, SnCF Africa will work closely with the Global Covenant of Mayors to ensure that fully transparent local climate action plans support the identification of potential projects and increase investor confidence.

Ms. Christiana Figueres, current Vice-Chair of the GCOM and former Executive Secretary of the United Nations Framework Convention on Climate Change (UNFCCC) highlighted the driving role of local governments in the project: *“empowering cities to accelerate and improve their climate actions is essential, and only by working across all levels of government and better mobilizing resources will we allow cities to be the driving forces of the global climate efforts. As Vice-Chair of The Global Covenant of Mayors, I welcome the African Union initiative and truly believe that global partnership, climate-smart investments and vertical collaboration is the way forward to support the rapidly urbanizing, critically important cities in Africa and together achieve our Paris Agreement objectives”.*

Providing more details on SnCF Africa's operating model, Dr Christophe Nuttall, who serves as Executive Director of R20, explained that *"the fund will work through sub-national, especially city authorities, to leverage their potential to contribute up to 70 % of Global Climate change mitigation and adaptation impact, while addressing the as-yet neglected mid-market for municipal infrastructure, that is, initiatives worth USD 5 to USD 50 million in cost of construction"*. He also insisted on commitment to quality and impact, stressing that *"SnCF Africa sets a standard to be followed, reducing the dangers of 'greenwashing' by establishing certification procedures for its activities, simplified processes for projects to access carbon credits as well as clear and measurable climate change and development impact targets that are aligned with Sustainable Development Goals (SDGs)"*.

Dr. Benedict Oramah, President of Afreximbank, welcomed the 360° approach consisting in bringing together institutional and private investors: *"blended finance is the only way forward today to effectively and quickly raise the funds and guarantees required to accelerate the deployment of sustainable infrastructure, notably at sub-national levels in Africa. We have for too long worked in silos and should change that paradigm"*, he said. Mr. Samba Bathily, Founder of Solektra International, a company which deployed innovative solar technologies in more than 1600 African localities in 3 years, spoke on behalf of the AfroChampions companies and added: *"this international coalition will allow us to raise funds but also to create technical partnerships to bring selected projects to life, by mobilizing best experts to support Africa. Accelerating Africa's development, creating impact for communities and building more local skills and capabilities. These are our main goals within the AfroChampions Initiative, and we are therefore very keen to channel African private investors towards SnCF Africa. As a first step, AfroChampions companies have already agreed to commit USD 10 million"*.

The coalition for the deployment of sustainable infrastructure in Africa aims to bring to 17 million inhabitants of urban areas improved access to basic services, such as waste collection, access to energy and better street lighting. A first progress report including the list of all the organizations mobilized by SnCF Africa will be presented at the next summit of the Heads of State of the African Union in January 2019. H.E.M. Olusegun Obasanjo also announced that a dedicated summit would be organized in 2019 to unveil the first African projects eligible for funding and further extend the coalition to additional private and public stakeholders interested in game-changing initiatives for Africa.

*** Ends***

Notes to editors

About SnCF Africa

R20 Regions of Climate Action (R20) has teamed up with BlueOrchard Finance, to create the Sub national Climate Fund Africa (SnCF Africa). BlueOrchard, a leading global impact investment manager headquartered in Switzerland, is the world's first commercial manager of microfinance debt investments investing since 2001 more than USD 5bn across 80 emerging and frontier markets.

Officially announced and presented, along with R20's value chain approach, at COP23, in Bonn, SnCF Africa is a first-of-its-kind initiative to address the funding gap for infrastructure projects of between \$5-50 million in cost of construction (capital expenditure / CAPEX). Projects of this size have the greatest potential to accelerate the reaching of the Sustainable Development Goals (SDGs) and the Paris Climate Agreement but are currently least-served by existing funding and development vehicles.

To bridge this funding gap, SnCF Africa blends finance from philanthropists, foundations, governments, development finance institutions, development banks and private investors, deploying a unique ecosystem that fast-tracks the identification, development and delivery of a portfolio of bankable projects. SnCF Africa will invest in up to 30 projects, combining US\$10million of donor- funded technical assistance (to fund project feasibility studies), with US\$100 million of investment commitments from governmental sources,

and US\$250million from private investors. SnCF Africa will further mobilize up to a maximum of US\$ 1.05 billion of additional co-investment in projects. Leverage of government commitments to overall investment is expected to be a maximum of 1:14. Leverage of donor-contributions for technical assistance to investment is expected to be a maximum of 1:140.

SnCF Africa will first be implemented in up to 15 African countries and is expected to bring 17 million people in urban areas improved access to basic services, including waste collection, access to energy and energy efficient public lighting; with regards to access to clean energy alone, 2.5 million people are expected to benefit from the initiative. According to latest estimates and forecasts, SnCF Africa should also enable up to 1 billion kWh of renewable power production (from waste-to-energy plus solar PV projects); save 36 million kWh (from energy efficient street lighting projects); and reduce 2 million tons of CO₂eq emissions every year. In addition, up to 28,000 quality jobs will be created in targeted countries.

<https://regions20.org/sub-national-climate-fund-sncf-2/>

About the AfroChampions Initiative

The AfroChampions Initiative is a public-private partnership designed to galvanize African resources and institutions to support the emergence and success of African private sector's multinational champions in the regional and global spheres. The Initiative was founded by the advisory firm Konfidants; and is Co-Chaired by President Thabo Mbeki and Mr. Aliko Dangote, President and CEO of Dangote Group. The Initiative is headquartered in Accra, Ghana, and works with regional and global partners and governments, with the support of other corporate and institutional partners including ADS Group, the Djondo Fellowship, Olusegun Obasanjo Presidential Library and Thabo Mbeki Foundation. As a strategic platform within the Initiative, the AfroChampions Club, chaired by Mr. Aliko Dangote, seeks to work with African governments to support policies and public-sector innovations that drive African economic integration, regional economic clusters and value chains. In June 2018, the AfroChampions Initiative hosted the 1st African Wealth Funds Summit in Accra, Ghana. An Alliance of African Sovereign Wealth Funds was then launched to support the deployment of transformative projects on the continent, especially in the areas of infrastructures.

www.afrochampions.com

About Afreximbank

The African Export-Import Bank (Afreximbank) is the foremost pan-African multilateral financial institution devoted to financing and promoting intra- and extra-African trade. The Bank was established in October 1993 by African governments, African private and institutional investors, and non-African investors. Its two basic constitutive documents are the Establishment Agreement, which gives it the status of an international organization, and the Charter, which governs its corporate structure and operations. Since 1994, it has approved about \$60 billion in credit facilities for African businesses, including about \$8.5 billion in 2017. Afreximbank had total assets of \$11.9 billion as at 31 December 2017 and is rated BBB+ (GCR), Baa1 (Moody's), and BBB- (Fitch). The Bank is headquartered in Cairo. For more information, visit:

www.afreximbank.com

About GCOM

The Global Covenant of Mayors for Climate and Energy is the largest global coalition of cities and local governments voluntarily committed to actively combatting climate change and transitioning to a low carbon and climate resilient economy. Led by UN Secretary-General's Special Envoy for Climate Action, Michael R. Bloomberg, and European Commission Vice President, Maroš Šefčovič, in partnership with local, regional and global city networks, the Global Covenant has thousands of city signatories across 6 continents and more than 120 countries, representing over 700 million people or nearly 10% of the global population. By 2030, Global Covenant cities and local governments could collectively reduce 1.4 billion tons of CO₂ emissions per year from business-as-usual – equal to the emissions of taking all car in the United States off the road for one year.

www.globalcovenantofmayors.org