

CLIMATE FINANCE REGIONAL BRIEFING: SUB-SAHARAN AFRICA

CLIMATE FINANCE 7 FUNDAMENTALS

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Sub-Saharan Africa (SSA) is the region least responsible for global climate change and most vulnerable to its impacts. A multitude of actors are involved in directing climate finance to the region, both to support low-emission development and to help countries adapt to the severe impacts that are already being felt. The Green Climate Fund (GCF), in 2025 and now in its second replenishment period (GCF-2), continues as the largest multilateral climate fund contributing to the region, followed by the Least Developed Countries Fund (LDCF), the Global Environment Facility (GEF) and the Central African Forest Initiative (CAFI). For the funds tracked, Climate Funds Update (CFU) data indicates that USD 10.6 billion has been approved for 1,202 projects and programmes throughout SSA since 2003. Less than half, or 40% of the approved funding from these multilateral climate funds has been provided for adaptation measures. With many countries in the region experiencing unsustainable debt and limited fiscal space worsened by climate change impacts, grant financing continues to play a crucial role in ensuring that climate actions secure multiple, people-centred and gender-responsive benefits for the most vulnerable countries and population groups. Findings by the Intergovernmental Panel on Climate Change (IPCC) suggest that public grants for mitigation and adaptation funding in SSA are cost-effective and have high social returns, including for access to basic energy (IPCC, 2022a and 2023).

Introduction

Although SSA¹ is responsible for less than 4% of annual global greenhouse gas (GHG) emissions, it is the region most susceptible to the dangerous impacts of climate change, many of which are already being experienced: surface temperatures on land and sea levels around the continent increase faster than the global average, for example (IPCC, 2021; IPCC, 2022a). By recent estimates, without corrective climate action, climate damages could cost up to 20% of Africa's gross domestic product (GDP) by 2050 (CPI/GCA, 2025). In climate change planning, and with respect to increasing the ambition of their nationally determined contributions (NDCs), many countries in SSA are therefore focusing on long-term adaptation needs (UNDP, 2021). Of particular concern is the relationship between climate change, food production, food prices and extreme weather conditions, which collectively threaten food security. In SSA, crop yields are projected to decline by 5% to 17% by 2050 due to climate change, especially in key staples. Indeed, the largest projected increases of people living in poverty because of climate change are expected in Africa, mainly due to the continent's heavily agriculture-dependent economy (FAO, 2024), with some estimates that an additional 40 million people in SSA could

face chronic hunger in 2050 due to climate change (UNEP, 2023). The majority of SSA's population lives in rural areas and continues to depend on weather-sensitive activities such as rain-fed agriculture, herding, and fishing for their livelihoods (IMF, 2022).

Many countries in SSA, faced with unsustainable debt levels and limited fiscal space, are caught in a vicious circle with climate impacts worsening debt distress, while growing debt service payments crowd out the investments needed for resilience (Dryden and Volz, 2025). Not just maintaining but expanding public grant support, at around 40% for the CFU-tracked funds, is thus crucial. Current levels of climate finance directed to SSA are insufficient to meet the region's demonstrated need for adaptation finance, which already several years ago were estimated to reach USD 50 billion per year by 2050 under an optimistic 2°C warming scenario (UNEP, 2015), and could require up to 4.9% of the region's GDP with adaptation finance needs potentially as high as USD 96 billion a year (UNEP, 2023). A bottom-up analysis of the NDCs of 51 African countries cumulatively shows an even higher need for an estimated USD 579 billion in investment for adaptation through 2030 (CPI, 2022; GCA, 2022). The most disenfranchised, and therefore the most

vulnerable population groups in the region, have received limited support so far. A significant barrier to investment is the transaction costs of the small-scale projects that are often required in the poorest areas. Public sector grant finance will continue to play a crucial role in allowing for significant environmental, developmental, social and gender equality co-benefits of climate actions in the region to be realised, not only for adaptation measures but also for access to basic energy and to address energy poverty (IPCC, 2023).

Where does climate finance come from?

Table 1 and Figure 1 present the multilateral climate funds tracked by CFU in the region. The GCF by a vast margin is the major source of climate finance for SSA since its first project approvals in 2015, with USD 4.4 billion approved to date for 100 projects plus USD 196 million for 221 readiness programmes. The LDCF, which implements urgent adaptation activities prioritised by least developed countries (LDCs) under national adaptation programmes of actions (NAPAs) and national adaptation plans (NAPs), is the second largest provider in the region with USD 1.1 billion in grant funding for 206 projects. The GEF remains

Table 1: Climate funds supporting sub-Saharan Africa (2003–2025, USD millions)

Fund	Amount approved	Projects approved
Green Climate Fund (GCF-IRM, GCF-1, GCF-2)	4,409.8	100
Least Developed Countries Fund (LDCF)	1,072.5	206
Global Environment Facility (GEF-4, 5, 6, 7, 8)	793.2	225
Central African Forest Initiative (CAFI)	776.3	47
Clean Technology Fund (CTF)	735.1	18
Adaptation Fund (AF)	432.0	132
Forest Carbon Partnership Facility (FCPF)	418.2	24
Global Climate Change Alliance (GCCA)	358.8	46
Scaling Up Renewable Energy Program in Low Income Countries (SREP)	304.0	26
Forest Investment Program (FIP)	302.5	26
Pilot Program for Climate Resilience (PPCR)	294.9	29
Adaptation for Smallholder Agriculture Programme (ASAP)	200.2	30
BioCarbon Fund	83.7	5
Congo Basin Forest Fund (CBFF) ³	83.1	37
Global Energy Efficiency and Renewable Energy Fund (GEEREF)	40.5	2
UN-REDD Programme	36.4	8
Special Climate Change Fund (SCCF)	33.5	13
Millennium Development Goals Achievement Fund (MDG-F) ⁴	20.0	4
Partnership for Market Readiness (PMR) ⁵	5.9	3

Figure 1: Funds supporting sub-Saharan Africa (2003–2025)

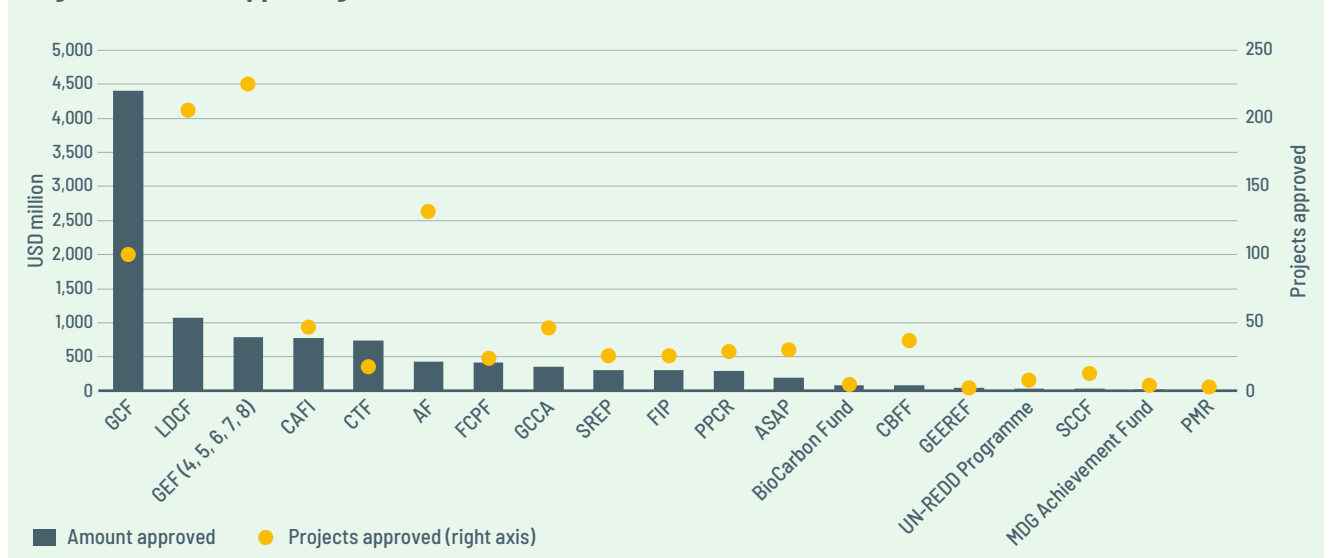
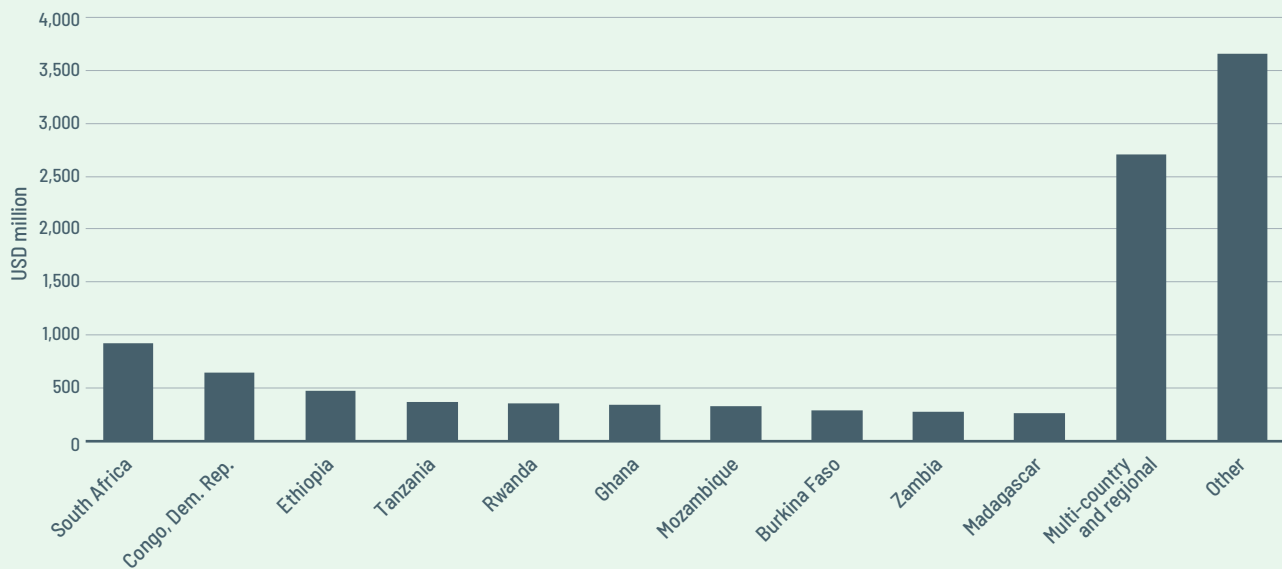


Figure 2: Top ten recipient countries by amount approved (2003-2025)



the third largest contributor in the region and has now approved USD 793 million for 225 projects. The CAFI has meanwhile approved a total of USD 776 million for 47 projects to support forest conservation, sustainable land-use reform and low-deforestation development pathways across Central African countries, including the Democratic Republic of the Congo, Gabon, the Republic of the Congo, Cameroon and the Central African Republic.

Bilateral climate finance also flows to SSA. Such climate finance complements the multilateral climate fund flows. This also includes the bilateral climate funds of Germany, the United Kingdom and Norway, who are active in the region.² Bilateral funds, however, are not tracked by CFU given their relative lack of transparently available detailed information of current activities and spending.

In 2021, France, Germany, the Netherlands, Denmark, the United Kingdom, the United States and the European Union committed to fund a USD 8.5 billion concessional funding package for South Africa over five years under the new Just Energy Transition Partnership (JETP) initiative announced at COP26 for decarbonisation projects as well as for coal worker and community support programmes. With South Africa’s investment plan and implementation plan finalised, implementation has begun in 2023, with first loan tranches released (South Africa Presidency, 2022 and 2023; UK Government, 2023). The vast majority of this funding is expected to be provided as loans. Despite the US government under the Trump administration cancelling its participation in and funding for the JETP in March 2025 (Chime, 2025), as the remaining partners have continued and stepped up their support, the scale of the initial USD 8.5 billion package has since been expanded to USD 13.7 billion in pledged support (UK Government, 2025). A second JETP in the region was announced for Senegal in 2023 with a promised EUR 2.5 billion (of which only EUR 150 million will be provided as grants) mobilised over three to five years through the support of France, Germany, the United Kingdom, Canada, and the European Union (EC, 2023). In

Figure 3: Approved funding across themes (2003-2025)

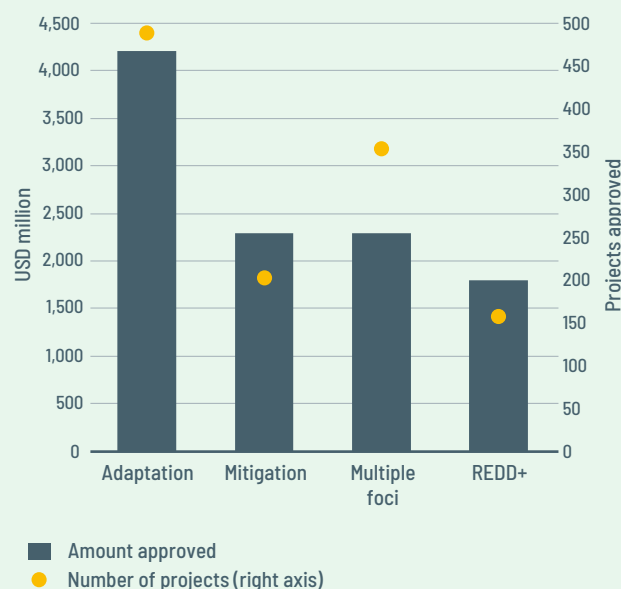


Table 2: Approved funding across themes (2003-2025)

Theme	Amount approved (USD millions)	Projects approved
Adaptation	4,214.4	489
Mitigation	2,295.6	202
Multiple foci	2,291.4	353
REDD+ (reducing emissions from deforestation and forest degradation, forest conservation, sustainable forest management and the enhancement of forest carbon stocks)	1,795.0	158

2025, the partnership has moved into its implementation phase, focusing on increasing the share of renewable energy to 40% of Senegal's installed electricity capacity by 2030 (DDP, 2025).

Who receives the money?

A large share of climate finance for SSA has been directed to South Africa, which has received over 9% of funding approved by the multilateral climate funds since 2003 (Figure 2). Close to half of the finance South Africa received is CTF supported, including the Eskom renewable energy programme. Under the CTF's Accelerating Coal Transition (ACT) programme, launched in 2021, South Africa is slated to receive up to USD 500 million in concessional CTF financing within the framework of its JETP, with one project supported in 2025. The partnership, initially announced at USD 8.5 billion, has since expanded to over USD 13.7 billion in pledged support to facilitate the country's transition away from coal-fired power generation (CIF, 2021, 2022a and 2022b; UK Government, 2025). Although 43 countries in SSA have received some funding, approximately half (40%) of the region's approved funding has gone to the top ten recipient countries. However, climate funds are also reaching fragile or conflict affected states such as Liberia, Chad, Burundi and Somalia.

Box 1: Climate finance in SSA in LDCs

LDCs are some of the countries most vulnerable to the impacts of climate change. A number of LDCs in SSA are also fragile and conflict affected states that make spending more complex and can often require context-specific solutions. The multilateral climate funds have tended to focus finance in the LDCs within the SSA region. Since 2003, 29 LDCs have been supported with USD 5.8 billion, representing 55% of overall approved finance for the region. The Democratic Republic of Congo, Ethiopia, Tanzania, Rwanda, Mozambique, Burkina Faso, Zambia, Madagascar, Niger and Mali are all LDCs due to receive more than USD 240 million for approved project activities.

The GCF target of dedicating 50% of approved finance to adaptation projects, and half of this amount to LDCs, SIDS and African States, means that the fund has become an increasingly important source of climate finance to African LDCs. In 2025, the GCF accounted for 37% of cumulative project approvals for SSA LDCs. In 2025 alone, the GCF approved nine single-country projects in LDCs in Benin, Burkina Faso, Madagascar, Mali, Mauritania, South Sudan, Senegal, Uganda and Togo for a combined USD 276 million, as well as three regional programmes with mostly LDC participants, worth another USD 376 million in GCF support. The LDCF, which before 2020 led in support for SSA LDCs, now accounts for 18% of cumulative project approvals.

What is being funded?

Figure 3 and Table 2 illustrate that the largest percentage (and number) of projects support adaptation objectives, reflecting the extreme vulnerability of many SSA countries to the impacts of climate change.

Positive developments were seen in 2025 in international climate finance going to SSA. The GCF was once again the largest international funding source of climate finance for the region, with USD 836.4 million approved for 37 new GCF projects and programmes including 21 readiness projects (USD 27.3 million). The two largest projects in SSA approved in 2025 were also via the GCF. The first programme, which provides USD 150 million in grant to eight countries, aims to strengthen climate resilience and adaptive capacity by scaling up climate information services and climate-informed decision-making across vulnerable communities. The second programme aims to improve dairy production systems in Kenya, Tanzania, Uganda and Rwanda, with USD 150 million approved, including USD 17.5 million in loans, to promote climate-resilient and low-emission agricultural practices.

With respect to the other multilateral climate change funds: seven new grant finance projects were approved by the GEF (USD 22 million in total) including one project to catalyse energy-efficiency investment in small and medium enterprises in South Africa (USD 14.7 million); 22 new projects were approved by the LDCF (USD 197 million in total); the Adaptation Fund (AF) approved seven new projects in SSA in 2025 totalling USD 63 million, including one project to improve the adaptive capacity of food-insecure households in Lesotho (USD 10 million), and one project in Somalia to promote sustainable land use and climate-adaptive income opportunities (USD 10 million). The Climate Investment Funds (CIFs) approved three additional projects in 2025: two under the Clean Technology Fund (CTF), totalling USD 27.5 million, and one under the Forest Investment Program (FIP) for USD 14.5 million. Finally, the Adaptation for Smallholder Agriculture Programme (ASAP) approved USD 4.8 million for a regional programme to enhance the use of climate information services in agribusiness.

Additionally, ten projects supporting REDD+ were approved in 2025. All were approved by the Central African Forest Initiative (CAFI), which expanded its activities with a total of USD 58.4 million in new approvals. The largest of these projects, approved for USD 20 million, aims to reduce deforestation and promote sustainable land-use in the Grand Mbam region of Cameroon. In contrast to the previous two years, the BioCarbon Fund did not sign any new Emission Reductions Purchase Agreements (ERPAs).

International climate finance is thus improving its flow into the region, although the challenge of project implementation – with the speedy disbursement of funds – remains.

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Endnotes

1. Financing for five SSA countries (Cabo Verde, Comoros, Guinea-Bissau, Mauritius and the Seychelles) is captured in CFF12 on Small Island Developing States (SIDS).
2. In 2014, the last year when CFU was able to track bilateral climate funds, cumulative bilateral flows to SSA included USD 98 million from Germany's Internationale Klimaschutzinitiative (IKI, international climate initiative), USD 36 million from Norway's International Climate and Forest Initiative (NICFI) and USD 169 million from the UK's International Climate Finance (ICF).
3. The Congo Basin Forest Fund (CBFF) operated for a ten-year period from 2008–2018 and was formally closed in 2018; it has been succeeded in the region by the Central African Forest Initiative (CAFI).
4. The Millennium Development Goal Achievement Fund (MDG-F) was operational from 2007–2013. As of May 2019, all of its projects had been financially closed.
5. The Partnership for Market Readiness (PMR) concluded its operations in 2022.

The Climate Finance Fundamentals are based on Climate Funds Update data and up to 2021 also available in French and Spanish at www.climatefundsupdate.org

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