



The Women Leaders for Climate Action takes the lead in advancing sustainable finance through Green and Gender bonds capacity building for financial players in Zambia

15th March 2023, LUSAKA - Starting today, the Women Leaders for Climate Action (WLCA) will be hosting a two-day Roundtable Event on Green and Gender Bonds with potential green and gender issuers and arrangers in Lusaka.

This event will build stakeholder capacity on green and gender bonds requirements and needs. The event will explore the climate financing needs in Zambia and potential adaptation projects, and facilitating deep dives into the steps needed to make green and gender bonds one as key capital market instruments that will help the country meet climate and gender equality outcomes from target investments. Zambia already has in place a supporting regulatory framework to support green bond issuances, the Securities (Green Bonds) Guidelines of 2019.

In view of the need for Zambia to mobilise \$50 billion to fund its National Determined Contributions (NDCs), it's crucial that key players explore a range of financial instruments required to fund climate action in Zambia. It's against this background that WLCA since 2022 have explored the possibility of a bond that could deliver green outcomes and gender equality outcomes. This is in full recognition that Zambian women face the brunt of climate impacts and are also leading enterprises adapting to new realities that need financial support.

WLCA has partnered with FSD Africa to deliver, the roundtable event. WLCA aims to collectively mobilize resources to support large scale response to climate change through financial instruments such as the gender green bond. The network seeks to enhance women's resilience to climate change by eliminating gender gaps in accessing climate finance in Zambia. The women's network is also focused on raising voices of communities impacted by climate change especially women.

Speaking at the same event, **WLCA Co-Chairperson and WWF Zambia Country Director Nachilala Nkombo** said that the organisation understands the challenges that exist in accessing climate finance for developing countries, the challenges are especially worse for women led innovations.

“This is the reason we as WLCA have offered ourselves to provide linkages for women entrepreneurs and innovators to local and global climate financing opportunities so as to close the financing gap. It is worth noting that WLCA's objectives contribute to the economic transformation and environmental sustainability pillars of our 8 NDP by strengthening citizen participation in the economy as well as enhancing their mitigation and adaptive capacity to climate change for sustainable inclusive growth.”

As WLCA's implementing partner, FSD Africa will be working with Zambian capital market stakeholders to identify potential issuers of demonstration green and gender bonds and lend its support. FSD Africa is a specialist development agency working to help make finance work for Africa's future. It is funded by UK aid from the UK government. This support is part of the Green Growth Compact, a framework for collaboration between the UK Government



and the Government of Zambia to follow a green growth development pathway. This will contribute to global ambitions on emissions reductions whilst protecting Zambia's own unique biodiversity and natural capital for the benefit of future generations.

Sarah Bloom, Head of Economic Development, Foreign and Commonwealth Development Office, Zambia (FCDO) and WLCA Co-Chairperson said.....

“The Government of Zambia has identified green growth and environmental sustainability as a key strategic pillar to achieve the aspirations of the 8th National Development Plan (8NDP) and Vision 2030. The UK, through Women Leaders for Climate Action is pleased to play our part to build the capacity of market players and to introduce new and innovative products to Zambia, such as green and gender bonds as alternative funding sources to drive climate resilient sustainable development.”

FSD Africa has provided technical assistance towards the development of green and gender bond transactions across Africa, mobilizing over \$400 million in the process. This entailed development and review of guidelines and listing rules in Kenya, Morocco, Ghana, Nigeria and Tanzania that have laid a solid foundation for green and gender bond issuances and subsequent listing on local exchanges. Through various demonstration transactions across the continent, FSD Africa plans to work closely with bond issuers to meet the \$277 billion annual climate financing gap in Africa.

Evans Osano, FSD Africa's Director Capital Markets had this to say:

“Zambia requires about \$50 billion in climate finance to meet her enhanced NDCs. FSD Africa is delighted to support the development of capital markets in Zambia to provide much-needed long-term capital through diversified and innovative investment asset classes. By leveraging on her capital markets, Zambia is on the right track to enable the economy to realise its full potential and achieve impactful real and social sector outcomes.”

Through FSD Africa's support, gender bonds issuances in Africa have now raised USD 52.7mn in local currency. These funds will help address the access to finance challenge that is prevalent amongst women entrepreneurs in Africa. In addition, providing support for gender bond issuances continues to grow gender bonds as a distinct asset class, increasing appetite for impact investing amongst local investors. FSD Africa is particularly committed to ensuring that we support funding models that have a clear tracking mechanism for the use of proceeds.

Request for further information can be made by sending an email to bmilambo@wwfzam.org

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Notes to the Editor

Green and gender bonds are akin to regular debt securities with the distinguishing feature being that the capital raised from investors is earmarked exclusively for projects with verifiable environmental and social benefits. Benefits from the issuance of green bonds primarily relate to climate change mitigation or adaptation and address natural resource depletion, loss of biodiversity, or air, water, or soil pollution. Gender bonds aim to promote positive social outcomes as they are exclusively dedicated to achieving gender equality by financing women-owned, women-led businesses and businesses that offer products and services that specifically or disproportionately benefit women.

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About Women Leaders for Climate Action

The Women Leaders for Climate Action (WLCA) is a network of influential women leaders and it works in four thematic areas i.e. renewable energy, climate smart agroforestry, health and green cities and science based targets. Its objectives are:

1. To amplify the voices and solutions of vulnerable communities and women whose livelihoods are put at risk by climate change and environmental degradation;
2. To advocate for Zambian global leadership on climate and environmental sustainability solutions through steering the development of nature-based solutions and a pipeline of bankable green finance instruments and projects in Zambia;
3. To advocate for specific policy measures and initiatives to operationalize the green economy and secure an economic future for all Zambians;
4. To create knowledge and community awareness on the importance of individual environmental sustainability behaviours and decisions; and
5. To promote corporate environmental stewardship through widespread implementation of environmental, social and governance (ESG) frameworks within our institutions.

About FSD Africa



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FSD Africa is a specialist development agency working to help make finance work for Africa's future. Based in Nairobi, FSD Africa's team of financial sector experts work alongside governments, business leaders, regulators, and policymakers to design and build ambitious programmes that make financial markets work better for everyone. Established in 2012, FSD Africa is incorporated as a non-profit company limited by guarantee in Kenya. It is funded by UK aid from the UK government.

For more information visit our website: www.fsdafrica.org