



CLIMATE FINANCE

THE ROAD TO RESILIENCE

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ABOUT VOICES OF SUSTAINABILITY

Voices of Sustainability is a thought leadership platform launched by the Zayed Sustainability Prize to explore the challenges and opportunities of the global transition to an inclusive and

prosperous future. Each month, the series hosts some of the top global thought leaders to discuss the latest trends and themes in the sustainability agenda.



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INTRODUCTION

In honour of Earth Day 2023, the Zayed Sustainability Prize hosted the 23rd episode of its virtual fireside chat series called Voices of Sustainability, featuring William Asiko, Vice President at the Africa Regional Office, Rockefeller Foundation; and Anjali Bansal, Founding Partner, Avaana Climate and Sustainability Fund. Against the backdrop of COP28 UAE this year and 2023 being designated the ‘Year of Sustainability,’ the conversation focused on the urgent need for financial innovation to tackle climate change and sustainability challenges. As a country that is committed to a sustainable future, the UAE is

actively exploring innovative solutions to achieve its ambitious climate goals. This conversation highlighted the significance of diverse financial tools tailored to the needs of the Global South, and the importance of promoting sustainability through Public-Private Partnerships (PPPs).

This session provided an important platform to engage in dialogue and exchange ideas about sustainable development and the pressing need for global action on climate change.



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SUMMARY REPORT

On 28 April 2023, William Asiko and Anjali Bansal participated in a Voices of Sustainability virtual fireside chat hosted by the Zayed Sustainability Prize in honour of Earth Day. Titled “Climate Finance: The Road to Resilience,” the conversation focused on the urgent need for financial innovation to address climate change and sustainability challenges, and the importance of a diversity of financial products to achieve these goals.

Asiko launched the conversation with a discussion about the challenges faced by the Global South, and how the Rockefeller Foundation has been developing innovative financial products to help African countries mitigate the effects of climate change. He emphasised the need for new financial tools tailored to the unique challenges of African countries, as they are relatively low emitters but suffer a disproportionate amount of damage. Asiko stressed the importance of partnerships between governments, businesses, and civil society to achieve progress on climate action.

Bansal, an impact investor and Founding Partner of Avaana Capital, echoed Asiko’s call for financial innovation, emphasising the need for a diversity of financial products to address the complex challenges of climate change. She suggested that “countries with large populations with vulnerable communities, such as India, will get the financing they require in untraditional ways. So, we don’t need reform so much as we need new products, which take the leap forward and recognise climate action and innovation -- just like we did with microfinance, which was and is still a highly innovative financial product with a different distribution method. Microfinance breaks up the traditional paradigm of a loan, offering small loans at one’s doorstep without one having to be there physically, needing collateral. These loans effectively use social capital as collateral.”

The conversation then turned to the role of traditional lenders like banks and microfinance schemes in promoting sustainability and climate action. Asiko argued that while traditional lenders have an important role to play, they often lack the agility and innovation needed to address complex sustainability challenges. He called for greater collaboration between traditional lenders and innovative start-ups to leverage the strengths of both approaches.



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William Asiko



Asiko stressed that the world needs convergence around the definition of “sustainability” and that governments must align with the private sector, offering that “Africa alone will require US \$300 billion by the year 2030 for adaptation and mitigation and energy transitions alone. That money is not going to come from governments or lateral development banks; it will come from the private sector. When we talk about sustainability, we must begin to define exactly what governments and the private sector think sustainability is and then align that definition with the private sector’s definition.” He echoed Bansal’s urgent call for the Global South to have more access to capital and, most importantly, innovative and bespoke financial products.

Bansal then spoke about the importance of investing in female entrepreneurs, who are often underrepresented in the investment community, but are leading the way in developing sustainable solutions to climate change.

She explained that “25-30 years ago, microfinance was a developmental, philanthropic activity in vulnerable populations for women in Bangladesh, India and Latin America. Today, it is a mainstream, high performing asset class.” She reiterated how successful microfinance schemes have been in promoting sustainability and climate action at the local level in places where much of the population lacks access to traditional finance and financial institutions in general.

The conversation concluded with a discussion of the importance of PPPs in achieving sustainability and climate action goals.

Asiko emphasised the need for governments to create an enabling environment for private sector investment in sustainable solutions, while Bansal stressed the importance of building a strong ecosystem of support for sustainable entrepreneurs



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Anjali Bansal

and start-ups. Bansal highlighted the need to “bring in private capital for scaling up commercial and commercialisable large-scale solutions which then creates mainstreaming. Thus, creating a virtual cycle where, because of that mainstreaming, all populations needs are addressed.”

Overall, the conversation between William Asiko and Anjali Bansal punctuated the urgent need for financial innovation to address the complex challenges of climate change and sustainability in the Global South in particular. They emphasised the importance of diversity in financial products, from traditional lenders like banks to microfinance schemes and impact investing. Additionally, they called for greater collaboration between different stakeholders, including governments, businesses and civil society organisations, to achieve meaningful progress on sustainability and climate action.

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PARTICIPANTS



William Asiko

Vice President at the Africa Regional Office
Rockefeller Foundation

William Asiko is a respected leader in climate change mitigation in the Global South. As Vice President of the Africa Regional Office at the Rockefeller Foundation, he develops and implements innovative financial products to enable countries in Africa and other parts of the Global South to mitigate climate change. Asiko recognises that traditional financial products are not suitable for these countries' needs, so he develops new mechanisms such as insurance and risk-sharing facilities.

During Asiko's tenure, the Rockefeller Foundation has boosted the capacity of governments, businesses and civil society organisations working to address climate change and build a sustainable future. Asiko's work has impacted millions of people in the Global South, helping them build resilience and adapt to the changing climate.

The panel was moderated by:



Tanzeed Alam

Managing Director,
Earth Matters Consulting



Anjali Bansal

Founding Partner
Avaana Climate and Sustainability Fund

Anjali Bansal is a respected entrepreneur and investor who promotes climate action and sustainability through technology and innovation. As the founder of Avaana Capital, Bansal invests in start-ups developing solutions to environmental challenges. She supports clean energy, sustainable agriculture, and waste management innovations.

Bansal has received several awards for her impact investing work, and she advocates for women in business. Her focus on technology and innovation-led start-ups is driving the transition to a sustainable and equitable world. At Avaana Capital, Bansal is helping to catalyse change one start-up at a time.

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OUTCOMES



Financial innovation is critical for addressing the complex challenges of climate change and sustainability.



Collaboration between different stakeholders, including governments, businesses and civil society, is essential for achieving meaningful progress on sustainability and climate action.



A diversity of financial products, from traditional lenders to microfinance schemes and impact investing, is needed to achieve sustainability and climate action goals.



Traditional lenders, such as banks, have an important role to play, but often lack the agility and innovation needed to address complex sustainability challenges.



PPPs are key to creating an enabling environment for private sector investment in sustainable solutions.

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