



## **Greening Ethiopia's Capital Markets: Pathways to Green Investment and Enhanced Reporting**

**Official Side Event | Africa Climate Summit 2**

**September 9, 2025 | Time - 11:30 am to 1:00 pm | Room: F2 | Addis International Convention Center**

### **Concept Note**

#### **Background**

Ethiopia stands at a historic inflection point in its financial sector transformation. With the establishment of the Ethiopian Capital Market Authority (ECMA) and the official launch of the Ethiopian Securities Exchange (ESX) in January 2025, the country has laid the groundwork for a modern capital market ecosystem. These institutions are not only foundational for financial inclusion and economic growth – they also offer a strategic platform for advancing Ethiopia's climate and sustainability goals.

As global markets increasingly shift toward green finance, Ethiopia has the rare opportunity to leapfrog legacy systems by embedding sustainability principles into its capital markets from the outset. By doing so, the country can position itself as a regional leader in climate-aligned finance, attracting both domestic and international capital for investments in renewable energy, resilient infrastructure, nature-based solutions, and green enterprises.

Yet, this potential will only be realized if key challenges are addressed: limited private sector readiness, gaps in sustainability reporting, and the absence of tailored financial instruments and enabling policies. This side event will convene regulators, market actors, investors, and development partners to explore how Ethiopia can build a green financial ecosystem that supports both investment and accountability.

#### **Objectives**

This side event aims to:

- Catalyse dialogue on how Ethiopia's capital markets can be leveraged to mobilize climate finance and support the country's green transition.
- Showcase institutional leadership, particularly the roles of ECMA and ESX in shaping a sustainable financial ecosystem.
- Engage the private sector to identify practical pathways and incentives for participating in green finance.
- Advance sustainability reporting as a foundational tool for transparency, investor confidence, and ESG integration.
- Build partnerships across public, private, and development sectors to co-create a roadmap for climate-aligned capital market development.



## Key Thematic Areas

1. **Capital Markets for Climate Finance** : Exploring the potential of green bonds, ESG-linked securities, and climate funds within Ethiopia's emerging capital market.
2. **Private Sector Readiness and Bottlenecks**: Understanding the challenges and opportunities for businesses and financial institutions to access and deploy green capital.
3. **Sustainability Reporting and ESG Integration**: Examining frameworks, standards, and tools for effective ESG disclosures and their role in attracting climate-conscious investment.
4. **Policy and Regulatory Enablers**: Reviewing the legal, institutional, and fiscal measures needed to support green financial instruments and market integrity.
5. **Regional and Global Lessons**: Drawing insights from other African and international markets to inform Ethiopia's approach and avoid common pitfalls.

