



-NEWS RELEASE-

aBi FINANCE UNVEILS UGX.124 BILLION FUND TO BOOST SUSTAINABLE AGRICULTURE THROUGH CLIMATE CHANGE ADAPTATION, MITIGATION AND BIODIVERSITY CONSERVATION IN UGANDA

Kampala, 6 December 2022, Kampala Serena – aBi Finance Limited has unveiled the Green Taxonomy and Green Finance Fund worth UGX124 billion, to promote the sustainable growth and resilience of the agricultural sector in Uganda. The Taxonomy and Fund were launched today by the Deputy Governor, Bank of Uganda, Dr. Michael Atingi-Ego alongside the Danish Ambassador to Uganda, Ms. Signe Winding Albjerg, the CEO aBi Finance, Ms. Mona Muguma-Ssebuliba and Ms. Charity Ekudu, Director, aBi Finance.

The Green Finance Fund is a blend of three green finance instruments namely; Green Lines of Credit worth UGX120 billion, capacity building worth UGX4 billion and Green Agribusiness Guarantees. The fund can be accessed by Tier 1, 2,3 and 4 financial institutions in Uganda.

A green taxonomy is a list or manual that highlights investment options that are environmentally sustainable that is, Green and, by extension, those that aren't. aBi Finance partnered with the Global Green Growth Institute (GGGI) to develop the green agribusiness taxonomy. This agribusiness green taxonomy is a crucial tool for financial institutions for greening their operations, expanding their green credit portfolios, guiding on how to efficiently administer green finance and report on ESG.

Dr. Michael Atingi-Ego Deputy Governor, Bank of Uganda, commended aBi Finance and its funders for putting together the Green Taxonomy and Green Finance Fund because the interventions will enable financial institutions to implement environmental, social and good governance practices while offering more financing to agribusinesses and small holder farmers for green investments. This will lead to resilience and sustainability of both the financial services sector and the agribusiness sector. *“This fund and taxonomy are going to foster a vibrant green finance ecosystem by harnessing technology and innovation to build markets and solutions for transitioning to a climate resilient and low-carbon future. For example, green finance for investing in climate resilience practices such growing early maturing seed, will enable farmers to harvest early, sell early and repay their loans in time hence improving performance of loan portfolios of the financial institutions. We urge all financial services sector and agribusiness sector actors to pursue green investments that are adapted to or mitigate climate change and conserve biodiversity,”* said the Deputy Governor.

Ms. Mona Muguma, said the two initiatives were launched to promote climate change adaptation, mitigation and biodiversity conservation in Uganda. *“Managing climate change*

requires that those tasked with Governance of our institutions for example, boards and management, MUST appreciate the climate change threats to business and start to act immediately. Once governance is aligned, then there is need commit resources to develop and institutionalize clear environmental and socially inclusive policies, frameworks, products, build capacity (for staff, systems and infrastructure) and pursue partnerships to enable climate adaptation, mitigation and biodiversity conservation investments.” She observed that globally, Uganda is the 12th most vulnerable and the 49th least prepared out of 195 countries, to deal with vagaries climate change and that production and productivity of small holder farmers and agribusinesses continues to suffer from these climate change vagaries evidenced by change in patterns of rainfall, drought and temperature.

Ms. Charity Ekudu, the aBi Finance Board Director, who represented the Chairperson noted that the Fund provides an exciting opportunity of empowering financial institutions with the much-needed liquidity, de-risking mechanisms and technical support to offer green financing to smallholder farmers and agribusinesses. ***“The green financing accessed by the small holder farmers and agribusinesses will in addition to addressing climate change adaptation, mitigation and biodiversity conservation, also contribute to equitable economic growth, job creation and improved incomes,”*** she said.

The Danish Ambassador, Ms. Signe Winding Albjerg committed Danish continued support to aBi Finance green interventions to enable it to contribute towards the sustainability of the agribusiness sector, job creation and poverty reduction. She noted that, ***“Key among Denmark’s priorities is curbing the negative effects of climate change that cause great risks for smallholder farmers and their livelihoods”.***

The launch of the fund and taxonomy closely follows the signing of an agreement between the Royal Danish Embassy, the European Union and the Investment Fund for Developing Countries in June 2022 which allowed new investments into aBi Finance.

To apply for the Green Finance Fund, eligible firms are encouraged to visit the aBi Finance website www.abi.co.ug/ to download a copy of the green agribusiness taxonomy and learn more about the Green Finance Fund i.e. the eligibility and requirements for accessing it and related aBi Finance products.

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