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Carbon finance: Guelleh's plea in Addis Ababa for a "paradigm shift"

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Addis Ababa, September 8, 2025 – At the opening of the second African Climate Summit (ACS2), Djiboutian President Ismaïl Omar Guelleh delivered an ambitious speech calling on Africa to "change its paradigm" in terms of development and to place energy transition at the heart of its priorities. For the head of state, carbon finance represents a strategic key to strengthen the continent's sovereignty in the fight against climate change.

A sovereign vision of climate finance

"Our response must match the urgency," declared the president, highlighting Djibouti's pioneering experience with the creation, two years ago, of the Sovereign Carbon Agency. Inspired by the principle of "polluter pays," this agency collects carbon contributions from international maritime and air transporters crossing its waters and airspace, similar to the European carbon quota system (EU ETS). These contributions are then transformed into adaptation projects for the most vulnerable communities.

President Guelleh recalled that the Agency had already financed more than 50 concrete projects in the areas of water, health, education, and the environment. Among them: mobile desalination units, local hospitals, solar electrification of 24 schools, and the restoration of 15,000 mangroves. These initiatives, according to him, demonstrate that “Africa can design its own innovative mechanisms for climate financing.”

A continental call

Citing the example of his country, but also that of Gabon, a pioneer in forest carbon finance, Ismaïl Omar Guelleh invited all African countries to draw inspiration from this model. “Harmonized at the continental level, this contribution could be a crucial link in the chain of financing ecological transition,” he argued.

The stakes are significant: according to Djibouti’s first national climate development report, the country risks losing up to 6% of its annual GDP by 2050 due to climate hazards. At the continental level, climate-related growth losses are already estimated at nearly 3% of Africa’s GDP each year.

A global financial battle

Beyond the technical plea, President Guelleh emphasized the glaring imbalance in global financial flows. “Today, less than 12% of green financing reaches Africa, even though it is the most vulnerable continent,” he denounced. Recalling the agreement reached at COP29 in Baku to triple financing to developing countries, he urged international partners to go further and consolidate innovative mechanisms such as debt-for-green investment exchange.

Djibouti’s leadership in carbon finance

By positioning Djibouti as a laboratory for sovereign carbon finance, Guelleh is inscribing his country in a strategic dynamic. Located at the crossroads of global maritime trade, Djibouti thus captures a portion of the carbon rent from international transport to finance its internal resilience. An innovation that, if generalized at the continental level, could transform Africa’s ability to self-finance its energy and social transition.

“History will judge us on what we have done or failed to do,” concluded the president. In a summit dominated by the quest for credible climate financing, the Djiboutian message resonates as a strong signal: Africa is no longer content to plead, it is inventing its own financial instruments to not remain on the sidelines of the global transition.
