

AFRICAN DEVELOPMENT BANK GROUP



Mainstreaming Climate Change into Development: Contributions of the African Development Bank

10th Delhi Sustainable Development Summit

New Delhi, India

February 5 – 7, 2010

Dr. Anthony Nyong

Head of Unit

Gender, Climate Change and Sustainable Development Unit

1. **Excellencies, Distinguished Ladies and Gentlemen**, I wish to first of all convey the appreciation of the African Development Bank for being invited to this very important meeting of eminent personalities to seek a way forward on issues of climate change, which has become the most pressing global threat at the moment. I also wish to convey the apologies of Dr. Donald Kaberuka, President of the African Development Bank Group, for his inability to be here due to prior commitments he could not cancel. However, he reiterates his unwavering commitment to supporting African countries to reduce the burdens of the adverse impacts of climate change, while simultaneously charting a low-carbon intensive development pathway. He expresses confidence that this meeting of global leaders in Delhi will further push forward global actions that build societal resilience to current and projected climate impacts.

2. Climate change will impose an additional burden on sustainable development in Africa, even as the continent contributes very little to the total global greenhouse gas emissions. The modest gains that the continent has achieved in the past decade could be reversed by climate change. While both mitigation and adaptation are important in the long run, we have watched how less attention is being paid to adaptation in the international agenda. Adaptation in the present is fundamental to the achievement of poverty reduction and sustainable development, which are indeed needed in order to strengthen the continent's ability and disposition towards charting a low carbon development pathway. We should not miss the opportunity to do this NOW, while Africa remains a low carbon emitter.

3. **Excellencies, Ladies and Gentlemen**, the African Development is addressing both climate change adaptation and mitigation in the continent using a mainstreaming approach. The Bank's mainstreaming efforts have involved internal re-organization to re-position the Bank for improved performance. This has included the creation of the Gender, Climate Change and Sustainable Unit that is tasked with coordinating the mainstreaming of cross-cutting issues Bank-wide and within RMCs.

Please permit me to highlight key mainstreaming initiatives that the Bank has embarked on and some of the lessons that we have learned in the process.

- First, the African Development Bank has developed policies and strategies on climate change to guide the implementation of the Bank's mainstreaming efforts. The Bank also recognizes that Africa requires a coordinated and informed approach to chart a low-carbon development pathway and is

therefore developing a 'Green Growth Strategy' for the continent. This strategy will guide the Bank's operations in ensuring environmental sustainability, making it a Green Bank while supporting Regional Member Countries to grow a green economy.

- Second, the Bank is also supporting the mainstreaming of climate change into policy processes in Regional Member Countries. All country strategy Papers that are being developed or revised have adequately mainstreamed climate change into them. The Bank is piloting the development of Climate Resilient Development Plans in 5 African countries.
- Third, the Bank has made it mandatory that all its investment projects are climate resilient. All on-going projects have been screened for climate risk and all at-risk projects are being 'climate-proofed' by building additional climate change components to them. In this regard, we are grateful to the Global Environment Facility for its support. The Bank is finalizing the development of a screening tool that would be deployed Bank-wide to ensure that Task-Managers build climate resilience into all new investment projects.
- Fourth, because, the availability of appropriate, useful and useable climate data is central to addressing climate change challenges, the Bank, in partnership with the Commission of the African Union (AUC) and the United Nations Economic Commission for Africa (UNECA) is implementing the USD 135 million 'Climate for Development in Africa (ClimDev-Africa) Program' that aims at building climate resilience into Africa's development. A key pillar of this program is to enhance the capacities of Africa's climate centres to generate and disseminate useful development-relevant climate data, as well as enhance the capacity of Africa's policy makers to use such data in development planning. The Bank has also created an accompanying Fund that will oversee the implementation of this program. The Bank has committed about US\$ 30 million to the program to strengthen institutional capacities in four African Regional Climate Centres (ACMAD, AGHYMET, ICPAC and the SADC Drought Monitoring Centre) to be able to serve as regional hubs for the Global Framework for Climate Services. UNECA has established the African Climate Policy Centre to further support this initiative. Donors such as DFID, the Government of Sweden have also supported the program. We call on other development partners to support this flagship African program on climate change.

- Fifth, the Bank is implementing several flagship projects that have fully mainstreamed climate change into them to derive maximum developmental benefits. These include (i) the Lake Chad Sustainable Development Program that is working on sustainable conservation of Lake Chad to ensure the economic security of the fresh water ecosystem resources, and (ii) the Kandadji Ecosystems Regeneration and Niger Valley Development Project that is providing solutions to recurrent droughts in Niger.

4. **Excellencies, Ladies and Gentlemen**, the Bank has learnt several useful lessons in mainstreaming climate change into its processes.

- First, successfully mainstreaming climate change anywhere in the world requires a global commitment to substantially cut down greenhouse gas emissions to scientifically acceptable levels. Africa cannot continuously mainstream a limitless or 'runaway' global warming into its development processes. Recent scientific assessments have shown that the world is not on a trajectory that would keep the increase in global temperature below 2°C. We call on all major emitters to substantially cut down on their greenhouse gas emissions, respecting the principles enshrined in the UNFCCC.
- Second, mainstreaming requires substantial financial resources. Existing financial resources are grossly inadequate and the African Development Bank identifies with the global sentiments in the failure to reach a binding agreement in Copenhagen that would commit adequate financial resources to developing countries. In addition to the question of adequacy is the choice of an effective mechanism to channel the resources to ensure that they are used most effectively to achieve development results. **More thoughts need to be given to the second issue.** Climate change is no-longer a long-term environmental issue but a present threat to poverty reduction and the achievement of sustainable development. The Regional Development Banks have decades of experience in delivering on development effectiveness and therefore, **MUST** play very substantial roles in the Post-Copenhagen financing mechanism to ensure its success.
- Third, public resources alone will not be sufficient to address climate change threats in Africa. The Bank is therefore using public funds to leverage private capital, particularly through the carbon market. The Bank has recently approved programs and projects related to hydropower, co-generation and wind, which are designed to earn income for Regional Member Countries through carbon credits. The Bank is also implementing an elaborate program

that will enhance the capacities of African countries to tap carbon finance and CDM projects and reduce the cost of clean energy development while ensuring that appropriate policy, institutional arrangements and market-based incentives are put in place to promote investments that contribute to sustainable development.

- Fourth, the Bank realizes that no single institution alone can successfully address the developmental threats of climate change in Africa. The Bank has established partnerships with other institutions such as UNDP, IFAD, WFP, FAO, to maximize comparative advantages. The Bank is a strong partner with the other MDBs in the operation of the Climate Investment Funds. The Bank will continue to seek meaningful partnerships with other institutions to deliver sustained development benefits in the face of a changing climate.

5. **Excellencies, Ladies and Gentlemen**, let me conclude by stating that the African Development Bank, under the leadership of Dr. Kaberuka, is demonstrating its commitment to be a part of the global solution to climate change.

- Energy will continue to play a significant role in addressing carbon emissions globally. More than 550 million Africans, about 70% of the population, do not have access to electricity. Despite slightly increasing electrification rates, the total number of people in the region without access to electricity has grown by 78 million since 2001, **at a rate of about 1 million people per annum** (World Energy Outlook, 2009). The Bank is committed to increasing Africa's access to clean energy while maintaining a low rate of carbon emissions through its clean energy initiative (that includes wind, solar mini-hydro and biomass). The Bank therefore welcomes support to wean Africa from dependence on fossil-based energy.

- Preserving the Congo Basin Forest is at the heart of any global mitigation efforts. The Bank hosts the Congo Basin Forest Fund (CBFF) and its secretariat with support from the UK and Norway Governments. The Fund seeks to slow and eventually reverse the rate of deforestation by developing the capacity of people and institutions in the Congo Basin countries to manage their forests, and help local communities find livelihoods that are consistent with the conservation of forests. The Congo Basin Forest is the second largest tropical forest in the world and is a potentially huge source of greenhouse gas emissions. The Fund ensures that climate change concerns are integrated into developmental decisions regarding the Basin. We are optimistic that the

Bank's efforts will be supported by channelling a substantial part of the new resources allocated to REDD+ through the African Development Bank, to not only preserve the Congo Basin Forest, but to also expand the program to cover other tropical forests in the continent.

Thank you.