The Africa Climate Change Fund (ACCF) provides small-scale grants to African countries to support their transition towards climate resilient, low-carbon development. More specifically, it helps countries to implement small-scale pilot adaptation initiatives and scale up access to international climate funds while building the capacities of national entities to design and implement projects that are in line with their Nationally Determined Contributions (NDCs). Highlights below provide an update on the ACCF’s work in 2018.

**SUMMARY OF OUR KEY HIGHLIGHTS IN 2018**

**Promotion of South-south Cooperation on Climate Finance at COP24** – The ACCF co-organized with Centre de Suivi Ecologique and GermanWatch a side event that discussed the role of south-south cooperation in enabling African countries to access climate finance and engaging civil society to ensure that finance flows to where it is most needed.

**Building African Countries’ Capacity to Unlock GCF Funding in the Water Sector** – The ACCF, the Global Water Partnership (GWP), the African Water Facility (AWF), and the Green Climate Fund (GCF) co-organized a 3-day capacity building workshop on “Project Preparation for Transformative Climate Resilient Green Climate Fund Water Projects in Africa” in South Africa.

**Appraisal of New Projects** – The ACCF started the appraisal of 12 shortlisted projects, which will expand the ACCF project portfolio and geographic coverage when the new projects are approved in early 2019.

**Progress in Portfolio** – The ACCF portfolio of eight ongoing projects supports training and design of project proposals to access international climate funds in six countries –
Mali, Cabo Verde, Swaziland, Kenya, Zanzibar and Cote d'Ivoire. This first set of projects is nearing completion, and has already resulted in strengthened capacity across the African continent to access climate finance.

**OUR PIPELINE OF NEW PROJECTS**

In mid-2018, the ACCF Technical Committee approved the shortlist of projects selected following the ACCF’s second call for proposals, which received unprecedented numbers of submissions (over 1000 concept notes) from both state and non-state actors from across Africa. The ACCF Secretariat and team of independent climate change experts met at the Bank’s headquarters in Abidjan in February to assess and score the proposals submitted by proponents of shortlisted concept notes against the pre-determined assessment criteria. The team met with various Bank departments, funds and initiatives, (including gender and civil society, agriculture, renewable energy and the Sustainable Energy Fund for Africa, Africa Water Facility, jobs for youth, Climate for Development Special Fund, and the NDC Hub) with the aim of ensuring that projects supported by the ACCF are relevant and synergistic with broader Bank initiatives. After a thorough technical assessments of the proposals, the ACCF team of experts scored the proposals and submitted their report to the Fund’s Technical Committee, who approved a shortlist of 12 projects and put 17 others on the waitlist, pending availability of additional resources. The climate change experts have commenced the appraisal of the shortlisted projects, and the best projects will be submitted to the Technical Committee and Oversight Committee for approval in early 2019. The ACCF has approximately seven million USD available to allocate to approved projects, but the funding request in the pipeline of high quality projects significantly exceeds this amount. The Bank is actively engaging with existing and potential donors to mobilize new resources to respond to the significant demand.

**Snapshot of the proposal Selection**

- 1000 Concept notes received
- 500 Eligible concept notes reviewed
- 40 Best concept notes selected and invited to submit full proposals

- 59% Supporting small-scale or pilot adaptation initiatives
- 22% Cross cutting - both themes
- 19% Supporting access to climate finance

US $30 MILLION funding requested in shortlisted projects
The ACCF funded projects are contributing to enable African countries to achieve the bold ambitions outlined in their NDCs. The implementation of the 8 projects from the first call for proposals is ongoing and while anticipating some significant achievements upon completion, most of them have recorded important results over the year.


In January 2018, the National Environment Trust Fund (NETFUND) of Kenya launched the project in Nairobi in attendance of 36 participants representing state and non-state actors working in the environment and climate change sector in Kenya. This inception meeting was followed by a 5-day training in February 2018 for the Resource Mobilization Committee of the Ministry of Environment and Natural Resources to enhance its capacity to tap into international climate finance fund for implementation of Kenya’s climate change agenda. The training focused specifically on climate finance and resource mobilization, donor mapping and engagement, baselines and theory of change, project design and management as well as on coordination mechanism and modalities. Subsequently, the Ministerial Resource Mobilization Committee developed a draft action plan to support the country’s climate change agenda. The project, which is expected to reach completion at the end of 2019, is also contributing to developing fully-fledged investment-ready proposals and investment ready concept notes in agriculture, forestry, and green innovation for submission to international climate funds.

**Capacity Building of African Countries to Use Climate Information to Inform Decision Making and Implement NDCs**

This multinational project successfully reached its completion phase in 2018 and enabled development of 25 climate change country profiles. These country profiles provide fact-based information that governments and climate finance stakeholders will build on in designing their climate change policies and identifying their climate investment priorities.
addition, 65 climate change stakeholders representing national focal points, Designated National Authorities, staff of the AfDB and the International Fund for Agricultural Development (IFAD) were trained to apply climate information in decision-making. The mix of training topics related to mitigation and adaptation issues will benefit participants by increasing their respective skills and interests in new topics.

**Accelerating the Construction of a Green Economy Resilient to Climate Change in Mali (EVRCC)**

This project, executed by the Agency for Environment an Sustainable Development of Mali, nears the completion phase and has contributed to advance the country’s efforts toward implementing its NDC by identifying, through a national survey, key focus areas for consideration in designing green economy programmes. In addition, in 2018, a national draft environment financing strategy was developed to support resource mobilization activities undertaken by the government of Mali to implement its climate change agenda. Part of the project outcomes include development of three project concept notes in the strategic sectors of water, energy and waste. The project’s capacity building component benefitted 20 public officers who were trained on Accounting and Financial Management. Trainees were provided with adequate skills on utilization of the accounting software to improve the Agency for Environment and Sustainable Development’s financial and accounting system.

**Building Climate Resilience into Transboundary Infrastructure Projects**

This multinational project provided training and guidance to 60 institutions from SADC region and 20 from ECOWAS region with the overall objective to identify their needs for designing and implementing climate-resilient infrastructures and also to determine the opportunities, constraints and challenges for integrating climate risks in infrastructure development. Other achievements include designing of fully-fledged projects by Swaziland, Zambia, Zimbabwe, Lesotho, among others, ready for submission to the GCF.
A major achievement for this project included a training of trainers (ToT) workshop organized in early March 2018. Thirty participants (including 18 men and 12 women) from civil society, private sector, academia and public institutions attended the ToT. Overall, the training contributed to equip participants with relevant knowledge, practical skills and tools to access sources of climate finance and eventually submit funding proposals to the GCF. The output of the training included training material that comprise policy briefs on climate finance as well as presentation slides, a toolkit for GCF and a project development manual. Also, five concept notes were developed by stakeholders and reviewed during the training. These were combined to develop one project for submission to the GCF.

OUR OUTREACH AND PARTNERSHIP ACTIVITIES
Building African Countries’ Capacity to Unlock GCF Funding in the Water Sector

In September 2018, the ACCF in collaboration with the GWP, the AWF, the GCF and other organizations organized a 3-day capacity building workshop on “Project Preparation for Transformative Climate Resilient Green Climate Fund Water Projects in Africa” in South Africa. Participants to the training included representatives from current and potential GCF Direct Accredited Entities (DAEs), water ministries, water resources planners, GWP Africa programme managers and regional coordinators and technical advisors from universities and think tanks. Participants received guidance on the priorities of the GCF, its mandate and investment criteria, and its operational modalities and procedures for delivering climate finance through different windows. Direct Accredited Entities from Africa benefiting funding from GCF showcased case studies illustrating successful applications to the GCF. The workshop had a threefold strategic outcome for the ACCF. First, it contributed to raise its visibility among potential donors. Second, it provided the avenue to explore further joint activities with strategic partners on training and capacity building for accessing climate finance, which is one of the ACCF’s key priorities. Thirdly, it provided potential beneficiaries with relevant information on ACCF grants and project management cycle.
The ACCF Secretariat participated in the GCF’s "Structured Dialogue for Africa" in April 2018, organized by the GCF Secretariat in partnership with the Government of Mali. The Structured Dialogue brought together Accredited Entities and National Designated Authorities (NDAs) to the GCF as well as other partners with the aim to accelerate the design and implementation of ambitious projects and programs that speak to countries' climate action aspirations and to the GCF mandate.

The Coordinator presented the ACCF’s work in Africa on strategically supporting African countries to access international climate finance during a side event on the Bank’s partnership with the GCF. During the same event, Khetsiwe Khumalo, the Project Coordinator of an ACCF-funded project in Swaziland presented the project “Enhancing Readiness For Investment In Low Carbon And Climate Resilient Development In Swaziland” which she described as an opportunity to advance the country’s efforts toward accessing international climate finance. The Bamako conference provided a platform to seek feedback from the GCF on how to best target the Bank’s climate finance readiness work to address key gaps and needs and explore opportunities for collaboration, coordination, synergy and scaling up.

Building on these discussions, the ACCF Secretariat participated in the Empowering Direct Access workshop organized by the GCF in Songdo, Korea in late May. This event provided a platform to discuss with Direct Access Entities and with the GCF secretariat on the ACCF’s support for readiness activities. It was also the opportunity to engage with the GCF on a training of trainers programme that the Bank is developing with funds from the Korea-Africa Technical Cooperation Fund on the GCF project development. The ToT was conceptualized based on feedback from Direct Access Entities and seeks to strengthen their technical capacity to prepare strong projects for the GCF, as well as to build the pool of African experts on accessing GCF funds.

The ACCF secretariat also provided technical input at the first regional learning forum of the Southern African Climate Finance Partnership. This workshop which was co-hosted by Namibia’s Ministry of Environment and Tourism, in partnership with
Engaging Private Sector in Financing Adaptation: ACCF Perspectives

“Adaptation finance represents only 5% of total climate finance and comes almost exclusively from public sources” noted the ACCF Coordinator at a panel discussion on “financing adaptation in least developed countries” which took place in June 2018 during the Adaptation Futures 2018 workshop in Cape Town. The panel discussion explored various approaches which are being piloted in some of Africa’s most vulnerable countries to scale up climate finance for adaptation to the local level, as well as to engage private sector actors including SMEs and local financial institutions. “Private sector’s potential for investment is huge, but engagement in adaptation is very limited due to lack of a business case, high risk perceptions, and barriers to investment, and challenges around defining adaptation.” Therefore, if we must achieve substantial results in addressing adaptation issues in Africa, there is need to leverage private resources both at national and international levels to complement existing public resources.

The ACCF’s engaging on this issue is driven by a mandate from its Oversight Committee to explore projects that will support increased private sector engagement in financing adaptation. Currently, ACCF has several projects in the pipeline that focus on this issue, including through innovative results-based mechanisms to incentivizing private sector investment in adaptation.

At a subsequent panel discussion which took place at the Climate Chance Summit in Abidjan in June 2018, the ACCF Coordinator introduced the Adaptation Benefit Mechanism (ABM), a results-based mechanism which would mobilize private financing for adaptation by creating a price signal for adaptation and resilience impacts that renders financially viable an adaptation project that would not otherwise be attractive to the private sector.
UNCDF and ACCF Explore Avenues for Partnership

The United Nations Capital Development Fund (UNCDF) Director of Local Development Finance and the Manager of the Local Adaptive Climate Living Facility visited the Bank in March 2018 to explore various areas of partnership around financing climate resilient development at the local level in Africa, building on discussions initiated through a jointly convened informal side event at COP23 in Bonn in November 2017. The UNCDF team met with colleagues in various specialized bank departments, and as an outcome of this visit, they identified three tentative key areas of synergy that would inform their future partnership with the Bank, especially (i) engaging the private sector in financing adaptation at the local level through a results-based approach, (ii) Municipal finance (which refers to the revenue and expenditure decisions of municipal governments); and (iii) Supporting countries to strengthen local systems and capacities for managing climate finance through a partnership between the ACCF and the UNCDF’s Local Climate Adaptive Living Facility (LoCAL) project. Subsequently, the UNCDF Director of Local Development and the Head of Municipal Finance paid a follow up visit to the ACCF in July 2018 to discuss further joint actions.

Raising Awareness of Bank Staff on ACCF’s Activities

As a bank hosted and managed trust fund, ACCF’s activities require an important level of engagement of several Bank departments. As such, in order to secure support from Bank’s staff, the ACCF Secretariat contributed to an information session titled “Brown Bag Session” organized by the Resource Mobilization and Partnership Department of the Bank (FIRM) in May 2018. This session created a platform for the ACCF Secretariat team to provide bank staff with appropriate information on the Fund’s operational mechanism and current portfolio. Specifically, ACCF team described the grant awarding process as well as the project
management process and some progress realized since inception of the Fund in April 2014.

They also outlined some challenges encountered where Bank's staff's input could be of relevance. The session was attended by 38 participants and contributed to share best practices with other Bank-managed trust funds especially on approval and disbursement procedures of the bank and also on fast tracking small projects. Furthermore, ACCF secretariat attended other Brown Bag Sessions which contributed to share ACCF’S. This contributed to significantly improve ACCF.

**THE ACCF AT COP24, Katowice - POLAND**

ACCF and Civil Society Organizations Discuss Community of Practice at COP24 to Boost African Countries’ access to Climate Finance

The ACCF in collaboration with the Centre de Suivi Ecologique of Senegal (CSE) and Germanwatch convened a side event at COP24 in Katowice, Poland. This event provided a platform for conveners and key climate change stakeholders to explore the role of south-south cooperation to support direct access to climate finance for Africa. Speaking at the event, the ACCF Coordinator noted that “National institutions like CSE that have succeeded in accessing the GCF often have much more expertise than some climate finance international firms and consultants”. Therefore, ACCF supports south-south cooperation and promotes community of practice in order to enable GCF accredited entities who have already surmounted the hurdles to access the Fund to provide support to their peers through south-south exchange. This will contribute to build up a pool of climate finance experts in Africa in order to ensure sustainability of actions and ongoing initiatives towards achieving African countries’ climate friendly development objectives. Moreover, ACCF acknowledges relevance of the role of Civil Society Organizations in ensuring that available climate change resources are deployed where they are most needed, hence strategically engaging them to strengthen their technical capacities and increasing the impact of climate fund allocated to countries.
The ACCF had a strong presence at the COP24, which presented an important opportunity to engage with existing and potential beneficiaries, partners, and funders to advance the Fund’s work and raise awareness of its achievements and plans. The ACCF Coordinator presented the role of the ACCF in supporting vulnerable African countries to access climate finance, and moderated or presented in panel discussions on issues of importance to the Fund, including on financing climate adaptation at the local level, engaging private sector in financing adaptation, and on land restoration for climate resilience. The ACCF also held bilateral meetings with a number of project implementing agencies, partner organisations, and existing and potential donors. The ACCF was featured in the Bank’s COP24 video on climate finance.

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