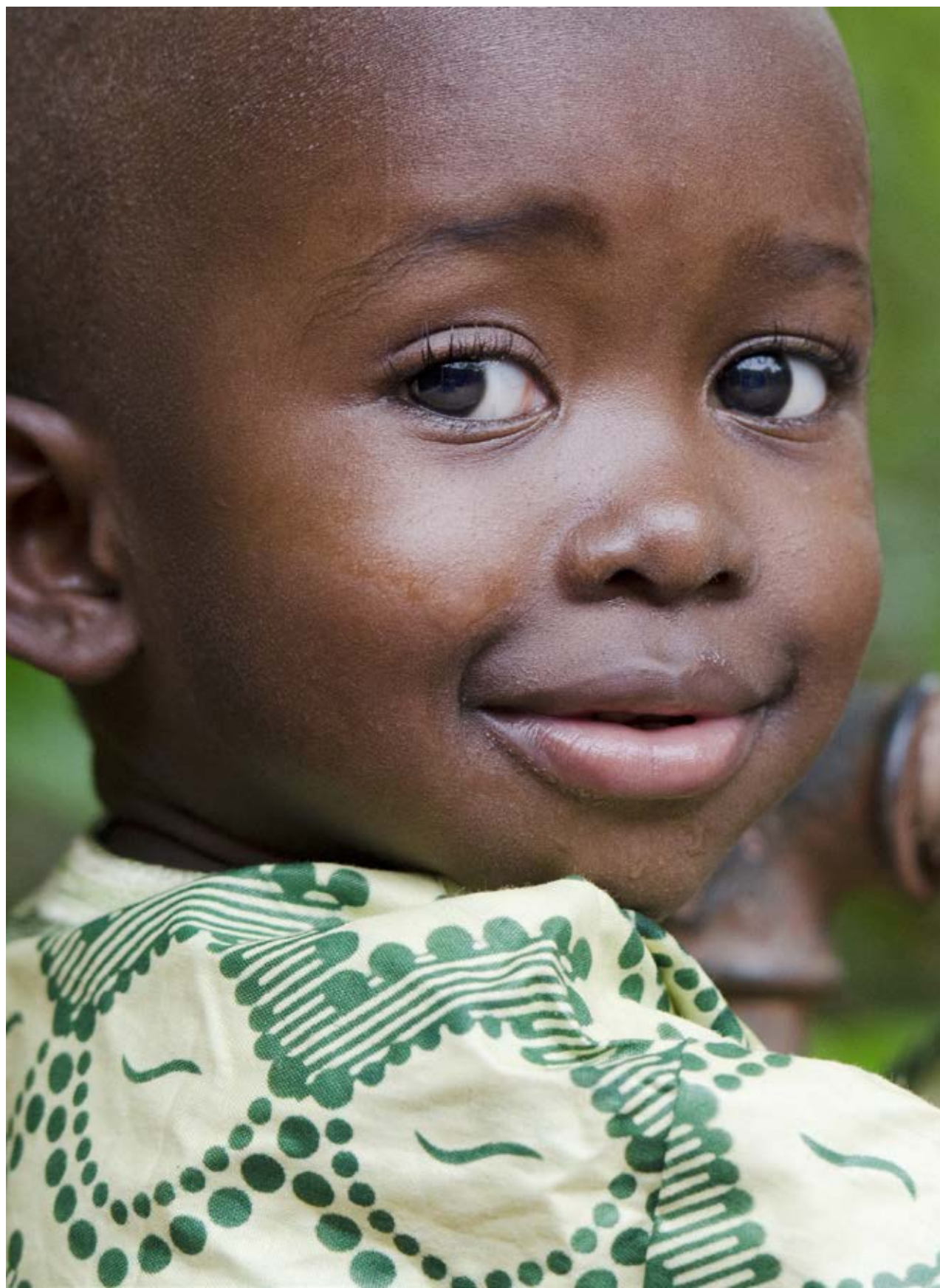


# SPEARHEADING CHANGE

THE AfDB ROLE IN FINANCING A CLIMATE-SMART AFRICA



AFRICAN DEVELOPMENT BANK GROUP







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# CLIMATE CHANGE

is the most important development challenge of our time. The African Development Bank will work with other partners to intensify financing to combat climate change for the benefit of African countries.

**Akinwumi Adesina**

*President  
African Development  
Bank Group*

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# CLIMATE FINANCE MATTERS

For Africa, climate finance has become essential for jump-starting effective development by:

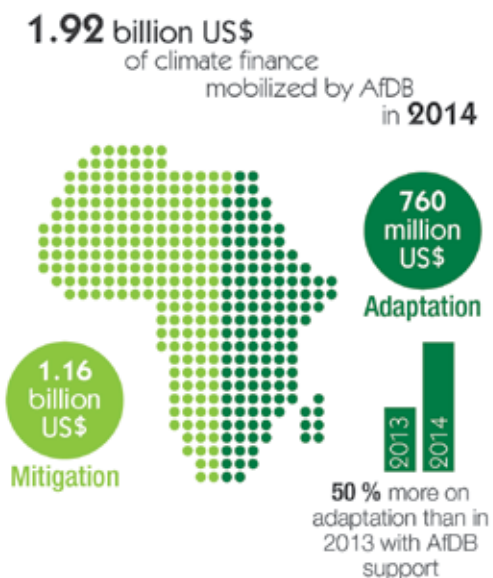
- **Strengthening national finance** to support out-of-reach innovations;
- **Leveraging new money** from public and private sources;
- **Lowering barriers** to engage private sector and other investors;
- **Bringing together stakeholders** from community to global levels;
- **Supporting new and innovative technologies**, such as renewables, climate resilience mechanisms, and forest management solutions.

The AfDB, a premier African development partner, is committed to helping African countries access the climate finance they need to move toward climate-smart sustainability.

This commitment underpins its 2013-2022 strategy promoting inclusive and green growth in Africa. Almost \$7 billion for 213 projects have been committed to support climate resilient and low-carbon development in the past four years.

The Bank works with countries through a set of [nine climate finance funds and mechanisms](#) and policy advocacy initiatives to ensure its well-targeted delivery.

With its Departments of [Energy, Environment and Climate Change \(ONEC\)](#), [Water and Sanitation \(OWAS\)](#) and [Agriculture and Agro-Industry \(OSAN\)](#) at the helm, AfDB is mobilizing wide-ranging public and private climate resources for projects in forests, climate resilience, renewables, and energy efficiency. The Bank is also taking the lead in developing innovative financial instruments and climate finance tracking systems.





“Green growth is good for Africa. That is why the African Development Bank is pleased to announce that it will triple its climate financing to reach \$5 billion annually by 2020.”

**Akinwumi Adesina**

*President of the African Development Bank Group*

## AfDB CLIMATE FINANCE INSTRUMENTS

### FUNDS MANAGED BY AfDB ENERGY, ENVIRONMENT AND CLIMATE CHANGE DEPARTMENT (ONEC)



Premier global instrument for low-carbon, climate-resilient development



Champion of the global commons, global UN treaty instrument



UN fund to help developing countries achieve adaptation and mitigation



Unique mechanism for private investment in small/medium scale renewables, energy efficiency



Fund for African readiness for climate-resilient, low-carbon development

### FUNDS MANAGED BY AfDB WATER AND SANITATION (OWAS) AND AGRICULTURE AND AGRO-INDUSTRY (OSAN) DEPARTMENTS



Fund for innovative water projects in Africa



Multi-donor fund to support agriculture infrastructure projects



Multi-donor fund for sustainability in Congo Basin forests and ecosystems

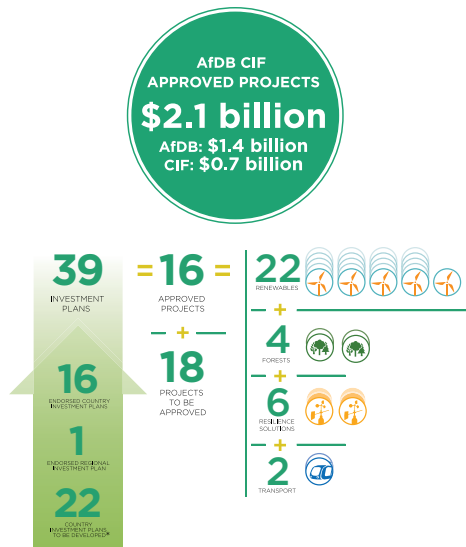


Multi-donor fund for information for climate-resilient development

## PURPOSE

Premier \$8.1 billion global public climate finance instrument with Multilateral Development Banks to support developing countries in renewables, sustainable transport, climate resilience, forests, agriculture. Uniquely broad-based and inclusive governance structure. Programmatically linked to government development policy. Uniquely designed to simultaneously deliver strong development and climate outcomes.

### AfDB | CIF PORTFOLIO



A third of CIF's \$8.1 billion goes to Africa. With CIF support, AfDB currently finances **39 investment plans in 26 countries and 1 region** to transform their economies through renewables, sustainable transport, climate resilience and sustainable forest solutions. Currently, AfDB has **approved 16 projects for \$2.1 billion** (AfDB \$1.4 billion, CIF \$0.7 billion).



CTF



FIP



PPCR



SREP



WIND



SOLAR



HYDRO



GEOTHERMAL



TRANSPORT



FORESTS



AGRICULTURE



CLIMATE INFO



HYBRID

## PUBLICATIONS



### ENVIRONMENT AND CLIMATE CHANGE DIVISION MANAGER AND CIF COORDINATOR

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# GLOBAL ENVIRONMENT FACILITY (GEF)

## PURPOSE

**Champion of the global commons** supporting biodiversity, climate change, international waters, chemicals and waste, land degradation, sustainable management of forests. Serves as the premier UN environment Convention secretariat. Covers "incremental" costs to transform projects from national to global significance.

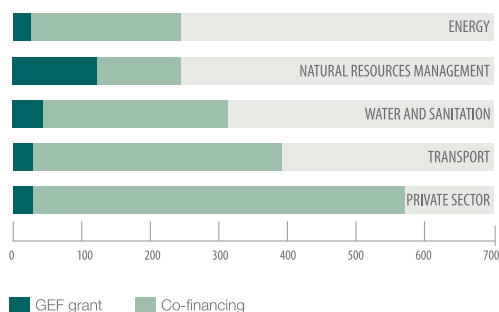
## PORTFOLIO

AfDB-GEF currently funds 32 projects financed with \$253 million in GEF grant financing and \$1.8 billion co-financing in areas ranging from: climate resilient agriculture to sustainable water management, transport, and renewable energy and energy efficiency.

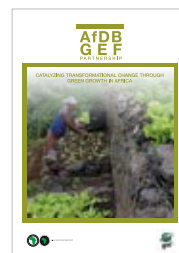
## AfDB | GEF



### AfDB GEF Portfolio 2007-2015 (US \$ million)



## PUBLICATIONS



### GEF COORDINATOR

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## PURPOSE

The UN's premier climate fund to channel new, additional, adequate and predictable climate finance to developing countries and catalyse public and private climate finance. As an operating entity of the financial mechanism of the UN Framework Convention on Climate Change, the Fund will contribute to achieving the Convention's goals, particularly for societies that are highly vulnerable to climate change, including least developed countries, small island developing states, and African States.

37 governments have pledged to the Fund to date, including 8 developing countries, amounting to \$10.2 billion. Half of the investments will be targeted for mitigation and half for adaptation, within which 50% will be dedicated to the most vulnerable countries most of which are in Africa.

### GCF KEY FEATURES

- More than \$10 billion initially raised
- Commitment to a 50/50 balance between mitigation and adaptation
- At least 50% adaptation funding for the most vulnerable countries, including African States
- Country-driven approach with engagement through country institutions and stakeholders
- Ability to engage with both public and private sector
- Direct private sector engagement through the Private Sector Facility
- Risk-bearing capacity to support innovation and leverage financing
- Variety of financial instruments available
- Governance by consensus between 24 board members, with an equal number of members from developing and developed country Parties

### GCF AfDB PORTFOLIO

GCF is currently going through accreditation of supporting entities. Once the AfDB's accreditation is in place, operationalization within the Bank will begin. Viable activities and investments are being identified while the Bank's portfolio is being developed in sectors that enable climate change mitigation and/or adaptation.



### GCF PROJECTS ARE EXPECTED TO DEMONSTRATE:

- The linkage between climate actions and how they enable economic development to proceed in a sustainable manner
- How the project/programme incorporates potential innovation
- How benefits will be sustained once GCF financing ends
- Monitoring and evaluation, including how lessons can be disseminated to inform and possibly promote replication in other regions/countries
- How benefits for women and girls will be delivered
- How fiduciary weaknesses in project countries will be addressed
- Country ownership and effective stakeholder engagement
- Additionality of the funding.

## PUBLICATIONS



### GCF OPERATIONS COORDINATOR

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<http://www.greenclimate.fund>



# SUSTAINABLE ENERGY FUND FOR AFRICA (SEFA)

## PURPOSE

Unique mechanism supporting private investments in small- and medium-scale renewables and energy efficiency projects to unlock Africa's green energy potential. Launched in 2012, SEFA is an \$87 million Bank-managed multi-donor trust fund (DANIDA, USAID and DfID) supporting private sector-led economic growth in Africa through efficient use of untapped clean energy resources. Operates under three financing windows: project preparation, equity investments, and enabling environment support. Aligned with SE4All to support preparatory, sector planning and capacity-building activities, including High-Impact Opportunities (HIO) for Green Mini-Grids.

## PORTFOLIO PRIORITIES

- Project implementation
- Project Development
- Resource Mobilization
- Enabling Environment Support
- Gender and Energy Access

## FINANCING

### Project Preparation

- Access to Finance
- Technical Assistance

### Equity Investments

- Private Equity Capital
- Technical Assistance

### Enabling Environment

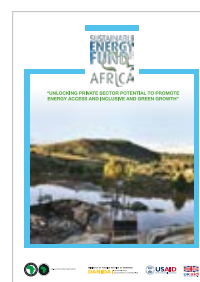
- Policy and Regulatory Development
- Public Sector Support
- Capacity Building and Advisory
- Market Development and Preparation

SEFA is at the core of the Bank's corporate priorities of green and inclusive growth enshrined in its 2013-2022 Strategy, by unlocking private investment that expand access to clean energy and stimulate job creation.

**Alex Rugamba**

*AfDB Director, Energy, Environment and Climate Change Department*

## PUBLICATIONS



### SEFA COORDINATOR

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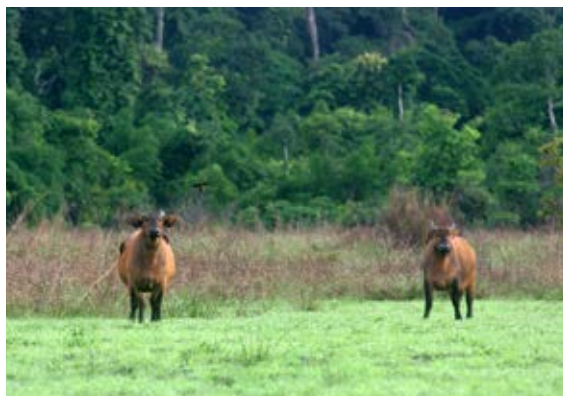
# AFRICA CLIMATE CHANGE FUND (ACCF)

## PURPOSE

A EUR 4.725 million German-funded trust fund to help African countries become resilient to climate change and transition to low carbon growth. Helps countries strengthen their climate finance institutional and policy development capacity and ability to attract climate finance from the Green Climate Fund and other sources.

In 2015, 5 projects were approved in 4 countries (Mali, Swaziland, Cape Verde, Kenya) and one multi-national project for a total approved amount of \$2.17 million.

There are 17 additional projects in the ACCF's pipeline currently undergoing appraisal, and there are plans to attract further funding and scale the ACCF up to a multi-donor trust fund in the coming months.



### Strengthening Access to Climate Change Information in 54 African Countries

The ACCF will support a multi-national project with a grant of \$420,000 which will enable up-to-date information on climate change adaptation and mitigation to be produced for 54 African countries. The project, to be executed by the AfDB, will also provide training to support African countries to strengthen their capacity to strategically plan for long-term climate change interventions and to access international climate finance.



## PUBLICATIONS



### ACCF COORDINATOR

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## POLICY ADVOCACY INITIATIVES

### ► ACTC (African Climate Technology Center)

Support to the scale-up and deployment of low-carbon and climate resilient technologies

- Funding: US\$ 14.34 million from GEF
- Implemented in-house by AfDB

**COORDINATOR:** Daniel-Alexander Schroth, [d.schroth@afdb.org](mailto:d.schroth@afdb.org)

### ► GREEN GROWTH INITIATIVE

Consistent with the Bank's ten year strategy 2013-2022, inter-departmental team developed the Bank's Green Growth Framework, undertook staff training and awareness events and is rolling-out dialogue and analytical work at country level.

**COORDINATOR:** Gareth Phillips, [g.phillips@afdb.org](mailto:g.phillips@afdb.org)  
[http://bit.ly/GG\\_AfDB](http://bit.ly/GG_AfDB)

### ► SE4All AFRICA HUB

Facilitating the implementation of the Sustainable Energy for All Initiative in Africa supporting universal energy access; doubling the share of renewables in the global energy mix; and doubling the rate of improvement of energy efficiency.

- 43 African countries have joined the initiative.

**COORDINATOR:** Daniel-Alexander Schroth, [d.schroth@afdb.org](mailto:d.schroth@afdb.org)  
<http://bit.ly/se4allafrica>



## FUNDS MANAGED BY AfDB WATER AND SANITATION AND AGRICULTURE AND AGRO-INDUSTRY DEPARTMENTS



**African Water Facility**

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