WHAT LIES AHEAD

In line with its commitments and those of the CIF, the African Development Bank continues to mobilize climate finance, effectively helping African countries in meeting their sustainable development goals and transforming their economies.

The Bank will continue playing its role as an implementing entity of the CIF and support African countries tapping into concessional finance that can be highly transformative and tip the scale in favor of the much-needed climate action across the continent.

At a global level, the CIF has selected five countries for immediate funding under the Renewable Energy Integration (REI) program. From the African continent, Kenya and Mali were selected to benefit from a maximum allocation of $150 million, including the investment plan preparation grants. In collaboration with other MDBs, the African Development Bank is supporting the countries in designing their investment plans and developing pipelines.

Globally, four countries were selected for the Accelerated Coal Transition program, including South Africa that will receive $500m in highly concessional resources to support the country’s coal transition program. Together with other MDBs, the Bank has supported South Africa in preparing its Investment Plan which was approved by the CIF Trust Fund Committee during the October 2022 intersessional meeting. The African Development Bank remains a strong partner of South Africa and is keen to leverage its own resources together with those of the CIF to accelerate coal phasing out and contribute to a just energy transition.

Out of 10 countries selected for the new Nature, People, and Climate Program, six African countries (Egypt, Ethiopia, Kenya, Namibia, Rwanda, and Zambia) and one African Region – the Zambezi River Basin program (comprising five countries), will benefit of concessional resources. The African Development Bank will support these countries in scaling to address climate change and improve livelihoods through the sustainable use of land and other natural resources. The Bank will support them preparing their investment plan and project pipeline development in the coming 18 months.

The African Development Bank will provide all the necessary support to the CIF and its RMCS in launching the processes of the remaining two CIF programs, the Industrial Decarbonization program and the Climate-Smart Urbanization program.

ADB is actively engaging in the development of the CIF Capital Market Mechanism, a new framework underlying CTF that will seek to leverage reflows to raise capital in the financial markets through the issuance of green bonds with the objective of funding a future pipeline of new projects.

At the project level, the Bank continues accelerating the pace with which it is supporting financial intermediaries in the deployment of much needed concessional equity. In 2023, the CTF Trust Fund Committee approved a total of $25 million to the Eastern and Southern Trade Development Bank’s Green Shares and the Africa Go Green Fund. Support will be given during 2023 in the design of the proposed projects under the ACT Investment Plan.