

● Financing Climate-Resilient and Low-Carbon Development in Africa

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Need-Based Finance Workshop

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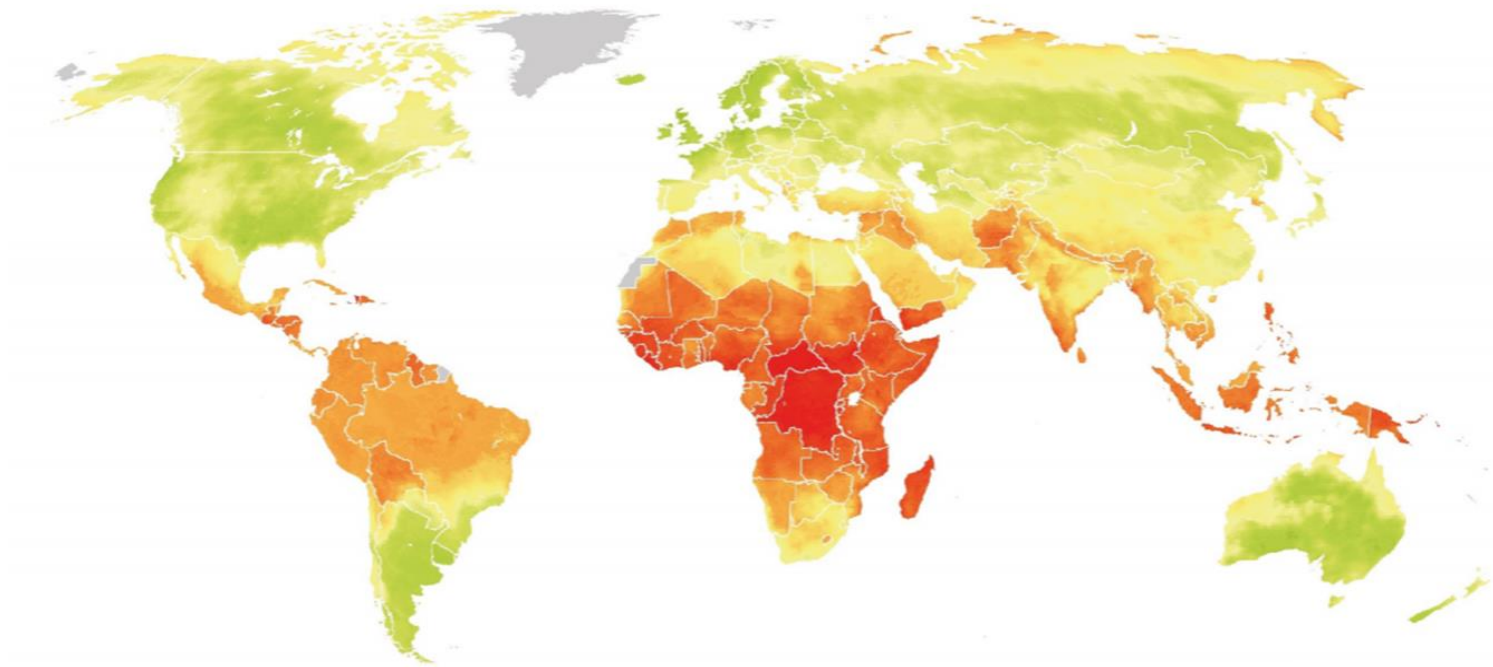


Climate Change Effects in Africa



Climate Change Realities in Africa (1)

Africa is highly vulnerable to climate change: Of the 10 countries in the world considered most vulnerable to climate change, 7 are in Africa.



© Verisk Maplecroft 2016

Legend



Climate change vulnerability index 2017

The effects of the 2015 drought in Southern Africa

Food Insecurity
31%
population

Crop Failures
9.3
million
ton deficit

Livestock
643,000
dead

Humanitarian Aid
40
million
people

Climate Change Realities In Africa (2)

Cyclone Idai in Mozambique,
Malawi and Zimbabwe (March 2019)



- More than **1,000 people** dead
- About **3 million people** affected
- **Infrastructure** worth more than USD 1 billion **destroyed**
- More than **1 million acres of crops** destroyed
- More than **100,000 homes** damaged
- Severe cases of **cholera, malaria and diarrhea**

Flooding in Abidjan, Cote D'Ivoire
(June 2018)

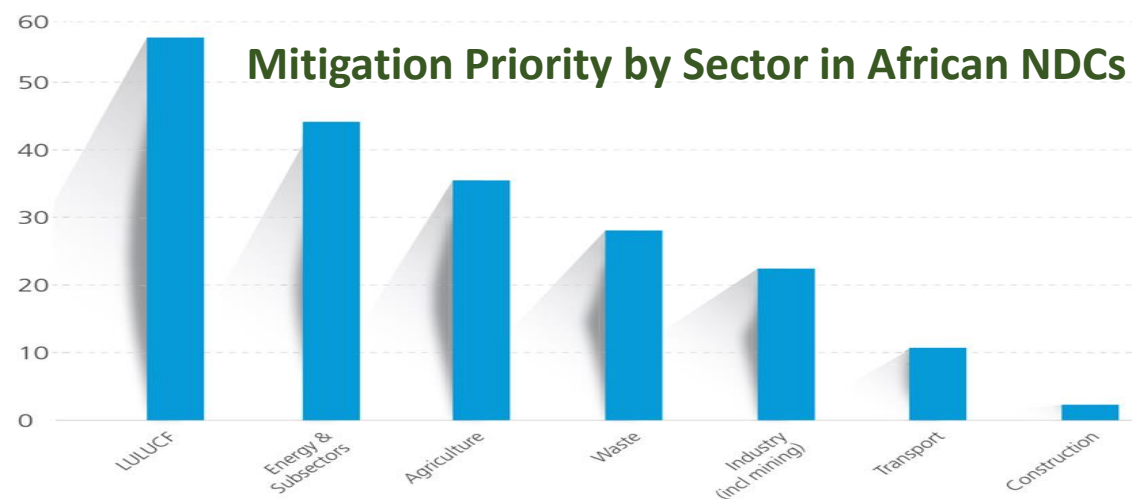
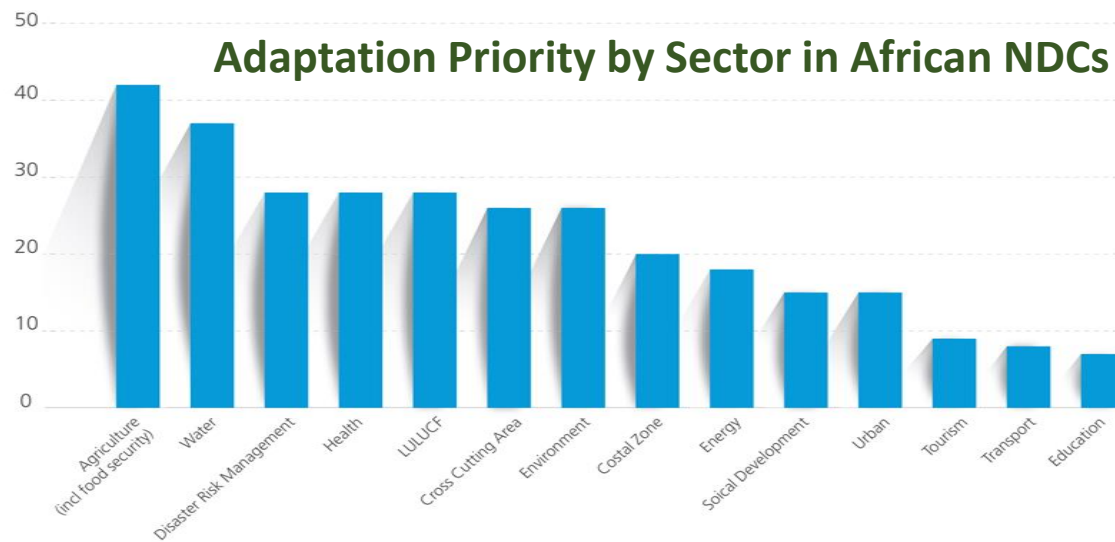


- About **20 people** dead (plus hundreds injured)
- **Flood waters rose up to 2.5m high**
- **Properties** worth millions of USD were **destroyed**

Opportunities for investing in low carbon and climate resilient development in Africa

The Paris Agreement and Nationally Determined Contributions (NDCs) come with great investment opportunities.

- Green investments opportunities could be up to US\$ 23 trillion by 2030 in emerging markets, **about \$3 trillion in Africa**
- Dedicated Global Climate Funds to address climate change
- Green bond issuances in 2018 reached **US\$ 167 billion**, up from a mere US\$ 13 billion in 2013; **Bank issuance \$2.2 billion.**

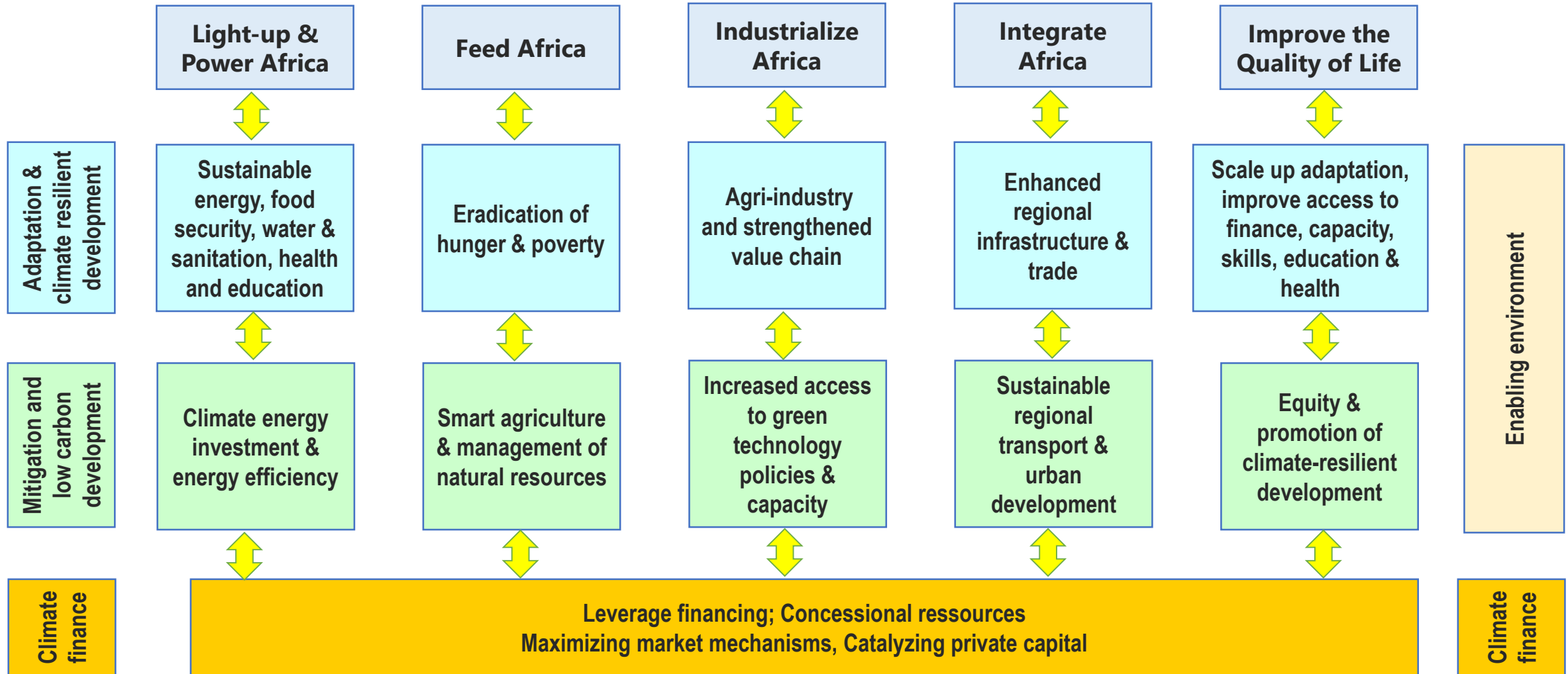


BANK'S INTERVENTIONS ON CLIMATE CHANGE IN AFRICA

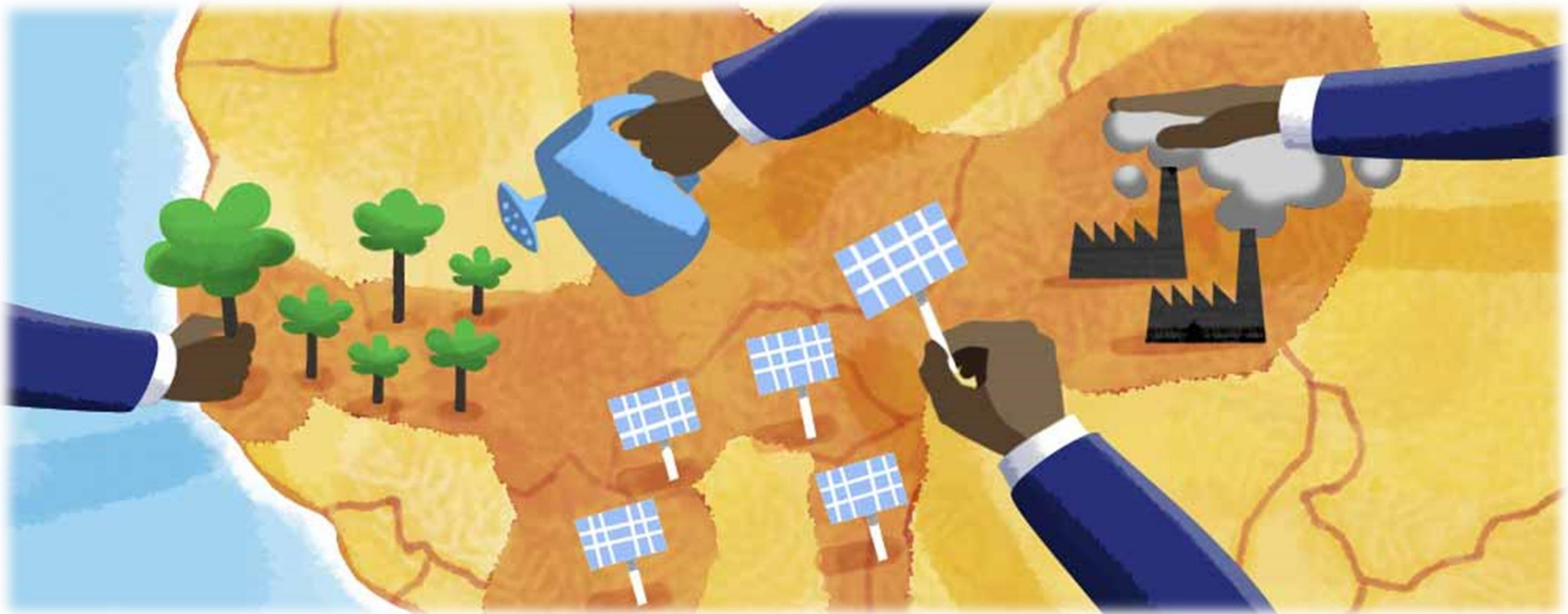


Climate Change Action Plan II (2016-2020)

Nationally Determined Contributions



Climate Finance at the AfDB



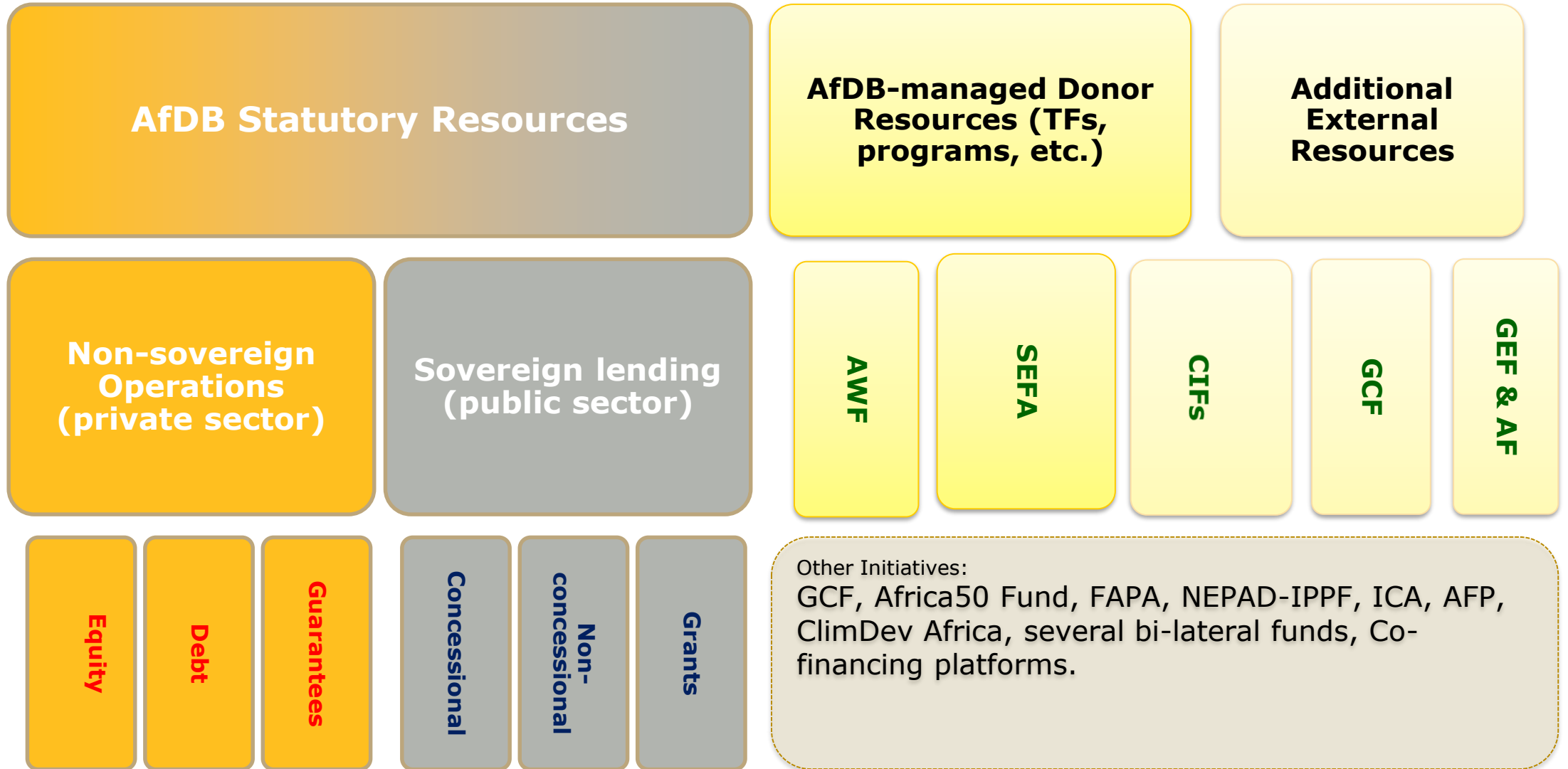
What is climate finance?



Climate Finance: refers to local, national or transnational financing—drawn from public, private and alternative sources of financing—that seeks to support mitigation and adaptation actions that will address climate change.

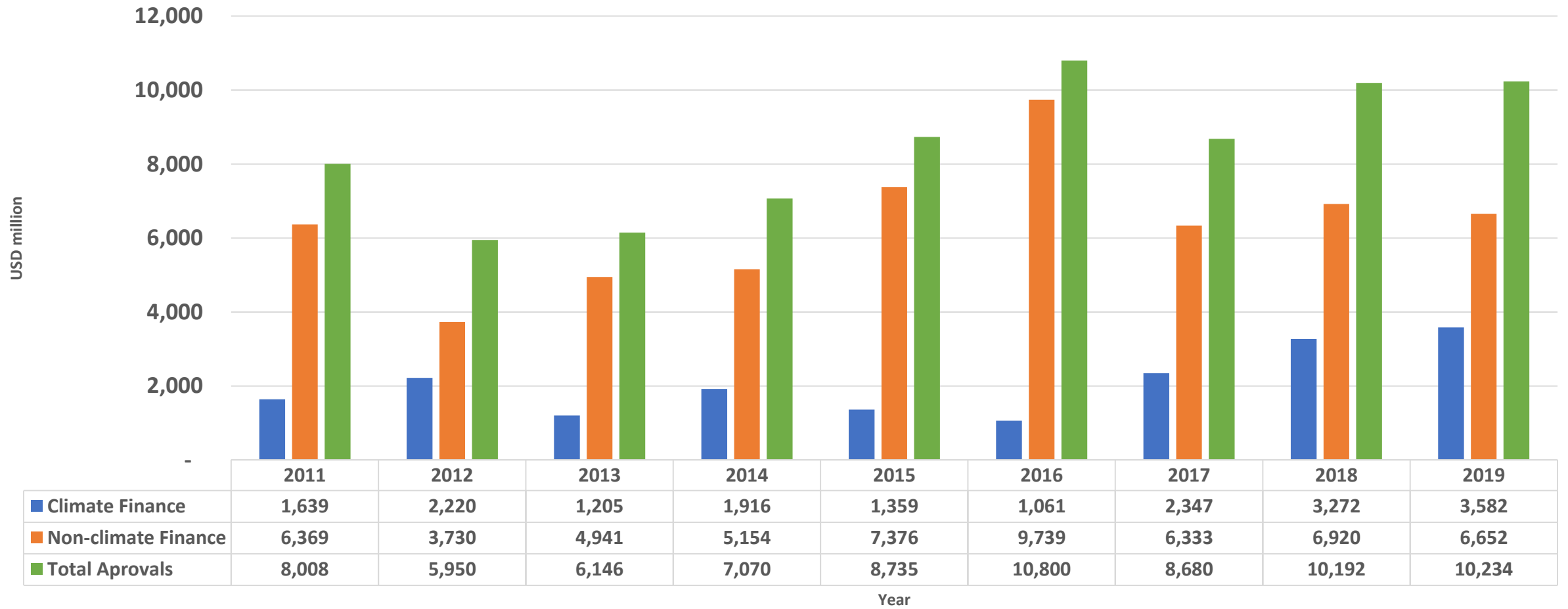
- Climate finance is needed for **mitigation**, because large-scale investments are required to significantly reduce emissions.
- Climate finance is equally important for **adaptation**, as significant financial resources are needed to adapt to the adverse effects and reduce the impacts of a changing climate.

AfDB Investment Platform



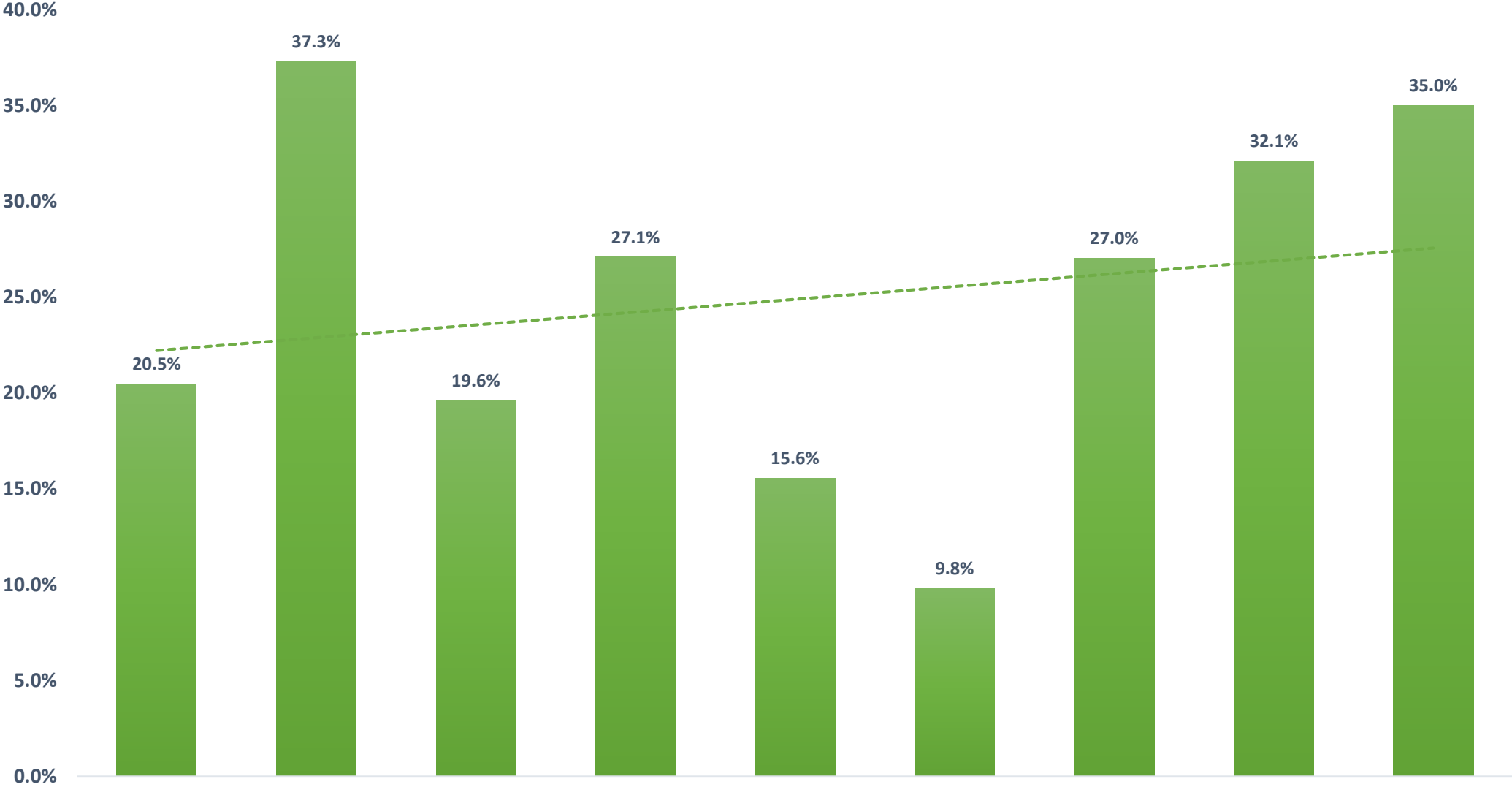
Climate Finance from AfDB resources

Climate Finance within the Bank's total approvals

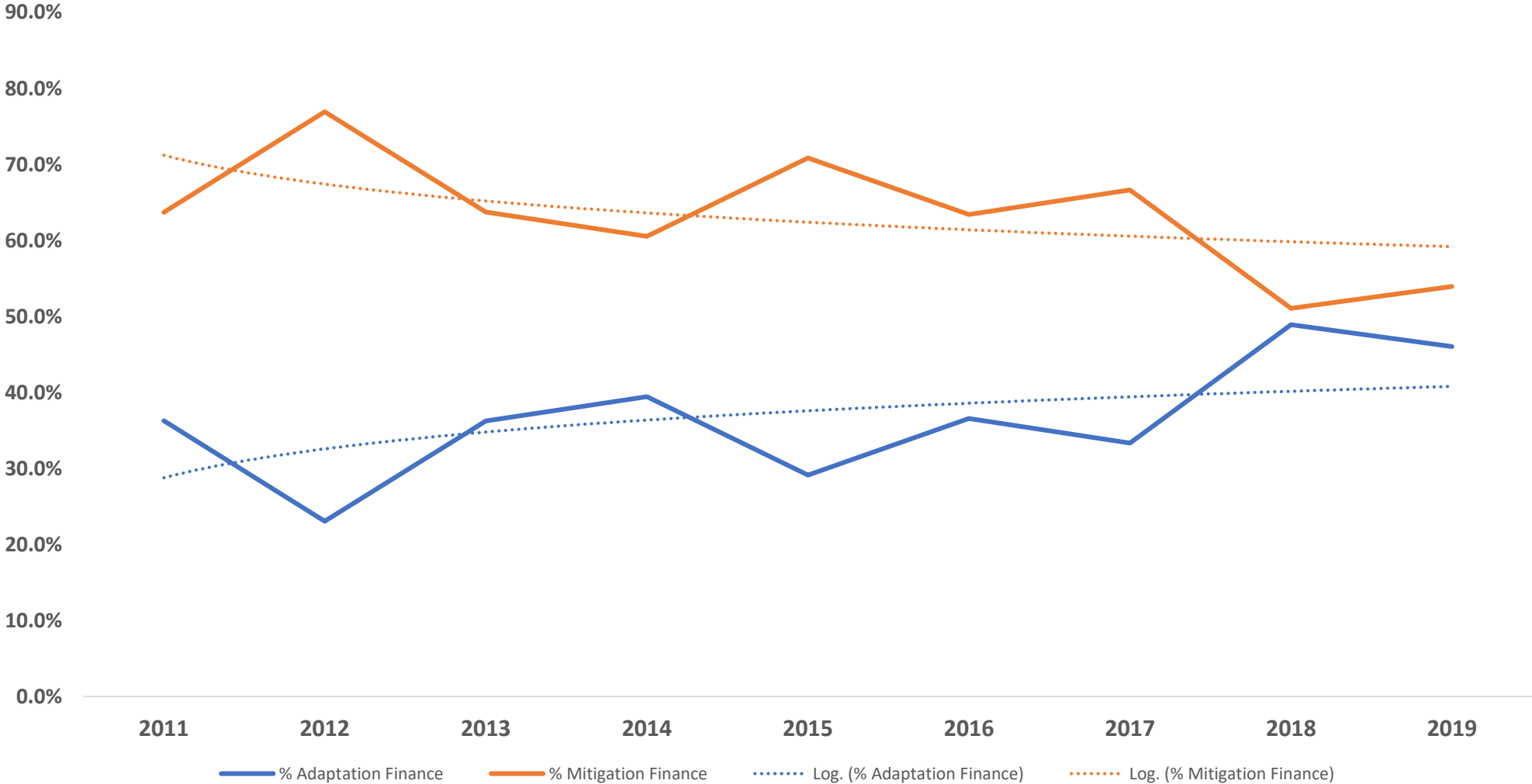


■ Climate Finance ■ Non-climate Finance ■ Total Approvals

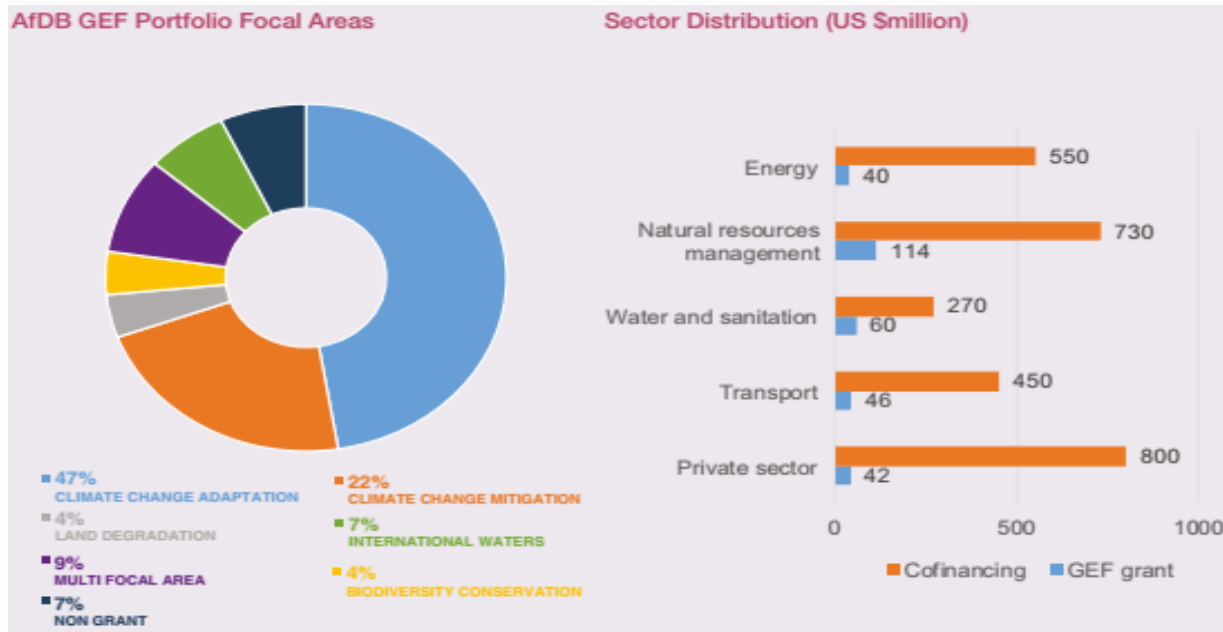
Distribution of Climate finance from Total Approvals



Mitigation finance vs. Adaptation finance

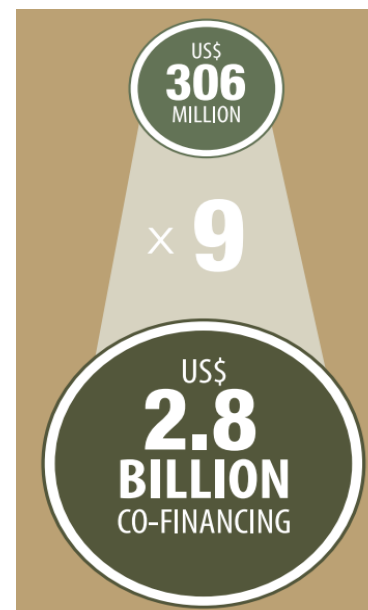
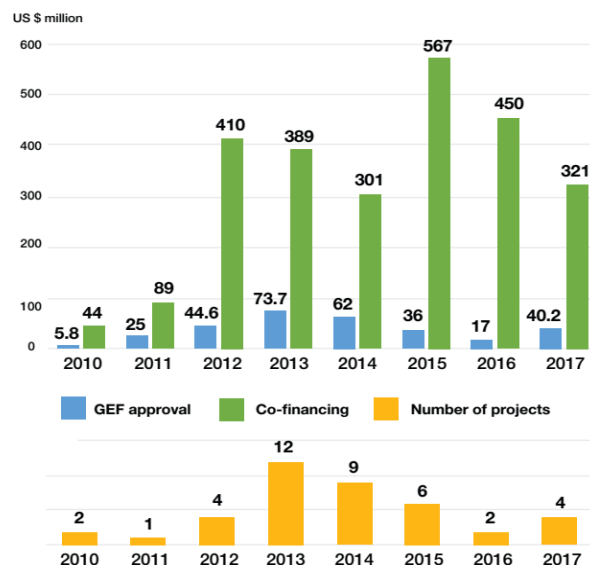


AfDB-GEF Portfolio



- High leverage: The AfDB has consistently mobilized a minimum of US \$5 for each US \$1 GEF funding
- With 50% of its GEF portfolio funded by the LDCF, AfDB ranks second leading agency for the LDCF
- The portfolio has seen much more diversification in GEF6, with stronger focus on non-grant financing and multi focal area projects
- Investments have been made in **all GEF focal areas**, including, more recently, developing innovative approaches in private sector financing

AfDB-GEF Portfolio 2010-2017



AfDB-GEF Portfolio by Country



AfDB-CIF Portfolio



Established in 2008 as one of the largest fast-tracked climate financing instruments in the world, the \$8.3 billion the CIF gives developing countries worldwide an urgently needed jump-start toward achieving low-carbon and climate-resilient development.

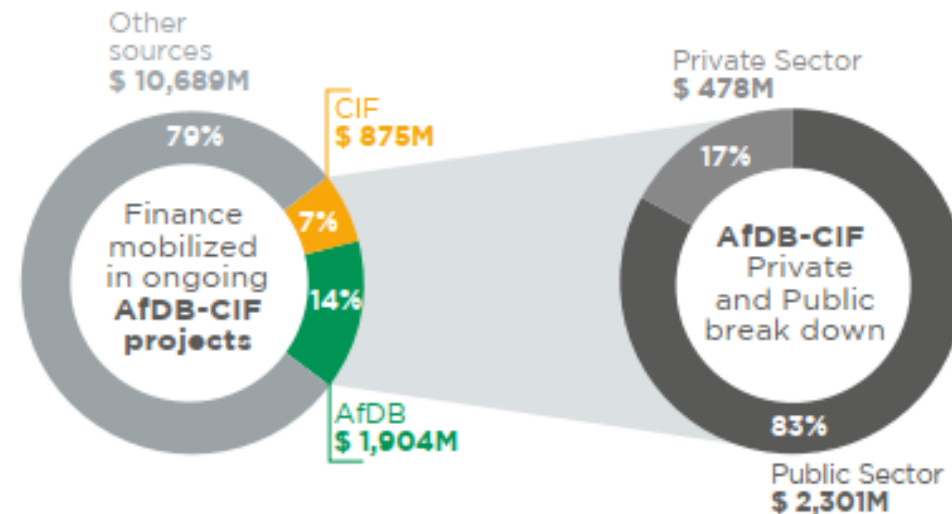
The African Development Bank is a CIF implementing partner with a growing portfolio in renewable energy, sustainable forestry, and resilience solutions across its four programmes:

- Clean Technology Fund (CTF)
- Scaling Up Renewable Energy Program in Low Income Countries (SREP)
- Forest Investment Program (FIP)
- Pilot Program For Climate Resilience (PPCR)

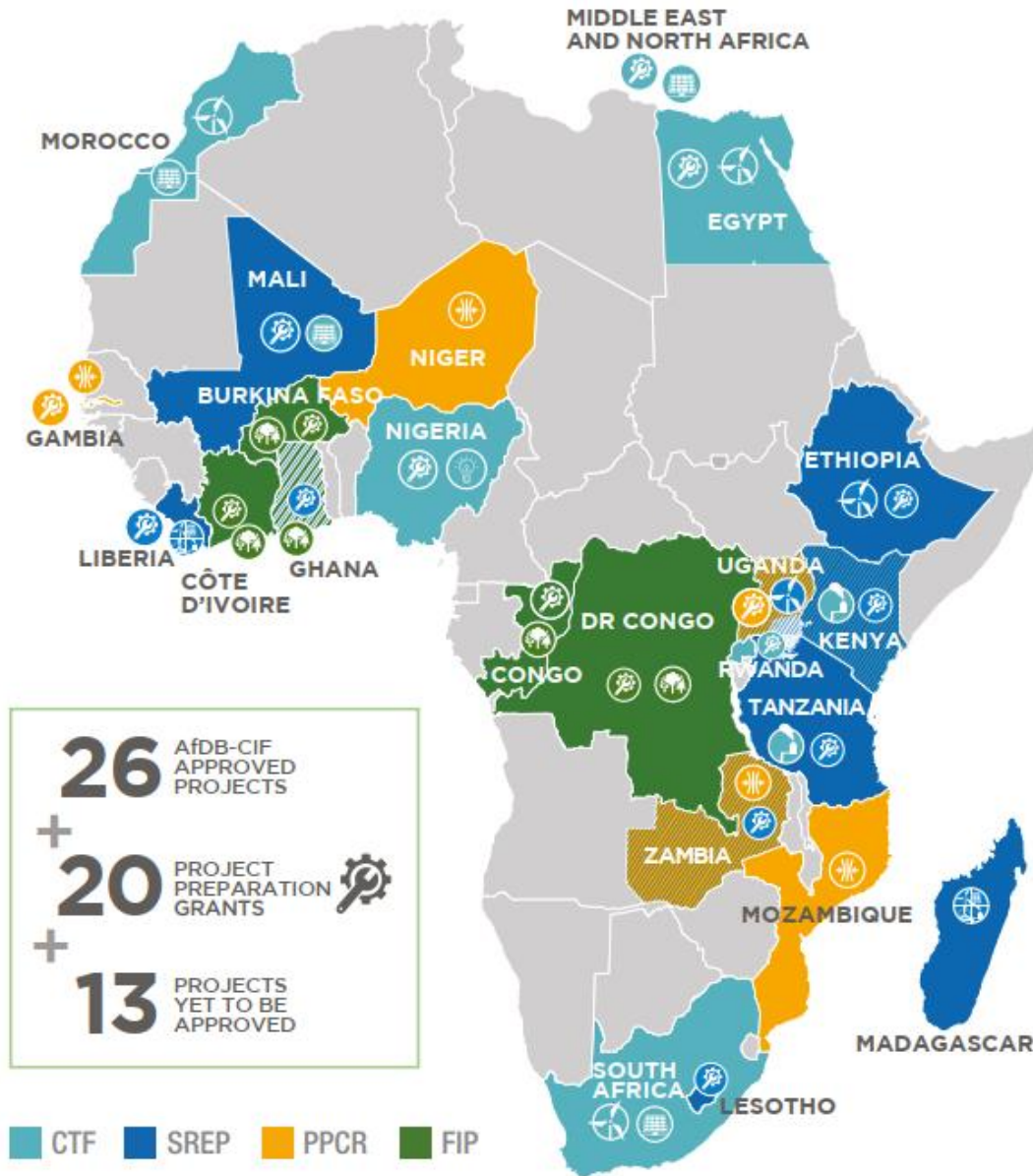
So far, the Bank has mobilized a cumulative total of \$875 million from the CIF, and leveraged a further estimated \$10.7 billion in co-financing from public and private sources.



For every \$ 1 invested by the CIF, an additional \$ 14 has been mobilized



AfDB-CIF Portfolio



26 AfDB-CIF APPROVED PROJECTS

+ 20 PROJECT PREPARATION GRANTS

+ 13 PROJECTS YET TO BE APPROVED

APPROVED PROJECTS

AfDB-approved projects by program

- 9 CTF \$ 2.249 billion**
CIF \$ 588 million, AfDB \$ 1.661 billion
- 6 FIP \$ 95.62 million**
CIF \$ 67.85 million, AfDB \$ 27.77 million
- 5 PPCR \$ 136.5 million**
CIF \$ 107.5 million, AfDB \$ 29 million
- 6 SREP \$ 297.3 million**
CIF \$ 111.3 million, AfDB \$ 186 million

AfDB-CIF approved projects:

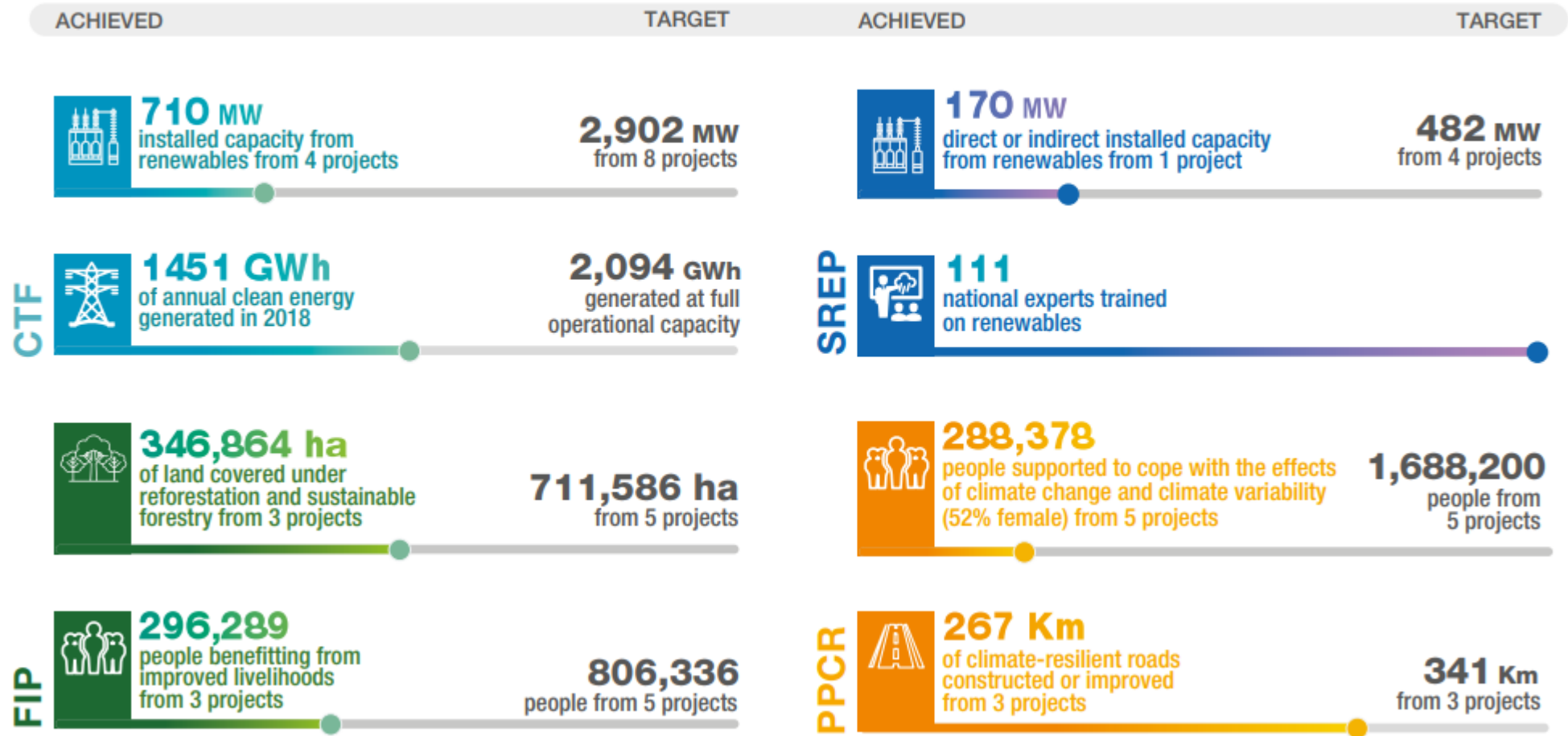
\$ 2.779 billion

AfDB: \$ 1.904 billion
CIF: \$ 0.875 billion

AfDB-CIF Portfolio

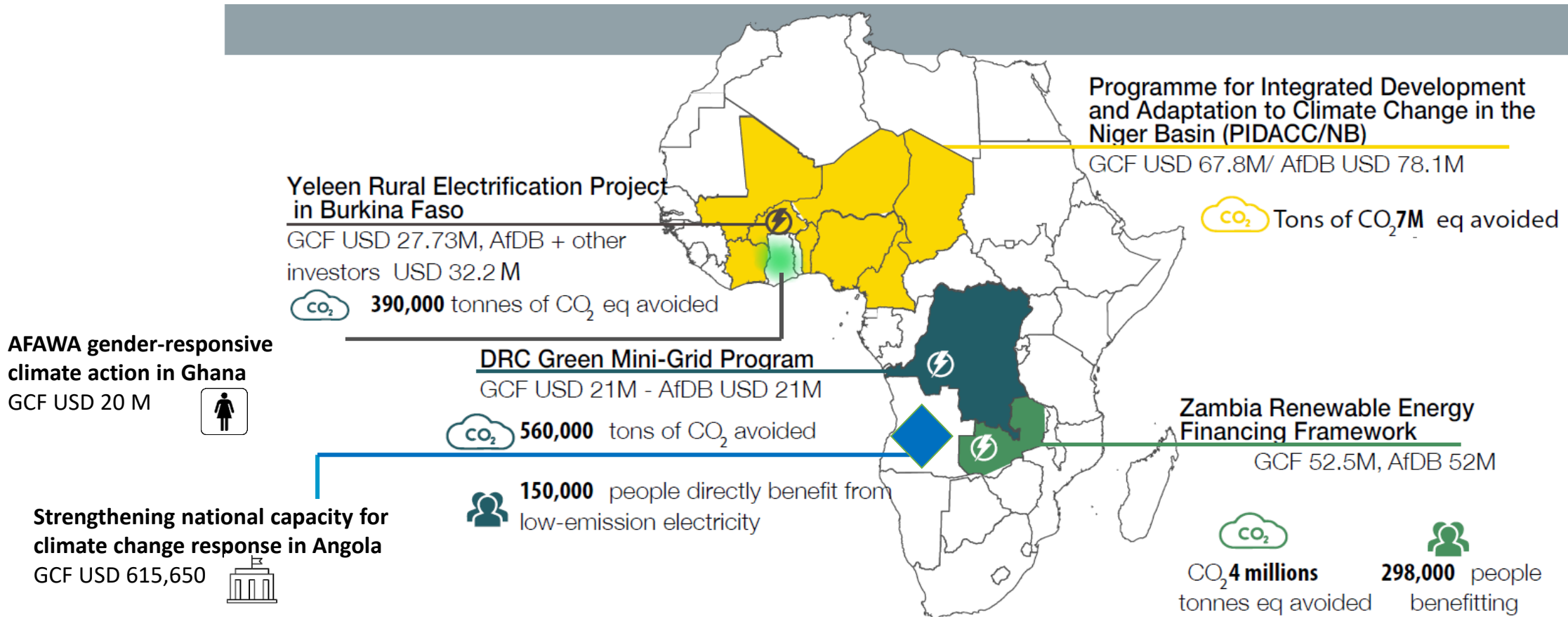


ACHIEVED AfDB/CIF RESULTS ON THE GROUND



AfDB – GCF Portfolio

The Bank had **5 Funding Proposals approved by the GCF Board from 2018 - 2019**, amounting to a total of **US\$ 189.6 million** of concessional financial resources from the GCF. **In 2019 only one project was approved with a value of US\$20 million LoC in support of the Bank's Ambitious target for Affirmative Finance Action for Women in Africa (AFAWA)** The project has **strong climate adaptation co-benefit for Ghana**. All the projects and programmes underlying the funding proposals are part of the Bank's lending operations. The total amount to be approved by the Bank Board for these projects and programmes is US\$161.2 million – constituting the co-finance required by the Bank as a Multilateral Development Bank. In addition the Bank in 2019 also assisted **Angola as GCF Readiness Delivery Partner to secure US\$ 615,650** to help strengthening Angola's national capacity for leading and coordinating the country's national-level responses to climate change in general, and GCF-climate actions.



Africa Climate Change Fund (ACCF)

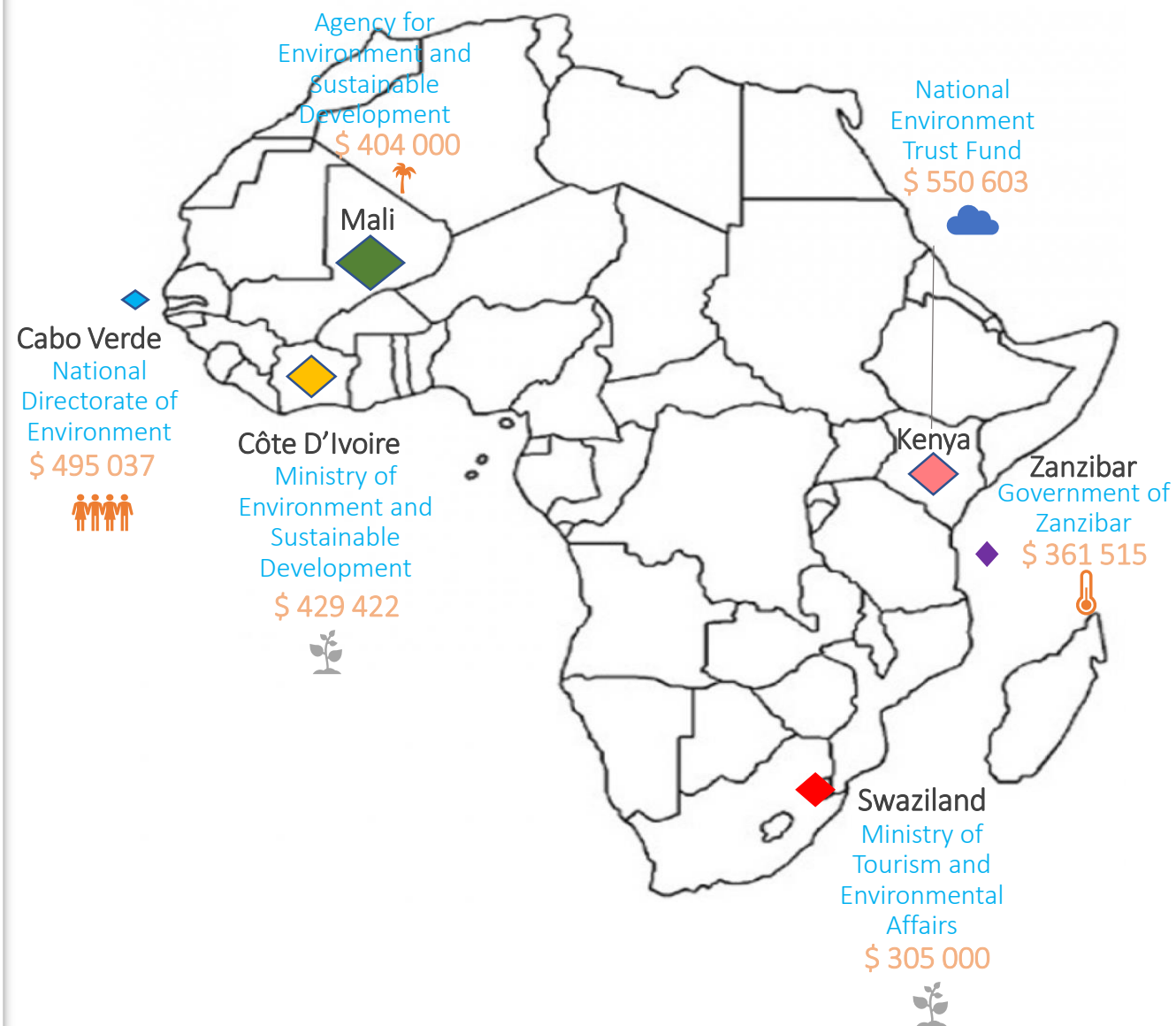


- ▽ Established in 2014 as an AfDB-managed bilateral thematic fund with initial contribution from Germany (EUR 4.725m)
- ▽ Converted to a **multi-donor trust fund** in March 2017 with contribution from Italy (EUR4.7m) and Flanders (EUR2m)
- ▽ Provides **small grants** to support RMCs in their **transition to climate resilient and low carbon development**, in line with their Nationally Developed Contributions (NDCs) and to enable the Bank to scale up its climate change activities.
- ▽ **Beneficiaries** of ACCF grants include:
 - African governments
 - NGOs
 - Research institutions
 - Regional institutions
 - Funds
 - Bank departments

AfDB – ACCF Portfolio

The Bank has **6 country support activities** in the ACCF portfolio, amounting a total of **USD 2,545,677**.

- **Cote d'Ivoire:** 1 full proposal to Adaptation Fund, 1 Concept Note for submission to the GCF, Assessment of an institution for GCF accreditation, 40 Stakeholders trained, 1 consultancy report on stakeholders capacity-building.
- **Cabo Verde:** 2 Assessment Reports of potential national entities to be accredited, 4 project concept notes (2 energy and 2 waste sector, Identification and assessment of an institution for GCF accreditation, 2 project proposals for submission to GCF, 2 training workshops focused on GCF program, Development of a website
- **Kenya:** 1 Fully fledged investment-ready proposal, 1 Full Proposal and 3 Concept notes (1 GCF, 2 Generic), 1 proposal, 3 Investment ready Concept Notes in Agriculture (1 GCF, 2 Generic), 1 full proposals and 3 relevant project concept notes in agro-forestry, Baseline study to inform the development of investment ready concept notes on agro-forestry
- **Mali:** 1 National Environment Financing Strategy Document, 2 Strategy Documents EVRCC; National Action Plan for the implementation of the SNFE, 5 key stakeholders trained, 1 Software installed, Portfolio of 5 projects
- **Swaziland:** 1 Full project proposal to GCF, 5 Project Concept Notes, Capacity building for project planners and managers/coordinators from executing entities, 1 website to support CC mainstreaming
- **Zanzibar:** Monitoring framework for the implementation of Zanzibar Climate Change Strategy, Financing plans for 3 Local Adaptation Plans (LAPAs) in 3 districts, 4 Project Concept notes developed in four key sectors, Training of 90 CC staff, A report of Development & establishment of a baseline and monitoring framework for CC interventions





Thank You

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