

# AFRICA

## CLIMATE CHANGE FUND

### SUPPORTING AFRICAN COUNTRIES TO ACCESS INTERNATIONAL CLIMATE FINANCE,

ENABLING A TRANSITION TOWARDS CLIMATE RESILIENT, LOW-CARBON DEVELOPMENT



AFRICAN DEVELOPMENT BANK GROUP



**giz** Deutsche Gesellschaft  
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## CLIMATE FINANCE IN AFRICA

Despite its limited contribution to global greenhouse gas emissions, the African continent is highly vulnerable to the negative impacts of climate change. Progress is being made globally towards mobilising and scaling up climate finance – notably with the recent establishment of the Green Climate Fund (GCF). However, the amount of climate finance flowing to the African continent remains below the estimated needs and the continent continues to receive a relatively small share of global climate finance disbursements compared to other regions. Several factors contribute to African countries' limited access to climate finance to date, including a weak enabling environment to attract climate investment; limited institutional capacity to access and manage finance and to develop bankable climate projects; as well as cumbersome processes and requirements of international funds and institutions. In recent years, there has been growing recognition of the importance of preparatory or “readiness” activities that help countries to strengthen their capacities and enabling environment to access and mobilise climate finance.

## Africa Climate Change Fund

The Africa Climate Change Fund (ACCF) supports African countries in building their resilience to the negative impacts of climate change and transitioning to sustainable low-carbon growth. Established in 2014 as a bilateral thematic trust fund with an initial contribution of EUR 4.725 million from Germany, the ACCF is hosted and managed by the Environment and Climate Change Division of the African Development Bank (AfDB), and implemented in collaboration with other Bank departments.

The AfDB has undertaken a number of initiatives to support African countries to strengthen climate resilience and enable a transition to low-carbon, green growth. Its strategy for the period 2013 – 2022 emphasises the twin goals of inclusive growth and a transition towards green growth, while its Climate Change Action Plan 2011-2015 seeks to promote low carbon development and climate change adaptation and mitigation.



*The Bank's 2013-2022 Strategy focuses on two objectives to improve the quality of Africa's growth: inclusive growth and the transition to green growth. Through the mobilization of additional financing for climate-smart development, the ACCF will greatly contribute to achieving the Bank's strategic objectives.*

**Alex Rugamba**, Director of AfDB's Energy, Environment and Climate Change Department



As an implementing agency of other climate-related multilateral funds such as the Climate Investment Funds (CIF) and the Global Environment Facility (GEF), the AfDB has already financed numerous climate resilient and low-carbon activities in Africa. The ACCF complements existing resources and trust funds and aims to scale-up mobilization of international climate finance dedicated to support African countries to transition towards climate-resilient, low carbon economies and green growth, including through readiness activities.



## ACCF Goals

**The ACCF was established to:**

- Support regional member countries (RMCs) prepare to access greater amounts of climate finance and use the funds received more efficiently and effectively;
- Support RMCs in addressing climate change in their development strategies and policies through upstream diagnostics and technical assistance;
- Support RMCs in developing climate-resilient and low-carbon investment plans and projects;
- Co-finance climate-resilient and low-carbon projects and programs;
- Gather, consolidate, analyse and disseminate information and knowledge on climate-resilient and low-carbon development;
- Strengthen the capacity of institutions in RMCs and of national and regional stakeholders to respond to climate change and pursue green growth; and
- Help RMCs prepare for and contribute to the Conference of the Parties to the United Nations Framework Convention on Climate Change (UNFCCC).

## Beneficiaries

ACCF grant recipients may include: African governments, non-governmental organisations (NGOs), research institutions, and regional institutions (jointly referred to as “external recipients”), as well as the AfDB. The eligibility of NGOs and research institutions depends on their credibility and track record in financial governance, among other criteria. Furthermore, such institutions must be based in Africa.



## Eligibility

### Eligible areas of intervention include :

- Climate finance readiness and preparatory activities
- Mainstreaming climate change and green growth into development
- Preparation and financing of adaptation and mitigation projects
- Knowledge management and information sharing related to climate change
- Capacity building and training
- Preparation of climate resilient and low-carbon strategies and policies
- Analytical work related to green growth
- Advocacy and outreach

### Eligible activities to be funded include :

- Recruitment of national and international consultants
- Trainings
- Consultation and validation workshops
- Regional and international meetings
- Communication
- Advocacy
- Translation services
- Technical assistance in the preparation of studies and analytical pieces
- Office equipment and transportation fees

## Financial Considerations (approval thresholds)

The minimum value of proposals to the ACCF is USD 250,000. Proposals under USD 500,000 are approved by the ACCF Technical Committee, an internal Bank committee; proposals over USD 500,000 require additional approval of the donor; and projects over USD 1 million require the approval of the AfDB Board.

## Coordination of Readiness Activities

The AfDB is a member of the Readiness Coordination Mechanism which was established by the Green Climate Fund (GCF) Secretariat and includes all major institutions that support climate finance readiness activities. In addition, the ACCF Secretariat engages regularly with the GCF Secretariat as well as with other institutions that are providing readiness support to African countries to ensure activities are coordinated in each of the countries in which the ACCF has a project under consideration or implementation. Special effort has also been made to complement initiatives already underway with support from other donors and to support countries which have had little or no access to climate finance readiness support.

## Achievements to Date

Since its inception, the ACCF has:

- Built the Fund's foundation upon which all future operations would run. This involved building the Fund's Secretariat by carefully selecting and training the core team; devising and implementing a communication strategy to ensure internal and external visibility.
- Received 362 proposals from African governments, NGOs, research institutions, regional institutions and Bank departments following the Fund's first call for proposals focused on climate finance readiness. From the proposals received, 60 were shortlisted through an initial screening, of which 22 were retained for appraisal.
- Drafted and approved the Fund's Operational Guidelines that will guide AfDB staff and ACCF grant recipients on: preparing and processing applications; approval procedures; and implementing activities approved under the ACCF.
- Developed the Monitoring and Evaluation Framework that will be used by the ACCF Secretariat to assess its progress against Fund goals, including milestones for project appraisal, disbursement of funds, fundraising, and project progress relative to established indicators.
- Appraised and approved five projects that will advance climate finance readiness across four African countries – Mali, Cape Verde, Swaziland, and Kenya – as well as one multi-national project.

### Supporting the Transition to a Climate Resilient, Green Economy in Mali

In August 2015, the ACCF approved a grant of USD 404,000 to support the Government of Mali to develop two strategic programs for a climate resilient and green economy: one in renewable energy and one focused on adaptation in the agriculture sector. It will further support Mali to create a strategy for financing its transition to green and climate resilient growth and to attract private sector investment in this transition. It will also strengthen the capacity of the Malian Agency for Environment and Sustainable Development (AEDD), the executing agency for the project, in the management of climate finance. The project forms part of a broader strategic approach to advance climate finance readiness in Mali which is supported by several donors.

### Advancing Clean Energy Projects in Cape Verde

Cape Verde will receive a grant of USD 495,037 to enhance its capacity to access climate finance in support of its low-carbon, climate resilient development goals. The project, which will be executed by the National Directorate of Environment, will focus on the development of nationally appropriate mitigation actions (NAMAs) for the key strategic sectors of energy and waste. It will further support the mobilization of climate finance for the implementation of NAMAs. The project will enable Cape Verde to position itself strategically to access finance for priority low-carbon development projects.

### Supporting Swaziland to Advance its Low-carbon, Climate Resilient Development

The ACCF will support the Government of Swaziland in enhancing readiness for investment in a low-carbon and climate resilient development pathway with a grant of USD 305,000. The project will support the Ministry of Tourism and Environmental Affairs to assess and prioritise adaptation and mitigation actions, and to develop concept notes and proposals for submission to climate finance sources such as the GCF. It will furthermore provide training to key project managers and coordinators in different institutions on project development and management.

### Advancing Kenya's Green Growth Agenda

A grant of USD 550,603 will support the Kenyan government to develop programs and projects in the environment and forestry sectors that will advance the country's transition towards a green economy. The project will support the prioritization and development of investment-ready low-carbon project concept notes that will be presented to appropriate domestic and international funding sources for consideration. It will further enhance the capacity of the Ministry of Environment and Natural Resources in project development and mobilising climate finance. The project is part of a broader effort to advance climate finance readiness in Kenya that involves a wide range of national institutions and is supported by several international funders.

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

The ACCF will support a multi-national project with a grant of USD 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.



*We are proud to be the first country chosen to receive funds from the Africa Climate Change Fund (...). This grant will support essential activities and lay the foundation for the promotion of a green and climate-resilient economy in Mali. It will strengthen the existing strategic partnership with the AfDB, as well as improve the mobilization of climate finance on a large scale.*

**Aboubacar Diabate**, *Director of the Agency for Environment and Sustainable Development (AEDD), Mali*



## Outlook for 2016

Moving forward, in 2016 the ACCF will continue to advance the appraisal and approval of shortlisted projects and ensure the smooth implementation of already approved projects. In addition, the ACCF aims to raise additional funding and to scale-up to a multi-donor trust fund following contributions from at least one additional donor. It is expected that a second call for proposals will be launched in 2016.



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