







CLIMATE FINANCE

Issue No. 45 — January - June 2020

Dear readers,

The combination of COVID-19 pandemic and enhanced climatic threats exacerbates Africa's vulnerabilities and developmental challenges.

The COVID-19 pandemic reminds us of our collective vulnerability to global human and environmental threats. The African Development Bank Group approved a \$10 billion COVID-19 Response Facility (CRF) to help African countries effectively respond to the COVID-19 health crisis and to stimulate green and resilient recovery. The Bank's CRF package presents an opportunity to address the emerging COVID-19 challenges and support the continent's transition to resilient and green growth through investments such as installing renewable energy in health centres; delivering climate smart agricultural interventions in the Sahel region to avert hunger; and sustainable water and sanitation solutions. If anything, there is a silver lining in this crisis of enabling the global community to "build back better" - by not going back to carbon intensive production and consumption systems that made us this vulnerable in the first place. This approach will lay a solid foundation to a greener post-COVID future.

As the Africa continent grapples with multi-pronged stressors of COVID-19, locust invasions and extreme weather conditions, the African Development Bank sees an opportunity to take bold actions and make significant investments across all the major development sectors to foste sustainability. Doubling down on a greener and more sustainable development pathway provides a springboard for to de-couple Africa's growth from emissions.

The Bank is leading a major push to build resilience to climate change in Africa. Its 2019 financing for climate action indicated a steady increase in climate adaptation finance exceeding mitigation finance. Bank resources have gone a long way in strengthening capacities of Africa's climate centres to generate good quality climate data and early-warning systems; enabling vulnerable countries access climate risk premiums through the Africa Disaster Risk Financing Facility; protecting oceans through the Blue Economy Program, bolstering sustainability in Africa's rapidly growing cities through the Urban and Municipal Development Fund; and increasing energy security through renewables with the Desert-to-Power programme. The Bank has demonstrated that investing in resilience-building yields higher returns.

Lastly, we are harnessing partnerships to go further faster. The African Development Bank has partnered with the **Toronto Centre** to provide training on environmental and climate risk management for the financial sector under the auspices of the African Financial Alliance on Climate Change (AFAC), with the aim of increasing concessional finance for low carbon and climate resilient.

Keep safe and enjoy the reading,

Anthony Nyong

Director, Climate Change and Green Growth

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FOCUS ON RENEWABLE ENERGY

The African Development Bank supports development of green mini-grids in **Guinea**

The Guinda Ban's country office ans thé Guinean government have tele-signed agreements of nearly \$3.2 million for three new projects, including one in the area of green energy. This Green Mini Grid Development Program in Guinea has received a grant from the **Renewable Energy** Fund for Africa (SEFA).

The African Development Bank supports hydroelectric project in Madagascar

The African Development Fund approved a loan of 4.02 million euros to support the participation of the government of Madagascar in the Sahofika hydroelectric project. The project notably includes the construction of a 205 MW hydroelectric plant and 75 km of 220 kV transmission line.

African Development Bank supports electricity sector in São Tomé and

investment to diversify energy mix in Ethiopia

 The Bank launches a project to meet the challenges of electricity metering in Cameroon

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 Africa Climate Change Fund supports 7 projects in African countries

PODCASTS



Podcast : Climate information for disaster risk management



Podcasts with Gareth Phillips, Manager for Environment and Climate Finance

(Part I) ClimateFinance: How to build back better in response to COVID19 (Part II) Barriers to accessing climate finance

Príncipe

The African Development Fund has approved a €6.28 million grant to São Tomé and Príncipe for the implementation of the first phase of the Support Program for Economic Reform and the Electricity Sector. The program aims in particular to increase energy efficiency in the public sector.

The African Development Bank supports the geothermal sector in Djibouti

The Bank approved additional financing of \$3.22 million for <u>the geothermal exploitation</u> <u>project in the Lake Assal region of Djibouti.</u> The project aims to improve the quality of life of the Djiboutian population by increasing the energy production capacity green, the reduction of petroleum imports, and the reduction of greenhouse gas emissions.

News from the Sustainable Energy Fund for Africa (SEFA)

The African Sustainable Energy Fund for Africa (SEFA), managed by the Bank, <u>approved a grant of \$760,000 for Empower New Energy AS (EmNEW)</u>, with the objective of <u>developing at least eight small renewable energy projects</u> from a capacity ranging from 1 to 10 MW.

Guinea. The SEFA fund also approved a grant of \$830,000 to support the Guinean Agency for Rural Electrification (AGER) in the implementation of green mini-grid projects.

The Bank supports the electrification of more than 1,300 rural localities in Côte d'Ivoire

The Bank approved a loan of €62.35 million to Côte d'Ivoire to finance the first phase of the project to strengthen the structures of the electricity system and access to electricity. The project will connect 1,388 localities to the electricity network and thus bring the national coverage rate to 100%.

Bank to provide underserved communities in Nigeria with sustainable energy solution

The Bank and the Government of Nigeria have launched a national electrification project to bridge critical energy access gaps by channeling private sector investment into mini-grids and off-grid solutions. Financing 200 million from the Bank and the African Growth Fund (AGTF) will in particular help to intensify private sector investment in the off-grid sector.

Bank's Facility for Energy Inclusion attracts \$160 million in commitments for small-scale renewable energy

The Bank and other investors committed nearly \$160 million when the Facility for Energy Inclusion closed for the first time. The Facility, managed by the Bank, aims to improve access to energy in Africa through small-scale renewable energy and mini-grid projects.

Bank welcomes Clean Technology Fund investment to diversify energy mix in Ethiopia

The Bank welcomes the decision of the Clean Technology Fund (CTF) under the Climate Investment Funds (CIF) to grant a concessional loan of \$1 million to the development of the 50 MW Tulu Moyo geothermal power plant project in Ethiopia. This project represents an important milestone in the country's efforts to harness sustainable and resilient energies.

The Bank launches a project to meet the challenges of electricity metering in Cameroon

The Bank and the Multi-Donor Assistance Fund for the African Private Sector (FAPA) have joined the Cameroonian government to launch an initiative to strengthen the deployment of electricity metering services in the country.

Bank supports energy transition in São Tomé and Principe

The African Development Fund (ADF) of the African Development Bank Group approved a donation of €12.46 million to finance the Energy Transition and Institutional Support Program in São Tomé and Principe. The objective of the 5-year program is to help the authorities promote green growth and sustainable development of the archipelago's electricity network, and to strengthen public finance management and the business climate local.

The launch of an Inga 3 project at the center of discussions between the Bank and the government of Congo DRC

A high-level consultation workshop was organized at the Bank's headquarters with senior Congolese government officials and a team from the Bank to discuss the development of the Inga site and the launch of the Inga 3 project.

Bank supports preparation of Ruzizi IV hydroelectric project in the Great

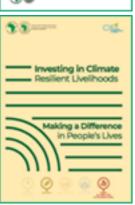
INTERNAL PUBLICATIONS



CIF Annual Report 2019



African Development
Bank Green & Social
Bond Newsletter

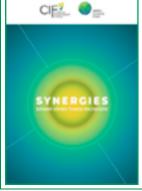


Investing in Climate Resilient Livelihoods -The Baixo Limpopo Irrigation and Climate Resilience Project

EXTERNAL PUBLICATIONS



GCF in Africa: Factsheet



Synergies between climate finance mechanisms - Green Climate Fund

IN THE MEDIAS

Utility Week (POWERGEN)

AfDB INTERVIEW: "Lessons that we have learnt in addressing climate change through resiliencebuilding should be applied in COVID-19"

Exclusive interview with Dr Anthony Nyong, Director for Climate Change and Green Growth, African Development Bank.



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Lakes region

The Bank approved a € 8 million grant from the European Union's Africa Investment Platform (EU-AIP). The grant is intended to support the preparation of a Ruzizi IV hydroelectric project. The 287 MW power plant will supply electricity to millions of households and SMEs.



GREEN GROWTH, CLIMATE CHANGE AND RESILIENCE

Call for public comments on the draft "Guidelines on the development of an Adaptation Benefits Methodology" until 13th July 2020

At its fourth meeting, the interim **Adaptation Benefits Mechanism** Executive Committee (ABM EC) agreed to publish its draft "Guidelines on the development of an Adaptation Benefits Methodology" for public comments until 17.00 GMT on 13 July 2020. A direct link to the draft guidelines including instructions for submission of comments is available **here**. Input from stakeholders, including governments of developed and developing countries, international organisations, non-governmental organisations, private sector, philanthropic organisations, knowledge organisations and networks and experts will be highly appreciated.

Consultation workshops to strengthen private sector participation in climate change and green investment in Africa

On 25 June, the Bank's Climate Change and Green Growth Department, in collaboration with Stantec, held a consultation workshop on private sector opportunities and challenges for climate change investment. The workshop brought forward key findings from scoping studies led in Continental Africa and in particular in five pilot countries: Angola, Mozambique, Morocco, Nigeria and South Africa. This initiative is part of the identification of NDC investment opportunities for the private sector project, supported by the Fund for African Private Sector Assistance (FAPA). A second workshop will be held on 6 July to present four climate risk and opportunity toolkits for small and medium-sized enterprises SMEs and financial institutions. This will enable bank staff and other stakeholders to review and re-inform the design and functionality of the toolkits.

Bank celebrates World Environment Day on biodiversity

The Bank co-organized with many partners and under the coordination of the Ministry of the Environment and Sustainable Development of Côte d'Ivoire, a webinar on the theme "Investing in Africa's biodiversity for a resilient and sustainable future". The webinar attended by over 1,000 people discussed the impacts of Covid-19 on biodiversity and the need to step up efforts to build resilient and sustainable economies in a post-Covid-19 world.

<u>Climate change: African Negotiators Group discusses update of Nationally</u> Determined Contributions

The African Negotiators Group, in partnership with the Bank, organized a major virtual meeting on the draft guidelines for the review or update of Nationally Determined Contributions (CDN) in Africa. "This is the perfect time to redefine development trajectories and ensure that Africa appropriates the CDNs and other climate actions to diversify its economy, create millions of green jobs, and sustainably recover from the impact of COVID-19 and create an economy resilient to climate change".

World Earth Day: Covid-19 pandemic strengthens Bank's resolve in the fight against climate change

On World Earth Day, on the theme of "Climate Action", the Bank reaffirmed its determination to continue fighting the effects of climate change in Africa. Through the implementation of its second climate change action plan (PACC 2, 2016-2020), the Bank is taking major action to build climate resilience in Africa, in particular by investing significant investments in all the main development sectors for a greener and more sustainable economic transformation of Africa.

The Bank dedicated more than a third of its approvals to the fight against climate change in 2019

In 2019, the Bank dedicated 35% of its approvals to finance the fight against climate change in Africa, i.e. \$ 3.6 billion. Half of its approvals was spent on adaptation. More than 80% of the 3.6 billion come from the Bank's own resources. The Bank is the only multilateral development



CLIMATE CHANGE BLOG







CALENDAR OF EVENTS

6 July 2020, virtual workshop:

Scaling Climate Action through Technology and Innovation by SMEs for Green Investment in Africa

25-27 August 2020, Abidjan, Côte

2020 Annual Meetings of the Boards of Governors of the African Development Bank Group

29-30 September 2020, online :

World Circular Economy Forum - African session on 30 September

institution to set an ambitious target of achieving 40% of the climate change approvals it aims to achieve in 2020.

Coronavirus and climate change: commemoration of World Water Day

The Bank celebrated World Water Day on March 22 with the theme "Water and Climate Change", the Covid-19 pandemic having highlighted how vital access to water is especially for populations and institutions that lack them. The Day was an opportunity for the Bank to examine the investments it has made in support of the sustainable development objectives relating to water and sanitation for all and climate action.

Launch of the Climate Change Development and Adaptation Program in the Niger River Basin in Mali

The Bank, the Government of Mali and the Niger River Basin Authority launched in February, in Bamako, the Integrated Program for Development and Adaptation to Climate Change in the Niger River Basin. At a total cost of 122 billion FCFA, the Program will help improve the resilience of river ecosystems and populations of the Basin affected by climate change.

Africa Climate Change Fund supports 7 projects in African countries

The Africa Climate Change Fund has approved seven new project proposals for approximately \$4.7 million. The approval of these projects brings the Fund's overall portfolio to 15 projects, widens its geographic scope and diversifies its field of intervention.

SUCCESS STORIES



North of Mali: African Development Bank strengthens people's resilience (in french)



South Sudan: "City of darkness" no longer, African **Development Bank supported** electricity project lights up capital



Morocco: electricity, an energy that lights up the territories (in french)



Mozambique: "Water project boosts yields as farmers grapple with climate extremes"

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