



AfDB CIF ANNUAL REPORT 2015

FINANCING CHANGE

THE AfDB AND CIF FOR A CLIMATE-SMART AFRICA

AfDB CIF KNOWLEDGE IN 2015



EFFECTIVE
DEPLOYMENT
OF MITIGATION
FINANCE:
LESSONS FROM
THE CTF



NOOR, THE
LARGEST
CONCENTRATED
SOLAR POWER
COMPLEX IN THE
WORLD



Cover Photo: © 2015, Steven Sinofsky, LearningByShipping.com, USA

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ABOUT THE CIF

With support from the \$8.3 billion Climate Investment Funds (CIF), 72 countries around the world are piloting transformations in clean technology, sustainable management of forests, renewable energy access, and climate resilient development. Of these, African countries are running 1 regional and 38 national investment plans through which AfDB is channeling more than \$2 billion for low-carbon and climate-resilient programs and projects. The AfDB helps countries run projects in all four of the CIF programs: Clean Technology Fund (CTF), Forest Investment Program (FIP), Pilot Program for Climate Resilience (PPCR), and Program for Scaling Up Renewable Energy in Low Income Countries (SREP).



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AfDB serves as a key CIF partner and implementing agency, along with its fellow Multilateral Development Banks (MDBs). The AfDB's Energy, Environment and Climate Change Department (ONEC) produces this report every year as part of its contributions at AfDB to support Africa's move toward climate-resilient and low-carbon development. The report highlights AfDB's work to expand Africa's access to climate financing through the CIF, and support for Africa's transformations in clean technology, sustainable management of forests, increased energy access through renewable energy, and climate-resilient development.



ACRONYMS & ABBREVIATIONS

AEEP	Africa-EU Energy Partnership
AfDB	African Development Bank
AREI	Africa Renewable Energy Initiative
CIF	Climate Investment Funds
CO₂	Carbon Dioxide
COP	Conference of the Parties, UNFCCC
CSP	Concentrated Solar Power
CTF	Clean Technology Fund
DRC	Democratic Republic of Congo
EBRD	European Bank for Reconstruction and Development
FIP	Forest Investment Program
GCF	Green Climate Fund
GEF	Global Environment Facility
GDC	Geothermal Development Company, Kenya
GGGI	Global Green Growth Institute
GHG	Greenhouse gas
GTP	Growth and Transformation Plan, Ethiopia
Ha	Hectare
IDB	Inter-American Development Bank
INDC	Intended Nationally Determined Contribution
IP	Investment Plan
IPP	Independent Power Producer
km	kilometer
kWh	Kilowatt hour
MASEN	Moroccan Solar Energy Agency
MDB	Multilateral Development Bank
MENA	Middle East and North Africa
MT	Megaton
MW	Megawatt
NAMA	Nationally Appropriate Mitigation Action
ONEC	Energy, Environment and Climate Change Department, AfDB
PDIPC	Project for the Improvement of Climate Forecasting Systems and Operationalization of Early Warning Systems
PPCR	Pilot Program for Climate Resilience
PV	Photovoltaic
RE	Renewable energy
REDD+	Reducing emissions from deforestation and forest degradation combined with sustainable forest management and protection of carbon stocks
SCF	Strategic Climate Fund
SE4All	Sustainable Energy for All
SEFA	Sustainable Energy Fund for Africa
SME	Small and Medium-Scale Enterprise
SPCR	Strategic Program for Climate Resilience
SREP	Program for Scaling Up Renewable Energy in Low Income Countries
UNDP	United Nations Development Programme
UNFCCC	United Nations Framework Convention on Climate Change
USD	United States dollar
WB	World Bank
WBG	World Bank Group including International Finance Corporation (IFC)



FOREWORD

As 2015 ends and the world undergoes a global policy shift toward shared responsibility for a climate-friendly planet, we can look back at a year during which Africa moved green development to the front burner.

At AfDB, we end the year with our new President Adesina proclaiming that **"green growth is good for Africa"** and announcing a commitment to triple the Bank's climate financing to reach \$5 billion annually by 2020. We believe that our work to support African nations through climate finance mechanisms like the CIF has helped pave the way for such a bold commitment. This year, we can look back on three evolving developments that helped to catalyze this movement.

First, during 2015 through the AfDB CIF portfolio, we have witnessed **an exponential increase in the number of African nations committed to green energy production, sustainable forestry, and climate resilience**. Today, half of the 54 countries in Africa have signed up to run CIF pilots—some with pilots in multiple CIF programs—with 5 pilots under the CIF's Clean Technology Fund (CTF), 11 under the Forest Investment Program (FIP), 9 under the Pilot Program for Climate Resilience (PPCR), and 14 under the Program for Scaling Up Renewable Energy in Low Income Countries (SREP). These 27 countries are at different stages of development of their Investment Plans (IPs) and have different types of commitments from the AfDB and CIF. Nevertheless, the trend throughout Africa is clear. Countries are recognizing that the path to development must be paved with climate-smart solutions, and AfDB and CIF are empowering that to happen.

Second, as the world has increasingly accepted that we no longer have the luxury of denying the enormous commitment which must be put in place to ensure a climate-friendly future, we have begun to look for **clear ways to synergize and harmonize the means by which we achieve that commitment**. In AfDB's CIF portfolio, we have worked with countries to identify ways to bring their various programs together in a synergized way. Mozambique, for instance, is looking for ways to bring its FIP and PPCR portfolios into alignment under their Strategic Program for Climate Resilience (SPCR). In addition, we are seeking cross-collaboration between the CIF work and other mechanisms. In Rwanda, we are working with the country to find potential synergies between Rwanda's SREP program and the UN-based Sustainable Energy for All (SE4All) and the Bank's Sustainable Energy Fund for Africa (SEFA).

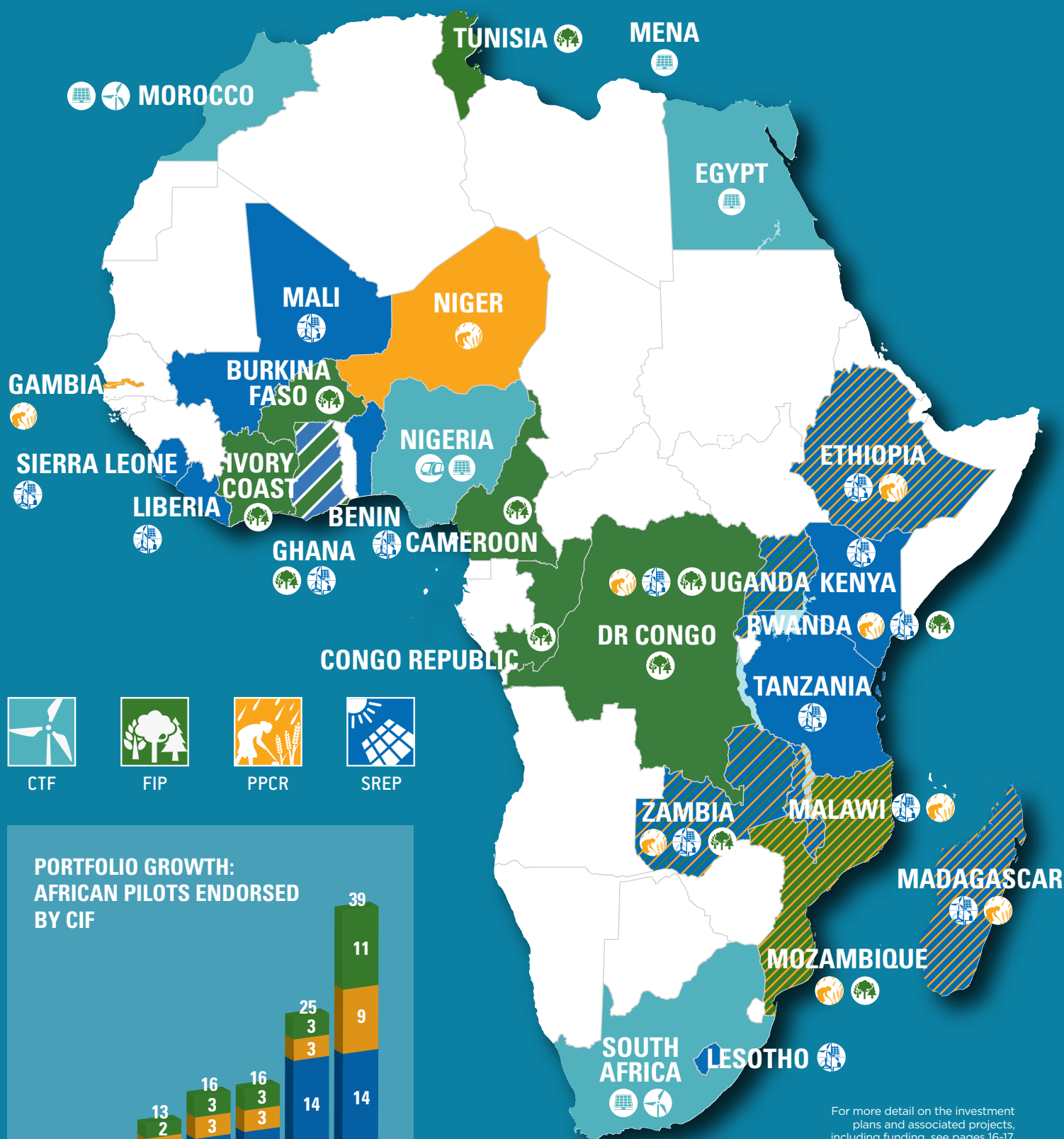
Finally, as the climate finance architecture evolves, we are coming to better understand how **our work with CIF has provided additionality in the AfDB core portfolio**. The CIF working model, with its unique approach to policy orientation, MDB collaboration, and stakeholder engagement, has helped open doors for innovative approaches and has helped AfDB restructure its support to Africa in a way which can fully embrace green, climate-smart development and growth.

The report takes a look at the details of the portfolio and highlights some of the important advancements and emerging knowledge achieved during the year. We hope that it brings you a clear sense of the remarkable strides African nations are achieving in their urgent move towards green growth, and the evolving ways in which they are overcoming barriers and making their climate-smart development an emerging reality.

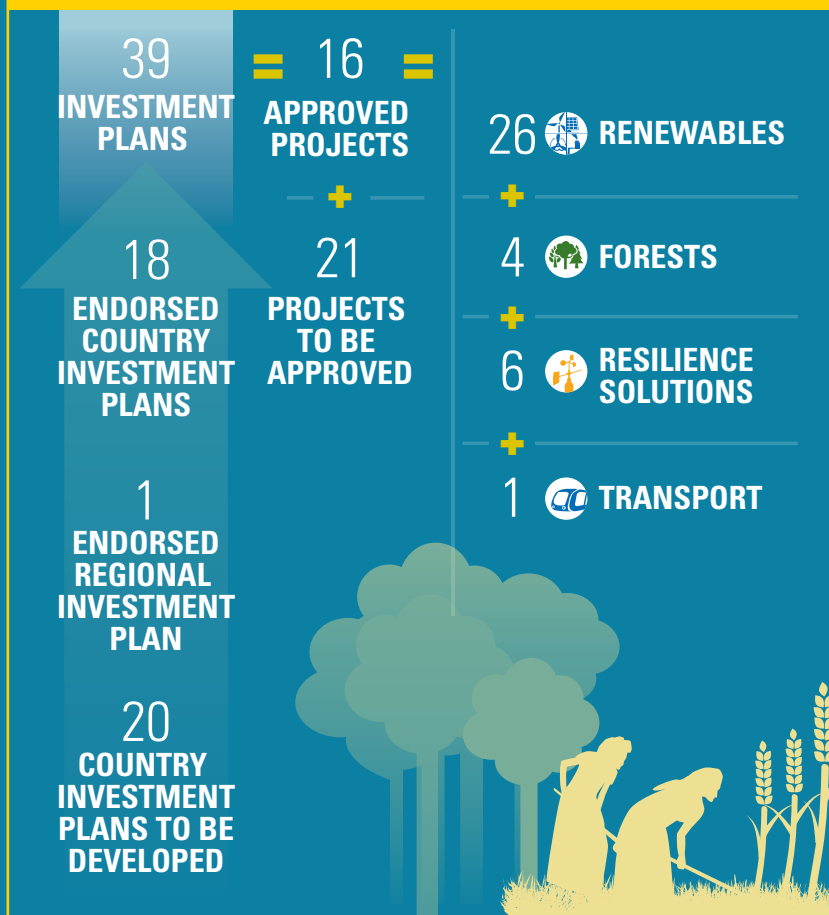
KURT LONSWAY

*AfDB Head of Climate Change and Environment Division,
CIF Coordinator*

AfDB CIF PILOTS



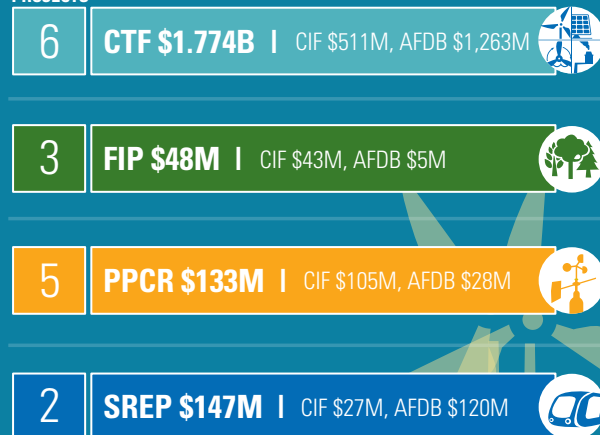
AfDB CIF PORTFOLIO SNAPSHOT



APPROVED PROJECTS

AfDB APPROVED PROJECTS BY PROGRAM

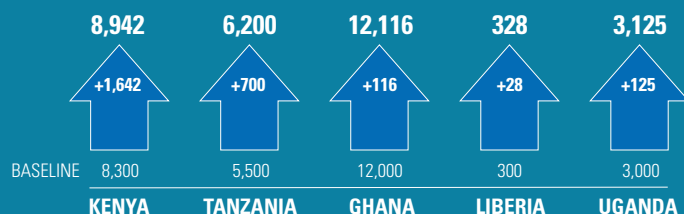
PROJECTS



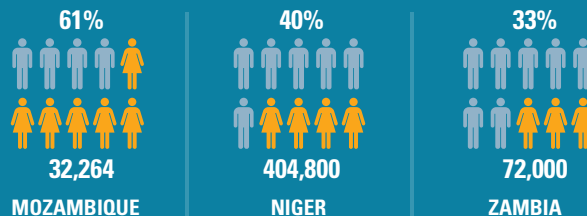
AfDB CIF
APPROVED PROJECTS
\$2.1 billion
AfDB: \$1.4 billion
CIF: \$0.7 billion

SOME PROJECTED OUTCOMES

SREP ANNUAL INCREASE IN ELECTRICITY FROM RENEWABLES (GWH)



PPCR WOMEN AS BENEFICIARIES IN APPROVED PROJECTS



FIP BURKINA FASO: CREATING SUSTAINABLE FORESTS



TODAY, 2% FORESTS ARE LOST EVERY YEAR

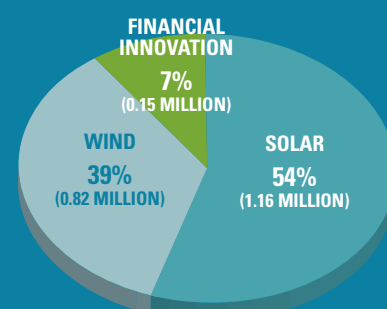


FIP WILL ADD 5% SUSTAINABLY MANAGED FORESTS TO THE BASELINE

In BURKINA FASO's 5.6 million ha of forests, 110,000 ha are being lost every year. FIP is helping create 204,000 ha of sustainably managed forest.

CTF

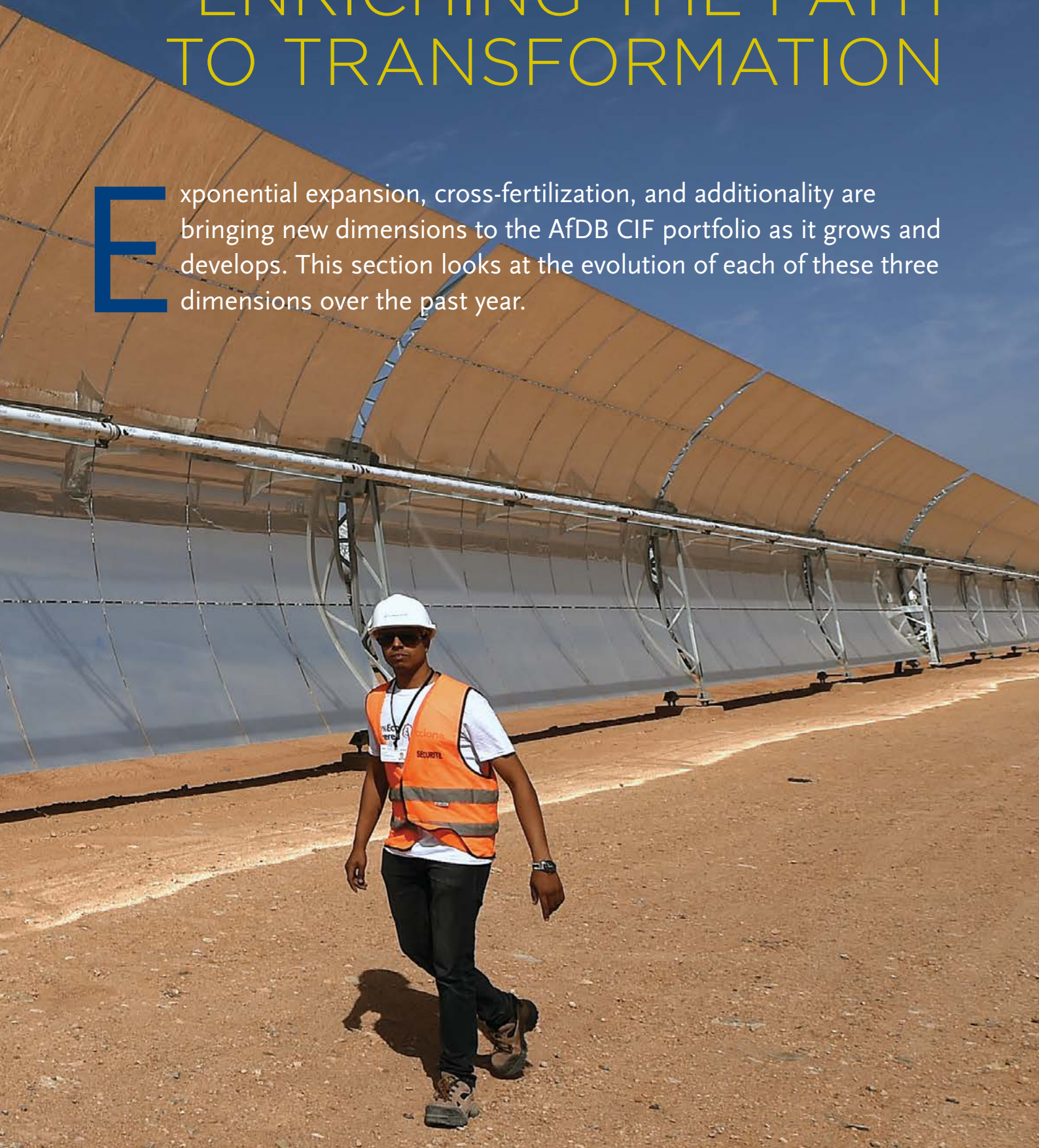
2.13 MILLION TONS CO₂ EMISSIONS AVOIDED PER YEAR IN APPROVED PROJECTS (BY TECHNOLOGY)





ENRICHING THE PATH TO TRANSFORMATION

Exponential expansion, cross-fertilization, and additionality are bringing new dimensions to the AfDB CIF portfolio as it grows and develops. This section looks at the evolution of each of these three dimensions over the past year.



EXPANDING EXPONENTIALLY:
HALF OF AFRICA'S NATIONS ON
BOARD AS CIF PILOTS



With new endorsements by the CIF during 2015, AfDB's portfolio of support to African nations climbed to engage half of Africa's 54 countries, with some countries signing up to run pilots under more than one CIF program. The portfolio now consists of 39 pilot programs in 27 African nations.

What does this expansion signify? It means that Africa is looking into its future and recognizing that it has a key role to play in shaping the global response to sustainable development. Today, while the continent contributes less than 3.8% to the world's greenhouse emissions, it suffers disproportionately from negative impacts of climate change. Africa must be supported to adapt to climate change, and the African Development Bank is deeply committed to ensuring that African countries have all it takes to address climate change. It also means that the CIF is working effectively, that countries are seeing bankable investment pipelines, successful disbursements and effective policy interventions—and more countries want to join in.

Under PPCR, Ethiopia, Gambia, Madagascar, Malawi, Rwanda and Uganda were selected to join Mozambique, Niger and Zambia as PPCR countries in the AfDB CIF portfolio. Five of these are also CIF renewable energy pilots and can expand the landscape of their climate-smart development work by building climate resilience. For The Gambia, this will be the first CIF-based Investment Plan (IP). The new countries are now working to define their national Strategic Programs for Climate Resilience (SPCRs), the national PPCR investment plans which are the foundational backbone of the PPCR.

Under the FIP, Congo Republic, Ivory Coast, and Mozambique were selected to join Burkina Faso, DRC and Ghana as AfDB FIP pilot countries. Mozambique already has an active pilot program under PPCR and is looking toward building synergies across multiple sectors (see pages 10–11). These six countries are endowed with a multitude of forest types and ecosystems and present a range of sectoral solutions, including emissions reduction, co-benefits for forest dependent communities, institutional capacity and preparedness for implementation, private sector engagement and participation, and support for REDD+.

At the end of 2014, AfDB began support to an additional 9 countries to raise their renewable energy profiles through SREP, taking the SREP Africa portfolio from five to 14 countries. In 2015, work began in earnest to advance those countries' readiness to prepare policy-driven IPs. By end 2015, Uganda and Rwanda have had their IPs endorsed, and scoping missions are underway in several more. Challenges, including country capacity and ways to optimize MDB collaboration in-country, are being addressed.



FIP OFFERS START-UP SUPPORT TO FIVE ADDITIONAL FOREST NATIONS

In May 2015, FIP approved start-up support to Cameroon, Rwanda, Tunisia, Uganda, and Zambia to help them develop investment plans; the countries will then seek funding from other bilateral and multilateral sources to implement the plans.

CROSS-FERTILIZING GREEN GROWTH: BUILDING SYNERGIES FOR GREATER IMPACT

As the climate finance architecture changes, so do the pressures and opportunities for African countries to make best use of available financial and non-financial resources to bring effective solutions to their green development paths. One important emerging approach is synergizing and harmonizing the various climate finance mechanisms and programs which a country has available to it. The value of this approach lies in potential strengthening of programmatic approaches, reduction of transaction costs, increased likelihood of funding, reduced risks to individual funders and greater stakeholder outreach. Such approaches could ultimately lead to more effective solutions for both mitigation and adaptation.

Through its CIF portfolio, AfDB is working with countries to help identify and build on possible paths to create synergies for better impact. During 2015, two important paths to synergy have begun to emerge: between CIF programs, and between CIF and other climate finance mechanisms.



Synergies between CIF programs

In May 2015, the CIF governing bodies considered that a joint process for developing Investment Plans (IPs) in countries with more than one pilot program could prove valuable. In the interest of exploring such possible inter-program synergies, CIF invited Rwanda and Uganda, along with Honduras, to develop both an SREP IP and a PPCR Strategic Program for Climate Resilience (SPCR). Options included holding joint PPCR and SREP scoping and joint missions and creating a joint investment plan.

In the development of Uganda's SREP IP, AfDB and other development partners worked with the government to explore the possibility of merging the plan with its evolving PPCR plan or of finding ways to integrate common issues. It became clear that the best approach was to recognize the complementarities between the two programs, and that initial work to develop the programs should be done jointly. Ultimately the SREP IP was developed by itself, but it factors in the complementary issue of climate resilience through diversification of the country's energy mix to move away from drought-prone hydropower. The Ugandan experience can serve as a model for other countries to follow.

In both Uganda and Rwanda, combining the FIP and PPCR missions has created the opportunity to recognize key issues such as drivers of deforestation and landscape management across both programs, enabling the resulting IPs to potentially address the full value chain. Stakeholder consultation has been enhanced and we are now looking at ways to combine our country programming budget to develop a new stakeholder outreach tool.

Synergies between CIF and other climate finance mechanisms

A number of CIF-funded African countries are also working through other climate finance mechanisms with AfDB support; and as each program evolves, the Bank is helping those countries explore ways in which the joint work adds coherence and effectiveness to achieving their green development goals.

Many of the countries recently approved by CIF to receive investment plan support have not received funding commitments from CIF for associated project implementation. Although this could be seen as a set-back for the program, in practice it is forcing the countries and MDBs to work closely with development partners and other funds such as the Green Climate Fund (GCF) and Global Environment Facility (GEF) to ensure that investment pipelines include projects and programs which can be funded from different sources. In fact, for the FIP and PPCR countries which are not currently guaranteed operational funding from CIF, the country programming budgets and preparation grants will lead to the creation of



outward looking investment pipelines benefitting from the CIF framework and experience and the combined input of multiple MDBs.

In Rwanda, the country's Green Mini-Grid Country Programme funded by SEFA will directly complement the SREP investment plan endorsed in late 2015. In particular, SEFA will support the Government of Rwanda in carrying out Mini-Grid Feasibility Studies in multiple sites and developing a Mini-Grid Rollout Plan including a tariff framework, business model appraisal and tendering process for private investors. Such support will be instrumental in building the pipeline for the Renewable Energy Fund being designed and financed under SREP to provide investment financing to small-scale energy access projects.

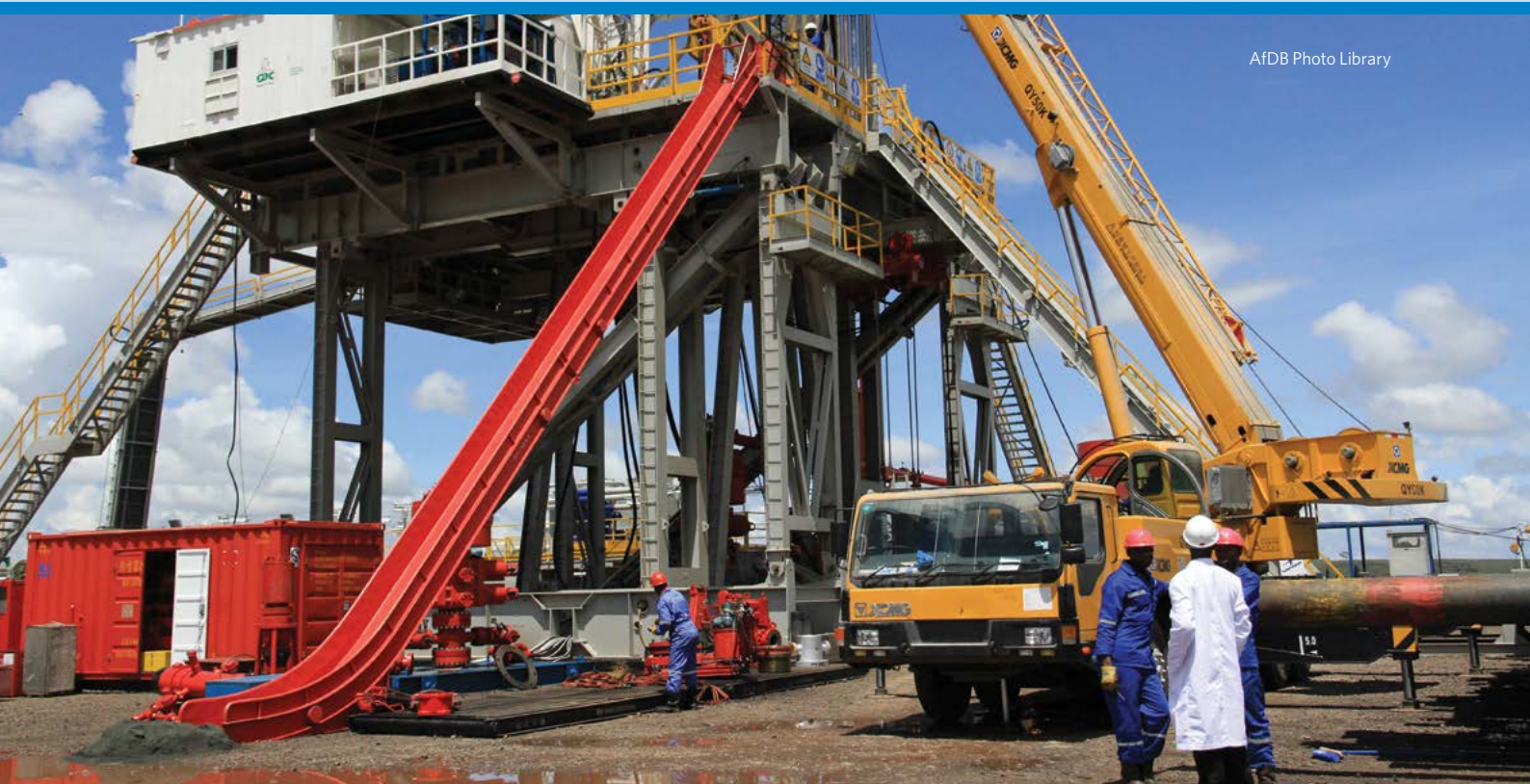
In Ethiopia, accepted into PPCR in 2015, the Government has already highlighted the importance of the country's Climate Resilient Green Economy and the second Growth and Transformation Plan (GTP II). These strategies also form the basis of Ethiopia's Intended Nationally Determined Contribution (INDC) submitted to the UNFCCC for the recent CoP21 in Paris. The SPCR will provide an opportunity to focus on the core sectors of agriculture, forestry, water and energy and help the Government of Ethiopia to secure climate finance, for example from development partners or the GCF, to help achieve the country's medium and long term development goals.

In early 2016, AfDB and the World Bank will start the scoping mission for PPCR in **The Gambia** to help develop its SPCR. Like many African countries, a secure source of energy is critical to increasing resilience to ensure The Gambia's quality of life—for instance, supporting the tourism sector by ensuring that tourists enjoy uninterrupted holidays, enhancing quality of education by ensuring that school children can study in the evening, or supporting business by ensuring that local producers can refrigerate and store their produce. One project the PPCR will consider is the country's Renewable Energy NAMA (Nationally Appropriate Mitigation Action) Plan prepared by UNDP, which forms part of the country's Paris Agreement commitments, and highlights the overlap between mitigation and adaptation in Africa. It is possible that by packaging the NAMA within the SPCR investment pipeline, the CIF will be instrumental in helping finance the NAMA.

OPENING DOORS, MINIMIZING RISK: CIF'S ADDITIONALITY IN THE AfDB PORTFOLIO

Climate finance increasingly plays a key role in making low-carbon and climate-resilient investments bankable. Climate finance helps lower the cost of capital and buffers risks both for sovereign and non-sovereign operations. Without concessional climate finance such as the CIF, AfDB would likely be unable to deliver to the level currently shown in its development portfolio, and the exponential leap in AfDB's climate finance announced by President Adesina in late 2015 would likely be impossible to achieve without the history of climate-driven development operations supported by the CIF.

Pre-CIF and other climate finance mechanisms, African nations understood development finance but may not have always seen the need for climate finance. The application of CIF support, built on its unique structure of policy-driven programs, MDB collaboration, and stakeholder engagement, has helped minimize risk, opened the door for innovation, and in the process changed that perspective.



AfDB Photo Library



Shutterstock/ Daleen Loest

ADDITIONALITY AT WORK IN AfDB CIF PROJECTS*

CTF Morocco Ouarzazate/Noor Concentrated Solar Power Project

The additionality brought by the CIF/CTF resources is linked to reduction of both the investment cost and the kilowatt hour (kWh) tariff, enhancing the project's viability. In the absence of CTF support, the resulting cost increase would place pressure on fiscal subsidies or could even ultimately burden electricity consumers. The CTF funds will also enable the Moroccan Solar Energy Agency (MASEN) to take greater calculated risks, pushing development boundaries beyond what many private companies would be willing to undertake without the CIF bolstering.

For Morocco, implementing this project will be a major step towards achieving the country's clearly stated ambition to diversify its energy sources, help curb greenhouse gas emissions, and create a local industry to provide locally-manufactured inputs to the solar energy programme. With CIF support minimizing the risks, the project will both install concentrated solar power (CSP) at an unprecedented scale and create a business model that could attract and increase private sector backing and enhance the availability of capital and know-how to support the development of a CSP portfolio.

SREP Kenya Menengai Geothermal Development Project

The additionality brought by the CIF/SREP resources is linked to the removal of risks and barriers, establishment of an enabling environment for private sector participation and development of Kenya's full geothermal potential. The relatively low cost of geothermal energy is likely to make Kenya a preferred destination for investors, bringing with it attendant benefits such as: increased fiscal revenue and improved economic development to the country and region; increased rate of access to electricity; and creation of the required reliable base load capacity.

The project is expected to be transformative given its focus on gradually changing the base source of electricity from hydropower to geothermal power, also a renewable energy and more sustainable than the drought-prone hydro-based system. By accelerating geothermal development, the contribution from renewable energy sources to the national grid will dramatically increase. This will translate into lower electricity tariffs given that expensive emergency power from thermal will be replaced by geothermal energy.

Since most of the geothermal resources are located in under-developed areas, it is also expected that various co-benefits will be available for local communities such as: electricity generation; infrastructure development such as roads and water; opportunity for direct utilization of geothermal heat and condensate for industrial and agricultural activities leading to employment creation and income generation; increased security as a result of the economic activities and social amenities. These activities are expected to transform the lives of women (e.g., water supply from geothermal development will lift the burden of searching for water from long distances, improve farming activities through irrigation leading to food security).

PPCR Niger Climate Information Development and Forecasting Project

In Niger, the PPCR offers additionality in bolstering the country's existing early warning system. The system does not have a decision-making tool adapted to climate impacts such as drought, floods, crop enemies and climate-related diseases. In this climate-vulnerable country, establishing a multi-hazard early warning system for climate change is critical, and the PPCR resources will support the mainstreaming of climate information in development actions. In addition, the project will foster development and dissemination of climate scenarios and products to end users, the build-up of capacity in climate data processing, the preparation of a vulnerability map of agro-pastoral activities in the country's district councils, and the improvement of the early warning system to make it multi-hazard.

*Excerpted from http://climateinvestmentfunds.org/cif/sites/climateinvestmentfunds.org/files/CTF_SCF_TFC.10_Inf.6_Annual_update_on_additionality_of_CIF_to_existing_MDB_portfolios.pdf

APPROVED PROJECTS

CTF Ensuring sustainable energy

Helping countries implement renewable energy, energy efficiency, and sustainable transport solutions.

MOROCCO OUARZAZATE CONCENTRATED SOLAR POWER

CTF \$100M, AfDB \$240M

Purpose: To generate 120-160 MW in its first phase by 2014 and 500 MW in total

Key Expected Results: 0.24 million tons of CO₂ emissions avoided per year; shifted energy mix

MOROCCO ONE WIND ENERGY

CTF \$125M, AfDB \$228M

Purpose: To construct three wind farms of 100-300 MW installed capacity and two hydro facilities to supply base-load power

Key Expected Results: Additional 550 MW of wind installed capacity and hybrid-hydro storage and generation of 520 MW; 533,000 new connections

NIGERIA RENEWABLE ENERGY AND ENERGY EFFICIENCY THROUGH LOCAL BANKS

CTF \$25M

Purpose: To transform power, agribusiness, transport, telecommunications, and education by targeting local financial institutions to invest in clean, efficient and affordable energy

Key Expected Results: Increased energy efficiency in key development sectors; increased capacity of local financial institutions to invest in clean energy

NIGERIA LINE OF CREDIT FOR RENEWABLE ENERGY AND ENERGY EFFICIENCY

CTF \$25M, AfDB \$100M

Purpose: To facilitate provision of affordable financing through a local bank for indigenous RE/EE projects.

Key Expected Results: 0.15 million tons of CO₂ per year, newly installed capacity of 107 MW

SOUTH AFRICA ESKOM RENEWABLES SUPPORT

CTF \$100M, AfDB \$260M

Purpose: To introduce CSP to Sub-Saharan Africa and scaled-up wind energy to South Africa

Key Expected Results: 0.58 million tons CO₂ emissions avoided through CSP, 0.24 million tons avoided through wind

SOUTH AFRICA SUSTAINABLE ENERGY ACCELERATION PROGRAM

CTF \$42.5M AfDB \$145M

Purpose: To accelerate private sector participation in sustainable energy generation through removal of key entry barriers

Key Expected Results: Reduction of 26 M tons CO₂ over the project's course

“The Moroccan solar program will have a direct and immediate impact on the environment once it is completed.”

—Abderrahim El Hafidi,
Secretary General, Ministry of Energy,
Mining, Water and Environment

SREP Economic growth through renewables

Helping countries revolutionize their energy landscapes, bridging their energy deficit through renewables and stimulating economic growth.

KENYA MENENGAI GEOTHERMAL DEVELOPMENT

SREP \$25M, AfDB \$120M

Purpose: To develop the Menengai geothermal steam field to produce steam for 400 MW power

Key expected results: 2 million tons CO₂ emissions avoided per year; connecting 500,000 households and 300,000 small businesses.

MALI PROJECT FOR SCALING UP RENEWABLE ENERGY (PAPER M)

SREP \$1.5M

Purpose: To foster development of renewable energy by improving policy, strategy, regulatory and institutional frameworks for scaling up renewable energy

Key expected results: Approval of 40 RE projects between 2015 and 2017

AfDB Photo Library



“Electricity is a must.
Without electricity, no work.”
—Unnamed carpenter, Kenya

PPCR Embedding resilience in national planning

Helping countries improve climate forecasting and early warning, reduce poverty, increase crop production, and build climate resilience.

MOZAMBIQUE BAIXO LIMPOPO IRRIGATION AND CLIMATE RESILIENCE

PPCR \$15.75M, AfDB \$3.2M

Purpose: To provide climate resilient infrastructure for increased agricultural productivity

Key expected results: Increased incomes 150% and crop production in project area, reduced poverty rate to 42%

MOZAMBIQUE SUSTAINABLE LAND AND WATER RESOURCES MANAGEMENT

PPCR \$15.75M, AfDB \$3.2M

Purpose: To promote community-based watershed/landscape management approaches

Key expected results: 1,500 ha of forests restored and forest fires reduced by 75%

NIGER IMPROVEMENT OF CLIMATE FORECASTING AND OPERATIONALIZATION OF EARLY WARNING SYSTEMS

PPCR \$13M

Purpose: To build capacity in climate data processing, prepare an agropastoral vulnerability map, and scale up the national early warning system

Key expected results: Strengthened food security, 10% reduction in annual crop losses in project areas

NIGER WATER RESOURCE MANAGEMENT AND DEVELOPMENT

PPCR \$22M

Purpose: To improve resilience in rural communities dependent on rainfed farming

Key expected results: Reduced rural poverty 52%, increased annual agricultural production to 2860 tons in project areas

ZAMBIA STRENGTHENING CLIMATE RESILIENCE IN THE KAFUE SUB-BASIN

PPCR \$38M

Purpose: To strengthen 800,000 rural communities to respond to climate change impacts and strengthen roads linking farmers to markets

Key expected results: Increased resilient infrastructure and production systems in project area; increased Integrated Development Plans in districts with mainstreamed resilience



AfDB Photo Library

18 year old Francisco Obadias works a Mozambican smallholder farm for his family at Baixo Limpopo Project.

FIP Reduced emissions through reforestation and REDD+

Helping countries pioneer payment for environmental services, build landscape management, and support REDD+

BURKINA FASO GAZETTED FORESTS PARTICIPATORY MANAGEMENT

FIP \$12M*

Purpose: To build carbon sequestration capacity in the forests, improving local people's resilience to climate change, and reducing poverty by diversifying income sources, developing gazetted forest wood and non-wood products such as almond and shea processing and beekeeping

Key expected outcomes: Development of a measurable, reportable, verifiable system for REDD+, improvement of forest governance, securitization and management of 284,000 ha of gazetted forests; establishment of a socio-economic support infrastructure for neighboring municipal councils

DEMOCRATIC REPUBLIC OF CONGO INTEGRATED REDD+ PROJECT IN THE MBUJI-MAYI/KANANGA AND KISANGANI BASINS

FIP \$22.3M*

Purpose: To reduce forest GHG emissions and poverty in a degraded savannah area and a closed forest area to address land tenure security, agriculture, forestry and energy

Key expected results: 4 million tons CO₂ emissions reduced; 30,000 improved stoves; 8,500 ha forests sustainably managed; 20,000 rural micro-enterprises; 4,500 land usufruct rights formalized (50% women, youth)

GHANA ENGAGING LOCAL COMMUNITIES IN REDD+/ ENHANCEMENT OF CARBON STOCKS (ELCIR+)

FIP \$10M*, AfDB \$4.8M

Purpose: To reduce deforestation and forest degradation and financially benefit local communities

Key expected results: Emissions reduction; protection of carbon reservoirs; 12,000 direct beneficiaries (50% women) to receive seeds, equipment, financial incentives to develop forestry, agroforestry and alternative livelihoods activities; 175,000 additional indirect beneficiaries

FIP is not a standalone process, but is built upon a favourable foundation, which is a foundation of participation.

—Samuel Yeye,
Burkina Faso Ministry of Environment
and Sustainable Development

*Project totals include project preparation grant financing

AfDB PIPELINE

APPROVED PILOT	CIF PROGRAM	ENDORSED INVESTMENT PLAN	CIF FUNDING (US\$ MILLION)
Benin	SREP		40
Burkina Faso	FIP	Jun-11	30
Cameroon	FIP		.25*
Congo Republic	FIP		24
DRC	FIP	Jun-11	60
Egypt	CTF	Jan-09	140
Ethiopia	SREP	Mar-12	50
	PPCR		1.5*
Gambia	PPCR		1.5*
Ghana	FIP	Nov-12	50**
	SREP	May-15	40
Ivory Coast	FIP		24
Kenya	SREP	Sep-11	82.1**
Lesotho	SREP		30
Liberia	SREP	Oct-13	50
Madagascar	SREP		50
	PPCR		1.5*
Malawi	SREP		50
	PPCR		1.5*

*IP preparation

**Includes private sector set-aside funds

APPROVED PILOT	CIF PROGRAM	ENDORSED INVESTMENT PLAN	CIF FUNDING (US\$ MILLION)
Mali	SREP	Nov-11	65**
MENA	CTF	Dec-09	750
Morocco	CTF	Oct-09	150
Mozambique	PPCR	Jun-11	91**
	FIP		24
Niger	PPCR	Nov-10	110
Nigeria	CTF	Nov-10	250
Rwanda	SREP	Nov-15	50
	PPCR		1.5*
	FIP		.25*
Sierra Leone	SREP		40
South Africa	CTF	Oct-09	500
Tanzania	SREP	Sep-13	50
Tunisia	FIP		.25*
Uganda	SREP	Nov-15	50
	PPCR		1.5*
	FIP		.25*
Zambia	PPCR	Jun-11	91
	SREP		40
	FIP		.25*

PROJECT PREPARATION GRANT	COUNTRY	PROGRAM	CIF FUNDING (US\$ MILLION)
Egypt Kom Ombo CSP	CSP-MENA	CTF	0.996
200MW Wind Farm	Egypt	CTF	1.000
Abuja Mass transit	Nigeria	CTF	0.950
Sustainable Energy Acceleration program	South Africa	CTF	0.500
Gazetted forests participatory management project REDD+	Burkina Faso	FIP	0.500
Addressing deforestation & degradation in the Mbuji Mayi/Kananga/Kisangani Supply area	DRC	FIP	0.800
Engaging Local communities in REDD+/Enhancing carbon stocks	Ghana	FIP	0.250
Form Ghana Project	Ghana	FIP	0.300
Assela wind farm project	Ethiopia	SREP	1.700
RE-Electrification Eastern Liberia	Liberia	SREP	1.500
Mini/Micro hydro development	Mali	SREP	2.200
Solar photovoltaic IPP	Mali	SREP	0.950
Geothermal power development	Tanzania	SREP	0.700
Renewable Mini-grids and Stand-alone Systems	Ghana	SREP	0.900
Net Metered Solar PV for SMEs and Lighting Project	Ghana	SREP	0.611

PROJECT/PROGRAM TITLE	INVESTMENT PLAN	PROJECT STATUS	CIF FUNDING (US\$ MILLION)	AfDB FUNDING (US\$ MILLION)
CLEAN TECHNOLOGY FUND (CTF)				
200MW Gulf of Suez Wind Farm	Egypt	Preparation	50.00	140.00
120–160 MW CSP Complex in Ouarzazate Morocco	MENA	AfDB Approved	100.00	240.00
Morocco Ouarzazate CSP—Project II	MENA	AfDB Approved	119.00	140.00
Egypt Kom Ombo CSP	MENA	Preparation	61.50	
Tunisia Akarit	MENA	Preparation	31.00	
CSP Technical Assistance Program	MENA	Preparation	2.92	
One Wind Energy Plan	Morocco	AfDB Approved	125.00	448.39
Abuja Mass transit	Nigeria	Preparation	50.00	
Renewable Energy Utility-scale Solar PV—Bauchi Solar PV	Nigeria	Preparation	25.00	89.00
Line of credit for Renewable Energy/Energy Efficiency	Nigeria	AfDB Approved	25.00	75.00
Eskom Renewable supp projects (Wind & CSP)	South Africa	AfDB Approved	100.00	260.00
Sustainable Energy Acceleration Program—Xina CSP Project	South Africa	AfDB Approved	41.50	100.00
SCALING-UP RENEWABLE ENERGY PROGRAM (SREP)				
Assela wind farm project	Ethiopia	Preparation	18.30	
Menengai Geothermal Development	Kenya	AfDB Approved	25.00	120.00
Kopere Solar Park	Kenya	Private Sector set-aside	11.50	
Olkaria VI Geothermal Power Plant	Kenya	Private Sector set-aside	20.50	
RE-Electrification Eastern Liberia	Liberia	Identification	23.50	
Mini/Micro hydro development	Mali	Preparation	10.20	
Solar photovoltaic	Mali	Identification	11.05	
Solar Mali Ségou PV	Mali	Private Sector set-aside	25.00	
Promoting the Scaling Up of Renewable Energy	Mali	AfDB Approved	1.50	
Geothermal Power Development	Tanzania	Identification	24.30	
Renewable Mini-grids and Stand-alone Systems	Ghana	Identification	17.50	
Net Metered Solar PV for SMEs and Lighting Project	Ghana	Identification	12.50	
Development of 130MW of Geothermal in Uganda	Uganda	Identification	33.80	
Decentralized Renewables Development Program	Uganda	Identification	9.40	
Wind Assessment and Pilot Wind Farms	Uganda	Identification	6.80	
FOREST INVESTMENT PROGRAM (FIP)				
Gazetted forests participatory management REDD+	Burkina Faso	AfDB Approved	11.50	
Addressing deforestation & degradation in the Mbuji Mayi/Kananga/Kisangani Supply area	DRC	AfDB Approved	21.50	
Engaging Local communities in REDD+/Enhancing carbon stocks	Ghana	AfDB Approved	9.75	4.80
Restoration of degraded forest reserve	Ghana	Private Sector set-aside	10.30	7.00
PILOT PROGRAM FOR CLIMATE RESILIENCE (PPCR)				
Sustainable land and water management	Mozambique	AfDB Approved	15.75	3.23
Baixo Limpopo irrigation & climate resilience program	Mozambique	AfDB Approved	15.75	25.00
Lurio project Private Sector set-aside	Mozambique	Private Sector set-aside	11.00	
Water resources mobilization & development (PROMOVARE)	Niger	AfDB Approved	22.00	
Climate information dev & forecasting (PDIPC)	Niger	AfDB Approved	13.00	
Strengthening climate resilience Kafue sub-basin	Zambia	AfDB Approved	38.00	



WHAT LIES AHEAD: 2016 ON THE HORIZON

The year 2015 closed out with a huge upsurge in the world's commitment to climate action, a hopeful and pivotal moment for Africa, as for the rest of the world. Following on the heels of December's global climate summit in Paris, we now face an important institutional challenge and opportunity to help our African nations undertake climate action that is both increased in quantity and impact and fully integrated into their development. Our work with the CIF is fundamental to that work.

Africa stood out at the climate summit as a region unified in its determination to fully participate in the sweep toward a climate-balanced planet. Today, all African countries but one have completed their Intended Nationally Determined Contributions (INDCs) to carve out their place in the global accounting for greenhouse gas emissions. AfDB must now consider how best to support them to achieve those commitments.

As reported at the summit, the region has a breathtaking potential for renewable energy and can draw on a further 11 terawatts of solar energy, 350 gigawatts of hydropower, 110 gigawatts of wind power, and 15 gigawatts of geothermal potential. It has 650 million hectares of untouched forest, almost a fifth of the world's stock.

These resources, if used well, can solve not only Africa's own energy problems, but potentially those of other neighboring countries. The AfDB and the CIF are crucial partners in this effort.

As an institution, AfDB enters 2016 with a series of new forceful commitments to help Africa bring its climate-friendly resources to full use, to effectively adapt to climate impacts, and to transform itself through climate-centered action. These commitments will help make real our promise to triple our climate financing to reach nearly US\$5 billion annually by 2020; and they are embedded in our changing strategy for green and inclusive growth and for sustainably powering Africa. Our work with the CIF is central to these efforts and stands as an institutional bellwether in our movement forward. Five of these commitments, all of which will include our CIF work, are spelled out below.

- With our partner MDBS, we have jointly committed to scale up our implementation support by **substantially increasing climate investments from both public and private sectors** to support our member countries' efforts, and to ensure that development programs which we support fully consider climate risks and opportunities.
- We have joined the Inclusive **Green Growth Partnership**, a new collaboration between the Global Green Growth Institute (GGGI), MDBs and UN agencies to address country-level policy barriers and promote social inclusion to accelerate financing for green growth. Through this partnership, we will collaborate with relevant actors to identify opportunities and investments which deliver through more equitable growth models that create employment and raise incomes in regional member countries.
- We have helped launch the **Africa Renewable Energy Initiative (AREI)** and the **Africa Adaptation Initiative**. The AREI aims to add an additional 10 Gigawatts (GW) and 300 GW of renewable energy capacity to the African energy sector by 2020 and 2030, respectively, and is endorsed and supported by France, Germany, U.S., and Canada. The Bank will house the unit in charge of implementing the Initiative.
- We are committed to finding a critical path to **coordination of all our climate finance engagements**, recognizing that coordination is crucial to avoid duplication and maximize countries' absorptive capacities. For instance, as it develops, we will participate in an initiative to map existing climate-based programs to facilitate coordination, working with the Africa-EU Energy Partnership (AEEP) and African Union Commission with input from the AfDB-based Sustainable Energy for All (SE4All) Africa Hub. The mapping exercise would compile a comprehensive overview of energy initiatives and programs in Africa to ensure collaboration and synergy.
- We also joined our partner MDBs to **jointly ramp up action on sustainable transport**. AfDB, as Africa's premier financing institution in the sector, will prioritize innovative transport solutions and means that take into account climate-related challenges.

Specifically in our CIF portfolio, working with our MDB colleagues, we will undertake a series of missions in 6 SREP, 8 FIP and 6 PPCR countries to prepare their respective strategic Investment Plans (IPs). At the same time, we will continue to help countries move projects forward in all four of the CIF programs. Under CTF, we will continue our work for the projects which have moved into a second generation, and will help other countries begin work in newer projects. We will continue to implement existing IPs in 6 countries under SREP, 3 under FIP and 3 under PPCR. (See pages 14–15 for approved projects and pages 16–17 for the full project portfolio.)

At this hopeful point looking into our future, we will continue to rely on the seasoned knowledge in the CIF portfolio to inform and lead other climate-smart development efforts, and will continue to support countries' efforts to transform their economies with CIF help.

THE DECEMBER 2015 PARIS AGREEMENT ON CLIMATE CHANGE IS SIGNIFICANT FOR AFRICA

THE PARIS AGREEMENT ON CLIMATE CHANGE:*

- CREATES A DURABLE INSTRUMENT BY WHICH ALL COUNTRIES COMMIT TO REDUCE EMISSIONS IN THE LONG TERM;
- RESPECTS THE PRINCIPLE OF COMMON BUT DIFFERENTIATED RESPONSIBILITIES AND RESPECTIVE CAPABILITIES;
- CREATES PARITY BETWEEN ADAPTATION AND MITIGATION;
- WILL KEEP GLOBAL WARMING WELL BELOW 2° C WITH A GOAL OF 1.5° C; AND
- CREATES GREATER AMBITION TO PROGRESSIVELY INCREASE CLIMATE CHANGE FINANCING TO DEVELOPING COUNTRIES FROM A FLOOR OF US \$100 BILLION PER ANNUM FROM 2020.

* EXCERPTED FROM SPEECH ON PARIS AGREEMENT
BY AfDB PRESIDENT ADESINA, DECEMBER 14, 2015



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