

AfDB CIF ANNUAL REPORT 2013

FINANCING CHANGE

THE AfDB AND CIF FOR A CLIMATE-SMART AFRICA



AFRICAN DEVELOPMENT BANK GROUP



CLIMATE
INVESTMENT
FUNDS



1964 2014

50 ANS AU SERVICE DE L'AFRIQUE
50 YEARS SERVING AFRICA

IN THIS EDITION

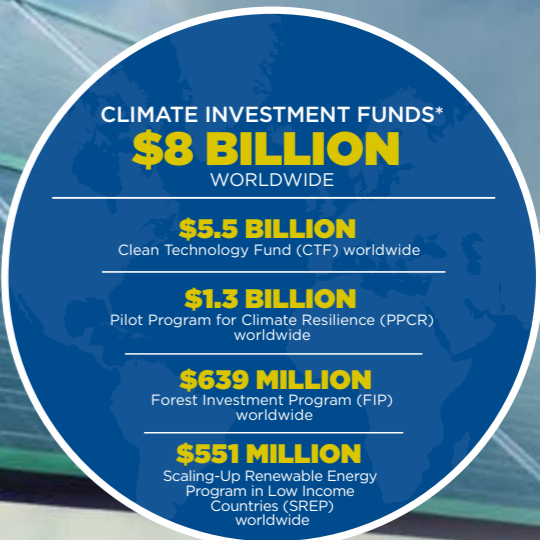
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Cover photo: Kenyan women learn to become “Barefoot Solar Engineers” through the NGO Barefoot College to install solar lighting for grassroots alternative energy. (Dieter Telemans/Panos)

About the CIF

BOLSTERING AfDB’S VISION

With support from the \$8 billion CIF, 48 countries around the world are piloting transformations in clean technology, sustainable management of forests, renewable energy access, and climate resilient development. Of these, 16 African countries are running CIF pilot programs through which AfDB is channeling more than \$1 billion for low-carbon and climate-resilient programs and projects.



The African Development Bank’s Energy, Environment and Climate Change Department (ONEC) produces this report every year as part of its leadership at AfDB to support Africa’s move toward climate-resilient and low-carbon development. The report highlights ONEC’s work to expand Africa’s access to climate financing through the Climate Investment Funds (CIF), and AfDB’s support for Africa’s transformations in clean technology, sustainable management of forests, increased energy access through renewable energy, and climate-resilient development.



*Pledge values as September 25, 2008

“Africa is at an auspicious moment in history”

Donald Kaberuka
President, AfDB

ACRONYMS AND ABBREVIATIONS

ADB	Asian Development Bank
AfDB	African Development Bank
CIF	Climate Investment Funds
CO₂	Carbon Dioxide
CSP	Concentrated Solar Power
CTF	Clean Technology Fund
DPSP	Dedicated private sector programs
EBRD	European Bank for Reconstruction and Development
FIP	Forest Investment Program
GDC	Geothermal Development Company, Kenya
GHG	Greenhouse gas
GW	Gigawatt
GWh	Gigawatt hour
Ha	Hectare
IDB	Inter-American Development Bank
IFC	International Finance Corporation (part of World Bank Group)
IP	Investment Plan
IPP	Independent Power Producer
kWh	Kilowatt hour
M&E	Monitoring and Evaluation
MDB	Multilateral Development Bank
MENA	Middle East and North Africa
MT	Megaton
MW	Megawatt
ONEC	Energy, Environment and Climate Change Department, AfDB
PES	Payment for Environmental Services
PPCR	Pilot Program for Climate Resilience
PPP	Public-private partnership
PV	Photovoltaic
REDD+	Reducing emissions from deforestation and forest degradation combined with sustainable forest management and protection of carbon stocks
SCF	Strategic Climate Fund
SREP	Program for Scaling Up Renewable Energy in Low Income Countries
USD	United States dollar
WB	World Bank
WBG	World Bank Group including International Finance Corporation

FOREWORD

AFRICA IS ON THE FAST TRACK toward a remarkable regional upswing in economic development.

AS PART OF A NEW ECONOMIC VISION, many African nations are in search of growth which is two-edged: more inclusive, offering equality of treatment and opportunity combined with deep reductions in poverty; and more sustainable, improving water, energy and food security, promoting sustainable use of natural resources and supporting actions which are low-carbon and climate-resilient.

IN ITS RECENT 10-YEAR STRATEGY, the African Development Bank (AfDB) has sought to bring its institutional vision in clear alignment with this transformational approach. As a keystone element of this new vision, in the past several years the AfDB has exponentially increased its leadership in support of African nations' efforts to achieve climate-smart growth. It mobilized \$1.7 billion of climate mitigation finance in 2012 — more than any other development institution in Africa — to sustainably address infrastructure and energy needs; and has led adaptation finance in Africa by contributing more than six dollars for every mobilized dollar of external financing. In total, the AfDB has dedicated \$4.3 billion to clean energy since 2007 and has become the largest financier of energy on the continent.

THE AfDB HAS WORKED HARD to make its partnership with the Climate Investment Funds (CIF) an integral

element of this support. In 2013 the Bank fast-tracked its partnership with the CIF as a principal investment source. By the close of 2013, with endorsement of Tanzania's and Liberia's investment plans (IPs), the Bank had completed programming of the full set of country IPs in the AfDB CIF portfolio. Today, the Bank is supporting 16 national IPs and one regional IP in renewables, forests, resilience, and transport endorsed in 16 countries, and more than half of the projects under those plans — including all projects addressing forests and climate resilience — have been approved by the Bank's Board and are driving toward implementation.

This annual report details **THE CLIMATE-SMART JOURNEY AfDB HAS UNDERTAKEN WITH ITS PARTNER COUNTRIES**, bolstered by the CIF, through a strategy based on five main approaches: fast-tracking toward results; implementing clean energy, resilience, and forest sustainability; strengthening private sector engagement; scaling up outreach; and scaling up knowledge for transformation.

WE HOPE THAT THIS REPORT PROVIDES you with valuable information and adds to the growing information base on how to finance climate-smart change, with AfDB support.



Mafalda Duarte
CIF Coordinator, Energy, Environment and Climate Change Department (ONEC), AfDB

CTE FIP PPCR SREP WIND SOLAR HYDRO GEOTHERMAL HYBRID FORESTS AGRICULTURE CLIMATE INFO TRANSPORT

The timeline illustrates the progression of CIF operations from 2008 to 2014. It begins with the establishment of CIF in 2008 and its selection as one of five implementing agencies. The process follows three steps: endorsement of investment plans by CIF, approval of projects by CIF, and final approval by the AfDB Board. Projects are categorized by year and type, including CTF IPs, FIP IPs, SREP IPs, and various CSP and RES projects across different regions like South Africa, Egypt, DRC, Mozambique, and others.

Year	Event / Project	Category
2008	CIF established	General
2008	AfDB selected as one of 5 implementing agencies	General
2009	South Africa CTF IP	CTF IP
2010	Egypt CTF IP	CTF IP
2010	Niger PPCR IP	PPCR IP
2010	Nigeria CTF IP	CTF IP
2010	South Africa ESKOM	CSP
2010	DRC FIP IP	FIP IP
2010	Mozambique PPCR IP	PPCR IP
2010	Zambia PPCR IP	PPCR IP
2010	Morocco Ouarzazate CSP	CSP
2011	Kenya SREP IP	SREP IP
2011	Mali SREP IP	SREP IP
2011	South Africa Energy Efficiency	RES
2011	South Africa ESKOM	CSP
2011	Morocco CTF IP (revised)	CTF IP
2011	Morocco ONE Wind Energy	RES
2011	Kenya Menengai Geothermal	RES
2011	Ethiopia SREP IP	SREP IP
2011	Mozambique Baixo Limpopo Climate Resilience	RES
2011	Niger Climate Information	RES
2011	Morocco Ouarzazate CSP	CSP
2011	Morocco ONE Wind Energy	RES
2012	Mozambique Sustainable Land and Water Use	RES
2012	Niger Water Resources	RES
2012	Burkina Faso FIP IP	FIP IP
2012	Ghana FIP IP	FIP IP
2012	MENA CTF IP (revised)	CTF IP
2012	Ghana Engaging Communities in REDD+	RES
2012	Zambia Climate Resilience in Kafue River Basin	RES
2012	DRC REDD+ Mbuji-Mayi-Kananga & Kisangani Basins	RES
2012	Tanzania SREP IP	SREP IP
2012	Liberia SREP IP	SREP IP
2012	Burkina Faso Gazetted Forest Areas	RES
2012	Burkina Faso Gazetted Forest Areas	RES
2012	Zambia Climate Resilience in Kafue River Basin	RES
2012	Nigeria Renewable Energy and Energy Efficiency Through Local Banks	RES
2012	Nigeria Renewable Energy and Energy Efficiency Through Local Banks	RES
2012	Ghana Engaging Communities in REDD+	RES

Surface area (ha)
reforested/regenerated

As spelled out in its 10 year strategy, the Bank will support green growth in Africa by finding paths to development that ease

“The Bank will measure success

by the lasting changes it brings to the lives of African people.”

**At the Center of Africa's Transformation:
Strategy for 2013-2022**
African Development Bank

pressure on natural assets, while better managing environmental, social and economic risks.

Priorities in reaching green growth include building resilience to climate shocks, providing sustainable infrastructure, creating and restoring ecosystem services and making efficient and sustainable use of natural resources. The CIF is an important partner in this urgent undertaking.

THE AfDB CIF FIVE-POINT PROGRAM OF CLIMATE-SMART CHANGE

FAST-
TRACKING
TOWARD
RESULTS

IMPLEMENTING
CLEAN ENERGY,
RESILIENCE,
FOREST
SUSTAINABILITY

STRENGTHENING
PRIVATE SECTOR
ENGAGEMENT

SCALING UP
OUTREACH

SCALING UP
KNOWLEDGE

FAST-TRACKING TOWARD RESULTS

Completing the CIF Programming Phase

When the CIF came into existence in 2008 it also introduced a new programmatic approach in climate financing. This programming phase encourages development partners to engage in constructive dialogue with pilot country governments and key stakeholders to develop a national Investment Plan (IP). This dialogue has

the additional benefit of helping all involved stakeholders to understand climate change impacts and opportunities, the role of climate finance in promoting climate-smart development, and the value added of working with the CIF.

All CIF work is underpinned by country-led programmatic Investment Plans (IPs). Through this IP the government and development partners are capable of choosing and funding investments that are in line with key national priorities.

In alignment with this approach, the AfDB has systematically worked with its CIF pilot countries to successfully carry out their programming. Each IP has been structured so that it: aligns with and informs the country's broader development goals; considers a careful assessment of the country's needs and natural resource assets; meets CIF criteria; and has input from a broad array of concerned stakeholders. As part of its broader institutional vision, AfDB has placed an emphasis on helping countries create programs which effectively drive them toward green growth.

By December, 2013, with the completion of the Liberia and United Republic of Tanzania IPs, AfDB along with the World Bank Group (WBG) finished the programming phase with 16 African partner countries. In the last half of 2013, the Bank has also worked, along with the WBG, to help countries update their IPs — for instance, working with the Middle East and North Africa (MENA) region to revise

In 2013, the AfDB committed US \$1.1 billion worth of investments to climate smart development in Africa through financing to be provided for programs in renewable energy, resilient rural, coastal and forest landscapes, and globally scalable knowledge on low-carbon and climate resilient solutions.



AfDB Photo Library

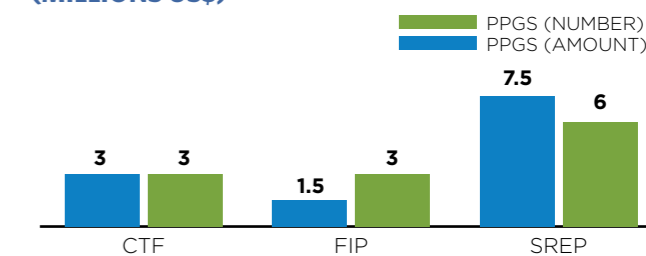
Project Preparation Grants Open the Door for Readiness

Countries working to undertake climate-smart action often face an uphill battle to move forward with innovation and transformation in the face of daunting obstacles, such as lack of financial capacity, and difficulty in engaging early entrants to invest in greenfield technologies.

To ease the way and ensure that countries put forward solid project proposals, the CIF makes available grant financing in the form of Project Preparation Grants (PPGs). AfDB has been instrumental in guiding countries through the process of applying for and acquiring these grants and using them to efficiently prepare viable projects.

With AfDB support, more than half of the AfDB CIF pilot countries have gotten PPGs approved and have

NUMBER OF PPG'S AND VOLUME OF FINANCING (MILLIONS US\$)



used them as a critical step in their project development. Countries with PPGs are:

- Burkina Faso
- DR Congo
- Egypt
- Ethiopia
- Ghana
- Mali
- Mozambique
- Nigeria
- Tanzania

their Concentrated Solar Power (CSP) Plan, and helping Morocco become ready to move quickly into the next phase of implementation for the Ouarzazate CSP plant.

Managing the Operational Phase

With each pilot country IP endorsed, the Bank is able to fully engage with countries to get the IPs' projects approved

and into implementation. By end-December, the Bank had approved more than half of the 25 projects in the portfolio. All 3 FIP and 5 PPCR projects are approved and underway; one of five SREP projects is under implementation; and in CTF, four of the 10 projects in the pipeline are under implementation and several others are being developed through preparation grants.

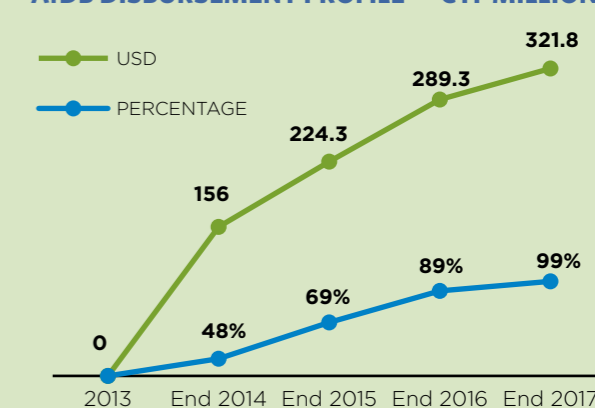
Streamlining speed of delivery

To ensure rapid delivery of its promised funding, the Bank has worked hard to ensure that the CIF portfolio moves to implementation in as speedy a manner as possible. As a result, the Bank has set the pace among CIF implementing agencies:

- All of the Bank's PPCR and FIP projects are approved and under implementation;
- The Bank led the way on delivery under SREP with fast turn-around on the Menengai project approval;
- Under CTF, the Bank has supported the revision of the MENA CSP so as to speed the delivery of the Morocco Ouarzazate II project and revisited the South African private sector programs to expedite their delivery as a response to changes in market opportunities;
- The Bank is also in line to lead delivery on the Nigeria CTF plan with a project to introduce Lines of Credit for renewables and energy efficiency.

Despite the innovation and complexity of its CTF projects, AfDB expects to disburse around 50% (US\$ 160 million) of its currently approved CTF resources by the end of 2014.

AfDB DISBURSEMENT PROFILE — CTF MILLIONS



IMPLEMENTING CLEAN ENERGY, RESILIENCE, FOREST SUSTAINABILITY

Transforming Energy Services: Wind, Solar, Geothermal

Nearly three-quarters of Africans lack access to electricity, but today, demand for access to modern energy in Africa is growing faster than supply. Balancing this demand with the need to promote clean energy based in renewable resources is essential for Africa's

green growth. AfDB and CIF are partnering with 10 middle- and low-income countries to help supply their citizens with more accessible and more affordable energy through renewables.

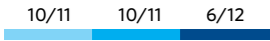
CTF APPROVED PROJECTS

MOROCCO OUARZAZATE I CONCENTRATED SOLAR POWER



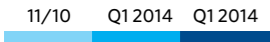
CTF \$100M, AfDB \$240M
Purpose: To generate 120-160 MW in its first phase by 2014 and 500 MW in total
Key Expected Results: 0.24 million tons of CO₂ emissions avoided per year; shifted energy mix

MOROCCO ONE WIND ENERGY

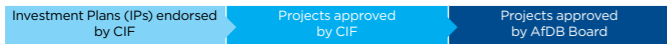


CTF \$125M, AfDB \$448M
Purpose: To construct three wind farms of 100-300 MW installed capacity and two hydro facilities to supply base-load power
Key Expected Results: Additional 550 MW of wind installed capacity and hybrid-hydro storage and generation of 520 MW; 533,000 new connections

NIGERIA RENEWABLE ENERGY AND ENERGY EFFICIENCY THROUGH LOCAL BANKS



CTF \$50M, AfDB \$75M
Purpose: To address energy efficiency in power, agribusiness, transport, telecommunications, and education by targeting local financial institutions to invest in the shifts to 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

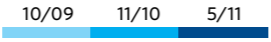


AfDB Photo Library

“Africa’s development is so closely tied to nature, and economic growth is not sustainable without preserving the continent’s natural capital, land, water, marine, forests and energy resources.”

AfDB President Donald Kaberuka, Foreword,
At the Center of Africa’s Transformation: Strategy for 2013-2022
African Development Bank

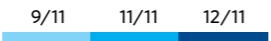
SOUTH AFRICA ESKOM RENEWABLES SUPPORT



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

SREP APPROVED PROJECT

KENYA MENENGAI GEOTHERMAL DEVELOPMENT



SREP \$25M, AfDB \$120M
Purpose: To develop the Menengai geothermal steam field to produce enough steam for 400 MW power
Key expected results: 2 million tons of CO₂ emissions avoided per year; connecting 500,000 households and 300,000 small businesses.



AfDB Photo Library

“I strongly believe that it is the role of the Bank, as a key financing institution in Africa, to help countries adapt to climate change that no longer can be avoided.”

Alex Rugamba

Director, AfDB Department of Energy, Environment and Climate Change (ONEC)

Resilience Through Sustainable Land and Water Management, Climate Forecasting

With AfDB and PPCR support, Mozambique, Niger and Zambia are undertaking scaled-up climate action and transformational change by integrating climate resilience in their national development planning.

PPCR APPROVED PROJECTS

MOZAMBIQUE BAIXO LIMPOPO IRRIGATION AND CLIMATE RESILIENCE



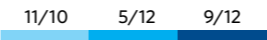
PPCR \$15.75M, AfDB \$3.2M
Purpose: To provide climate resilient infrastructure for increased agricultural productivity
Key expected results: Increased incomes 150% and crop production in project area, reduced poverty rate to 42%

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 agro-pastoral 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

Managing Forests for Sustainability

To address serious forest loss and forest-based climate impact, forest-rich DR Congo, Ghana and Burkina Faso are getting support from AfDB and FIP to align their national strategies for Reducing Emissions from Deforestation and Forest Degradation with sustainable management of forests and conservation and management of carbon stocks (REDD+).

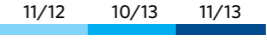
FIP APPROVED PROJECTS

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.

BURKINA FASO GAZETTED FORESTS PARTICIPATORY MANAGEMENT



FIP \$11.5M*
Purpose: To build carbon sequestration capacity in the forests, improving local people's resilience to climate change, and reducing their poverty by diversifying their 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, and 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 \$22M*
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)



*Project totals include project preparation grant financing

STRENGTHENING PRIVATE SECTOR ENGAGEMENT

Looking out at **Africa's ten year horizon**, AfDB has committed to an institutional vision of inclusion and sustainable growth, helping African nations gradually transition to "green growth" that will protect livelihoods, improve water, energy and food security, promote the sustainable use of natural resources, and spur innovation, job creation and economic development.

This can only happen with an exponential increase in private sector engagement. To achieve climate-smart

growth, the private sector is critically important to stimulate markets, increase investment potential, and enable financial gain in climate-friendly enterprises and businesses. Without these, there can be no long-term and widespread shift to effective climate action.

But there are risks preventing private sector's entrance into climate-friendly solutions: upfront risks for early entrants, large capital costs, a lack of suitable

"Africa can benefit

from private sector involvement in closing its infrastructure investment gap. Providing incentives to investments in green technologies are most successful when they come with a complete package of enabling policy environments and long-term certainty, economic incentives and preferential financing mechanisms."

Thomas Nagle
World Resources Center



AfDB Photo Library

Forests

- Climate change mitigation and poverty reduction through the development of the cashew sector
- Public-private partnership for restoration of degraded forest reserve through Verified Carbon Standard and Forest Stewardship Council certified plantations
- Community plantations on degraded lands to reduce deforestation

Renewable Energy

- Creation of a privately financed Solar Farm which will generate 227 GWh per year of electricity from renewable sources
- Development, building and operation of a solar photovoltaic power plant of 33 MW

insurance products, a lack of understanding of the value of climate investment, and a need for new types of investment products.

Some of the AfDB/CIF projects are paving the way for significant private sector engagement to help break down barriers. In Kenya, for instance, AfDB and CIF are financing drilling and exploratory risks in the **Menengai geothermal steam fields** as part of a project through which 400 megawatts of power will be generated by the private sector as independent power producers (IPPs) and sold to the national grid.



To encourage private sector engagement in CIF pilot countries, the CIF worked with AfDB and the other partner MDBs to run a **call for competitive submission of innovative project ideas engaging the private sector**. The competition made available \$70 million in PPCR credit financing, \$56 million in FIP credit financing, \$90 million in SREP credit financing, and \$150 million for two Dedicated Private Sector Programs (DPSP) under the CTF.



Private Sector Leadership in Menengai

As the first geothermal steam field in the country being developed by the country's national Geothermal Development Company (GDC), it will serve as a test-pilot for an investment and project structure that can be replicated elsewhere in Africa. In addition, the AfDB and CIF are looking to help Kenya create support to local manufacturing capacity, developing local industries that would be suppliers of components to these projects. The project is significant because it has the potential to generate 400 MW, supporting access to energy for an additional 500,000 households and 300,000 businesses.

Resilience

- Development of a sustainable 24,000 ha forest plantation to increase climate resilience and protect against catastrophic flooding

The AfDB took an early and active lead in bringing viable African project concepts to the table. With AfDB support, seven project concepts were endorsed for full project development in Africa, focusing on forests in Burkina Faso, DRC and Ghana, renewable energy in Kenya and Mali, and climate resilience in Mozambique.

CIF is running a new call for proposals under the PPCR and SREP in early 2014, and AfDB has begun work with stakeholders to bring new viable concepts to the table.

SCALING UP OUTREACH

Outreach and communications is a critical part of ensuring full scale-up of the AfDB's CIF portfolio. Through the Bank's CIF outreach program, we work to ensure that:

- Stakeholders are fully informed and educated about the portfolio and the means to achieve set goals in each plan
- The media and public understands the nature of the work and recognizes the value added of AfDB's CIF-supported contributions to the African region
- Country governments are better able to communicate across ministries and effectively implement plans and projects
- Thought leaders in Africa are informed about the benefits of AfDB support in mobilizing climate finance
- Understanding about new technologies and methodologies for achieving green growth is increased

Outreach initiatives and Products

International Initiatives (co-sponsored):

- Africa Express (www.africaexpress.org)

CIF Reports online and distributed

internally to AfDB and externally to media, key government, private sector, civil society contacts, CIF-specific distribution

■ Financing Change

- AfDB CIF Annual Reports

■ Growing Green

- AfDB CIF Summary Brochure (Oct 2013)
- AfDB CIF quarterly newsletter

■ AfDB submission to CIF 2013 Annual Report

■ AfDB CIF blog posts on climateinvestmentfunds.org

■ AfDB's website CIF content

■ Participation in key international and regional events and in CIF MDB Communications Working Group



In the News 2013

Six African countries get new support to bolster private sector's role in climate action 28/11/2013

AfDB excels as premiere institution financing low carbon development in Africa 15/11/2013

Burkina Faso receives \$11.5 million to increase forest carbon sequestration and reduce rural poverty 13/11/2013

Liberia set to transform its renewables sector with \$50 million climate fund endorsement 12/11/2013

AfDB underscores crucial role of African knowledge on climate adaptation at "Africa Climate Conference 2013" 25/10/2013

AfDB expands climate finance outreach with new Growing Green Africa series 24/10/2013

AfDB, largest financier of clean energy on the African continent with \$4.3 billion in energy projects 03/10/2013

Ghana set to increase community engagement and transform its forestry sector with project awarded nearly \$10 million 01/10/2013

Zambia gets \$38 million green light to increase climate-resilient growth in the Kafue Sub-Basin 27/09/2013

AfDB Approves US \$21.50 Million funding for Climate Change Mitigation Project in DRC 12/09/2013

Tanzania Poised to Transform National Energy Sector with Influx of Renewables 12/09/2013

Democratic Republic of Congo gets \$21.5 million green light to transform its vast forests 30/08/2013

AfDB enhances operational capacity to track climate finance in development projects 23/07/2013

AfDB Continues to Support Low-carbon Development Pathways for Africa 12/07/2013

AfDB Powering a Climate-smart and Greener Continent 23/05/2013

Climate Investment Funds Give North Africa and Middle East Green Light for Revised Regional Solar Plan 07/05/2013

North African and Middle East Countries Poised to Upgrade Concentrated Solar Power Use with AfDB, World Bank, and CIF Support 05/04/2013

Tanzania's Geothermal Roadmap to Tap Renewable Energy Resources with AfDB Support 25/03/2013

AfDB Cites African Countries' Integrated Climate Resilience Solutions in the Water Sector in CIF Global 2012 Annual Report 27/02/2013

AfDB Supports Mozambique in Moving Closer to a Working Green Growth Action Plan 25/02/2013

Nigeria Receives Approval for Additional CIF \$50 million to Bolster Energy Efficiency and Renewable Energy Use with AfDB Support 22/02/2013

First in Nigeria: African Sustainable Transport Preparation Grant Approved by Climate Investment Funds for AfDB Implementation 22/02/2013

Projects Financed by AfDB and CIF Reduce Nearly 7 Million Tonnes CO₂, Create 1.3 Million New Electricity Connections in Africa 20/02/2013

AfDB Hosts Meeting to Consider Private Sector Engagement in Climate Investment Funds (CIF) Operations 16/01/2013

AfDB, IFIs Gather to Discuss Climate Change Development 16/01/2013

AfDB Represents MDBs at Civil Society Discussion 16/01/2013

AfDB Actively Participates in CIF Partnership Forum Knowledge Bazaar 16/01/2013

SCALING UP KNOWLEDGE

One of the founding values of the CIF is **targeted knowledge sharing** to improve results, enhance the potential for replication and contribute to scaling up successful approaches. As the AfDB CIF portfolio begins to transition to full implementation, the development and climate finance communities will be looking to the AfDB for lessons on how to successfully develop investment plans, prepare bankable projects and implement projects successfully.

To effectively share the key lessons and knowledge stemming from this transition, the AfDB has started to put in place a robust knowledge management function.

Over 2013 the AfDB took great strides to advance the knowledge agenda of the CIF in Africa. This included working to include a knowledge management component in the investment plans of both Liberia and the United Republic of Tanzania, the support of south-south learning exchange between Kenya and Tanzania on how Kenya has successfully begun to develop its vast geothermal power potential, active participation in the **Africa Climate Conference**, and hosting an **international workshop** on the Payment for Environmental Services (PES) mechanism.

Liberia

With the **Liberia SREP Investment Plan**, information sharing and the exchange of lessons learned is included as a core component. As the IP transitions from Phase I to Phase II, the knowledge component will be used to increase successful development of renewable energy and rural electrification in Phase II. It will also consolidate and disseminate information with a view to addressing the lack of reliable data and information on renewable energy in Liberia and in the region.



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Specifically, the knowledge management component seeks to:

- Enable production and dissemination of information among renewable energy stakeholders and partners to support capacity building and awareness creation;
- Improve communication and awareness raising on IP results and achievements, but also on key related issues such as electricity theft;
- Strengthen flow of communication on renewable energy in Liberia and with neighboring countries to share success stories;
- Increase capacity of relevant stakeholders to design better renewable energy investments;
- Enhance visibility of scaled-up renewable energy efforts in Liberia and additional funding mobilized for renewable energy;
- Facilitate technology transfer in order to build capacity of the local private operators and service providers to increase their competitiveness and ability to respond to demand.

United Republic of Tanzania

The **Tanzania SREP Investment Plan** seeks to address knowledge management and lessons sharing at the program and project level. At the program level it has been identified that knowledge management is needed to measure what outputs are obtained and to share what has been learned with stakeholders at all levels. At the project level, the knowledge component will draw lessons from the new business models and innovative activities to be adopted in the SREP-supported pilot projects so that similar models and activities can be replicated in other regions of Tanzania and/or other countries.



Specifically, the Tanzanian government has undertaken to:

- Support the development and maintenance of an efficient, national-level energy-information system;
- Promote efficient knowledge management and exchange of best practices between projects and with other African countries;



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The Payment for Environmental Services (PES) Mechanism

PES is a flexible mechanism in which a well-defined environmental service (watershed, carbon sequestration) is bought by a buyer from at least one environmental service provider in a voluntary transaction. PES is based on the use of the market forces of supply and demand to achieve private transactions between the providers and consumers of environmental services.

The AfDB is eager to integrate PES into its projects because it presents a viable option to ensure the

continued, proper functioning of key ecosystems.

The **recent workshop** organized by the AfDB was an important first step in scaling up the Bank's work with PES. Over 2014, the Bank intends to strengthen the knowledge base around the current state of PES in Africa and the potential for its future use, and thereby support implementation of its three FIP projects which are looking at PES as a relevant results delivery mechanism.

Economic and Sector Work

The AfDB is committed to being at the forefront of crucial analytical work carried out on the continent. Examples of this work can be seen below:

- **Clean Energy Development in Egypt**
- **Renewable Energy in Mali: Achievements, Challenges and Opportunities.**
- **Climate Finance Tracking**

- Ensure a favorable environment for the rapid expansion of renewable energy by promoting a cross-cutting approach aimed at building the capacity of all stakeholders;
- Raise the SREP profile in order to raise additional funds and foster large-scale replication of activities countrywide and in the subregion;
- Communicate SREP results by disseminating outputs at all levels (local, regional, national and international), especially through online posting of knowledge management products;
- Support the management of renewable energy knowledge (i.e., approaches, methods, and lessons) acquired by the SREP;

Monitoring & Evaluation

The AfDB has been active as part of the ongoing processes to develop the CIF monitoring, reporting and evaluation mechanisms.

The objectives are (i) to create a functioning monitoring and reporting system, (ii) to help generate and analyze high quality data, and (iii) to achieve this by placing learning at the heart of all its activities.

You can view the most recent **AfDB CTF Core Results Indicators** report [here](#).

- Ensure linkage with the CIF Administrative Unit and draft regular program implementation reports intended for the SREP subcommittee;
- Conduct targeted studies, organize consultation workshops, and develop and support dialogue to achieve more efficient project implementation;
- Regularly monitor progress in other SREP countries and share operational management experience and;
- Organize information and exchange sessions with other countries in the subregion to disseminate best practices and the SREP's program-based approach.

THE 2014 OUTLOOK

GOING FORWARD INTO 2014, the Bank is poised to strengthen its support for CIF African pilot countries as they strive toward sustainable prosperity. To take this agenda forward, the Bank will work on a number of critical fronts to ensure continuing effective movement at the edges of climate-smart innovation.

WITH CTF AND SREP, WE WILL WORK TO COMPLETE THE PROGRAMMING CYCLE, particularly to ensure approvals of nearly \$200 million for upcoming renewables projects, and potential selection of new SREP pilot countries.

UNDER CTF, we will work with Morocco to continue the momentum toward bringing Noor II and III (formerly called Ouarzazate) to approval; we will support Nigeria with approval of CTF \$25 million and AfDB \$75 million for its innovative first-of-a-kind Lines of Credit with local institutions for renewables and energy efficiency; and we will help South Africa with approval of CTF \$42.5 million to engage the private sector in CSP. We will also look to develop more effective exchange among countries working to advance their geothermal resources.

UNDER FIP, in addition to moving operations forward, we will invest in helping Burkina Faso, DR Congo, and Ghana understand how best to apply PES approaches; and will also look at how best to mainstream gender in our FIP REDD+ projects.

UNDER PPCR AND FIP, we will sponsor impact assessments and formative evaluations in selected projects to generate key knowledge as projects progress.

WE WILL WORK WITH GOVERNMENTS AND STAKEHOLDERS to complete the concepts that won the private sector set-asides and gain AfDB Board approval; and we will support development of new project concepts for the second set-aside competitive cycle, including by running information sessions on PPCR in Mozambique, Niger and Zambia.

WE WILL SUPPORT countries' application of results frameworks and M&E aligned with both AfDB and CIF criteria.

WE WILL USE THE BANK'S CONVENING POWER TO RAISE AWARENESS and commitment within countries and globally for Africa's green growth path, and deepen the Bank's role as knowledge broker by airing findings emerging from CIF operations at the local, regional and national levels.

THE AfDB'S WORK WITH CIF IS HELPING AFRICAN COUNTRIES RESHAPE THE PACE AND BREADTH OF DEVELOPMENT IN AFRICA, working with them to find important ways to actualize the vision of a continent built to last through achievable transformation and effective climate action. Going forward, we intend to do all we can to continue that momentum.

AfDB PIPELINE

INVESTMENT PLAN/ COUNTRY	FUND	CIF ENDORSEMENT	CIF FUNDING (US\$ MILLION)
South Africa	CTF	Oct-09	500.0
MENA	CTF	May-13	750.0
Morocco	CTF	Nov-11	150.0
Egypt	CTF	Jan-09	300.0
Nigeria	CTF	Nov-10	250.0
Liberia	SREP	Oct-13	50.0
Tanzania	SREP	Sep-13	50.0
Ethiopia	SREP	Mar-12	50.0
Mali	SREP	Nov-11	40.0
Kenya	SREP	Sep-11	50.0
Ghana	FIP	Nov-12	50.0
DRC	FIP	Jun-11	60.0
Burkina Faso	FIP	Nov-12	30.0
Mozambique	PPCR	Jun-11	91.0
Zambia	PPCR	Jun-11	91.0
Niger	PPCR	Nov-10	110.0
Total			2,622.0

PROJECT PREPARATION GRANT	COUNTRY	CIF FUNDING (US\$ MILLION)
Egypt Kom Ombo CSP	CSP-MENA	1.00
200MW Wind Farm	Egypt	1.00
Abuja Mass transit	Nigeria	0.95
Gazetted forests participatory management project REDD+	Burkina Faso	0.50
Addressing deforestation & degration in the Mbuji Mayi/Kananga/Kisangani Supply area	DRC	0.80
Engaging Local communities in REDD+/Enhancing carbon stocks	Ghana	0.25
Assela wind farm project	Ethiopia	1.70
Aluto Langano Geothermal Field	Ethiopia	0.90
RE-Electrification Eastern Liberia	Liberia	1.50
Mini/Micro hydro development	Mali	2.20
Solar photovoltaic IPP	Mali	0.50
Renewable Energy for Rural Electrification	Tanzania	0.70

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	Preparation	109.00	
Egypt Kom Ombo CSP	MENA	Preparation	62.00	
Tunisia Akarit	MENA	Preparation	31.00	
One Wind Energy Plan	Morocco	AfDB Approved	125.00	448.39
Abuja Mass transit	Nigeria	Preparation	50.00	
Renewable Energy/Energy Efficiency Through Local Banks	Nigeria	Being approved by AfDB	25.00	75.00
		Preparation	25.00	
Eskom Renewable supp projects (Wind & CSP)	South Africa	AfDB Approved	100.00	260.00
Sustainable Energy Acceleration Program	South Africa	Preparation	42.50	
RE - Sustainable Transport	South Africa	Preparation	52.50	
SCALING-UP RENEWABLE ENERGY PROGRAM (SREP)				
Assela wind farm project	Ethiopia	Preparation	18.30	
Menengai Geothermal Development	Kenya	AfDB Approved	25.00	120.00
RE-Electrification Eastern Liberia	Liberia	Identification	23.50	
Mini/Micro hydro development	Mali	Preparation	10.20	
Solar photovoltaic	Mali	Identification	11.05	
Geothermal Power Development	Tanzania	Identification	25.00	
FOREST INVESTMENT PROGRAM (FIP)				
Gazetted forests participatory management REDD+	Burkina Faso	AfDB Approved	11.50	
Addressing deforestation & degration 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
PILOT PROGRAM FOR CLIMATE RESILIENCE (PPCR)				
Sustainable land and water managemennt	Mozambique	AfDB Approved	15.75	3.23
Baixo Limpopo irrigation & climate resilience program	Mozambique	AfDB Approved	15.75	3.23
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	

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