Assisting Regional Member Countries Access to Green Climate Fund (GCF).

AU Capacity Building Workshop on Accessing GCF.  
28th-30th August, Abuja

Dr. Timothy Afful-Koomson,
PART I. What is the Current Status of GCF Operation in the AfDB?

PART II. How do we Align GCF Operations with Regional Members Operations?

PART III. How do we support Regional Member Countries?
PART I. What is Current GCF Operations in the African Development Bank?
How is the Bank Engaging with the GCF?

The Bank was accredited on March 9, 2016 at highest level of funding - large size (> $250 million) funded activities with High E&S risk (Category A/I-1) Intermediation.

Accreditation Master Agreement (AMA) between Bank and GCF signed on November 8th 2017. The signing of the AMA finalized the accreditation process.

“Together with the Green Climate Fund, we can do a lot to move the continent towards low-carbon and climate-resilient development.” AfDB President Adesina 8 November 2017
How is the Bank Engaging with the GCF?

AFDB AND GCF

First project approved by GCF:

Zambia Renewable Energy Financing Framework
Supporting the Government of Zambia catalyze private investment in the renewable energy sector to boost electricity generation and diversify the country’s energy mix.

<table>
<thead>
<tr>
<th>Approved</th>
<th>February 2018</th>
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<tbody>
<tr>
<td>Total project investment</td>
<td>USD 154.0 million</td>
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<tr>
<td>GCF financing</td>
<td>USD 52.5 million</td>
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<tr>
<td>AfDB financing</td>
<td>USD 51.5 million</td>
</tr>
<tr>
<td>Funding Proposal</td>
<td>Country (ies)</td>
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<td>--------------------------------------------------------------------------------</td>
<td>--------------------------------------------------------------------------------------------------------</td>
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<tr>
<td>Programme for Integrated Development and Adaptation to Climate Change in the Niger Basin (PIDACC/NB)</td>
<td>Benin, Burkina Faso, Cameroon, Chad, Côte d’Ivoire, Guinea, Mali, Niger, and Nigeria.</td>
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<td>Rural electrification in Burkina Faso</td>
<td>Burkina Faso</td>
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<td>DRC Green Mini-Grid Program</td>
<td>Democratic Republic of Congo</td>
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<tr>
<td>Africa Greenco with DBSA</td>
<td>Southern Africa</td>
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<tr>
<td>Africa Climate Risk Financing Programme (ACRIFI) iwith IFAD</td>
<td>Burkina Faso, Chad, Cameroon, Ghana, Malawi, Mali, Madagascar, Mauritania, Niger, Senegal,</td>
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<tr>
<td>Nigeria Solar IPP Intervention Programme with AFC</td>
<td>Nigeria</td>
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PART II. How do we Align GCF Operations with Regional Members Operations?
What are the Key Aspects of GCF Funding?

- **GCF approval process and flow of proceeds are different:** Very elaborate process for approval of funding proposals by the Board. The Board meets three times in a year to approve funding proposals.
- **Focus of the funding proposal:** focus essentially on climate measures consistent with national commitment under the Paris Agreement and the Nationally Determined Contribution (NDC).
- **Climate rationale of GCF outcomes and outputs:** GCF distinguishes between outputs and outcomes that are development oriented from those that are climate oriented.
- **“Additionality” and Incremental Costs:** The outputs, outcomes and impacts of the GCF funding proposal should be “additional” to the baseline.
What are the Strategic Impact Areas and Investment Criteria of the GCF

- Impact potential
- Paradigm shift potential
- Sustainable development potential
- Responsive to recipients needs
- Promote country ownership
- Efficiency & effectiveness

Source: GCF B.13
What is the GCF Project Funding Approval Process?

1. Generation of funding proposals
2. Concept development
3. Submission of funding proposal
4. Analysis and recommendation
5. Board Decision
6. Trustee

Source: GCF Secretariat. Based on Board decision B.07/03
How to Align GCF/Bank Timing and Project Cycles?

- **Programming**
  - Exploring scope for GCF funding of projects in IOPs
  - Prioritizing, selecting and developing GCF concept notes

- **Evaluation**
  - Submitting Annual (APR), Mid-Term and Final Evaluation Report

- **Implementation**
  - Implementing GCF and Bank Project Activities

- **Identification**
  - Developing and submitting full funding proposal to the GCF Secretariat

- **Preparation**
  - Handling ITAP and GCF comments for project proposals

- **Approval**
  - Expecting GCF Approval

- **Appraisal**
  - Approving the project proposal
PART III. How do we Support Regional Member Countries?
How Does the AfDB Support Countries and Institutions in Africa for GCF Engagements?

Funding Proposals

Support to RMC/Partners

Technical Assistance and Advisory

Lead Accredited Entity

Joint Development

Internal Operations

Cross Department
How Does the AfDB Support Countries with Readiness and funding proposals development?
How can AfDB facilitate investments for your funding proposals?

AfDB Statutory Resources

- Non-sovereign Operations
- Sovereign lending

AfDB-managed Donor Resources (TFs, programs, etc.)

- AWF
- SEFA
- CIFs
- GCF
- GEF & AF

Additional External Resources

Other Initiatives:
- GCF, Africa50 Fund, FAPA, NEPAD-IPPF, ICA, AFP, ClimDev Africa, several bi-lateral funds, Co-financing platforms.
What are some of the Take Away Messages?

- AfDB has taken the **leadership initiative** to develop **tools and procedures** such as the CSS for climate-proofing projects; **forged partnerships**; **enhanced institutional capacity** and **facilitated investments** for enhancing access to GCF resources.

- We need to **work together** to **generate information**, and **develop the systems and tools** to improve climate projections and climate information –uncertainty- risks, avoided expected costs and benefits.

- **Improve** availability and reliability of **climate data and information**; **capacity of national institutions** such as the NDAs, direct access entities, **submission of compelling funding proposals** and **mobilization of concessional funding** to cover the incremental costs of climate-resilient and low-carbon development.