

# Enhancing Africa's Climate Change Resilience Capacity

## 2017 Annual Report





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## Abbreviations and Acronyms

<b>ACCF</b>	Africa Climate Change Fund
<b>AfDB</b>	African Development Bank
<b>Clim-Dev</b>	Climate for Development in Africa Program
<b>COP21</b>	21 <sup>st</sup> Conference of the Parties of the UNFCCC held in Paris, France
<b>COP22</b>	22 <sup>nd</sup> Conference of the Parties of the UNFCCC held in Marrakech, Morocco
<b>COP23</b>	23 <sup>rd</sup> Conference of the Parties of the UNFCCC held in Bonn, Germany
<b>GCF</b>	Green Climate Fund
<b>LAPA</b>	Local Adaptation Plan of Action
<b>NAP</b>	National Adaptation Plan
<b>NDC</b>	Nationally Determined Contributions
<b>M&amp;E</b>	Monitoring and evaluation
<b>MDTF</b>	Multi-donor Trust Fund
<b>UNFCCC</b>	United Nations Framework Convention on Climate Change
<b>TC</b>	Technical Committee
<b>OC</b>	Oversight Committee

# 1. Introduction

The signing of the 2015 Paris Agreement represented a milestone in the global efforts to reverse the negative effects of climate change. Article 2.1c of the Agreement establishes the long-term collective ambition to “make finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development.” Aligned with this ambition, African countries have outlined bold aspirations to build climate resilient and low-carbon economies in their Nationally Determined Contributions (NDCs). Considerable financing is needed to meet these objectives. To support this, the African Development Bank has adopted the ambitious target to scale up its climate finance to achieve 40 percent of new approvals per year by 2020, with the intention of ensuring that 50 percent of climate finance is dedicated to adaptation critical for countries particularly vulnerable to climate change.

Against this backdrop, in April 2014, the Africa Climate Change Fund (ACCF) was established following a EUR 4.725 million contribution from Germany. The Fund aims to support African countries in reinforcing their resilience to the negative impacts of climate change and in their transition to sustainable low-carbon growth. Specifically, the ACCF assists regional

member countries to access larger amounts of climate finance and use funds provided more effectively. In doing so, it helps African countries account for climate change in their growth strategies and policies through diagnostics and technical assistance. The Fund further provides targeted capacity building on climate change and green growth topics to relevant stakeholders at both the national and regional levels.

The year 2017 saw the scaling up of the ACCF to a multi-donor trust fund following contributions from the governments of Italy and Flanders, Belgium. These new contributions raised the Fund’s total to EUR 11.4 millions, opening the door for the emergence of a new multi-donor trust fund better equipped to respond to the significant demands from the continent. The Fund also made its first disbursements and advanced the implementation of the eight projects already in its portfolio. In July, the ACCF launched its second call for proposals focused on strengthening resilience, which received an unprecedented response from both government and non-governmental entities. By the end of the year, the Fund had also organised several outreach events to help raise the Fund’s awareness and strengthen its partnerships.



A background image of a tea plantation. In the foreground, there are rows of tea bushes. In the background, a person is visible working in the field, and another person is carrying a large woven basket on their back. The scene is set in a hilly area with trees in the distance.

## 2017 ACCF Milestones

In 2017, the ACCF completed its conversion to a multi-donor trust fund, following new funding commitments from Italy and Flanders of EUR 4.7 million and EUR 2 million, respectively. The Bank's Board of

Directors approved the conversion of the ACCF into a multi-donor trust fund in March and the multi-donor arrangement by the Bank and all three donors was signed in May. These new commitments raised the Fund's total contributions to EUR 11.4 million (equivalent to about US\$ 13.3 million).

The ACCF launched three approved projects and achieved first disbursement for three other projects in its pipeline. It launched a long-awaited call for proposals in mid-2017, which received an unprecedented response. The ACCF also strengthened its partnerships by participating in and co-organising several events, including two events on the sidelines of the COP23 in Bonn.

Figure 1 provides an overview of the ACCF's 2017 milestones and an overview of its achievements can be found in Table 1.



Figure 1. 2017 ACCF Milestones



Figure 2. 2017 ACCF highlights



## 2. Progress Update

### 2.1. Conversion to a Multi-donor Trust Fund

In March 2017, the African Development Bank Board of Directors approved the conversion of the ACCF to a multi-donor trust fund, following new funding commitments of EUR 4.7 million from Italy and EUR 2 million from Flanders. The multi-donor arrangement was then signed by the Bank and the three donors—Germany, Italy and Flanders—in May 2017. A review of the ACCF's achievements as a bilateral fund against the monitoring and evaluation framework (2014 – 2017) that it adopted in 2015 is provided in Annex 3.

Subsequently, the Fund's Technical Committee (TC), comprising representatives of various Bank departments, was re-constituted and an Oversight Committee (OC), comprising Bank and donor representatives, was established.

The Technical Committee met for the first time in May to discuss the ACCF's progress over the last year, as well as the 2017 work programme and budget. The Committee met again in September to discuss the operational guidelines and the initial results of the second call for proposals.

Meanwhile, the 2016 Annual Report and the 2017 annual work programme and budget were approved by email by the Oversight Committee in July on a lapse of time basis. In September, the Committee met for the first time in Rome at the invitation of the Italian donor. The OC discussed and

provided feedback on the operational guidelines and results management framework; the initial results of the call for proposals; the ACCF portfolio; and resource mobilisation. No new commitments were made.

### 2.2. Project implementation

In 2017, progress was made to launch the implementation phase of ACCF portfolio projects. Emphasis was placed on externally-executed projects that had experienced delays the previous year due to the signing of grant agreements and lengthy procurement processes. As a result, three projects in Kenya, Mali and Swaziland that had been launched in 2016 attained another important milestone: first disbursement.

In the case of the Mali project, the ACCF Secretariat undertook a supervision mission to Bamako in February to meet with the executing agency and address some challenges in the procurement process that were delaying project advancement. The mission was successful and the first disbursement occurred in September.

In the Case of the Kenya Project, the recruitment of two consulting firms to develop a concept note and proposal on climate smart agriculture and green innovation, respectively, was completed. A first disbursement to the project special account of US\$ 158,202 (28.7% of the project amount) was made in July 2017. That same month, the Bank also approved the extension of the project until the end of December 2018.



In the Case of the Swaziland project, a one-year project extension was granted in July thereby revising the project closing date to end December 2018. The contract for the firm to carry out the consultancy services for the scoping assessment, capacity building and development of concept notes was signed in August 2017. A first disbursement to the projects special account of US\$ 29,000 (9.5 % of the project amount) was made in March 2017.

In addition, three of the more recent projects in the portfolio—those in Cabo Verde, Cote d'Ivoire, and Tanzania (Zanzibar)—were launched in 2017. During the launch missions, experts from the Bank's procurement, financial management and disbursement departments joined the ACCF team to train the Executing Agency's project team on AFDB's relevant rules and procedures. The ACCF Coordinator also seized the opportunity to provide training to national stakeholders in Cabo Verde and Zanzibar aimed at helping them better understand how to tap funding from the Green Climate Fund (GCF) and its project development process.

The two Bank-executed projects in the portfolio equally recorded notable progress. These multinational projects were able to begin implementation earlier than the externally executed projects given a signed grant agreement is not required for Bank-led projects.

In collaboration with the multinational project on integrating climate change into infrastructure projects, the ACCF supported a training workshop in Lomé, Togo for West African stakeholders under the same theme. The Fund's TC approved the use of unspent funds in the project to recruit a consultant to support the development of GCF project concept notes emanating from the two training workshops held in Lomé and Lusaka the previous year.

Meanwhile, under a multi-national project to develop climate change country profiles, two regional training workshops were convened in November and December in Nairobi and Pretoria, respectively. The workshops provided training to stakeholders in the region on the effective use of climate information in decision making.



Table 1. ACCF disbursement figures

Project Title	Country	Status	Amount Committed	Disbursed US\$	% Disbursed
<b>National</b>					
Project activities under implementaiton	Mali		US\$ 404,000.00	11,700.77	2.9
Support to Advance Low-Carbon, Climate Resilient Development	Swaziland		US\$ 305,000.00	29,000.00	9.5
Enhancing national capacity for mainstreaming climate resilience	Tanzania/Zanzibar		US\$ 361,515.00	-	0
Advancing Clean Energy Projects	Cabo Verde		US\$ 495,036.00	-	0
Advancing Kenya's Green Growth Agenda	Kenya		US\$ 550,603.00	158,202.00	28.7
Enhancing climate finance readiness	Ivory Coast		US\$ 429,422.00	-	0
<b>Multinational</b>					
Enhancing access to climate information in Africa: Climate change profiles	Multinational		US\$ 420, 000.00	167,602.00	39.9
Building climate resilience into transboundary infrastructure projects	Multinational		US\$ 346,600.00	180,173.00	52
<b>Total amount</b>			<b>US\$ 3,312,176.00</b>	<b>546,677.00</b>	

Grant Agreement signed and procurement underway

Project activities under implementation



Figure 4. Project Milestones



### 2.3. Call for proposals

The ACCF launched its second call for proposals on July 10, 2017. Proposals were expected to present innovative and impactful ideas for African countries to support the transition to climate resilient, low-carbon development, while scaling up climate finance in line with nationally determined contributions (NDCs). The call, which closed on August 13th, attracted over one thousand submissions from a wide range of stakeholders, including governments, civil society organizations, and research institutions from across the continent, as well as Bank departments. The massive response to the call is a testament to the pressing demand from African stakeholders for climate finance readiness support, as well as the wealth of innovative and potentially impactful project ideas requiring funding.

A rigorous screening process carried out by a team of independent experts recruited by the ACCF Secretariat vetted applications against the pre-defined criteria. Relevant Bank departments also provided input to ensure alignment with the Bank's High-Five priorities. The initial results of the evaluation process were presented to the ACCF TC and OC in September to solicit guidance and feedback on the overall portfolio composition and risk profile. In December 2017, shortlisted proponents were invited to submit full proposals.

According to the ACCF's 2017 work programme, initial project approvals following the second call for proposals were expected in 2017. The timeline however, was conceived based upon the assumption that the response to the second call for proposals would be similar to that of the first call, which

received about 360 responses. The overwhelming response, although welcomed, presented a challenge to the Secretariat in meeting the deadline given the evaluation process required three times the staffing anticipated. As a result, the selection process will continue in 2018 with the shortlisted projects to be submitted to the TC or OC for approval.

Figure 5. Highlights from second call for proposals shortlist

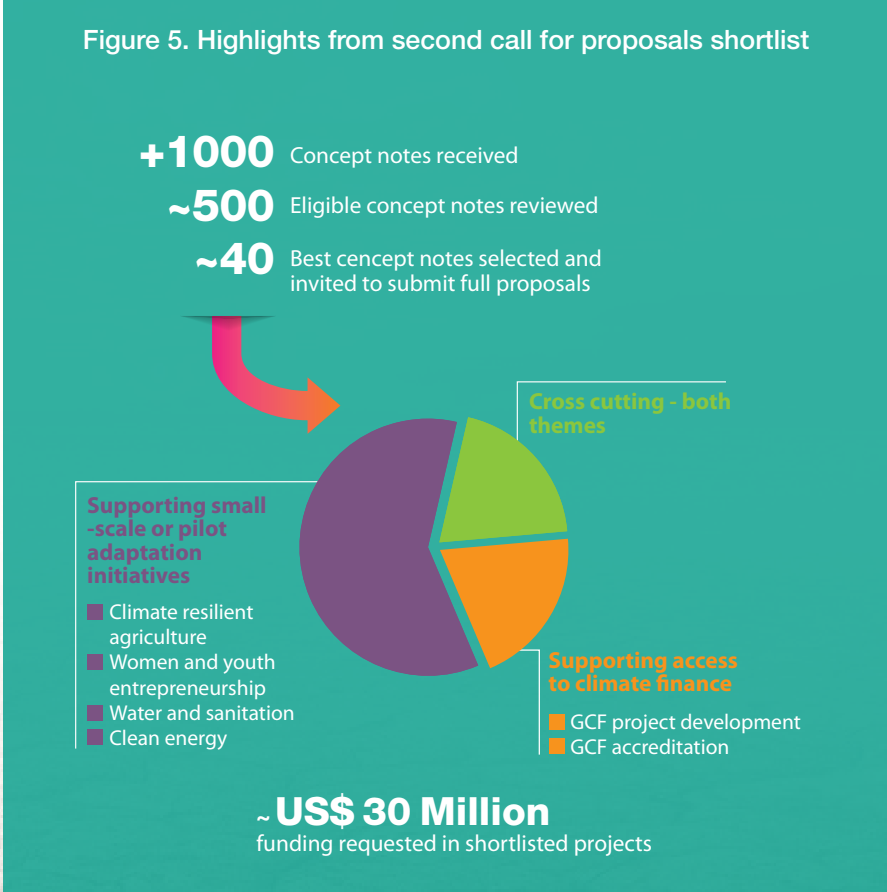




Figure 6. ACCF Project Cycle



## 2.4. Coordination and Partnership

Building on progress made in 2016, the ACCF strengthened its partnerships with several institutions that also support access to climate finance in Africa.

On the sidelines of the COP23 and in collaboration with the Centre de Suivi Ecologique (CSE) of Senegal, the National Environment Management Authority (NEMA) of Kenya, the Fundecooperación para el Desarrollo Sostenible of Costa Rica, and the World Resources Institute (WRI), the ACCF sponsored a direct access to climate finance practice group workshop. The breakfast workshop in Bonn provided the opportunity to continue discussions from previous meetings and present the progress that has been made. During the meeting, the Bank presented a training of the trainers' initiative that it will implement with funding from the Korea–Africa Economic Cooperation Trust Fund, developed in response to the needs identified by the practice group and solicited feedback from participants on the initiative.

Several other events throughout the year also provided the ACCF an opportunity to strengthen its partnerships, including at the Africa Learning Forum on Adaptation which took place in Saly, Senegal in March 2017 and in May 2017, ACCF participated in the Readiness for Direct Access to GCF Workshop in Songdo, in Korea.

The ACCF also spearheaded a new partnership aimed at enhancing its engagement to help address the continent's climate finance challenges, while ensuring its work remains responsive to the evolving needs and is

informed by the latest expertise in the field. The ACCF, in collaboration with the UN Capital Development Fund's Local Climate Adaptive Living Facility (LoCAL) and the International Institute for Environment and Development (IIED) convened a dinner discussion on the sidelines of the COP23 in Bonn, which brought together diverse stakeholders from thinktanks, African and donor governments, development agencies, financiers, private sector and nongovernmental agencies. The event provided an informal setting to exchange knowledge and experience on financing adaptation at the local level, such as an approach the ACCF is supporting through its project in Zanzibar. The event was well attended and afforded an insightful discussion on the topic.

In addition, the ACCF Secretariat held discussions with other Bank-managed trust funds to learn lessons and exchange experiences aimed at strengthening fund management and project implementation. Potential areas of partnership and co-financing were also explored, as well as ways to ensure that engagement with common or prospective donors is coordinated. Opportunities for collaboration on supporting African entities to access the GCF were identified with the African Water Facility and will be integrated into the 2018 work programme. Lessons were learned from the NEPAD Infrastructure Project Preparation Facility, the Sustainable Energy Fund for Africa and the Clim-Dev Africa Special Fund.



*AfDB climate Finance Division Manager addressing participants at the session*



## 2.5. Outreach and communication

The ACCF produced a number of communication materials in 2017 to increase its visibility and reach out to more partners, including:

- An updated version of its brochure, “Supporting African countries to access international climate finance, enabling a transition towards climate resilient, low-carbon development,” available online and was disseminated during relevant external events;
- A bi-annual newsletter which provided highlights on the recent activities of the Fund, published on the ACCF web page and distributed to the ACCF’s contact network; and
- Occasional press releases, published on the ACCF web page to announce key milestones.

In addition, the ACCF Secretariat participated in several events that provided an opportunity to showcase its work on the African continent, including:

- The regional workshop for francophone civil society organisations on the GCF, organized by Germanwatch and Enda Energie in Abidjan, Cote d’Ivoire; and
- The climate finance workshop in Kigali, Rwanda in December organised by the African regional platform for the Low Emissions Development Strategy (LEDS) Global Partnership, 4CMaroc (Morocco’s Climate Change Competence Center) and FONERWA (Rwanda’s Green Fund).



*ACCF Portfolio Officer speaking at the Event in Kigali*

**Table 2. Achievements in 2017 against the targets set out in the 2017 work programme**

Planned activities	Outcomes
<b>Operationalizing the ACCF multi-donor trust fund</b>	
Conversion of the ACCF to a multi-donor trust fund and signature of the Multi-Donor Agreement	The Bank's Board of Directors approved the conversion of the ACCF to a Multi-Donor Trust Fund in March and the Bank and the Donors signed the MDTF instrument in May.
Establishment of the Technical and Oversight Committees	The TC was established and met for the first time in May, while the OC met for the first time in September.
Adoption of the operational guidelines and results management framework	The operational guidelines and results management framework were presented to the OC in September and comments were subsequently addressed. The final version is expected to be adopted in early 2018.
<b>Portfolio and project management</b>	
Launch a new call for proposals to solicit innovative and impactful projects aligned with the objectives of the Fund and the Bank's High-Five priorities, as well as countries' NDCs and NAPs or related adaptation strategies	The call for proposals was launched in July and received an unprecedented response with over 500 eligible submissions.
Appraise and approve three to five new projects, committing around US\$ 2.8 million on new projects	Over 1,000 submissions were screened and evaluated, and approximately 40 projects invited to submit full proposals. The large number of applications resulted in a longer-than-anticipated screening process, so the appraisal and approval of projects will take place in 2018.
Achieve disbursements for approved projects reaching the disbursement target of US \$1.6 million and achieving the preliminary expected outcomes described in each project	Three projects were launched, three achieved first disbursement, and two advanced beyond expectations. Nonetheless, the ACCF fell short of meeting its target, having disbursed only US\$ 0.6 million the end of 2017.
<b>Fund management</b>	
Explore new funding opportunities to scale up the ACCF's impact to secure at least one new funding commitment	The ACCF held discussions with donors, including Canada, Switzerland, and GlZ on a potential new contribution. In the end, a new contribution was not secured, however discussions will continue further in 2018.
Put in place the Secretariat to develop the operational guidelines; manage the call for proposals; screen the concept notes and proposals that come in; and oversee the implementation of approved projects	The ACCF recruited a short-term consultant to support the writing of the operational guidelines, two climate change experts to support the evaluation of proposals under the second call for proposals, and a programme officer to support project implementation.



## Planned activities

## Outcomes

### Partnership, communication and outreach

Strengthen coordination and collaboration with the Green Climate Fund and other key climate funds and institutions in order to ensure effective delivery of results

The ACCF continued to strengthen its relationships with the GCF and other key funds and participated in several events including the GCF direct access entities week in Korea.

Strengthen the Fund's communications and knowledge management, including co-convening at least one outreach event at COP23

The ACCF developed and/or updated its brochure, standing banner, and bi-annual newsletter. It also co-convened two events on the sidelines of COP23 which were well attended and received.

Develop a capacity building programme to support African institutions with direct access to climate finance in collaboration with other members of the readiness coordination mechanism

A capacity building programme was developed and funding secured from a Korean trust fund at the Bank, which will complement ACCF funding for GCF readiness.

# 3. Financial Management

Table 2 below provides an overview of the 2017 ACCF budget implementation. The ACCF financial statements are audited annually by the Bank’s external auditors.

Table 3. Financial Summary  
(as of 31/12/2017)

Contributions	(US \$)	Use of funds	Amount Allocated	Disbursed
GIZ GmbH	6,191,640	Project commitments	3,312,177	546,677
Italy	5,559,630	Administrative costs	725,464	409,673
Flanders	2,365,800	Annual Audit	26,208	8,477
Interest earned	94,075	Management Fees	705,853	45,324
Total funds	14,211,145	Total	4,769,702	1,010,151

Contributions	(US\$)
Cumulative commitments	4,769,702
Fund available for Commitment	9,441,443
Cumulative Disbursement	1,010,151
Total funds	13,200,994



## 4. Conclusions, Lessons Learned, and Way Forward

The implementation of the ACCF annual work programme was considerably improved in 2017 compared to 2016, despite the encountered delays. The Fund completed its conversion to a multi-donor trust fund, scaling up the Fund to more than double its initial size, and opening the door to mobilising new resources. A call for proposals launched in 2017 met with tremendous demand from eligible beneficiaries and resulted in a shortlist of approximately forty concept notes from teams that were then invited to submit full proposals. The unexpectedly high response to the call for proposals led to some delays in the review and screening of all received submissions. As a result, the ACCF was not able to approve any new projects in 2017. Although the disbursement rate was improved from 2016, it still fell beneath the targeted disbursement of US\$ 1.6 million.

### 4.1 Lessons learned

Over the past year, the ACCF Secretariat identified a few lessons learned and recommendations, including:

#### **The importance of a strong focus on project implementation**

The Secretariat increased its operational capacity to support project implementation by hiring a full-time senior consultant in late 2016 to provide additional support to task managers and beneficiaries in advancing projects in the implementation phase. The consultant also provided capacity building support to the ACCF Secretariat team to enable them to lead project

implementation in the coming years. A strong focus on project implementation, with constant follow-up of task managers, non-operational departments, and executing agencies has helped to address some of the delays. In the case of one project, a mission to the country was required to address challenges in the procurement process. However, these efforts paid off as the project portfolio implementation improved significantly.

In the future, the ACCF will include the possibility of advance contracting<sup>1</sup> in its projects to reduce avoidable delays in the procurement process. Notwithstanding the efforts of the Secretariat, project implementation for small projects within the Bank remains challenging due to the lengthy processes and high transaction costs which are not well adapted to small projects.

#### **Need for a more focused call for proposals**

Consistent with the ACCF's mandate, the Secretariat advertised the call for proposals publicly on the Bank's website, which provided the opportunity for a wide range of stakeholders to submit concept notes for consideration. Though this second call was a success in terms of the number of submissions received, it also presented some challenges. The sheer amount of concept notes received posed a logistical challenge as the Secretariat did not have the staffing required to review all submissions within the expected timeframe. In addition, a significant number of concept notes were submitted by either ineligible institutions or proposed activities that were outside of the stipulated themes. Nonetheless, the manual nature of the review process required all submissions be reviewed to determine their eligibility.

In the future, calls for proposals will include more specific themes and target specific beneficiaries to manage expectations and keep responses to a manageable level. In addition, the use of a software application to manage responses and automatically reject non-eligible proposals would help streamline the process.

### **The importance of a strong and inclusive evaluation process to identify projects**

The Secretariat recruited two external independent experts with significant experience in the submission theme to conduct the evaluation. This approach proved effective in enabling a thorough and fair evaluation against the pre-defined criteria. Learning from lessons garnered from previous cycles, the Secretariat also engaged the Bank's sectoral departments at an early stage in the evaluation of concept notes to ensure shortlisted projects would be well-aligned with the Bank's High-Five priorities and ongoing work. In addition, the Technical and Oversight Committees were consulted during the evaluation process to seek their guidance on the portfolio composition and ensure shortlisted concept notes would be well aligned with donor priorities. These steps have allowed the ACCF to identify a quality shortlist of projects that offer opportunities for innovation and impact that are also well aligned with Bank and donor priorities.

## **4.2. Outlook for 2018**

Looking ahead in 2018, the ACCF will focus on advancing the project pipeline and approving projects selected under the second call for proposals. It will also work to mobilise additional funding, given the funding available is insufficient to support all the quality projects in the pipeline.

Furthermore, the Fund will continue to emphasize project implementation, with a focus on ensuring that approved projects advance smoothly and achieve key milestones, such as signature of grant agreements, disbursement and procurement in a timely manner.

### **The key objectives for 2018 are the following:**

- Complete the evaluation and appraisal of shortlisted full proposals and approve new proposals for a total of US\$ 5 million;
- Continue to enhance project implementation to improve the disbursement rate and achieve the preliminary expected outcomes described in each project;
- Convene national institutions in Africa to support south-south learning and capacity building on accreditation and project development for the Adaptation Fund and the GCF in collaboration with key partners;
- Explore new funding opportunities to scale up the impact of the ACCF and to respond to the significant demand for ACCF funding;
- Maintain a strong ACCF Secretariat team to ensure effective implementation of projects and other activities;
- Strengthen the Fund's communications and knowledge management to raise the profile of the Fund among potential donors, partners and beneficiaries; and
- Approve the Fund's operational guidelines and results management framework.



# Annexes

## Annex 1 – Call for proposals

*Grants of US\$ 250,000 – US\$ 1 million to scale up access to climate finance and support climate- resilient, low-carbon development in African countries June 2017*

The Africa Climate Change Fund (ACCF), housed in the Climate Change and Green Growth Department of the African Development Bank (AfDB), is launching a call for proposals. The funding envelope available for this call is US\$ 7 million in the form of grants, and the Fund is seeking concept notes for projects and programmes in the range of US\$ 250,000 to US\$ 1 million.

### Focus areas and themes

The ACCF is seeking innovative and impactful proposals that will **support African countries to transition to climate-resilient, low-carbon development, and scale up access to climate finance.**

Proposals should be aligned with the priorities of the Bank, including the 10-year strategy (which aims for inclusive growth and a transition to green growth) and the High-Five priorities (which aim to light up and power Africa, feed Africa, industrialise Africa, integrate Africa, and improve the quality of life for the people of Africa), as well as with the Nationally Determined Contributions (NDCs) and National Adaptation Plans (NAPs) or related adaptation strategies of beneficiary countries. Priority will be given to the following themes:

- > *Supporting direct access to climate finance, including:*
  - development of high quality, bankable projects aligned with African countries' NDCs and NAPs or related adaptation strategies
  - identification and strengthening of national institutions to access the GCF
- > *Supporting small-scale or pilot adaptation initiatives to build resilience of vulnerable communities with a focus on:*
  - promoting access to clean energy
  - promoting climate-resilient agriculture and economic diversification
  - creating opportunities for youth and women in low-carbon sectors and improving access to water and sanitation

### Eligible beneficiaries

This call for proposals is open to all eligible beneficiaries, including African governments<sup>2</sup>, regional organizations, funds, non-governmental organisations (NGOs) and research institutions<sup>3</sup>, as well as Bank departments. Bank departments may submit proposals directly<sup>4</sup>, or may work with eligible external beneficiaries to support them in preparing high quality proposals. Proposals from consortia are allowed as long as all members of the consortium are eligible beneficiaries.

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<sup>1</sup> Including sub-national, local and municipal governments

<sup>2</sup> To be eligible for funding, NGOs and research institutions must have a registered office in Africa

<sup>3</sup> Proposals from Bank departments must demonstrate value addition beyond the regular work of the Bank and may not be used to supplement department budgets

## Eligible activities

Grant resources from the ACCF may be used to support the following activities, among others: consultant or expert fees, trainings, workshops, consultations and participation in regional and international meetings, communications, outreach, advocacy, translation services, office equipment and transportation fees, and certain administrative costs and fees.

## Selection process and timeline

- An initial screening of all concept notes received by the deadline will be carried out by the ACCF Secretariat.
- Shortlisted proponents will be invited to present full project proposals for evaluation. Proponents will be given approximately one month to prepare a full proposal.
- Proposals will be evaluated by the ACCF Secretariat against the established criteria. Top ranked proposals will be selected for further appraisal. Full proposals not selected for appraisal will be notified.
- Project appraisal will be carried out by the Bank's technical and fiduciary experts (led by the ACCF Secretariat) through a desk review, unless an in-person review is deemed necessary.

- Proposals that successfully complete appraisal will be submitted to the ACCF's Technical Committee or Oversight Committee for consideration and approval. Proposals that are rejected at the appraisal stage will be notified.
- No guarantee of funding is implied by a proposal being moved forward to the project appraisal phase, as authority to approve lies wholly with the Technical Committee (proposals up to US\$ 500,000) or Oversight Committee (proposals between US\$ 500,000 to US\$ 1,000,000).

## Co-financing

Counterpart financing of at least 5% for external beneficiaries and 10% for Bank departments is strongly encouraged to demonstrate commitment and ownership by the project proponent.

## Apply for a grant

Eligible beneficiaries are invited to submit a concept note using the attached template to **[africaclimatechange@afdb.org](mailto:africaclimatechange@afdb.org)** before midnight GMT on [1 August 2017]. All sections should be completed. Incomplete concept notes will not be considered.



## Annex 2. Status of Approved projects

<b>Title</b>	<b>Supporting Low-carbon, Climate Resilient Development in eSwatini</b>
<b>Country</b>	eSwatini
<b>Executing Agency</b>	Ministry of Tourism and Environmental Affairs
<b>ACCF grant amount</b>	US\$ 305,000
<b>Main objective</b>	The project supports readiness for investment in a low-carbon and climate-resilient development pathway through the assessment and prioritization of adaptation and mitigation actions. The project is developing concept notes and proposals for submission to the GCF, as well as training to key project managers and coordinators in different institutions on GCF project development and management.
<b>Status</b>	A one-year project extension was granted in July thereby revising the project closing date to end December 2018. The contract for the firm to carry out the consultancy services for the scoping assessment, capacity building and development of concept notes was signed in August 2017. A first disbursement to the projects special account of US\$ 29,000 (9.5 % of the project amount) was made in March 2017.
<b>Title</b>	<b>Enhancing national capacity for mainstreaming climate resilience in Zanzibar</b>
<b>Country</b>	Zanzibar, Tanzania
<b>Executing Agency</b>	Ministry of Lands, Water, Energy and Environment, Zanzibar (MoLWEE)
<b>ACCF grant amount</b>	US\$ 361,515
<b>Main objective</b>	The project aims to strengthen national capacities on climate change and to integrate climate resilience into development planning in four critical sectors: agriculture, fisheries, infrastructure and tourism, at the national, local and municipal levels. It is supporting the development of project concept notes in order to mobilize additional climate finance from the GCF to build the resilience of these sectors, and is supporting an accreditation assessment for two national institutions.
<b>Status</b>	The project was launched in February 2017 with a mission of experts from the ACCF Secretariat and the Bank's Tanzania country office to Stone Town, Zanzibar. During the launching mission, it was agreed to update some of the activities to build on work done with the support of various development partners since the project had been approved. Training of the MoLWEE project team on procurement, financial management and disbursement by Bank experts. Procurement of the main consulting firm is underway.

<b>Title</b>	<b>Supporting the Transition to a Climate Resilient Green Economy in Mali</b>
<b>Country</b>	Mali
<b>Executing Agency</b>	Agency for Environment and Sustainable Development (AEDD)
<b>ACCF grant amount</b>	US\$ 404,000
<b>Main objective</b>	The project is supporting the development of two strategic programmes for a climate resilient and green economy: one in renewable energy and one focused on adaptation in the agriculture sector, as well a strategy for financing its transition to green and climate resilient growth and to attract private sector investment in this transition. The project is also providing training to AEDD staff on fiduciary management and supporting the upgrading of accounting software.
<b>Status</b>	The recruitment of 3 firms was completed, one with the objective of developing two Strategic Programs for a Green and resilient Economy to Climate Change, another on the development on the national finance strategy for environment, the last on to install a software for accounting and financial management. A first disbursement of US\$ 11700 (2.9% of the project amount) was made after the installation of the software was completed in September 2017. The Bank agreed to an extension of the project until December 2018.
<b>Title</b>	<b>Enhancing access to climate information in Africa: climate change profiles</b>
<b>Country</b>	Multinational
<b>Executing Agency</b>	AfDB – Climate Change and Green Growth Department
<b>ACCF grant amount</b>	US\$ 420,000
<b>Main objective</b>	The project supports the collection of up-to-date information on climate change vulnerabilities, greenhouse gas emissions, and opportunities for climate change adaptation and mitigation to be produced for 25 African countries, tailored to the specific information needs of each country. It also is developing a global platform for sharing and updating the information in the profiles, and provide training for staff of economic and planning departments in African countries.
<b>Status</b>	Two training workshops in November and December 2017 in Nairobi and Pretoria respectively. The workshops were themed “effective use of climate information in decision-making” and were facilitated by experts from the Climate Systems Analysis Group and Africa Climate & Development Initiative, both research units at the University of Cape Town. An amount of US\$ 167602 (39.9% of the project amount) was disbursed.

<b>Title</b>	<b>Advancing clean energy projects in Cabo Verde</b>
<b>Country</b>	Cabo Verde
<b>Executing Agency</b>	National Directorate of Environment
<b>ACCF grant amount</b>	US\$ 495,037
<b>Main objective</b>	The project aims to enhance capacity to access climate finance, while helping the country to meet its proposed targets towards a low-carbon development pathway set out in its intended nationally determined contribution to the UNFCCC. The project is supporting the development of mitigation projects in key strategic sectors of energy and waste. It will further support the mobilization of climate finance for the implementation of these projects from the GCF, as well as training for national stakeholders on the GCF.
<b>Status</b>	The project was launched in June 2017 during an inception mission to Praia, Cabo Verde, by a team from the Bank. The inception mission provided an opportunity to review and update the project activities to take into account the latest developments since the project was approved, as well as to provide training to the project executing agency team and other national stakeholders on procurement, financial management, disbursement, climate finance and the GCF. The project work plan was revised and updated and the procurement on the consultancy service to develop a full proposal to the GCF was launched and is ongoing.

<b>Title</b>	<b>Advancing Kenya's Green Growth Agenda</b>
<b>Country</b>	Kenya
<b>Executing Agency</b>	Kenyan National Environment Trust Fund
<b>ACCF grant amount</b>	US\$ 550,603
<b>Main objective</b>	The project is supporting the Kenyan National Environment Trust Fund (NETFUND) to develop project proposals in the forestry, green growth and agro-forestry sectors that will advance the country's transition towards a green economy. It will further enhance the capacity of key stakeholders in project development and mobilizing climate finance, in coordination with and building on other climate finance readiness initiatives in Kenya.
<b>Status</b>	The recruitment of two consulting firms to developing concept notes and proposal on climate smart agriculture and green innovation respectively was completed. The procurement process for a third consultancy on forestry is still ongoing. A first disbursement to the project special account of US\$158 202 (28.7% of the project amount) was made in July 2017. The Bank approved in July the extension of the project until the end of December 2018.



<b>Title</b>	<b>Building climate resilience into transboundary infrastructure projects</b>
<b>Country</b>	Multinational
<b>Executing Agency</b>	AfDB – Climate Change and Green Growth Department
<b>ACCF grant amount</b>	US\$ 346,600
<b>Main objective</b>	The project is supporting knowledge and capacity enhancement and facilitating partnerships for climate-proofing African infrastructure projects, using two transboundary infrastructure projects as case studies: The Togo and Benin section of the Abidjan-Lagos Coastal Corridor road infrastructure project; and the Batoka Gorge Hydropower project in Zambia and Zimbabwe.
<b>Status</b>	The training workshops were completed, with a second workshop held in Lomé, Togo for participants from West Africa in February 2018. An amendment to the project was approved by the TC in October 2017 to use remaining funds to recruit a consultant to develop 3 concept notes to the Green Climate Fund, building on the project ideas identified in the workshops. A total of US\$ 180, 173.00 (52% of the project amount) was disbursed in 2017.
<b>Title</b>	<b>Enhancing climate finance readiness in Cote d'Ivoire</b>
<b>Country</b>	Cote d'Ivoire
<b>Executing Agency</b>	Ministry of Environment and Sustainable Development
<b>ACCF grant amount</b>	US\$ 429,422
<b>Main objective</b>	The project is supporting Cote d'Ivoire to enhance its capacity to mobilize international resources for climate resilient development. In particular, it will develop a project proposal for submission to the Adaptation Fund and a detailed concept note for submission to the GCF. It will further train the governments' climate change experts in the design and management of projects and resource mobilization for climate finance. Finally, it will support a study to investigate options for accreditation of a national institution to the GCF.
<b>Status</b>	The project was launched in June 2017 with a mission from the Bank's experts. During the mission, training was provided to the project team on procurement, financial management and disbursement. A specialist in procurement has been hired to support the project team and the other procurement activities are under way. The Bank approved in July the extension of the project until end of December 2018.

## Annex 3. ACCF performance as a bilateral fund 2014-2017

### Context

On July 31, 2015, the Africa Climate Change Fund's Technical Committee approved a monitoring and evaluation (M&E) framework to measure the Fund's progress against its objectives over its lifespan. The M&E framework includes indicators for Fund-level goals (i.e. project appraisal, disbursement of funds, fundraising, etc.), as well as those for project-level goals (i.e. project development, capacity building, etc.). The M&E framework spanned three years, with targets set for the year 2017, by which time it was expected the Fund would be converted into a multi-donor trust fund.

In 2017, the bilateral fund was expanded into a multi-donor trust fund, with the signature of the multi-donor arrangement in May and the establishment of the Oversight Committee in late September. Under the bilateral fund's framework from 2014 to 2017, the ACCF recorded important achievements against its set goals, as well as some failures, from which lessons are drawn that will strengthen the performance of the multi-donor trust fund. The table at the end of this Annex provides a summary of the Fund's performance from its inception until end 2017.

### Trust fund management performance

**Mobilized a total of US\$ 14 million in funding.** From its inception to 2017, the ACCF successfully mobilized two additional donors, bringing the total contributions to the Fund to over US\$ 14 million<sup>4</sup>--Germany, EUR 4.725 million; Italy, EUR 4.7 million; Flanders, EUR 2 million—nearly achieving its resource mobilization target of US\$ 15 million. New contributions from Italy and Flanders also meant the ACCF's conversion

from a bilateral to a multi-donor trust fund, a key achievement. The joining of two new donors to the Fund is testament to the donor community's confidence in the Fund's mandate and its ability to make a valuable contribution to the region's transition to climate-resilient, low-carbon growth.

**US\$ 3.3 million committed to eight approved projects.** In terms of project approvals and commitments, the ACCF approved a first set of proposals under the first call for proposals, but then put new approvals on hold due to several challenges encountered in the implementation of the first set of approved projects, in addition to its need to focus on the conversion to a multi-donor trust fund. By the end of 2017, the Fund had committed some US\$ 3.3 million to eight projects.

One of the main challenges the Fund encountered was its inability to support projects led by non-traditional beneficiaries such as non-government organisations, due to Bank rules around eligible activities designed for working with governments. The Bank also went through a restructuring process in 2016, which significantly delayed the conversion of the ACCF to a multi-donor trust fund. Given the limited staff capacity of the Secretariat, priority was given to completing the conversion process and advancing the implementation of approved projects, rather than approving new projects. Furthermore, it was expected that during the conversion process, certain challenges encountered under the

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<sup>4</sup> at the current exchange rate

bilateral Fund would be addressed through the revised operational guidelines. The revised guidelines offer more flexibility and efficiency in the implementation of small projects and those led by non-traditional beneficiaries. Appraisal of projects in the pipeline was therefore put on hold pending the completion of the conversion to a multi-donor fund and the adoption of its new operational guidelines.

**Over US\$ 1 million disbursed through the ACCF.** Disbursement rates under the bilateral fund were significantly below those targeted at the outset, in part because the targets set were unrealistic as they were based on the expectation of upfront disbursement rather than tranching disbursement, and in part due to delays and challenges in projects implementation, both on the Bank's side and on the side of the beneficiaries.

On the Bank's side, delays resulted from lengthy procedures for developing grant agreements and for project procurement in recipient executed projects. These challenges are not unique to the ACCF and have been communicated to Bank management with the recommendation that streamlined procedures be adopted to facilitate efficient implementation of small grant projects funded through trust funds. On the beneficiary side, delays resulted from lengthy internal clearance processes for grant agreements (which in some countries require parliamentary approval) or to open special accounts, as well as limited experience with the Bank's procurement processes. The ACCF Secretariat increased its staffing in late 2016 in response to this challenge enabling it to place greater focus on project implementation and provide more hands-on support to executing agencies. Lessons learned from the

implementation of the first set of projects have been addressed to the extent possible in the revised operational guidelines of the ACCF. As a result, the next set of projects are expected to advance more smoothly.

**Fourteen knowledge products and/or events.** In terms of knowledge and outreach, the ACCF placed a strong emphasis on sharing knowledge and experience and has exceeded its targets. It produced a brochure providing an overview of the Fund, which was updated annually. Annual reports have also been produced since 2014, providing an overview of its achievements. Meanwhile, bi-annual newsletters were disseminated to stakeholders to update them about Fund activities. The ACCF also issued numerous press releases as new milestones were reached.

In addition, the ACCF co-organised six outreach events between 2014 and 2017 designed to share experiences and knowledge about the Fund and the key issues on which it works with prospective donors, partners and beneficiaries. These included two public side events at COP21 and COP22, a dinner discussion event at COP23, and three knowledge sharing workshops on climate finance. These events were well-received and raised the visibility of the ACCF while building partnerships. The ACCF also participated in numerous international and regional events with the aim of strengthening knowledge sharing.

### **Project achievements in scaling up climate finance**

During its life as a bilateral Fund, the ACCF awarded US\$ 3.3 million in grants to eight projects. Six projects originated from government agencies in Cabo Verde, Cote d'Ivoire, Kenya, Mali, Swaziland, and Tanzania (Zanzibar), while two of the projects were of a multinational



nature and came from within the Bank. The targets set for project level indicators in the ACCF's M&E framework aligned with the objectives set in the establishment of the bilateral Fund.

The Bank, in consultation with the donor, decided to focus the theme of the first call for proposals on supporting African countries to access climate finance, a topic that was particularly pertinent at the time as countries were preparing themselves to access funding from the GCF, which was being operationalised. Emphasis was therefore placed on projects that: (i) provide assistance to countries to identify and prioritize climate change related projects; (ii) contribute to identification and selection of relevant institutions for accreditation to the GCF and Adaptation Fund; (iii) support development of projects to be submitted to international climate funds; and (iv) focus on capacity building of key stakeholders to access climate finance.

The six national projects selected focus on climate finance readiness activities, including stakeholder engagement and training on climate finance, and developing project concept notes and proposals for submission to climate funds. Those in Cote d'Ivoire, Cabo Verde, Mali and Zanzibar also include a component focused on evaluating or strengthening institutional capacities for accreditation of a national institution to the GCF or Adaptation Fund. The Zanzibar project also includes a strong focus on integrating climate resilience into decentralised development planning and monitoring, as well as building capacity at the local level.

Meanwhile, the two Bank-executed projects are regional in their scope and focus heavily on capacity building. One has supported the

development of climate change profiles for 25 African countries and provided training to public sector stakeholders on how to use climate information to inform planning and project design. The other has provided training to key government agencies on how to build climate resilience into the design of transboundary infrastructure projects and has also supported the development of a number of concept notes for the GCF.

Implementation of the Bank-executed projects moved more swiftly than that of externally executed projects, in large part because the processes for advancing Bank-executed projects are simpler. For example, there is no need to sign a grant agreement – a process that has caused considerable delays for externally executed projects. There is also no need to open a special bank account. The procurement rules for the Bank are also considerably less onerous than those applied to externally-executed projects. Furthermore, as these projects are executed by Bank staff, they do not face the same capacity constraints as some of the externally executed projects. Bank-executed projects have therefore delivered important results on training, capacity building and creation or dissemination of knowledge products.

The externally executed projects faced the aforementioned delays. As a result, by the end of 2017, many project activities were not complete. Nonetheless, these projects are on a path to deliver important results, in particular, those related to the development of concrete project concept notes and full proposals for the GCF and other climate funds; capacity strengthening of national institutions; and training of key stakeholders. Externally-executed projects have the advantage of being fully country owned and driven. Initial indicators suggest that despite

the longer time frame, these projects may also offer better value for money and greater impact and leverage than Bank-executed projects.

### Looking ahead

Although the ACCF encountered delays in project implementation that hampered project completion and full disbursement by end 2017, it nonetheless successfully developed an initial portfolio of projects capable of exceeding the targets established in the ACCF's M&E framework.

The lessons learned from the implementation of the bilateral fund were brought to the attention of Bank management and those that can be addressed at the Fund level were taken into account within the multi-donor fund's revised operational guidelines. These updated guidelines aim to streamline operations and reduce delays. Looking ahead, the multi-donor fund will build on its successes as a bilateral fund, while learning from and improving upon its weaknesses.

**Table. Performance of the ACCF bilateral fund against 2015 M&E Framework targets**

#### 1. Trust Fund Management Key Performance Indicators

Indicator	Baseline	2017 Target	Total Cumulative (2014-2017)
Number of ACCF donors	1	2 by the end of 2017	3
Donors' total contributions to ACCF	US\$ 6,191,640 (2015)	US\$ 15 million by end 2017	US\$ 14,211,145
ACCF annual commitment	0	US\$ 5 million per year in 2016/2017	US\$ 4,769,702
ACCF annual disbursement	0	US\$ 5 million per year in 2016/2017	US\$ 1,010,151
Number of ACCF projects approved	0	At least 7 projects approved per year until 2017	8 projects
Number of climate change knowledge products produced by Bank	2 (annual report and brochure)	At least 6 knowledge products by end of 2017 as a result of ACCF intervention	2 brochures, 4 annual reports, 2 bi-annual newsletters, 6 international events (Nairobi, COP 21, 22 & 23)

## 2. Climate Finance Key Performance Indicators

Indicator	Baseline	2017 Target	Completed Activities	Ongoing Activities	Total Cumulative (2014-2017)
Number of development plans/strategies at national, sectoral or sub-national level developed or adjusted to incorporate climate risks and vulnerability reduction measures or incentives for low-carbon growth	0 (2015)	8	2 (Mali)	3 (Zanzibar)	*Zanzibar project: Monitoring framework for the implementation of Zanzibar Climate Change Strategy; Financing plans for 3 local adaptation plans of action (LAPAs) in 3 districts *Mali Project: Two strategy documents one on the green economy and one on climate resilience actions
Number of investment plans developed for low-carbon, climate resilient development	0 (2015)	5	1		*1 National Strategy for Environment Financing (SNFE) for Mali
Number of climate-smart projects prepared as a result of ACCF intervention	0 (2015)	6	*13 concept notes *5 proposals	*10 concept notes *4 proposals	*23 Concepts notes (for Cabo Verde, Cote d'Ivoire, Kenya, Swaziland and Zanzibar) *9 Full project proposals for submissions to Climate Funds (for Cabo Verde, Cote d'Ivoire, Kenya, Swaziland) and multinational (infrastructure)
Number of institutions (National Designated Authorities, coordinating bodies, or prospective implementing entities) with strengthened capacity to effectively access and deploy climate finance	0 (2015)	10	*2 institutions strengthened	*6 institutions to be strengthened	*8 national institutions' capacity gaps (from Cabo Verde, Cote d'Ivoire and Zanzibar) assessed and strengthened to develop and implement climate change projects *1 Assessment report (evaluation of technical competencies of potential national entities to be accredited for Cabo Verde Project)



Indicator	Baseline	2017 Target	Completed Activities	Ongoing Activities	Total Cumulative (2014-2017)
Number of decision makers and practitioners in beneficiary countries trained on climate change mainstreaming or climate smart project development (of which "X" women and "Y" men)	0 (2015)	150 (15 people in 10 countries)	*100 trained from the ECOWAS & SADC regions *5 trained in Mali *82 trained on climate-planning, including bank staff	268 stakeholders to be trained, of which 40 trained in Cote d'Ivoire	*A total of 455 trainees (including project planners, managers, coordinators etc.) on climate resilient infrastructure of whom we 100 participants, on climate-informed planning 82 participants, Cote d'Ivoire 40, Mali 5; Other training will be conducted for an estimated 228 additional stakeholders related to the Swaziland, Kenya and Zanzibar projects *Estimated gender breakdown is 20% females, 80% males
Number of knowledge products generated or lessons learned shared with peers	0 (2015)	4	*25 Climate Change Profiles, *1 Knowledge /capacity needs assessment report; *Audio visual materials	*25 Climate Change Profiles	*1 Knowledge and capacity needs and assessment report) *Audio visual materials *25 Climate Change Profiles uploaded
Others			*1 software installed	*2 baseline reports *2 websites	*1 software *2 websites *2 studies

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