

Africa Climate Change Fund

Annual Report
2018



AFRICAN DEVELOPMENT BANK GROUP



Abbreviations and Acronyms

ACCF	Africa Climate Change Fund
AfDB	African Development Bank
AESD	Environment and Sustainable Development
COP	Conference of Parties (COP)
CSE	Centre de Suivi Ecologique
DAEs	Direct Access Entities
GCF	Green Climate Fund
INDCs	Intended Nationally Determined Contributions
KOAFEC	Korea-Africa Economic Cooperation
MDA	Multi-Donor Arrangement
MENR & RDA	Ministry of Environment and Natural Resources and Regional Development Authorities
NDCs	Nationally Determined Contributions
OP	Operational Guidelines
RMF	Result Management Framework
RMCs	Resource Mobilization Committee
ToT	Training of Trainers
UNCDF	United Nations Capital Development Fund
UNFCCC	United Nations Framework Convention on Climate Change

Table of Contents

Abbreviations and Acronyms	1
1. Introduction	3
2. Progress Update	4
2.1. Project implementation	4
2.2. Evaluation and appraisal of new project pipeline	11
2.3. Fund management and resource mobilization	12
2.4. Coordination and partnership	13
2.5. Outreach and communication	15
3. Financial Management	16
4. Conclusions, Lessons Learned, and Way Forward	17
4.1. Lessons learned	17
4.2. Outlook for 2019	18
Annexes	19
Annex 1: Status of approved projects	19
About ACCF	23

01 Introduction

With the signing of the Paris Agreement in 2015, African countries overwhelmingly committed to building climate resilient and low-carbon economies through their Nationally Determined Contributions (NDCs). However, to deliver on these commitments, countries will need significant resources. As the primary DFI on the continent, the African Development Bank (AfDB) has set an ambitious target to scale up climate finance to 40 percent of new approvals per year by 2020, to support member countries. Given the noticeable impact of climate change on these countries and their relatively low contribution to the greenhouse emissions, there is an emphasis on adaptation, with 50 percent of climate finance dedicated to adaptation initiatives.

The Africa Climate Change Fund (ACCF) was established in April 2014 with an initial contribution from Germany. In 2017 it was scaled up to a multi-donor trust fund with contributions from Italy and Flanders (Belgium). The Fund aims to support African countries in reinforcing their resilience to the negative impacts of climate change and their transition to sustainable low-carbon growth.

The ACCF is already supporting African countries to scale up their access to climate finance and capacity to mobilise climate finance through training and technical assistance. The Fund has provided targeted capacity building on key topics to relevant stakeholders at both national and regional levels.

In 2018, the ACCF made further progress towards achieving its objectives, despite a number of challenges. Through its portfolio of six national and two multinational projects, the Fund supported the governments of Kenya, Mali, and Eswatini with institutional strengthening and

resource mobilization. Efforts included the design of national environment financing strategies, development of projects for submission to the GCF and other climate funds, and capacity building of African stakeholders on climate finance and project development. The Fund also completed its first project, under which 25 climate change country profiles were developed to build a solid foundation of information across a variety of sectors and themes related to adaptation and mitigation. This will inform these countries' climate change agendas and the design of projects seeking climate funds.

Following a second call for proposals, the ACCF Technical Committee approved a shortlist of 12 new projects, which started appraisal. Another 17 projects are on a waiting list pending the mobilization of additional resources. These new projects will pilot innovative and impactful approaches, from strengthening resilience in key sectors including agriculture, water, women's empowerment, youth entrepreneurship, and others, to scaling up access to climate finance across the continent.

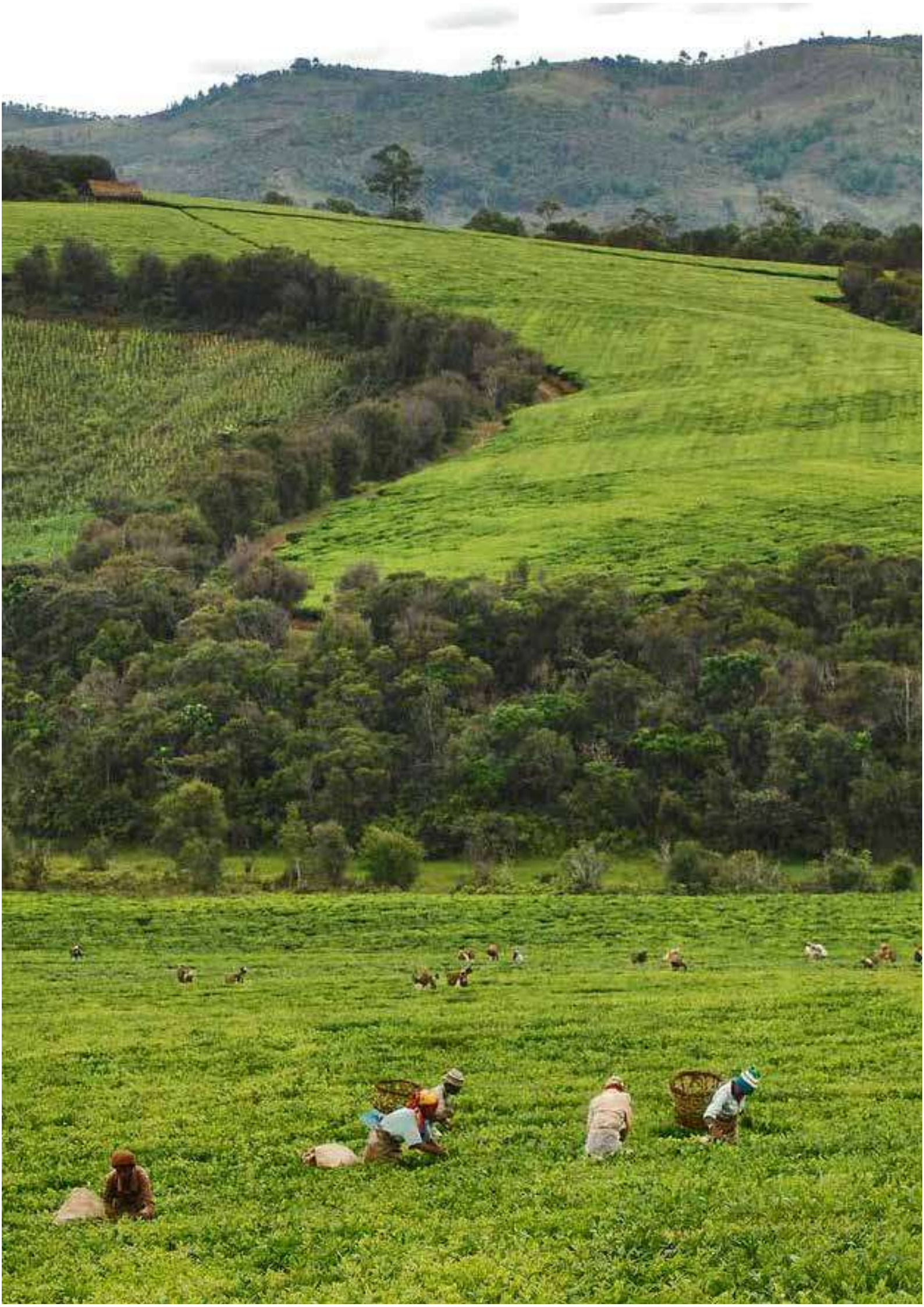
In November, the ACCF's Oversight Committee adopted new Operational Guidelines that provide detailed guidance on its administration and project cycle, as well as the Fund's Result Management Framework for tracking progress against the ACCF's objectives.

2018 was also a good year for partnerships, with the ACCF strengthening existing and developing new collaborations, including through co-organising a training session for African stakeholders in the water sector on developing projects for the Green Climate Fund (GCF), and a public side event at COP24. The Fund also put in place a communication strategy to strengthen visibility and reinforce partnerships with other entities.

Figure 1

A snapshot of the ACCF achievements for 2018 at the fund level





02. Progress Update

2.1. Project Implementation

There was measured progress in the implementation of projects under ACCF's current portfolio, with one project reaching completion and others nearing completion. However, the overall disbursement rate to projects was lower than the targeted amount of \$1.9 million, with just \$0.7 million, due to procurement and disbursement delays. One project experienced considerable challenges in the procurement process leading to limited progress. Figure 2 below provides an overview of the main achievements at project level in 2018. Figure 3 illustrates the geographic spread of the ACCF project portfolio.

Figure 2

An overview of the main achievements at project level in 2018



Supporting Mali's Transition to a Climate Resilient Green Economy

The project is supporting the Government of Mali's national climate resilience and green economy strategy framework, to complete the original project activities at a lower cost than expected, resulting in \$ 112.000 grant savings. Activities completed in 2018 include:

- The development of two strategic programmes with an economy-wide approach for transitioning to a climate resilient and green economy. These encompass Mali's broad priorities for green development agenda, and inform the identification of projects seeking for funding.
- Three project concept notes developed for submission to the GCF with a focus on using solid waste to generate electricity, promoting renewable energies, and water management for climate resilient agriculture.
- Five projects that could attract private sector investment in adaptation and resilience were identified. These projects will be presented to private sector actors at a workshop on climate financing to raise their interest on investment opportunities and explore potential public and private sector collaboration on climate finance.
- A national strategy on environment financing, which aims to ensure that increased and consistent funding is available to tackle key environmental issues, was developed. The strategy will be submitted for approval by the national environment council and presented at an inter-ministerial meeting for validation. Subject to approval by the government, it is intended to become a national policy document for implementation by all relevant stakeholders.
- A targeted training programme strengthened the capacity of 25 staff of the executing agency, the Agency for Environment and Sustainable development (AEDD) on procurement and financial management. This will be crucial to the AEDD's fiduciary management and application for accreditation by the Adaptation Fund.

Despite completion of the project activities, disbursements in 2018 were behind schedule due to delays in processing contracts and disbursement requests. As a result, several payments requested towards the end of 2018 were processed in early 2019.

At the request of the executing agency, the Bank approved the use of remaining funding to further advance the project objectives by developing two project proposals to mobilize additional resources of \$1.5 million from the Adaptation Fund. A digitalized monitoring and evaluation system was also established for the AEDD, to strengthen results evaluation and reporting.

Cabo Verde Advances Clean Energy Projects

The project, which aims to enhance Cabo Verde's capacity to access climate finance in support of its proposed targets for low-carbon development, experienced some delays in the procurement of a consulting firm to carry out the main activities in the project due to the need to update some of the project activities to ensure the continued relevance of the project in light of the evolving context in Cabo Verde. Despite the delays, the procurement of a consulting firm neared completion and the firm which will identify and assess 2-3 potential entities to be accredited, carry out training and develop project concept notes for the GCF, is expected to be contracted in January 2019. The project also achieved a first disbursement of \$ 28,500.00 to support the first set of consultative workshops. The beginning of activities is scheduled for early 2019, and the conditions are in place for the project to advance smoothly and make up for lost time.



Kenya Advancing Green Growth Agenda

The execution phase of the project aims to develop project proposals for climate funds and strengthen the capacity of Kenyan stakeholders on climate finance. Launched at a well-attended workshop in January, the project has sustained momentum through the year with the delivery of several activities, including:

- Training of 28 members of the Resource Mobilization Committee under the Ministry of Environment and Natural Resources on resource mobilization, in February, by a climate finance expert recruited by NETFUND. The trainees represent all major sectors of Kenya's economy (especially 16 from ministries and other government agencies), and play a key role in developing strategic funding proposals in line with national priorities.
- Promoting climate-smart agriculture through (i) review of climate smart agriculture and green economy policies plan and publications detailing findings and recommendations on areas of project development relevant to climate smart agriculture; and (ii) development of three concept notes and a fully-fledged proposal for submission to the GCF's climate-smart agriculture sector.
- A GCF concept note was developed focusing on climate-resilient aggregation, storage, warehousing receipts, and trading facility for dried grains in Uasin Gishu, Trans Nzoia and Nakuru counties.

The expertise developed on mobilizing climate finance will allow the Resource Mobilization Committee to play a stronger role in scaling up Kenya's climate finance toward realizing its 2030 vision through a green pathway. Three of the four main project activities were completed in 2018, however the fourth set of activities – the development of projects in the forestry sector – had procurement delays and the consultancy had to be re-advertised due to low response.

The disbursement rate in 2018 was also lower than expected as internal government payment approval processes took longer than planned. As a result, disbursements for activities completed in the latter half of 2018 are expected to be made in early 2019.

Eswatini Advances Low-carbon, Climate Resilient Development

The project, which aims to enhance the country's readiness for investment in low-carbon and climate resilient development, is approaching completion. Achievements in 2018 included:

- Thirty Five stakeholders from civil society, the private sector, academia and public institutions, were trained on accessing sources of climate finance and developing funding proposals to the GCF;
- The development of a project concept note for the GCF, which will build climate change resilience for Eswatini's most vulnerable populations by introducing a bottom-up integrated management approach in mountain ecosystems; and
- A pre-feasibility study was conducted to improve the concept note.

The Executing Agency is in discussions with UNEP and other partners to take the project concept note forward and it is expected that a full project proposal will be submitted to the GCF in 2019. These achievements contributed to mobilizing resources to implement the country's national climate change policy under development.

Zanzibar Enhances National Capacity for Mainstreaming Climate Resilience

Notwithstanding steady efforts to advance the project, which aims to build capacity on climate change at the national and subnational levels in Zanzibar, and develop concept notes to mobilise climate finance for the most climate-vulnerable sectors, it has encountered several challenges causing delays in the implementation process. These challenges are a result of a restructuring of government ministries, including a change to the executing agency for the project, as well as a change in two key members of the project team – the project coordinator and the procurement expert. As a result, the procurement process of a the firm to carry out the main project activities reached a standstill. As a way forward to advancing the project a mission is planned by the Bank to Zanzibar in early 2019 to address these challenges and to provide training to the new project team on the Bank's procurement process.



Cote d'Ivoire Enhancing National Climate Finance Readiness

The project aims to enhance the country's capacity to mobilize international resources for climate resilient development. The recruitment of two consulting firms to develop two concept notes for submission to the GCF as well as simplified evaluation of potential entities for accreditation to the GCF, was completed. They will strengthen the country's technical and operational capacities for GCF accreditation and access to larger international climate funds. Information technology equipment and office materials procurement was also completed. Project activity execution started in early 2019.



Enhancing access to climate information in Africa: climate change profiles

MULTINATIONAL PROJECTS

The climate change profiles were completed by the University of Cape Town. They provide information on climate vulnerabilities, greenhouse gas emissions from agricultural practices and national priorities for climate change mitigation to support climate-compatible development planning and project development in line with country NDCs.

In 2018 the Bank-executed project reached completion, with a third regional capacity building workshop in Cote d'Ivoire in April 2018 for 26 climate change stakeholders. The workshop helped enhance participants' capacity on use of information produced through country profiles to develop national climate change policies and identify climate investment priorities.

A snapshot of the project is provided in Box 1.

Embedding climate resilience in transboundary infrastructure projects

This Bank-executed project aims to provide training on integrating a climate dimension into regional infrastructure projects, and to develop projects for the GCF. The development of two project concept notes for climate resilient energy infrastructure projects advanced, following consultative meetings with stakeholders in Lesotho and Eswatini. The concept notes were submitted to GCF by the Bank for comment. Development of the full funding proposals is expected to be completed in 2019.

Box 1

ENHANCING THE CAPACITY OF AFRICAN COUNTRIES TO USE CLIMATE INFORMATION TO INFORM DECISION MAKING AND IMPLEMENT NDCS

The project aims to develop a series of national climate change profiles for 25¹ African countries that will provide a first level response to the continent's climate change information needs. The project generated improved information on predicted risks and impacts, adaptation options, major greenhouse gas-emitting sectors and options for mitigation. In addition, the project provided training to climate change practitioners and staff from relevant ministries (e.g. planning and specific sector departments) on interpretation and effective use of the information in the national climate change profiles. The project resulted in:

- Twenty five national climate change country profiles, which provide a diverse information base for a wide variety of sectors and adaptation and mitigation themes;
- Enhanced capacity of over 50 individuals representing at least 26 countries on the use of information provided through the country profiles to guide climate change related decision making; and
- Novel methodologies and country-specific approaches consisting of identification of best-fit General Circulation Models (GCMs) and historical observed data used to develop future climate forecasts. These will contribute to upscaling of the project in terms of further country profiles development.



¹ The project originally set out to develop 54 profiles, but the activities were revised after approval.

Figure 3
ACCF portfolio

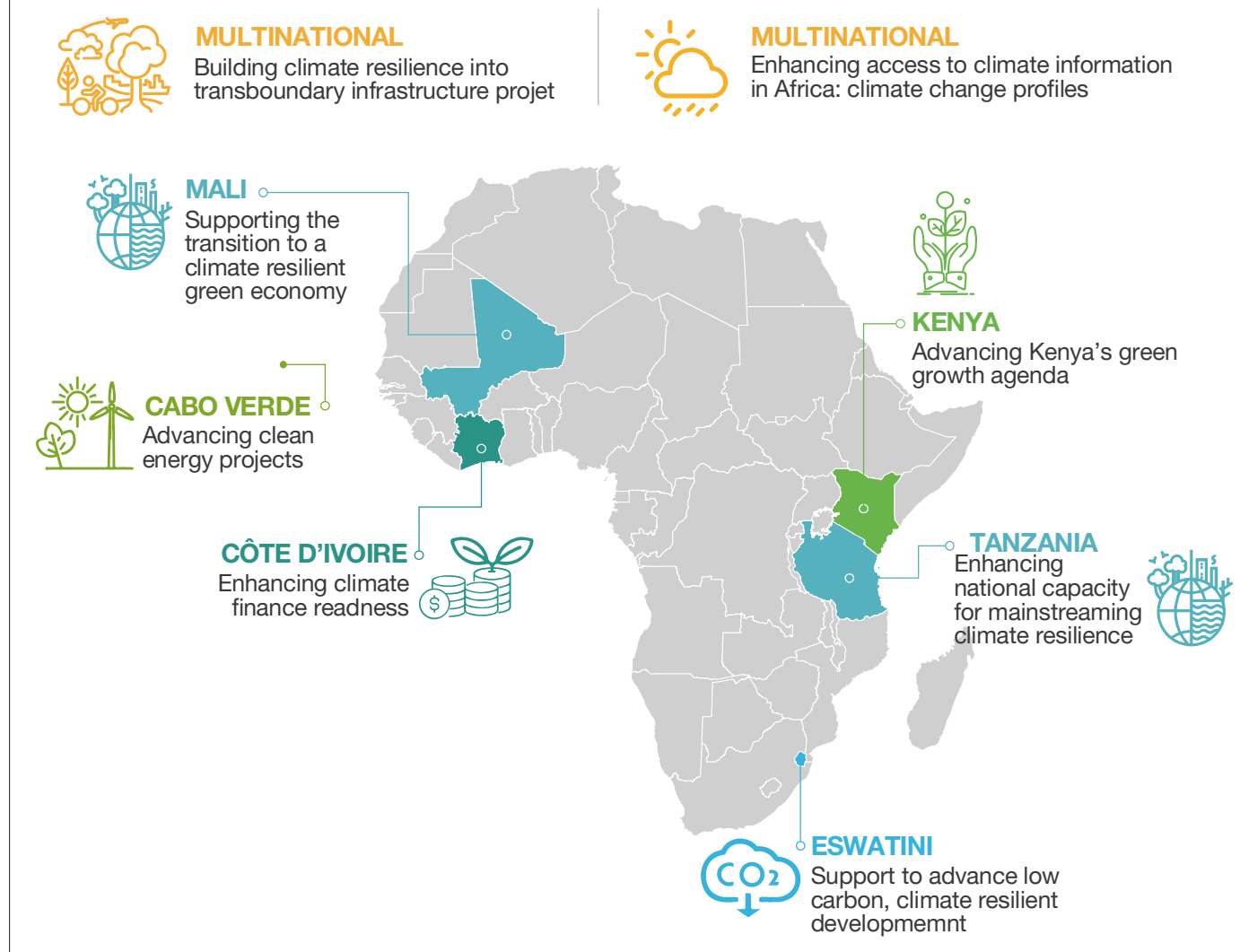


Table 1
ACCF project disbursement figures

Project Title	Country	Status	Amount Committed (US\$)	Disbursed in 2018 (US\$)	Cumulative Disbursement at 31/12/2018 (US\$)	Cumulative % Disbursed at 31/12/2018
NATIONAL						
Supporting the Transition to a climate Resilient Green Economy	Mali	Project activities ongoing	404,000	125,257	136,958	34%
Advancing Low-Carbon, Climate Resilient Development	Eswatini	Project activities ongoing	305,000	107,959	136,959	45%
Enhancing national capacity for mainstreaming climate resilience	Zanzibar	Procurement ongoing	361,515	67,000	67,000	19%
Advancing Clean Energy Projects	Cabo Verde	Procurement ongoing	495,036	28,500	28,500	6%
Advancing Kenya's Green Growth Agenda	Kenya	Project activities ongoing	550,603	0	158,202	29%
Enhancing climate finance readiness	Ivory Coast	Procurement ongoing	429,422	91,525	91,525	21%
MULTINATIONAL						
Enhancing access to climate information in Africa: Climate change profiles	Multinational	Project Completed	420,000	213,544	381,146	91%
Building climate resilience into transboundary infrastructure projects	Multinational	Project activities ongoing	346,600	77,638	257,811	74%
TOTAL AMOUNT			3,312,176	711,423	1,258,100	

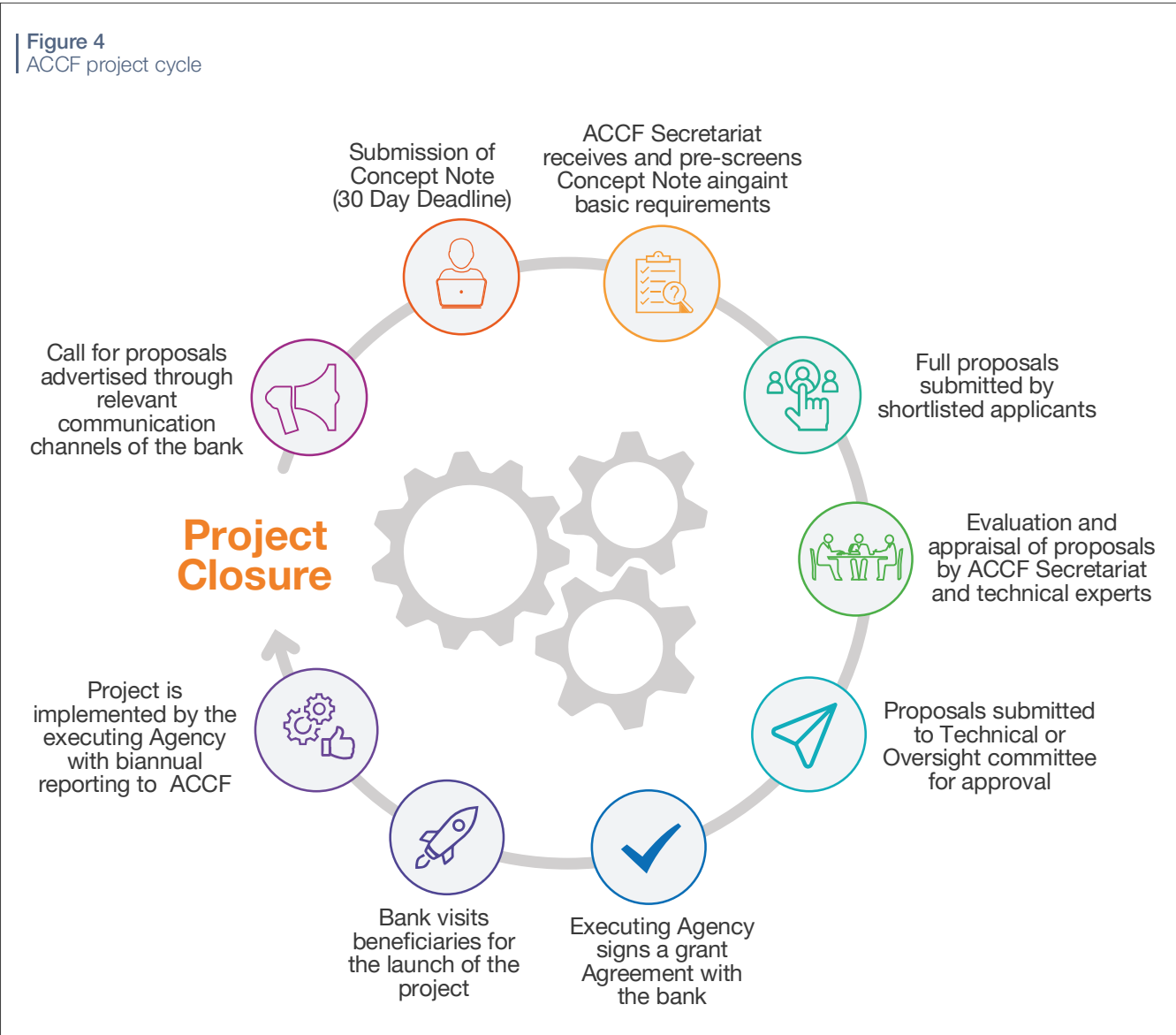
■ Project activities ongoing
 ■ Procurement ongoing
 ■ Project Completed

2.2. Evaluation and Appraisal of New Project Pipeline

The ACCF started the year with the submission of 35 full proposals by shortlisted applicants. The team of independent expert reviewers met in Abidjan in February to review and score the 35 proposals, and to develop its report. After significant delay due to discussions over appropriate selection criteria, in which it was decided to seek a balance between projects with higher technical scores and projects with significant transformational potential, the Technical Committee approved a shortlist of 12 projects in September, and retained an additional 17 high-scoring projects on a waitlist pending additional resource mobilisation. The appraisal of full proposals commenced in October. As a result of the delay, the ACCF was not able to achieve its 2018 approvals target of \$3 million. It is expected that appraisal of the first set of projects will be completed in the first quarter of 2019.

The delay in approving the shortlist of projects also resulted in delays to approving other documents, including the 2017 annual report and the 2018 annual work programme, due to the postponement of the TC meeting at which they were to be deliberated. As a result, the documents were not submitted to the OC until October, and the in-person OC meeting postponed to September 2019.

Figure 4 below summarizes the ACCF projects appraisal process and tentative timeline.



2.3. Fund Management and Resource Mobilization

Following the conversion of the ACCF to a multi-donor trust fund in 2017, in 2018 the Fund's revised operational guidelines and results management framework were approved, following several iterations and revisions. The new operational guidelines integrate lessons learned from the operations of the bilateral fund, as well as lessons from other trust funds of the Bank, in order to improve project cycle efficiency and streamline certain processes, to broaden the set of eligible activities to allow for greater innovation and flexibility, clarify roles and responsibilities of various stakeholders, and strengthen accountability, especially for projects executed by the Bank. A number of challenges related to the execution of trust fund operations, which could not be addressed through the operational guidelines, remain and would benefit from being addressed at a Bank-wide level, as they are not unique to the ACCF. Some of these challenges are highlighted in section 4 below.

The revised results management framework, sets out the outcomes and outputs that the Fund is aiming to achieve over the 2018-2022 funding cycle and the respective indicators, risks and assumptions. It will provide a framework for evaluating progress towards the achievement of the Fund's objectives as well as tracking how the ACCF contributes to achieving targets set out in the Bank's Climate Change Action Plan (CCAP), notably on building an enabling environment through strengthening institutional capacities and supporting access to climate finance for African countries.

Resource mobilization

Notwithstanding the relevance of projects from the second call for proposals to provide substantial response to climate change related issues across the continent, the funding available (\$7 million) can only support approximately 10 projects. This leaves an important financing gap of over \$15 million. The ACCF had a target to raise \$10 million in 2018. This objective was not achieved partly due to the delay in advancing the project pipeline. Legal issues around conditions attached to donor funding also resulted in missed resource mobilization opportunities. However, the ACCF Secretariat advanced its engagement with various donors interest in making a contribution to the Fund. These efforts will continue in 2019.



2.4. Coordination and Partnership

In 2018, the ACCF Secretariat continued to engage closely with the GCF Secretariat and other partners to ensure coherence and complementarity of activities. As part of this engagement, ACCF collaborated with the GCF and other entities on the following partnerships.

Capacity Building of African Countries to Unlock GCF Funding for water projects

In September 2018, the ACCF partnered with the Global Water Partnership, the African Water Facility, the GCF and other partners to convene a three-day workshop on “Project Preparation for Transformative Climate Resilient Green Climate Fund Water Projects in Africa”. The workshop was hosted by the Development Bank of Southern Africa in Pretoria. It contributed to strengthening the capacity of 100 representatives from current and potential GCF Direct Access Entities (DAEs), Water ministries as well as water resources planners, Global Water Partnership Africa program managers and regional coordinators and technical advisors from universities and think tanks. It specifically provided participants with guidance on GCF priorities, its mandate and investment criteria, and its operational modalities and procedures for delivering climate finance through different windows. This training differentiated itself as an important one based on specificity across two aspects:

- Oriented sector with a very strong focus on the water, which is an important sector for most African countries.
- A key segment of the training focused on building from draft project ideas submitted by participants, which were analyzed against GCF requirements. This provided an opportunity to go beyond theoretical approaches and review case studies from countries, applying some of the GCF financing requirements to the projects to obtain a better understanding of how exactly the GCF works.

Community of Practice at COP24 to boost African Countries' access to climate finance

The ACCF in collaboration with the Centre de Suivi Ecologique (CSE) and Germanwatch, coorganized a side event at the Bank's Pavilion at COP24, held in Katowice, Poland, in December. This event provided a platform for negotiators and climate change stakeholders to explore the role of south-south cooperation to support direct access to the climate finance for Africa. It also highlighted the important role of civil society to ensure that available climate change resources are deployed where they are most needed to increase the impact of climate funds allocated to countries. CSE presented the community of practice for DAEs, an initiative that the ACCF has supported since its inception. This initiative promotes south-south cooperation through enabling GCF and Adaptation Fund accredited DAEs that have completed the processes to access the Fund to provide support to their peers, and to work collectively to provide feedback to the funds. A major anticipated result of this community of practice is building a pool of climate finance experts in Africa.



Enhancing Direct Access to GCF

The ACCF secretariat participated in the GCF's Structured Dialogue for Africa in Mali in April, and the Enhancing Direct Access week for direct access entities in Korea in May, to deepen collaboration between the Bank, through the ACCF and other initiatives, and the GCF on advancing climate finance readiness on the continent. These events were an opportunity to engage the GCF Secretariat and DAEs on supporting the DAE Community of Practice, as well as on the content for a training-of-trainers programme on GCF project development being developed by the Bank with funding from the Korea-Africa Economic Cooperation Fund (KOAPEC).

Mobilizing Private Financing for Climate Change Adaptation

The ACCF OC at its 2017 meeting expressed a strong interest for the Fund to engage in attracting private sector investment in adaptation. The ACCF Secretariat strengthened its partnerships in this area through participation in a panel discussion at the Adaptation Futures workshop in Cape Town, South Africa in June, organised by the UN Capital Development Fund (UNCDF) and a subsequent panel discussion at the Climate Chance Summit in Abidjan, Cote d'Ivoire, which explored questions on the role of the private sector in scaling up funding for adaptation and resilience. The ACCF Secretariat also participated in the Caux Dialogue on Land and Security in Switzerland, which provided an opportunity to engage with a diversity of stakeholders who are working on issues of engaging the private sector in adaptation in the land restoration sector. The ACCF aims to engage more deeply on this topic in 2019, taking forward some of the collaborations initiated through these dialogues. Several projects in the pipeline also include a private sector element.



2.5. Outreach and Communication

In 2018, the ACCF approved a communication strategy to raise its visibility within and outside the Bank. Under the framework of this strategy, the ACCF participated in a number of climate finance focused events where it provided technical inputs. Engagement with stakeholders increased through the design and dissemination of an updated brochure and a newsletter summarizing key achievements for the year, which was circulated amongst ACCF potential and existing beneficiaries, partners and Bank staff, and has resulted in a wider awareness of the work supported by the ACCF.

Engagement with the general public on thematic areas was primarily through blogs and a video interview by the ACCF Coordinator. Both were widely shared at COP24. Moving forward, ACCF will redesign its website to become a hub for showcasing its activities and other initiatives, including knowledge products, event participation, achievements and best practice examples.

Objectives in 2018 work plan	Objective achieved?	Explanations
OPERATIONALIZATION OF THE MULTI-DONOR TRUST FUND		
Adoption of the operational guidelines and results management framework	YES	The operational guidelines and results management framework were presented to the TC in July and comments were subsequently addressed. The final version was adopted by the OC on a time-lapse basis in November 2018.
PORTFOLIO AND PROJECT MANAGEMENT		
Complete the evaluation of 35 full proposals and appraisal of about 12 selected projects	PARTLY	The evaluation of projects was completed in March and a shortlist was approved in September by the TC. The appraisal commenced in October.
Approve 4 to 6 new for a total of \$ 3 million	NO	Due to delays in approving the shortlist of projects, the project appraisal started later than planned and no projects were ready to be approved by the end of 2018. It is expected that the first projects will be ready for approval in the first quarter of 2019.
Achieve disbursements for approved projects of US \$1.9 million and achieving the preliminary expected outcomes described in each project	PARTLY	The overall disbursement to project was \$711,423, approximately half of the targeted \$1.9 million. This was in large part due to delays in submitting and processing disbursement requests for work completed, and several disbursements are ready to be made in early 2019.
FUND MANAGEMENT		
Explore new funding opportunities to scale up the impact of the ACCF through a focused resource mobilization strategy, with a view to securing new funding commitment of at least \$10 million.	NO	The ACCF held discussions with several donors on a potential new contribution. In the end, a new contribution was not secured, however discussions will continue further in 2019.
Convene national institutions in Africa to support south-south learning and capacity building on accreditation and project development for the Adaptation Fund and the Green Climate Fund (GCF), in collaboration with the key partners	YES	ACCF partnered with the Global Water Partnership, the Africa Water Facility, the Development Bank of Southern African and the GCF to organize a 3-day capacity building workshop for Direct Access Accredited Entities on GCF proposal development framework for projects in the water sectors.
Maintain as strong Secretariat team to ensure effective implementation of this work programme and budget	YES	The ACCF Secretariat maintained its staffing at the same level as the previous year, renewing the contracts of the programme officer and portfolio officer as well as the two climate change experts. However, the ACCF Coordinator was assigned an additional responsibility as the Bank's UNFCCC focal point, reducing her time available to coordinate the Fund.
PARTNERSHIP, COMMUNICATION AND OUTREACH		
Strengthen the Fund's partnerships, including through membership of the Africa NDC Hub, and co-convene at least one outreach event at COP24 in collaboration with partners.	YES	The ACCF continued to strengthen its relationships with the GCF, the Adaptation Fund, the UNCDF and other key partners and participated in several outreach events. The ACCF co-convened a side event at COP 24 in collaboration with the Centre de Suivi Ecologique of Senegal (CSE) and Germanwatch on south-south exchange for direct access to climate finance.
Strengthen the Fund's communications and knowledge management, through a focused communication strategy	YES	The ACCF adopted a new communications strategy, and developed an updated brochure and newsletter. It was also featured in a video on the Bank's climate finance work developed at the COP.

O3. Financial Management

Table 3 below provides an overview of the 2018 ACCF budget implementation. The ACCF financial statements are audited annually by the Bank's external auditors. It is worth noting that the amount of funding available for commitment falls short of the amount requested in the pipeline of shortlisted and waitlisted projects, with resource mobilisation of over \$12 million required to fund the project pipeline.

Table 3

Financial Summary (as of 31/12/2018) (unaudited)

Contributions	(US \$)
GIZ GmbH	6,191,640
Italy	5,559,630
Flanders	2,365,800
Interest earned	272,097
Total funds	14,389,167

Use of funds	Amount Allocated	Disbursed
Project commitments	3,312,177	1,258,100
Administrative costs	725,464	596,979
Annual Audit	26,208	12,764
Management Fees	705,853	90,726
Total	4,769,702	1,958,570

Cumulative commitments	4,769,702
Amount available for new commitments	9,619,465
Cumulative disbursements	1,958,570
Amount available for disbursements	12,430,597

Funding request in project pipeline	22,219,071
Resource mobilization needs	12,599,606

O4. Conclusions, Lessons Learned, and Way Forward

4.1 Lessons learned

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

Trade-off between relevant missions and cost management

Many of the delays encountered in project execution relate to challenges in communication and limited understanding by external beneficiaries of the Bank's rules and procedures, especially those related to procurement and disbursement. Project supervision missions provide opportunities to address these gaps and have proved to be very effective in building relationships, and trust that greatly improve subsequent communication. However, in the interest of keeping administrative costs reasonable, the ACCF administrative budget has no provision to cover costs for field missions, which are generally covered by the Climate Change and Green Growth Department, subject to availability of resources. Supervision missions are only carried out when a project runs into problems that cannot be addressed through email and telephone exchange. Greater involvement of the Bank's regional climate change officers, and of task managers who are based in regional or country offices, would help to ensure more regular project supervision. As the scale of the Fund grows, it would be worth including a budget for missions within the Fund's administrative budget.

Accountability in Bank-managed projects

For projects executed by external beneficiaries, the Bank signs a grant agreement with the recipient setting out the terms and conditions of the grant including application of its regular procedures for procurement and disbursement of funds. These ensure adequate checks and balances in the management of the grant throughout the project cycle. Failure to comply can result in blocking of payments. In the case of Bank-executed projects, there is no grant agreement and the Bank manages the funds using the procurement rules, approval authorities and disbursement processes that it applies to its own administrative resources, which do not take into account the particularities of trust fund rules. As a result, the ACCF does not have the means to hold task managers accountable in the event of failure to implement the project according to the approved proposal. In the new operational guidelines, the ACCF has included stricter guidance for Bank-executed projects as well as the requirement to sign a memorandum with the concerned department setting out the requirements. However, the lack of any mechanism to ensure accountability in the event of non-compliance remains a risk (which is not unique to the ACCF), and solutions should be explored by the Bank's management.

Ensuring adequate staffing

The ACCF Secretariat has succeeded in maintaining a very lean team since its inception in order to keep administrative costs reasonable, given the very small size of the Fund. The time of the ACCF Coordinator and administrative support is fully covered by the Climate Change and Green Growth Department, however these staff members have other responsibilities and do not work on the ACCF full time. As the ACCF's portfolio grows, it will be essential to have a full-time coordinator and administrative assistant, in addition to the consultants hired through the ACCF budget.

4.2 Outlook for 2019

The key objectives for 2019 are the following:

- Approve 10 new projects for a total of \$7 million;
- Oversee the completion of seven projects and capture lessons and achievements to inform future programming;
- Achieve disbursement of \$2 million from approved projects;
- Secure new funding of \$10 million from existing and potential donors to scale up the ACCF's operations;
- Strengthen strategic partnerships through co-organizing events and trainings related to climate resilience and climate finance;
- Maintain a strong, organized and efficient secretariat offering value for money;
- Strengthen the Fund's visibility through intensified communications and knowledge sharing.

Furthermore, subject to successful fundraising, the ACCF will aim to launch a new call for proposals and to scale up training and convening of stakeholders on the above topics



Annexes

Title	Supporting low-carbon, climate-resilient development in Eswatini
Country	Eswatini
Executing Agency	Ministry of Tourism and Environmental Affairs
ACCF grant amount	\$ 305,000
Amount disbursed as of 31/12/2018	\$ 136,958.61
Procurement (Firms / Individual Consultants)	ACCLIMATISE (Consultancy Services For Scoping Assessment, Capacity Building And Development Of Concept Notes And Proposal)
Main objective	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.
Status	The project implementation was successfully conducted and the achievements for the year include (1) an inception report, (2) a country scoping report, (3) a technical report and (4) Development of 4 Concept Notes. Additionally, a total disbursement of \$107,958.61 was achieved (cumulatively representing 45% of project amount). Other ongoing activities include Development of one investment ready proposal on low carbon and climate resilient development to the GCF and lesson learned paper as well as recruitment of an audit firm. A request for extension was submitted and approval by the Bank is ongoing. The tentative closing date will be 31 December 2019.
Title	Enhancing national capacity for mainstreaming climate resilience in Zanzibar
Country	Zanzibar, Tanzania
Executing Agency	Ministry of Lands, Water, Energy and Environment, Zanzibar (MoLWEE)
ACCF grant amount	\$ 361,515
Amount disbursed as of 31/12/2018	\$ 67,000.00
Procurement (Firms / Individual Consultants)	Ongoing
Main objective	The project aims to strengthen national capacities on climate change and integrate climate resilience into development planning at the national, local and municipal levels in four critical sectors: agriculture, fisheries, infrastructure and tourism. It is supporting the development of project concept notes that mobilize additional climate finance from the GCF to build the resilience of these sectors. It is further supporting an accreditation assessment for two national institutions.
Status	The project is ongoing. The main achievement in 2018 was procurement of the consulting firm to implement the activities. Other ongoing activities include development of ToR for the development of a website. Moving forward, a mission is planned by the Bank to Zanzibar in early 2019 to address any challenges to project implementation and to provide training to the new project team on the Bank's procurement process. In 2018, the project achieved a disbursement of \$67 000 (cumulatively representing 19%). The bank agreed to an extension of the project completion to June 2020.

Title	Supporting the transition to a climate resilient green economy in Mali
Country	Mali
Executing Agency	Agency for Environment and Sustainable Development (AEDD)
ACCF grant amount	\$ 404,000
Amount disbursed as of 31/12/2018	\$ 136,958.00
Procurement (Firms / Individual Consultants)	<ul style="list-style-type: none"> • CIFOPE AFRIQUE SARL (Software) • BEMAP Consulting (Training of AEDD Officials) • KARA Consult (Two Strategy Programs) • CRG SOGEMA (National Environment Financing Strategy)
Main objective	<p>The project aims to support 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. It will also help create a strategy for financing Mali's transition to green and climate resilient growth and attract private sector investment for achieving this transition. Furthermore the project is also providing training to AEDD staff on fiduciary management and supporting the upgrading of accounting software.</p>
Status	<p>The three recruited consultancy firms completed their activities and submitted relevant deliverables to the project team. These included two strategic programs aimed at creating a green and resilient economy; a national finance strategy for environment, and installation of an accounting and financial management software. The project achieved a disbursement of \$125,427.81 (cumulatively representing 34% of the project amount). The project made savings of \$112,000.00 and the bank agreed to allow the Executing Agency to use this amount for additional activities to raise fund from the Adaptation Fund and improve the AEDD M&E System. The Bank also agreed to an extension of the project until December 2019.</p>
Title	Advancing clean energy projects in Cabo Verde
Country	Cabo Verde
Executing Agency	National Directorate of Environment
ACCF grant amount	\$ 495,037
Amount disbursed as of 31/12/2018	\$ 28,500
Procurement (Firms / Individual Consultants)	PEGASYS (Full proposal to GCF (energy, waste and Water sector)
Main objective	<p>The project aims to enhance capacity to access climate finance, while helping the country meet its proposed targets towards a low-carbon development pathway set out in its intended nationally determined contribution to the UNFCCC. The project supports the development of mitigation projects in key strategic sectors of energy and waste. It will further help mobilize climate finance for the implementation of these projects from the GCF, and train national stakeholders on the GCF.</p>
Status	<p>The project entered its active implementation phase with successful completion of the recruitment process for the main consulting firm. Consistent with the work plan, the firm will start activities on identification of a potential national institution for accreditation; program/project development; identification of financing sources and development of a strategic approach to each financing instrument and capacity building and sharing knowledge activities. A first disbursement of \$28,500 (cumulatively representing 6% of project amount) was made to the special account. The Bank agreed to an extension of the project until July 31 2020.</p>

Title	Advancing Kenya's green growth agenda
Country	Kenya
Executing Agency	Kenyan National Environment Trust Fund
ACCF grant amount	\$ 550,603
Amount disbursed as of 31/12/2018	\$ 158,202.00
Procurement (Firms / Individual Consultants)	<ul style="list-style-type: none"> • INES de SOUSA MOURAO (Training of the Resource Mobilisation Committee) • ECO LTD (CN + proposal on climate smart agriculture) • PEGASYS (CN + proposal on green innovation)
Main objective	<p>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.</p>
Status	<p>The project execution phase was launched in January 2018. Twenty eight members of the Resource Mobilization Committee (RMC) under the Ministry of Environment and Natural Resources were trained on resource mobilization. All planned activities were executed in 2018 and deliverables included the following: report on the inception meeting with key stakeholders and on preliminary review of climate smart agriculture and green economy policies plan as well as publications detailing findings and recommendations on areas of project development relevant to climate smart agriculture. Additional deliverables included report on engagement with accredited entities and on stakeholder's engagement outlining the outcomes of the deliberations. A concept note was developed for submission to the GCF by the accredited entity and two generic Concept notes were developed on Climate Smart Agriculture.</p> <p>A disbursement of \$158,202.00 was made (cumulatively representing 29% of project amount). Other activities completed in 2018 included review of green innovation related policies, plans and publications detailing findings and recommendations on potential areas for project development undertaken as well as report on engagement with accredited entities. Three concept notes were also finalized. Ongoing activities include a donor round-table which will hold on March 26th, 2019 during which they will be providing technical support. A request for extension was submitted and approval by the Bank is ongoing. The tentative closing date will be 31 December 2020.</p>
Title	Building climate resilience into transboundary infrastructure projects
Country	Multinational
Executing Agency	AfDB – Climate Change and Green Growth Department
ACCF grant amount	\$ 346,600
Amount disbursed as of 31/12/2018	\$ 257,811
Procurement (Firms / Individual Consultants)	<ul style="list-style-type: none"> • Richard Swanson (GCF concept notes for 3 projects and energy sector training) • Magnus Quarshie (infrastructure/transport sector training)
Main objective	<p>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.</p>
Status	<p>The main activities of the project were completed and saving of \$ 139,395.00 was made of which the Bank approved use of \$ 116,960.00 for additional activities consisting of support to the preparation of concept notes and funding of project preparation for proposals to the GCF while the balance was used for publication and dissemination of training reports.</p>

Title	Enhancing climate finance readiness in Cote d'Ivoire
Country	Cote d'Ivoire
Executing Agency	Ministry of Environment and Sustainable Development
ACCF grant amount	\$ 429,422
Amount disbursed as of 31/12/2018	\$ 91,525.00
Procurement (Firms / Individual Consultants)	<ul style="list-style-type: none"> • Centre de Suivi Ecologique (National Entity Accreditation to the GCF) • EPSILON INNOVATION GROUP (Concept Note Development to the GCF+ project to the Adaptation Fund) • TEHIA Kouakou Armand (Procurement Specialist) • COFIMA (Audit) • AFRIPART SERVICE (Equipment)
Main objective	<p>The project is supporting Cote d'Ivoire to enhance its capacity to mobilize international resources for climate resilient development. It aims to 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 government's 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.</p>
Status	<p>In 2018 the project made significant progress including recruitment of two consultancy firms; procurement of Information Technology equipment and office materials (3 laptops, 1 projector, and office supplies). A request for extension was submitted and approval by the Bank is ongoing. The tentative closing date is 31 December 2020.</p>

Title	Enhancing access to climate information in Africa: climate change profiles
Country	Multinational
Executing Agency	AfDB – Climate Change and Green Growth Department
ACCF grant amount	\$ 420,000
Amount disbursed as of 31/12/2018	\$ 381,146
Procurement (Firms / Individual Consultants)	UNIVERSITY OF CAPE TOWN (Consultancy to develop climate change profiles for all African countries to support decision-making)
Main objective	<p>The project supported the collection of up-to-date information on climate change vulnerabilities, greenhouse gas emissions, and opportunities for climate change adaptation and mitigation captured in country profiles for 25 African countries, tailored to the specific information needs of each country. It also developed a global platform to share updated information on the profiles and provided training of government officials working within economic and planning departments in African countries.</p>
Status	<p>In April 2018, a third regional capacity building workshop was organized in Cote d'Ivoire for 26 climate change stakeholders. Upon its completion, project achieved a disbursement of \$213,794.33 (bringing the disbursement rate cumulatively to 90% of the total project amount).</p>

About ACCF

The Africa Climate Change Fund (ACCF) was established in 2014 as a bilateral thematic trust fund with an initial contribution of EUR 4.725 million from Germany through its international development Agency (GIZ). This was in support of African countries' bold aspirations to build climate resilient and low-carbon economies in their Nationally Determined Contributions (NDCs) to the Paris Agreement, along with considerable financing needs to meet these objectives. Over the years, other donors showed interest and the ACCF was scaled-up to a multi-donor trust fund in early 2017, with new contributions of EUR 4.7 million from Italy and EUR 2 million from Flanders, Belgium.

The ACCF's vision is to play a significant role in supporting countries to achieve these goals, and to make an important contribution to achieving the ambitious objective that the Bank has set to triple its climate financing to reach 40% of new approvals by 2020. It provides small grants to African governments, non-governmental organizations (NGOs), and regional institutions to support African countries to transition towards climate resilient, low- carbon development and to scale-up access to climate finance.

Over the next 3-5 years, the ACCF's focus is on supporting preparatory activities (project development and capacity building) that enable African countries to scale up their access to climate finance, and demonstrating impactful adaptation approaches that build resilience of vulnerable communities, particularly of women and youth.



Africa Climate Change Fund
Climate Finance Division
Climate Change and Green Growth Department
African Development Bank
CCIA Building | Avenue Jean Paul II, Plateau
01 Box 01 1387 | Abidjan, Cote d'Ivoire
Contact: Louise Helen Brown, ACCF Coordinator
Tel: +225 20 26 42 58
Mail: africaclimatechange fund@afdb.org

