



# CLIMATE FINANCE

Issue N°51 – January/August 2022

Dear Reader,

Welcome once again to our Climate Finance Newsletter!

Mounting evidence continues to show that Africa is the most vulnerable continent to the adverse impacts of climate change.

As the premier financial development institution in Africa, the African Development Bank acknowledges that climate finance is crucial for the continent to be able to adapt to the growing impacts of climate change. The Bank committed to provide \$25 billion as climate finance by 2025. Given that adaptation is Africa's priority, the Bank further committed to ensure that at least half of its climate finance is allocated to adaptation. In this regard, the African Development Bank, through the [Africa Adaptation Acceleration Program \(AAP\)](#) – a joint initiative with the Global Center on Adaptation (GCA) – aims to mobilize \$25 billion to scale up adaptation action in Africa, half of which will be delivered by the Bank and the remaining half will be mobilized through partnerships with GCA and others.

It has been months since we last sent you the newsletter. Since then, we have had some really important developments to bring you up to speed with, here's an overview.

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## OPINIONS



[Out of Ukraine war, a plan for Africa's food security](#)



[Towards an integrated and climate-resilient Africa and a just energy transition](#)

## IN THE MEDIA



[Africa Trade Brief | Kevin Kariuki](#)



[AfDB willing to walk with SA to a just energy transition](#)



[African Development Bank to help fund Eskom climate change transition](#)



[AfDB to double climate funding by 2025](#)



Africa has what it takes to accelerate climate action through fourth industrial revolution technologies and innovations, experts say at the virtual panel — [“Harnessing the Fourth Industrial Revolution \(4IR\) to Build Africa’s Climate Resilience: Practical case studies and experiences”](#) — took place on the 31st March 2022 as part of the Second Global Gobeshona Conference.

In June, the African Development Bank Group [hosted a workshop to explore securing a just transition in the developing world](#). The session, which took place during the World Bank’s Innovate4Climate Conference, highlighted the importance of South-South cooperation.

Parts of Africa are heating up twice as fast as the rest of the world, requiring urgent action to tackle a challenge that has mounted over the last decade, participants at the [recent Africa Adaptation Acceleration Program webinar](#) heard. The [Africa Adaptation Acceleration Program](#) is a joint initiative of the African Development Bank and the Global Center on Adaptation.

The African Development Bank has won praise, in particular from UN Secretary-General António Guterres, for setting the bar in 2019 by allocating half of its climate finance to adaptation. To find out how the Bank has fared in mainstreaming green growth and climate change into its policies, strategies, and operations, [the Independent Development Evaluation unit conducted an assessment covering the period between 2008 and 2018](#).



In January, the Bank’s Board of Directors [has approved a \\$10 million grant](#) from the Green Climate Fund, for which the Bank is the accredited agency, to improve Liberia’s early warning weather systems.

In March, the Board of Directors of the African Development Fund [approved a \\$125.3 million loan](#) to finance the first phase of the Dodoma Resilient and Sustainable Water Development and Sanitation Program in Tanzania.

At [MENA Climate Week](#), the African Development Bank and the Islamic Development Bank have expressed a commitment to integrate natural



Adaptation au changement climatique: 100 milliards de dollars par an pour l'Afrique nécessaire



AFRIQUE : la BAD lance un fonds pour l'économie circulaire face au climat



[Ce que le CICR, la BAD, la Banque mondiale ... préconisent contre la crise alimentaire dans le Sahel](#)



[AfDB commits to \\$25b funding for Africa's climate adaptation, says Adesina](#)



[AfDB wins praise for allocating half of its climate finance to adaptation](#)

solutions into their investments to strengthen climate adaptation and mitigation.

From the mountain-nation of Lesotho to tropical Benin in West Africa, the Local Climate Adaptive Living Facility is putting communities in the driving seat in determining their response to the climate crisis. The activities are part of a nearly \$ 1,000,000 investment from the Bank through the Africa Climate Change Fund. [In March, the facility recently organized a two-day refresher training workshop with the Ministry of Local Government and Chieftainship \(MoLGC\) and Public Financial Management \(PFM\) was one of the key topics on the agenda.](#)

A [new report, launched in March](#), estimates that by 2050 climate risks could cause damage worth \$3.9 billion in Ghana's transport sector. But the report also offers a roadmap that could prevent the worst from happening. It also highlights extensive efforts by the government to counter climate risks.

In [May, the African Development Bank has signed](#) an \$830,000 technical assistance grant agreement for Ethiopia. The funds will help mainstream climate risk management, gender and resilience into economic planning and development in the country's Ziway-Shallah sub-Basin.

In June, the [Board of Directors has approved two grants](#) of \$9.25 million to implement the Africa Disaster Risk Financing Programme (ADRFi) in Malawi. The move will boost the country's resilience against climate-related shocks and food insecurity.

In observation of UN Micro, Small and Medium-sized Enterprises (MSME) Day, 27 June, the Bank highlights small businesses that are receiving its support as they navigate the impacts of the COVID-19 pandemic, food insecurity and the climate crisis. MSMEs are among the hardest hit by these multiple shocks yet play a key role in building Africa's resilience. [The Bank's YouthADAPT Challenge is accelerating climate adaptation and food security efforts.](#)

In July, [global leaders tasked Kenya's President Uhuru Kenyatta](#) to spearhead Africa's effort to address climate change under the Africa Adaptation Acceleration Program.

The African Development Bank, the Green Growth Knowledge Partnership and the World Wide Fund for Nature ([WWF](#)), [have hosted a dialogue](#) to revalidate Mozambique's commitment to mainstreaming its natural capital to spur the transition to a green economy.



## ROAD TO COP27

In March, African Development Bank Vice President [Dr. Kevin Kariuki led a delegation to Egypt](#), the host country for this year's United Nations Climate Change Conference 2022, for exploratory talks on how the Bank and Egypt can collaborate to make COP27 a truly breakthrough event for people and planet. COP 27 is scheduled for November 2022 in the coastal city of Sharm El Sheikh.

In May The African Development Bank reaffirmed its commitment to combating desertification and land degradation by scaling up its investments in sustainable ecosystem restoration. The 15<sup>th</sup> Conference of the Parties (COP15) of the United Nations Convention to Combat Desertification concluded with a united global pledge to boost drought resilience and land restoration.

The [African Development Bank Group's 2022 Annual Meetings](#) in May focused on the impact of climate change on Africa and the need for a just energy transition on the continent. The Annual Meetings also served as a precursor to COP 27, which is being called the "African COP". Governments will once again lobby for the continent's positions on climate change.

The African Development Bank will host several events on the side-lines of the 2022 [Africa](#)



[Africa is fully committed to harnessing its clean energy potential with the African Development Bank.](#)

Last January, the [Sustainable Energy Fund for Africa \(SEFA\)](#), managed by the African Development Bank, [approved a \\$1 million grant to facilitate Botswana's transition to clean energy.](#)

[In February, the African Development Bank and SEFA approved](#) a combined-equity investment of \$20 million in the [AfricaGoGreen Fund](#), a debt fund established to promote private investments in energy-efficient technologies and business models, with the objective of decarbonising African economies and accelerating the energy transition.

The [Board of Directors of the African Development Bank Group has approved the Desert to Power G5 Sahel Financing Facility](#), covering Burkina Faso, Chad, Mali, Mauritania, and Niger. The Bank envisages to commit up to \$379.6 million in financing and technical assistance for the facility over the next seven years.

The Board [also approved the Leveraging Energy Access Finance Framework \(LEAF\)](#), under which the Bank will commit up to \$164 million to promote decentralized, renewable energy in six African countries.

In March, [Spark+ Africa Fund reached its first financial close with \\$40 million to invest in clean and modern cooking solutions in Africa](#).

[In April, the Board of Directors of the African Development Fund approved a \\$5.5 million technical assistance grant](#) to kick-start the roll-out of the flagship [Desert to Power](#) initiative in the Eastern Sahel region countries of Djibouti, Eritrea, Ethiopia and Sudan.

In May, [the government of Ghana signed a grant agreement](#) with the African Development Fund, and a financing agreement with the government of Switzerland, for the [Ghana Mini Grid and Solar Photovoltaic Net Metering project.](#)

The [Bank signed an agreement](#) with Gabinete de Implementação do Projecto Hidroeléctrico de Mphanda Nkuwa, an implementing entity, to provide advisory services for the development of the \$4.5 billion 1,500 MW Mphanda Nkuwa Hydro Power Project in Mozambique.

In June, the financing facility associated with the African Development Bank's [Desert to Power Initiative](#) was featured at a [side event held on the margins of the Africa Energy Forum in Brussels](#), Belgium.

In July, [a webinar hosted by the Bank](#) brought together experts to examine how Africa can become a hub for manufacturing lithium-ion batteries to store energy and electrify the transport fleet.

[Climate Week](#) (ACW2022), to be held in Libreville, Gabon from 29 August to 2 September 2022. ACW2022 is a crucial step on the road to COP27 in Egypt in November 2022.

Egypt [will host a critical meeting in September](#) aimed at rallying African leaders for a single voice on Nationally Determined Contributions to cut emissions and adapt to climate change ahead of COP27.

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## CALENDAR OF EVENTS



**29 August - 2 September**  
- [Africa Climate Week 2022](#)

**5 September - [Africa Adaptation Summit](#)**

**6-21 November - [COP27](#)**

**5-17 December - UN Biodiversity Conference (COP 15)**

**6-8 December - [World Circular Economy Forum](#)**



[In February, the African Development Bank organized](#), in Douala (Cameroon), a training workshop for the benefit of about fifty actors on climate finance.

Green Banks have a critical role to play in overcoming climate finance gaps, participants of an African Development Bank event held on the [side lines of Middle East and North Africa Climate Week in April](#).

In June, [OPEC Fund's inaugural Development Forum](#) brought together governments, development institutions, private sector partners, and other stakeholders around its theme, bridging the financing gap and turning public ambition into climate action.

African Development Bank and International Monetary Fund (IMF) experts have stressed the urgency of mobilizing climate financing for Africa [during a panel discussion](#) on the African Development Bank's [2022 African Economic Outlook](#) hosted by the IMF in Washington, DC in July.



African countries have been urged to scale up circular value chains to accelerate industrialization and job creation in the green economy. The call was [made in February during a virtual panel discussion](#) on the circular economy at the 7th Europe-Africa Business Forum.

The [African Development Bank joined public and private sector actors in Nairobi](#) in March to discuss the implementation of circular economy policies, and action plans in Africa. Highlights of the side event included news that Morocco plans to join the African Circular Economy Alliance.

In [March](#), the Board of Directors has approved the establishment of a €4 million Africa Circular Economy Facility to drive integration of the circular economy into African efforts to achieve nationally defined contribution (NDC) targets. The facility [was launched](#) at the Bank's Annual Meetings in May.

[The World Circular Economy Forum](#) will, for the first time, take place on African soil in 2022, [bringing together participants](#) from around the world to absorb lessons from the continent and the wider global south toward building a more resilient and greener global economy. The Forum will be held from December 6-8, in Kigali, Rwanda.



The African Development Bank, in collaboration with the Climate Investment Funds and the

Ministry of Environment, Nature Protection and Sustainable Development of [Cameroon organized, on April, in Ebolowa, a workshop](#) to validate the gender action plan of the country's Forest Investment Plan.

[Mozambican climate scientist](#) says women's contribution to climate change adaptation and mitigation in Africa is indispensable.

For International Women's Day, [a panel discussion organised by the Commonwealth Secretariat](#), reflected this year's theme: Gender equality today for a sustainable tomorrow.

On the last day of Bank's 2022 annual meetings, [a session brought together participants](#) around the theme of green jobs for youth and women in Africa after Covid-19.

**AfDB President's remarks during the Leaders' Dialogue on Adaptation Action in Africa**

AFRICAN DEVELOPMENT BANK GROUP  
GROUPE DE LA BANQUE AFRICAINE DE DEVELOPPEMENT

GLOBAL CENTER ON ADAPTATION

President Adesina's remarks during the Leaders' Dialogue on Adaptation Action in Africa

## SUCCESS STORIES



[We've forgotten about the rain.'](#)  
[Water management project brings relief from flooding in Yaounde, Cameroon's capital](#)



[In Tunisia, drones fly over the land and give wings to farmers](#)



[Malawi: Country strategy sparks transformation in agriculture.](#)

