AS WE ENTER INTO 2018, I would like to extend best wishes and season’s greetings to you both personally, and on behalf of AfDB’s Climate Change and Green Growth Department.

In this special edition of the Climate Finance Newsletter we present key highlights from the 23rd session of the Conference of the Parties to the UNFCCC (COP23) and the 13th session of the Conference of the Parties to the Kyoto protocol held in Bonn, Germany from 6-17 November 2017 under the presidency of the Fiji government. COP23 brought together over 26,000 participants and successfully demonstrated to the world that the implementation of the Paris Agreement is underway and the constructive spirit of multilateral cooperation on climate change continues, even though implementation guidelines are yet to be finalized.

The Bank actively participated in and organized several side events at COP23, including the high-level Africa Day event organized jointly with its partners. At the Africa Day, the Bank officially launched the Africa NDC Hub as a response to Africa’s needs for Nationally Determined Contribution (NDC) implementation. While COP23 was taking place in Bonn, the Bank approved its Climate Change Action Plan for the period 2016-2020 as a key instrument to translate the Bank’s commitments to increase climate finance (40% target) by 2020 and beyond. The same day, the Bank also signed an Accreditation Master Agreement (AMA) with the GCF aimed at scaling up Africa’s access to climate finance, by making full use of its accreditation to the Green Climate Fund (GCF), Global Environment Facility (GEF), Climate Investment Funds (CIF) and Adaptation Fund to mobilize additional finance.

Two years after the historic Paris Agreement reached at COP21, the French President, Emmanuel Macron, convened the One Planet Summit on 12 December 2017 in partnership with the President of the World Bank Group and the Secretary-General of the United Nations bringing together global leaders to restate their commitments to the Paris Agreement. The commitment demonstrated at the Summit is an indication that the political will exists to address the global threats from climate change. The Bank Group President led the Bank’s delegation to the summit, a demonstration of his and the Bank’s commitment to addressing the challenges of climate, where he reiterated our commitment to supporting low carbon and climate resilient development in Africa.

2018 is indeed a promising year globally with the renewed zeal by world leaders to tackle climate change as well as at the African Development Bank as we accelerate our support towards the implementation of the NDCs of African countries.

Best regards,

Anthony Nyong
Director, Climate Change and Green Growth

"If the fight against climate change is not won in Africa, it cannot be won anywhere else."

Akinwumi Adesina, President of the African Development Bank Group

AfDB and other multilateral development institutions provide a global response to climate change

At COP23, the AfDB and other multilateral development institutions pledged to intensify efforts to promote a smooth transition to low-carbon and climate-resilient development. The institutions reaffirmed their commitment to put climate action at the center of their activities and to facilitate the mobilization of public and private financing in its favor.

Unlocking investment in climate resilience

During a roundtable on unlocking investment in climate resilience, Amadou Hott, AfDB Vice President for Power, Energy, Climate and Green Growth, recalled that “Africa’s adaptation needs are estimated at between US$ 5 to US$ 7 billion a year and will reach US$ 50 billion by 2030.” He emphasized the need to mobilize private sector investors and allocate public sector funds to encourage these investors to promote technologies that offer adaptive and resilience benefits.

AfDB and 10 partners launch Africa NDC Hub
The Bank launched the Africa Hub for the Nationally Determined Contributions (NDC) at the Africa Day at COP23. The Hub aims to provide financial and technical assistance to African countries to enable them implement commitments outlined in their NDCs, within the context of their development priorities.

Africa Day at COP23
The theme of Africa Day, co-hosted by the Bank, was “Partnerships for the Implementation of the Paris Agreement: Africa’s Response.” Among the challenges discussed were those of financing, capacity building, development and technology transfer. The day was marked by the holding of a high-level ministerial dialogue and the launch of the Africa NDC hub.

COP23 presentation of the Bank’s climate actions
A meeting ahead of the NDC Partnership Forum provided the opportunity to highlight the Bank’s climate change activities for 2017. The meeting highlighted initiatives such as the Africa NDC Hub, Adaptation Benefit Mechanism, Climate Change Action Plan 2016-2020 and Africa Climate Change Fund (ACCF).

The Africa Climate Change Fund (ACCF) at COP23
The ACCF co-organised two informal side events: a workshop to advance the establishment of a practice group to facilitate South-South learning to benefit the Adaptation Fund and Green Climate Fund accredited entities, and a dinner that allowed informal dialogue on the benefits and barriers to channeling adaptation finance locally and approaches that are being tested – including those by the ACCF - to ensure that adaptation finance responds to the needs of the most vulnerable.

Climate change and agriculture
Bank staff participated in “The Advantage of Land and Water: Is sustainable land and water management compatible with small-scale agriculture in the context of climate change?” roundtable. The Bank emphasized the importance of access to finance for better risk management, asset protection and the inclusion of women and youth in a sector that provides 61% of jobs and will create 70 million jobs by 2020 through agribusiness development.

The Bank also participated in a high-level roundtable discussion on the theme: “Rural Transformation: Climate-resilient and low-emission food systems.” The meeting brought together experts in the agriculture, food, energy, transport and climate sectors to identify actions needed to deliver climate resilient and low-emission food systems to achieve Sustainable Development Goal 2 (eradicating hunger, ensure food security, improve nutrition and promote sustainable agriculture) and the goals of the Paris Agreement.

AfDB Vice President for Power, Energy, Climate and Green Growth, Amadou Hott, highlighted the Bank’s initiatives in agro-industrial zones in Africa that concentrate resources and create a favorable environment in regions with a high potential for aggregation, processing, market information, trade links and links with SMEs for farmers and agribusinesses.

Innovations in disaster risk financing for Africa
The AfDB co-organized a workshop with the African Union Commission and African Risk Capacity (ARC) under the theme: “Innovations in Disaster Risk Financing for Africa.” Participants recognized the climate finance gap and made key recommendations to help reduce the deficit, including creating of an African-owned mutual insurance company to balance investments in adaptation and resilience.

Climate change and renewable energy
The Bank took part in the roundtable on “Providing Nexus Solutions: enhancing livelihoods through regional cooperation”. The Vice President for Power, Energy, Climate and Green Growth, Amadou Hott, reiterated the Bank’s commitment to work with the continent’s regional sustainable energy centers to fill the energy gap. He cited the recent example of AfDB’s partnership with the NEPAD Infrastructure Project Financing Facility (NEPAD-IPFF) to finance the feasibility study for the ECOWAS Centre for Renewable Energy and Energy Efficiency (ECREEE) on business opportunities for women in the context of a changing energy value chain in West Africa.

The AfDB also participated in a meeting under the theme: “Private Sector Engagement: Best practices in renewable energy” at the International Renewable Energy Agency pavilion. Al Hamdou Dorosouma, Head of the the Adaptation and Green Growth Division, presented the Bank’s current renewable energy and energy efficiency activities and how such initiatives address the challenges of project preparation in Africa, including its Sustainable Energy Fund for Africa (SEFA).

Climate change and water
Participating in a November 10 high-level dialogue on improving water and climate financing during the COP23 Global Day of Action for Water and Climate, the Bank reiterated the importance it attaches to the incubation and preparation of water adaptation projects in Africa, offering expertise and financial assistance.

The next day, the Water for Africa initiative was featured. Launched during the African COP (COP22) in Marrakesh at the initiative of Morocco and with the blessing of the Bank, it aims to facilitate access to water-related climate funding by African countries.

AfDB participates in African Ministerial Conference on the Environment consultative meeting
The AfDB actively participated in the African Ministerial Conference on the Environment (AMCEN) meeting held on November 14. Moderated by the President of AMCEN and Gabon’s Minister of Environment. The meeting aimed to brief African ministers on the key negotiating points as the COP23 high level segment opened. Emphasis was placed on the need for African ministers to play a leadership role to advance the continent’s common position on climate change, based on Africa’s negotiating positions and key messages prepared by the African Group of Negotiators (AGN).

Related news...
- Approval of Second Climate Change Action Plan for 2016-2020. On November 8th, the AfDB Group Board of Directors approved the Bank’s Second Climate Change Action Plan for 2016-2020 (CCAP2). CCAP2 integrates the Bank’s five key priorities, the United Nations’ 2030 Agenda for Sustainable Development, AfDB’s Green Growth Framework, the African Union’s Agenda 2063 and lessons learned from the First Climate Change Action Plan for 2011-2015 (CCAP1). CCAP2 is designed to guide the Bank’s work over a five-year period, aligning AfDB’s climate actions with the Paris Agreement, with a view to contributing to the achievement of the SDG2030 Agenda. The Plan’s Implementation Strategy is set out in the Bank’s 2016-2020 Business Plan, which focuses on the Bank’s role in supporting the African continent’s transformation, through a more integrated approach that leverages the Bank’s financial and technical resources across sectors and thematic areas. (25 Nov 2017)

- Other related news...

- Approval of Second Climate Change Action Plan for 2016-2020. On November 8th, the AfDB Group Board of Directors approved the Bank’s Second Climate Change Action Plan for 2016-2020 (CCAP2). CCAP2 integrates the Bank’s five key priorities, the United Nations’ 2030 Agenda for Sustainable Development, AfDB’s Green Growth Framework, the African Union’s Agenda 2063 and lessons learned from the First Climate Change Action Plan for 2011-2015 (CCAP1). CCAP2 is designed to guide the Bank’s work over a five-year period, aligning AfDB’s climate actions with the Paris Agreement, with a view to contributing to the achievement of the SDG2030 Agenda. The Plan’s Implementation Strategy is set out in the Bank’s 2016-2020 Business Plan, which focuses on the Bank’s role in supporting the African continent’s transformation, through a more integrated approach that leverages the Bank’s financial and technical resources across sectors and thematic areas. (25 Nov 2017)
implementation of the first CCAP 2011-2015. Akinwumi Adesina, AfDB President, said on the occasion: "today's approval of the CCAP2 by the Board sends a clear message on the Bank's commitment to help African countries mobilize resources to support the implementation of regional member countries’ Nationally Determined Contributions in a way that will not hinder their development".

- AfDB accreditation to Green Climate Fund now fully operational. The signing of the Accreditation Master Agreement (AMA) with the Green Climate Fund (GCF) on November 8 finalized AfDB’s approval process as a multilateral implementing entity and financial intermediary of the GCF. The accreditation will enable the Bank to better respond to its ambitions to mobilize climate finance to help African countries to access GCF resources directly.

- Joint statement MDBs and members of the International Development Finance Club at One Planet Summit. In a statement adopted at the One Planet Summit held in Paris on December 12, the AfDB and other multinational development banks and members of the International Development Finance Club (IDFC) pledged to align their funding with the objectives of the Paris Agreement. In particular, they committed to strengthen climate integration within their strategies and activities, mobilize and redirect public and private financial flows for the transition to sustainable low-carbon and climate-resilient development, and support the implementation of NDCs.

In the blog “Climate Change in Africa”

- How concessional climate finance can assist private sector to fight deforestation and forest degradation in Africa
- Is climate diplomacy holding its promises with the Paris Agreement, especially for Africa?
- The Paris Agreement is a marathon, not a sprint
- A balancing act: implementing climate change commitments while striving to end poverty!
- The role of carbon markets in the Paris Agreement
- Green Climate Fund + Climate Investment Funds = Global Finance Architecture

In the media

- Africa Day At COP23 (AllAfrica)
- AfDB approves second strategy to protect climate (Saturday Vision)

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