As the climate finance architecture changes, so do the pressures and opportunities for African countries to make best use of available financial and non-financial resources to bring effective solutions to their green development paths. One important emerging approach is synergizing and harmonizing the various climate finance mechanisms and programs which a country has available to it. The value of this approach lies in potential strengthening of programmatic approaches, reduction of transaction costs, increased likelihood of funding, reduced risks to individual funders and greater stakeholder outreach. Such approaches could ultimately lead to more effective solutions for both mitigation and adaptation.

Through its CIF portfolio, AfDB is working with countries to help identify and build on possible paths to create synergies for better impact. During 2015, two important paths to synergy have begun to emerge: between CIF programs, and programmatic approaches, reduction of transaction costs, increased likelihood of funding, reduced risks to individual funders and greater stakeholder outreach.

Synergies between CIF and other climate finance mechanisms

A number of CIF-funded African countries are also working through other climate finance mechanisms with AfDB support; and as each program evolves, the Bank is helping these countries explore ways in which the joint work adds coherence and effectiveness to achieving their green development goals.

Many of the countries recently approved by CIF to receive investment plan support have not received funding commitments from CIF for associated project implementation. Although this could be seen as a set-back for the program, in practice it is forcing the countries and MDBs to work closely with development partners and other funds such as the Green Climate Fund (GCF) and Global Environment Facility (GEF) to ensure that investment pipelines include projects and programs which can be funded from different sources. In fact, for the FIP and PPCR countries which are not currently guaranteed operational funding from CIF, the country programming budgets and preparation grants will lead to the creation of outward looking investment pipelines benefitting from the CIF framework and experience and the combined input of multiple MDBs.

In Rwanda, the country’s Green Mini-Credit Country Programme funded by SEFA will directly complement the SREP investment plan endorsed in late 2015. In particular, SEFA will support the Government of Rwanda in carrying out Mini-Grid Feasibility Studies in multiple sites and developing a Mini-Grid Rollout Plan including a tariff framework, business model appraisal and tendering process for private investors. Such support will be instrumental in building the pipeline for the Renewable Energy Fund being designed and financed under SREP to provide investment financing to small-scale energy access projects.

In Ethiopia, accepted into PPCR in 2015, the Government has already highlighted the importance of the country’s Climate Resilient Green Economy and the second Growth and Transformation Plan (GTP II). These strategies also form the basis of Ethiopia’s intended Nationally Determined Contribution (INDC) submitted to the UNFCCC for the recent CoP21 in Paris. The PPCR will provide an opportunity to focus on the core sectors of agriculture, forestry, water and energy and help the Government of Ethiopia to secure climate finance, for example from development partners or the GCF, to help achieve the country’s medium and long term development goals.

In early 2016, AfDB and the World Bank will start the scoping mission for PPCR in The Gambia to help develop its SPCR. Like many African countries, a secure source of energy is critical to increasing resilience to ensure The Gambia’s quality of life—for instance, supporting the tourism sector by ensuring that tourists enjoy uninterrupted holidays, enhancing quality of education by ensuring that school children can study in the evening, or supporting business by ensuring that local producers can refrigerate and store their produce. One project the PPCR will consider is the country’s Renewable Energy NAMA (Nationally Appropriate Mitigation Action) Plan prepared by UNDP, which forms part of the country’s Paris Agreement commitments, and highlights the overlap between mitigation and adaptation in Africa. It is possible that by packaging the NAMA within the SPCR investment pipeline, the CIF will be instrumental in helping finance the NAMA.