CLIMDEV-AFRICA SPECIAL FUND (CDSF)

Bank’s Experience in Funding Climate Information Services

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A. BACKGROUND
A.1 Climate Finance Instruments at the Bank

Commitment to triple Bank’s climate financing to **USD 5 billion** per year by 2020

AfDB Climate Finance Instruments

- **International Funds Implemented by the Bank**
  - Green Climate Fund (GCF)
  - Global Environment Facility (GEF)
  - Climate Investment Funds (CIFs)

- **Trust funds managed by the Bank**
  - Climate for Development in Africa (CDSF)
  - Sustainable Energy Fund for Africa (SEFA)
  - Africa Climate Change Fund (ACCF)
A 2. ClimDev-Africa Special Fund (CDSF)

CDSF is established as a multi-donor trust fund to support African countries, institutions and communities build resilience to the impacts of climate change.

CDSF was established in May 2010 and officially launched in Marrakesh in October 2014 and became effectively operational in February 2015.

It has three main areas of focus:

- To support the generation, wide scale dissemination and use of reliable and high quality climate information for development in Africa;
- To enhance the capacity of policy makers and policy support institutions through the generation of evidence on climate change and its implications for development in Africa; and
- To pilot adaptation practices that demonstrate the value of mainstreaming climate information in development planning and advocacy to inform decision-making.
A 3. ClimDev-Africa Special Fund (CDSF)

- CDSF is jointly administered by the African Union Commission (AUC), the African Development Bank (AfDB) and the United Nations Economic Commission for Africa (UNECA), through Programme (CDA)
  - seeks to promote access to climate information, analyse and generate options for policy and decision-makers across Africa.

- CDA is composed of three main units:
  - The African Climate Policy Centre (ACPC at UNECA) supports policy analyses work.
  - Climate Change and Desertification Unit (CCDU at the AUC) handles the governance and advocacy work.
  - ClimDev Special Fund (CDSF at AfDB) grants funds for investments in climate information services (the funding arm of CDA).
B. PURPOSE AND INTERVENTION STRATEGY
B. 1. CDSF : New and Innovative Climate Finance Source for Africa

- ClimagDev-Africa Special Fund presents a good channel through which African countries can access support to respond to climate change effects.

**Effects**

- Fast onset – increased frequency of disasters
- Slow onset – declining crop yields, water resources, Health
- Challenges to poverty reduction measures and sustainable development

**Responses**

- Improved climate information to inform adaptation
- Climate resilient development policies
- EWS, climate proofed infra-structure

**Areas**

- Selection and Systematic Funding
- Three Results Areas

**CDSF**

- CDSF - ClimDev-Africa Special Fund presents a good channel through which African countries can access support to respond to climate change effects.
B.2 : The CDSF Resource Package

CDSF Resource package to-date is Euro 33 million courtesy of contribution by:

- EU-ACP – 21 million Euro (specifically for DRR in SSA)
- Swedish International Development Agency – 9 million Euro
- Norwegian Development Fund – 3 million Euro

First Call for Proposals made in November 2014. Review completed and 83 proposals out of 132 received found relevant and liable for funding.

Business Plan and Resource Mobilization Strategy approved by the ClimDev Africa Steering Committee in August 2016 to Mobilize Resources to cover funding gap of approximately 35 million Euro.
C. BANK PAST AND CURRENT FINANCING TO CLIMATE INFORMATION SERVICES
Objective: The objective of the project was to strengthen the capacities of African regional climate centers to generate and disseminate climate information to support economic development in the continent.

Supported: 3 Regional Climate Centres: CMAD, AGRHYMET, ICPAC and the Drought Monitoring Centre (SADC-DMC).

Project Components: i) Production of climate related Information; ii) Institutional Strengthening; iii) Project Coordination. Project focused mainly on both hard and soft infrastructural development.

CDSF is supporting investments in infrastructure for severe weather observation at four regional climate centres and at the continental African Centre of Meteorological Application for Development (ACMAD):

**Continental Climate Centre of ACMAD**: Approved in December 2016
For Euro 5,790,000 – Operational

**Regional Climate Centre of AGRHYMET**: Approved in July 2016 for Euro 3,899,500 – Operational

**Regional Climate Centre of ICPAC**: Approved in December 2016 for Euro 2,467,170 – Operational

**Regional Climate Services Centre for SADC**: Approved in April 2017 for Euro 3,198,600 – Grant Agreement in signed, Project launch January 2018

**ECCAS PROJECT**: Approved in August 2017 for Euro 3,430,000
C 4. Euro 6 million for climate adaptation programmes in Regional Member Countries (RMCs)

- Through CDSF, the bank continues to support activities that contribute to strengthening the capacity of government institutions, private sector, civil society and communities across Africa, to address climate change vulnerability and disaster risk reduction.

- To-date 11 projects have been approved for Ethiopia, Kenya (3), Mali, Senegal, Niger, Cote D’Ivoire, Zimbabwe, Benin and Tanzania.
C 5. Other initiatives

• The Fund is the primary Bank unit for delivering on implementation of the technical partnership with the Africa Risk Capacity Facility (ARC).

• The fund provides technical support to the ARC agency, working with African countries to adopt solutions and mainstream policies for climate related disasters and risk management.
D. LESSONS LEARNED FROM FINANCING CIS
D 1. Main Lessons Learned To-Date

- **Leadership**: Key institutions or senior figures in government must take the lead in driving the strategy for climate information services development.

- **Accountability**: By governments to their citizens, by recipients of climate finance to the providers, and by international climate funds and institutions to the developing countries they fund.

- **Policies and Budgets**: Many countries do not have polices on Climate information services, hence CIS is not regarded as a priority area for government financing.
D 2. Main Lessons Learned - Continued

• **Poor Coordination at National and International Level:** Bringing all the relevant stakeholders within and outside of government into the planning process, with appropriate roles and responsibilities assigned, can help ensure broad support for CIS (Saly and Hydromet Forum).

• **Inadequate Capacity:** Appropriate technical skills, expertise, and resourcing at all levels. The “the digital divide” due to lack of IT infrastructure and declining numbers of trained CIS personnel.

• **Low private sector involvement in CIS:** Making the case for CIS investment can convince private sector investors that they will have much to gain by putting their money into climate-friendly technologies.
D.3 Imperatives of Upscaling of Investments for CIS

- There is need for a **multi-stakeholder approach** for successful climate services – to include the private sector in various forms including PPPs.
- Need to institute a **coordinated and programmatic approach** among the players to create synergy and multiplier effect for CIS.
- Promotion of **Private sector investments/Public-Private-Partnerships** for CIS.
E. CDSF IMPLEMENTATION CHALLENGES AND OPPORTUNITIES
E 1. CDSF Implementation Challenges

The Implementation of CDSF is confronted by the two main Challenges:

- Inadequate funding against an increasing member states demand for services in response to multiple global and regional development frameworks including Agenda 2063, the 2030 Agenda for Sustainable Development and the Paris Agreement.
- Low capacity to manage and deliver on project objectives.
- Proliferation of climate funds not aligned to strategies of regional mandates across Africa
- Poor collaboration and networking with other Climate Funds leading to duplication of efforts.
- Inadequate sustainability strategies and approaches.
E 2. Opportunities for CIS Advancement

Proposed New Approaches for CIS Development:

- Introducing a common Value Chain Approach
- Setting up the Regional Knowledge Management Platform
- Formation of a Regional Collaboration Platform on Water, Weather and Climate Services with End User Perspective
F. WAY FORWARD
1. Way Forward for Phase II of CDA (2017-2022)

- Under Phase II: The Fund is expected to expand its portfolio to provide investments for climate information services for disaster and risk reduction across Africa.

- The Resource mobilization plan aims to raise US $ 91 million to resource the Fund at the AfDB to invest in regional projects and operations to build capacity for climate change adaptation programs.
F 2. Way Forward for CDSF

♦ Partnerships and Resource Mobilization: Through a series of round tables and consultations

♦ Africa Framework Program on Hydromet: Working with other partners (WB, WMO, UNDP, AFD, etc.) through the Green Climate Fund to invest and improve Hydromet systems in Africa.

♦ Deliver on implementation on the technical partnership with the African Risk Capacity Agency (ARC) to develop and refine weather based risk transfer programs for member countries.

♦ Support the climate information needs of NDCs through the NDC partnership hub
Hail the Pioneer Development Partners/Donors

Implementing Partners
THANK YOU FOR YOUR KIND ATTENTION