


# AFRICAN DEVELOPMENT BANK GROUP




## INTER-OFFICE MEMORANDUM

Date: 25 June 2020

Ref: PECG1/MM/PG/2020/06/0005

*For* TO : **Anthony NYONG**  
Director, PECG 

FROM : **Gareth PHILLIPS**  
Division Manager, PECG.1 

SUBJECT : **Multinational Project – Africa Climate Technology and Finance Center and Network (ACTFCN) – Request for a third no cost extension from 1<sup>st</sup> July 2020 to 30<sup>th</sup> June 2021**

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### Introduction:

The ACTFCN project started operations in 2014 and has since achieved some impressive results with a high degree of resource-efficiency. The project requested three no-cost extensions, for one year each respectively in 2017, 2018 and 2019, which were granted by the Global Environment Facility (GEF). The project has launched several new activities, some of which are not expected to be completed before the end date of June 2020, not helped by the current circumstances. Furthermore, the project has non-committed funds that would require a longer implementation period to be executed in an effective manner. A project extension of twelve (12) months is therefore required to ensure the implementation of the remaining funds.

### A. Project Information:

<b>Concept Note Approval Date:</b>	July, 2013
<b>Project Approval Date:</b>	May, 2014
<b>Effectiveness Date:</b>	July 2014
<b>Project Amount:</b>	14,340,000 US Dollars
<b>Source:</b>	Global Environment Facility (GEF)
<b>Initial Last Disbursement Date:</b>	September, 2017
<b>Initial Completion Date:</b>	June 2017
<b>Closing Date after first extension:</b>	June 2018
<b>Closing Date after second extension:</b>	June 2019
<b>Closing Date after third extension:</b>	June 2020
<b>Executing Agency:</b>	The African Development Bank
<b>New Closing Date Requested:</b>	June 2021

## **B. Description and Objectives of the Project**

The objective of this pilot project is to support Sub-Saharan African (SSA) member countries in scaling-up the deployment of low-carbon and climate resilient technologies for climate change mitigation and adaptation by: (1) enhancing networking and knowledge dissemination with respect to climate technology transfer and financing; (2) enabling the scaling-up of technology transfer through policy, institutional and organizational reforms of the country and regional enabling environments; and (3) integrating climate change technologies into investment programs and projects. As a pilot project, the activities focus on the energy sector for climate change mitigation measures (aligned with the Sustainable Energy for All (SEforALL) initiative), and on the water sector for adaptation measures. This project is part of a GEF initiative to establish regional climate technology and finance centers with the regional multilateral development banks and is financed by set aside funds from the GEF trust fund (GEFTF) and the Special Climate Change Fund (SCCF). In that context, the Bank is implementing the project through the execution of a grant of USD 9.09 million from GEFTF for mitigation and USD 5.25 million from SCCF for adaptation activities. The total funds available to the ACTFCN amount to USD 14,340,000.

The project is implemented through the use of expert consulting services and also mobilizes additional resources from Bank instruments, such as the Sustainable Energy Fund for Africa (SEFA) or the African Water Facility (AWF).

## **C. Project status and justification of the request for no cost extension**

The project started on the first of July 2014 initially for a period of three years (until end of June 2017). In view of the fact that the implementation of the project did not go as planned due to some delays in the carrying-out of activities, the GEF approved upon recommendation of the mid-term review a one year no-cost extension. Despite that extension, most of the activities were not completed and two other one year no-cost extensions were granted by the GEF to complete the activities of the ACTFCN by 30 June 2020, upon the African Development Bank's request. The project team demonstrated good progress in the implementation of the project this year, the commitment rate having increased from around 69% as of February 2019 to around 87.58 % as of 29 May 2020. However, a significant amount is still available, particularly under the adaptation component and several adaptation projects have been designed. It should be mentioned that the ACTFCN project has not been completed yet mainly due to the fact that the consulting firms experienced some delays in the implementation of the activities as initially planned in their respective contracts. Most of them requested a no cost extension to have enough time to fulfil all commitments under the original agreement signed between the Bank and them.

To date and as per Table 1 below, an amount of **USD 2,560,000** (USD 60,000 from the GEFTF and USD 2,500,000 from the SCCF) **has not yet been transferred from the GEF Trustee to the AfDB** and is therefore still available.

**Table 1: summary of funds transferred by the GEF Trustee to the AfDB (in USD)**

	Mitigation	Adaptation	Total
<b>Total amount to be transferred</b>	9,090,000.00	5,250,000.00	14,340,000.00
<b>1st tranche (July 2014)</b>	3,030,000.00	1,750,000.00	4,780,000.00
<b>2nd tranche (November 2015)</b>	3,500,000.00	-	3,500,000.00
<b>3rd tranche (January 2017)</b>	2,500,000.00	-	2,500,000.00
<b>4th tranche (July 2019)</b>		1,000,000.00	1,000,000.00
<b>Total amount transferred so far (June 2020)</b>	9,030,000.00	2,750,000.00	11,780,000.00
<b>Total amount still to be transferred</b>	<b>60,000.00</b>	<b>2,500,000.00</b>	<b>2,560,000.00</b>

*Total commitment vs Total Project Funds:*

- The total amount committed under the project is USD 10,317,126.83 as of 29 May 2020. Compared to the project amount of USD 14 340 000,00, this corresponds to a total budget commitment rate of 87,58%.
- Under component 2, the budget allocated is USD 1,953,000 for mitigation activities and USD 1,090,000 for adaptation activities (total amount of USD 3,043,000). 100% of the mitigation framework contract budget has been used and 14,14% of the adaptation's budget has been used.

**Table 2: Break-down of disbursements and commitments (in USD)**

	Budget	Commitments	Disbursements	Com. rate	Disb. rate
<b>Mitigation</b>	9,090,000.00	8,818,647.31	7,496,789.09	97.01%	82.47%
<b>Adaptation</b>	5,250,000.00	1,498,479.52	1,052,526.85	28.54%	20.05%
<b>TOTAL</b>	<b>5,250,000.00</b>	<b>1,498,479.52</b>	<b>1,052,526.85</b>	<b>28.54%</b>	<b>20.05%</b>

#### **D. Recommendation**

On the basis of the foregoing, it is recommended to request a fourth one year no-cost extension of the ACTFCN project from the GEF from **1<sup>st</sup> July 2020 to 30 June 2021**. This is to ensure the continuity of support to the project's beneficiaries through technical assistance (TA) for reforming enabling environments and/or in planning, financing and implementing mitigation and adaptation investments.