



**GLOBAL ENVIRONMENT FACILITY**  
INVESTING IN OUR PLANET

**Naoko Ishii**  
CEO and Chairperson

April 17, 2014

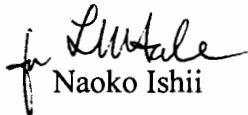
Dear Council Member:

AfDB as the Implementing Agency for the project entitled: ***Regional (Africa): Pilot African Climate Technology Finance Center and Network***, has submitted the attached proposed project document for CEO endorsement prior to final approval of the project document in accordance with AfDB procedures.

The Secretariat has reviewed the project document. It is consistent with the proposal approved by Council in June 2012 and the proposed project remains consistent with the Instrument and GEF policies and procedures. The attached explanation prepared by AfDB satisfactorily details how Council's comments and those of the STAP have been addressed. I am, therefore, endorsing the project document.

We have today posted the proposed project document on the GEF website at [www.TheGEF.org](http://www.TheGEF.org). If you do not have access to the Web, you may request the local field office of UNDP or the World Bank to download the document for you. Alternatively, you may request a copy of the document from the Secretariat. If you make such a request, please confirm for us your current mailing address.

Sincerely,

  
Naoko Ishii

Attachment: Project Document  
Copy to: Country Operational Focal Point, GEF Agencies, STAP, Trustee



# REQUEST FOR CEO ENDORSEMENT

**PROJECT TYPE: Full-sized Project**

**TYPE OF TRUST FUND: Multi-Trust Fund**

For more information about GEF, visit [TheGEF.org](http://TheGEF.org)

## PART I: PROJECT INFORMATION

Project Title: Project Title: Pilot African Climate Technology Finance Center and Network			
Country(ies):	Regional	GEF Project ID: <sup>1</sup>	4904
GEF Agency(ies):	AfDB (select) (select)	GEF Agency Project ID:	
Other Executing Partner(s):	Sub-regional and national bodies, agencies and governments, academia, centers of excellence and research centers.	Submission Date:	
GEF Focal Area (s):	(Select)	Project Duration(Months)	36
Name of Parent Program (if applicable): ➤ For SFM/REDD+ <input type="checkbox"/> ➤ For SGP <input type="checkbox"/> ➤ For PPP <input type="checkbox"/>	NA	Project Agency Fee (\$):	1,434,000

### A. FOCAL AREA STRATEGY FRAMEWORK<sup>2</sup>

Focal Area Objectives	Expected FA Outcomes	Expected FA Outputs	Trust Fund	Grant Amount (\$)	Cofinancing (\$)
CCM-1 (select)	Outcome 1.1: Technologies successfully demonstrated, deployed and transferred	Output 1.1: Innovative low-carbon technologies demonstrated and deployed on the ground. Indicator 1.1: Percentage of technology demonstrations reaching planned goals	GEF TF	3,100,000	15,200,000
CCM-1 (select)	Outcome 1.2: Enabling policy environment and mechanisms created for technology transfer.	Output 1.2: National strategies for the deployment and commercialization of innovative low-carbon technologies adopted. Indicator 1.2: Extent to which policies and mechanisms are adopted for technology transfer (score of 1 to 5)	GEF TF	1,600,000	4,200,000
CCM-2 (select)	Outcome 2.1: Appropriate policy, legal and regulatory framework adopted and enforced	Output 2.1: Energy efficiency policy and regulation in place. Indicator 2.1: Extent to which EE policies and regulations are adopted and enforced (score of 1 to 5)	GEF TF	560,000	2,100,000
CCM-2 (select)	Outcome 2.2: Sustainable financing and delivery	Output 2.2: Investment mobilized (in MU\$).	GEF TF	730,000	13,100,000

<sup>1</sup> Project ID number will be assigned by GEFSEC.

<sup>2</sup> Refer to the [Focal Area Results Framework and LDCF/SCCF Framework](#) when completing Table A.

	mechanisms established and operational.	Indicator 2.2: volume of investment mobilized (target AfDB: 30M\$; targeted leverage ratio: 1:3)  Output 2.3: Energy savings achieved through investments. Indicator 2.3: Energy saved (in MWh).			
CCM-3 (select)	Outcome 3.1: Favorable policy and regulatory environment created for renewable energy investments.	Output 3.1: Renewable energy policy and regulation in place. Indicator 3.1: Extent to which RE policies and regulations are adopted and enforced(score of 1 to 5)	GEF TF	1,250,000	3,000,000
CCM-3 (select)	Outcome 3.2: Investment in renewable energy technologies increased.	Output 3.2: Investment mobilized. Indicator 3.2: Volume of investment mobilized (target AfDB:100M\$; targeted leverage ratio: 1:4)  Output 3.3: Renewable energy capacity installed. Indicator 3.3: RE installed capacity (in MW)	GEF TF	1,850,000	24,000,000
CCA-3 (select)	Outcome 3.1: Successful demonstration, deployment and transfer of relevant adaptation technologies in targeted areas.	Output 3.1: Relevant adaptation technology transferred to target groups. Indicator CCA-1: Type and number of adaptation technologies transferred to targeted groups	SCCF	3,650,000	25,200,000
CCA-3 (select)	Outcome 3.2: Enhanced enabling environment to support adaptation-related technology transfer.	Output 3.2: Skills increased for relevant individuals in transfer of adaptation technologies. Indicator CCA-2: Policy environment and regulatory framework for adaptation-related technology transfer established or strengthened (capacity building included)	SCCF	1,600,000	2,200,000
<b>Total project costs</b>				14,340,000	89,000,000

## B. PROJECT FRAMEWORK

**Project Objective: Development and transfer of climate technologies in African countries to contribute to the reduction of GHG emissions and vulnerability to climate change.**

Project Component	Grant Type	Expected Outcomes	Expected Outputs	Trust Fund	Grant Amount (\$)	Confirmed Cofinancing (\$)
1. Enhancing cooperation with development partners to maximize technology transfer and financing. CCM-1,CCM-2,CCM-3 (Climate technology country focused knowledge is created and disseminated among financial, technical and decisional partners)	TA	<p>1.1 Knowledge: Identification of barriers and of environmental sound technologies (ESTs).</p> <p>1.2 Networking: Facilitating and ensuring the rapid and efficient dissemination of existing and created knowledge on ESTs</p>	<p>Country-tailored guidelines with identified (i) barriers, (ii) types of technologies and (iii) financing options, are produced.</p> <p>Thematic climate technology networks are created and operational by technology sector for low-carbon.</p> <p>Indicator 1.1: Guidelines and knowledge products are produced and disseminated.</p> <p>Indicator 1.2: Networks are created and operational(number of networks and meetings)</p>	GEF TF	1,335,000	3,000,000
1. CCA-3 (as above)	TA	1.3 Knowledge and networking on adaptation technologies	As above, with focus on adaptation technologies.	SCCF	762,000	500,000
2. Enabling the scaling-up of technology transfer through policy, institutional and organizational reforms. CCM-1,CCM-2,CCM-3	TA	2.1 Enabling sub-regional and country environment for catalyzing low-carbon technology investments	<p>Country-adapted pro-climate policies supporting climate technology transfer and investors incentives.</p> <p>Barriers to technology transfer are removed.</p> <p>Potential investments, including financing and technology needs are identified at country levels.</p> <p>Technology needs are fully considered in the national communications and documents (i.e. NAMAs, policies,</p>	GEF TF	1,953,000	6,000,000

			strategies).  Indicator 2.1: Reports and documents include low-carbon technology transfer considerations			
2. CCA-3 (as above)	TA	2.2 Enabling sub-regional and country environment for catalyzing climate-resilient development investments	Country-adapted pro-climate policies supporting climate technology transfer and investors incentives.  Climate change technology adaptation is mainstreamed in key sector policies and regulations  Indicator 2.2: Reports and documents include adaptation technology transfer considerations.	SCCF	1,090,000	500,000
3. Integrate technology needs into programs, plans and investment priorities. CCM-1,CCM-2,CCM-3	Inv	3.1 Mainstreaming technology transfer in country programming.  3.2 Catalyzing investment in environmentally sound technologies.	National development strategies (country strategy papers) and investment priorities integrate comprehensively (technical, social, etc) the technology needs.  Indicator 3.1: Financing mobilized for ESTs (Estimated target 180mUS\$).  Indicator 3.2: Energy capacity installed and saved (175MW)  Indicator 3.3: GHG emissions avoided (RE and EE): Estimated target: 8,769,720 ton CO2e	GEF TF	5,400,000	52,000,000
3. CCA-3 (as above)	Inv	3.3 Demonstration, deployment, and transfer of relevant adaptation technology in targeted areas by mainstreaming technology transfer in country programming	Adaptive technologies in development projects are financed and implemented.  Indicator 3.4: Technologies – linked to TNAs when possible	SCCF	3,150,000	26,000,000

		(Intermediate Outcome)	- are fully considered in the implementation of pilot and demonstrative climate resilient projects.			
	(select)			(select)		
	(select)			(select)		
Subtotal					13,690,000	88,000,000
Project management Cost (PMC) <sup>3</sup>				(select)	402,000 (GEFTF)	600,000 (GEFTF)
					248,000 (SCCF)	400,000 (SCCF)
<b>Total project costs</b>					14,340,000	89,000,000

### C. SOURCES OF CONFIRMED COFINANCING FOR THE PROJECT BY SOURCE AND BY NAME (\$)

Please include letters confirming cofinancing for the project with this form

Sources of Co-financing	Name of Co-financier (source)	Type of Cofinancing	Cofinancing Amount (\$)
GEF Agency	AfDB through the Multi-donor-funded Sustainable Energy Fund for Africa (SEFA)	Cash	26,000,000
GEF Agency	AfDB through the Multi-donor-funded Sustainable Energy Fund for Africa (SEFA)	Investment	35,000,000
GEF Agency	AfDB through the Climate Development in Africa Program	Cash	27,000,000
GEF Agency	AfDB in-kind contribution to project management	In-kind	1,000,000
(select)		(select)	
(select)		(select)	
(select)		(select)	
(select)		(select)	
(select)		(select)	
<b>Total Co-financing</b>			89,000,000

### D. TRUST FUND RESOURCES REQUESTED BY AGENCY, FOCAL AREA AND COUNTRY<sup>1</sup>

GEF Agency	Type of Trust Fund	Focal Area	Country Name/ Global	(in \$)		
				Grant Amount (a)	Agency Fee (b) <sup>2</sup>	Total c=a+b
AfDB	GEF TF	Climate Change	Global	9,090,000	909,000	9,999,000
AfDB	SCCF	Climate Change	Global	5,250,000	525,000	5,775,000

<sup>3</sup> PMC should be charged proportionately to focal areas based on focal area project grant amount in Table D below.

(select)	(select)	(select)				0
(select)	(select)	(select)				0
(select)	(select)	(select)				0
(select)	(select)	(select)				0
(select)	(select)	(select)				0
(select)	(select)	(select)				0
(select)	(select)	(select)				0
(select)	(select)	(select)				0
<b>Total Grant Resources</b>				14,340,000	1,434,000	15,774,000

<sup>1</sup> In case of a single focal area, single country, single GEF Agency project, and single trust fund project, no need to provide information for this table. PMC amount from Table B should be included proportionately to the focal area amount in this table.

<sup>2</sup> Indicate fees related to this project.

**F. CONSULTANTS WORKING FOR TECHNICAL ASSISTANCE COMPONENTS:**

Component	Grant Amount (\$)	Cofinancing (\$)	Project Total (\$)
International Consultants	9,560,000	7,133,000	16,693,000
National/Local Consultants	4,780,000	3,567,000	8,347,000

**G. DOES THE PROJECT INCLUDE A “NON-GRANT” INSTRUMENT? No**

(If non-grant instruments are used, provide in Annex D an indicative calendar of expected reflows to your Agency and to the GEF/LDCF/SCCF/NPIF Trust Fund).

**PART II: PROJECT JUSTIFICATION**

**A. DESCRIBE ANY CHANGES IN ALIGNMENT WITH THE PROJECT DESIGN OF THE ORIGINAL PIF<sup>4</sup>**

A.1 National strategies and plans or reports and assessments under relevant conventions, if applicable, i.e. NAPAS, NBSAPs, national communications, TNAs, NCSA, NIPs, PRSPs, NPFE, Biennial Update Reports, etc.

A pipeline of projects and interventions has been detailed in appendix IV of the AfDB project appraisal report. This the current AfDB project pipeline and will be complemented during the project lifespan in light of new develop following provide details on how those pipeline projects are aligned with country strategies, NAPAs and TNA This is being done for both mitigation projects and adaptation projects respectively (NAPA only considered fo

Indicative adaptation portfolio:

Angola – Institutional support to the urban water sector for integration of climate risk management: Mainstreaming urban planning is increasingly becoming important in the country. In line with the NAPA, the project will pro support implementation of integrated water resources management in urban areas.

Ethiopia – Economic and Sector Work / strategic support for management of climate change risks in the rural water sanitation sector : The NAPA for Ethiopia considers water throughout the activities that are planned to address risks. Therefore, the pipeline project is aligned with the country’s NAPA.

<sup>4</sup> For questions A.1 –A.7 in Part II, if there are no changes since PIF and if not specifically requested in the review sheet at PIF stage, then no need to respond, please enter “NA” after the respective question.

Zambia - Support to the rural water supply and sanitation sector for management of climate change risks and preparatory guideline (component 2&3): This project is aligned with the NAPA for Zambia since water resource management and rural water supply are sectors which require particular attention to cope with climate change adaptation. This is particularly in the context of recurrent drought, which frequency has increased with climate change.

Madagascar - ESWs/strategic support and support for management of climate change risks the rural water supply and sanitation sector (component 2&3) : The management of the water resource, including the supply for human activities (poultry, agriculture, etc...) is a priority of the NAPA for Madagascar. This project, which will enable the identification and testing of relevant technologies for water supply and sanitation sector will therefore contribute to the implementation of the NAPA.

Mali - Institutional support for urban flood management with focus on climate change adaptation and integration of climate change management in project design. : This project is aligned with both the TNA for adaptation and the NAPA. The TNA identifies floods as a key issue to address due to climate change variations and recognizes that specific technologies have been developed and applied. These include mainly technologies for managing ground water.

Namibia - Institutional support for groundwater resources management with focus on climate change adaptation and climate risk management in project design (component 2&3) : Namibia does not have a NAPA. However, groundwater resource management is included as a priority in the TNA for the country.

Southern Africa Region (Multinational) - Support to trans-boundary water resources development and management and climate change adaptation strategy for water in anchored on three measures: water governance; infrastructure and water management. The project will promote principles defined in the strategy through development of relevant infrastructure and support to improving readiness.

Indicative mitigation portfolio:

Sierra Leone - Support the development of the SE4All Action Agenda and the SE4All Investment prospectus: Sierra Leone does not have a TNA. The Government of Sierra Leone adopted in 2013 the Agenda for Prosperity, which includes the mainstreaming of green growth with increased deployment of renewable energy as a priority.

Kenya - Support the development of the SE4All Action Agenda and the SE4All Investment prospectus in partnership with Africa Hub partners : The TNA for Kenya identifies that technology needs for the energy sector. Among these technologies are ranked per priority: solar home systems, solar dryers, non-motorized transport, mini-hydro-s, mass transport, and cogeneration.

Ghana - Support Ghana with developing a fully-fledged SE4All Action Agenda (current Action Plan covers only clean cooking and off-grid dimension) : Ghana was the first country to adopt prior to the Rio+20 Conference a SE4ALL Action Plan with focus on clean cooking, off-grid energy access and electricity for productive uses. Albeit more limited in scope, this demonstrates Ghana's commitment to SE4ALL.

Mali - Strengthening the enabling environment and sharing of knowledge for renewable energy : This project is aligned with the TNA for Mali which acknowledges that the enabling environment including the institutional framework, human resources and regulations have to be improved in order to enhance technology transfer for renewable energy development in the country.



Tanzania - Support the development of the SE4All Action Agenda and the SE4All Investment prospectus : There is Tanzania. The project is aligned with Tanzania's National Development Vision 2025 and the National Strategy Growth and Reduction of Poverty, which identifies the facilitation of a fast uptake of renewable energy source promotion of a rational use of energy and energy efficiency in all sectors of the economy as priorities.

Côte d'Ivoire - Support the development of the SE4All Action Agenda and the SE4All Investment prospectus : The mitigation in Côte d'Ivoire identifies energy as a priority sector. When assessing the technologies and prioritizing of the technologies to be supported is as follows: Kit solar PV, PV pumping systems, small hydro, extension of power plant in combined cycles, energy efficiency in buildings, radiation oven, cogeneration, use of biogas for

Zambia - Support the development of the SE4All Action Agenda and the SE4All Investment prospectus: This project aligned with the TNA for Zambia, which considers renewable energy as a priority and lists the opportunities for renewable energy sources available.

A.2. GEF focal area and/or fund(s) strategies, eligibility criteria and priorities. NA

A.3 The GEF Agency's comparative advantage: NA

A.4. The baseline project and the problem that it seeks to address: ClimDev-Africa is a joint initiative of the African Union Commission (AUC), the United National Economic Commission for Africa (UNECA) and the African Development Bank (AfDB). The Programme has been mandated at regional meetings of African Heads of Government, as well as by Africa's Ministers of Finance, Ministers of Planning and Ministers of Environment. It seeks to overcome the lack of necessary information, analysis and options required by policy and decision makers at all levels.

The ClimDev-Africa Programme is organized into three result areas (or components):

1. Result Area: Widely available climate information, packaging and dissemination; Expected Results: Policy makers across Africa, policy support organizations and the population at large have access to comprehensive and understood climate information; Immediate Beneficiaries: climate, weather and water organizations
2. Result Area: Quality analysis for decision support and management practice; Expected Results: Enhanced scientific capacity producing effective and quality policy-supporting analyses and best practices on different levels (regional to local); Immediate Beneficiaries: Policy support organizations
3. Result Area: Informed decision making, awareness and advocacy; Expected Results: Policy makers in African countries capacitated and making use of best available information and policy and practice recommendations in response to climate change; Immediate Beneficiaries: Policy makers

The Programme will support addressing hydro-meteorological information gap and strengthen use of information for decision making primarily targeting national and regional organizations and policy makers as immediate beneficiaries. The Center will be complementary to the Programme by providing project specific support under component 3. Activities by the Center which are additional to the Programme include: i) provision of downscaled climate information and forecast for project target areas; ii) translate climate information and analysis into project specific implications and ensure necessary measures are incorporated; identify best practices applicable to projects; and supporting countries in access additional climate funding based on needs and eligibility.

A. 5. Incremental / Additional cost reasoning: describe the incremental (GEF Trust Fund/NPIF) or additional (LDCF/SCCF) activities requested for GEF/LDCF/SCCF/NPIF financing and the associated global environmental benefits (GEF Trust Fund) or associated adaptation benefits (LDCF/SCCF) to be delivered by the project:

The project objective remains the same as defined in the Project Identification Form approved by the GEF Council. However, the activities to be undertaken in the framework of this project and the selection of sectors of intervention have been further refined. This has resulted in selecting the energy sector and the water sector for mitigation and adaptation activities respectively for this pilot project. These sectors have been selected due to their cross-cutting characteristics and the Bank's involvement in sector initiatives. For mitigation, the project will be complementary to the Sustainable Energy for All initiative (SE4ALL) for which the Bank hosts the Africa Hub and the Sustainable Energy Fund for Africa (SEFA) as one financing instrument. Specifically, the center will focus on ensuring that the sector planning activities prioritize low carbon, climate change technologies transfer and its correct dissemination. For adaptation, the project will be complementary to Bank activities in the water sector including projects under the African Water Facility (AWF), the Rural Water Supply and Sanitation Initiative (RWSSI) and ClimDev as this trust fund enables to monitor climate impacts on natural resources, such as water. Consequently, and thanks to the selection of two cross-cutting sectors (energy and water) the project activities will have a broader impact including on sectors such as transport, urban development, agriculture and health. Those are all sectors of Bank interventions and priorities for the Bank's regional member countries. The confirmed co-financing through SEFA, ClimDev and an in-kind contribution to project management amounts to a total of \$ 89,000,000, which deviates only marginally from the indicative co-financing amount in the PIF of \$ 95,000,000. The reason for the lower co-financing amounts compared to the PIF is that at PIF stage these amounts were indicative amounts based on assumptions at the time as to the additional donor resources expected to be mobilized. The amounts indicated at GEF CEO endorsement are confirmed amounts. Moreover, the actual co-financing is likely to be higher than the confirmed amounts: (1) because SEFA and ClimDev are expected to raise additional financing in the course of the project implementation – there are ongoing discussions with several donors in relation of SEFA, some of which are likely to materialize over the project implementation timeframe; (2) the Bank is likely to co-finance some of the interventions through its statutory resources.

It is noted that the three components as described below remain the same than as defined in the Project Identification Form. It is only their scope, which has been refined.

#### Component 1: Enhancing knowledge and networking

This component corresponds to component 1 in the PIF which was named “Enhance cooperation with development partners to maximize technology transfer and financing”. As mentioned in the PIF, this component will be divided into two sub-components as follows: 1.1) knowledge transfer and 1.2) networking.

##### Subcomponent 1.1) Knowledge transfer:

For this sub-component (knowledge transfer), activities have been further refined without changing the objective as initially defined in the PIF. These are now the following:

- Analysis of market issues constraining the commercial dissemination of certain technologies, including geothermal, wind and solar energies, waste-to-energy, biomass, biogas, and energy efficiency in the energy sector, and water management in SSA cities;
- Analysis of institutional and organizational frameworks and competencies requirements, and of best practices for technology transfer in SSA;
- Developing a database of existing technologies, cost of technologies and the process for accessing these technologies, including issues related to intellectual property rights;
- Mobilization of climate change and technology transfer financing, and disseminating the modalities for accessing specialized funds (e.g. GCF, CIF, GEF, CDM); and
- Mapping of African climate technology centers, national climate funds and potential public/private sector champions, and development of a roster of experts in the area of technology transfer.

The project does not intend to duplicate work that is already undertaken elsewhere. Cooperation with WIPO especially regarding the aspect of intellectual property rights is being considered, similar to the Asian Development Bank which is a partner of WIPO Green. Similarly, the center will explore opportunities for collaboration with Climatetechwiki CDKN and others. At the same time, the center will focus on specific African experiences and

issues (e.g. importance of local content) in relation to climate technology deployment that are not specifically addressed by global level initiatives.

#### Subcomponent 1.2) Networking:

Scope, objective and activities of this sub-component remain unchanged compared to the PIF, as described in the agency appraisal document.

The center platform will act as market space bringing together different partners interested in climate technology transfer. The platform will offer online collaboration spaces for specific topics where interested stakeholders could directly communicate with “light-touch” moderation by the center. One area of particular focus will be dedicated to financing available for climate technology projects in Africa possibly with a specific finance finder tool. The platform will also include links to other relevant initiatives and databases such as WIPO, Cimatetechwiki, CDKN, etc.

#### Component 2: Enabling the scaling up of technology transfer in policy, institutional and organizational national reforms addressing mitigation and adaptation (country and sub-regional levels)

As for component 1, the component objective and sub components remain the same than as described in the PIF. It will enable the financing of advisory services and capacity building to address barriers related to technology transfer so that appropriate technologies for mitigation and adaptation are considered in projects to be funded by Bank existing instruments in the energy and the water sector respectively.

#### Subcomponent 2.1): enabling sub-regional and country environment for catalyzing low-carbon technology investments (Mitigation):

While the objective and the outcomes expected to be achieved by this sub-component remain the same, the scope of the activities to be implemented has been further refined as per the following:

- Develop/update, and implement national or regional policies and strategies for scaling-up technology transfer in the energy sector;
- Assess and recommend measures to improve the enabling environment for renewable energy and energy efficiency. This would ideally be based on the conclusions of prior efforts carried out by the selected countries: TNAs/TAPs, SE4All Rapid Assessment or similar analysis. Recommended actions could include: the development and implementation of feed-in tariffs for renewable energy, fiscal and other incentives for investment in renewable energy and energy efficiency, assistance with scaling-up of off-grid renewable energy systems, etc.;
- Develop critical implementing instruments, such as laws, implementing decrees, regulatory and financing instruments in the areas of energy efficiency and renewable energy (e.g. energy efficiency in buildings, household appliances labeling program, etc.); Provide support to the establishment of appropriate institutions (e.g. renewable energy/energy efficiency national or regional agencies) and strengthen the capacities of existing institutions, in particular institutions in charge of climate change, to enhance technology transfer in the areas of renewable energies and energy efficiency;
- Support the design and implementation of de-risking instruments/regulations for clean energy investments;
- Support national and regional dialogue on relevant mitigation issues in the energy sector addressing also the issue of technology receptivity.

Activities targeting the development of an enabling environment will also look at modifying the un-enabling environment (e.g. existing subsidies and import duties).

#### Subcomponent 2.2): enabling sub-regional and country environment for catalyzing low-carbon technology investments (Adaptation):

Aligned with the project focus on the water sector as a cross-cutting sector, this sub-component will achieve the same outcome and objective than described in the PIF through the following further refined activities:

- Support countries in conducting national climate change assessments and mainstream adaptation measures in national policies/strategies/programs related to the water sector, such as national rural water and sanitation programs, urban water management policies and national water resources management plans/strategies;
- Identify policy, institutional and organizational roadblocks hindering an integrated approach and sustainability of adaptation measures and provide support/advice for their removal. This will include the activities linked to the “strengthening of existing and needed national and regional centers and information networks for rapid response to extreme weather events, ensuring that information technology is fully considered”.
- Prepare country-tailored guidance documents on climate change adaptation measures and financing opportunities with a focus on water related sectors;
- Improve readiness of communities and local authorities to better manage water resources and climate change impacts through awareness raising, and support to institutional reforms such as decentralization.

Activities for each of the subcomponent described above will be selected by calls for proposals focusing on up-stream/early stage activities that will generate opportunities and crowd-in complementary financing from the Bank’s own instruments (SEFA, AWF) as well as small-scale interventions unlikely to be covered by existing facilities. In order to ensure local/regional ownership, proposals will have to emanate from Sub-Saharan African public sector entities. Eligible proposals will then be evaluated using the following evaluation criteria: (a) investment orientation of the proposal (including public-private partnerships); (b) potential impact on climate change and technology transfer; (c) country commitment demonstrated, for example, by existing national documents such as TNA or similar approved by the Government and national institutions.

The budget for component 2 was increased by 10% by reducing the amount for component 3 proportionately. As component 2 focuses on strengthening the enabling environment, the Bank considered that the amount initially allocated for this purpose was not commensurate to the needs in this field.

### Component 3: Mainstreaming climate change technologies into investments programs and projects

Objective and outcomes of this component remain the same than the ones presented in the PIF. During project preparation leading to the finalization of this CEO endorsement request, the scope has been refined as follows into two subcomponents that are aligned with activities to be undertaken in mitigation and adaptation respectively.

For the sake of clarity and consistency with the AfDB appraisal report and implementation arrangement, this will be aligned with activities in mitigation and adaptation respectively. Nevertheless, outcomes as defined in the PIF remain the same. The following paragraph describes how activities will be implemented for mitigation and adaptation respectively.

#### Mitigation:

For mitigation, two activities were defined in the PIF: 3.1) mainstreaming technology transfer into country development programming, and 3.3) Catalyzing investment in environmentally sound mitigation technologies. These activities remain the same with the nuances brought in the AfDB appraisal report that are linked to the alignment of the project, on the mitigation side, with the SE4ALL initiative. This alignment was carried-out with a view to increase the overall impact of the center. While the first activity described below corresponds to item 3.1) from the PIF, item 3.3) has been distributed into two sub activities which are a) project facilitation and b) mobilization of financing.

- Mainstreaming climate change technologies into investment programs and projects: As mentioned above, energy has been selected as the main sector of intervention given its cross-cutting and strategic focus within AfDB’s

activities. Therefore, the mainstreaming of climate change mitigation technologies will be undertaken through the implementation of the SE4ALL agenda on the continent. In particular, the center will support the implementation of the SE4ALL Actions Agendas (AA) and Investment Prospectuses in selected African opt-in countries as defined in the AfDB project appraisal report.

- Project facilitation (“last mile support”): this will enable to reach a final investment decision and approval of viable projects that would contribute to climate change mitigation. This would inter alia involve expert advice on: resolution of remaining outstanding issues (technical, policy, regulatory, financial, legal and other matters) preventing a final investment decision; addressing project risks and development of a risk mitigation strategy; finalization of the project documentation required for the project to be ready for financing; and identification of best practice examples and relevant experience.
- Mobilization of financing for eligible investment programs and projects contributing to climate change mitigation. This would inter alia involve advice and support on:
  - The most appropriate mix of financing instruments for a project, based on Bank’s experience and best practices;
  - The project financing structure(s) that would most likely ensure mobilization of project financing including domestic and private sector financing;
  - Mobilizing the Bank’s financing instruments and other sources of financing outside the Bank (including public-private partnerships arrangements when feasible) that could readily be deployed.

As far as the indicative mitigation portfolio is concerned as contained in the Annex of the AfDB appraisal report, the following sections provide further information on the additional activities the pilot center is expected to address in relation to the respective countries efforts under SE4ALL. The enabling environment activities identified in the Action Agendas can in turn be supported by SEFA component 3 – for some, e.g. mini-grids; this might be in the form of a programmatic support. Furthermore, renewable energy and energy efficiency projects identified in the Investment Prospectuses could in turn be supported by SEFA components 1 for project preparation activities and/or SEFA component 2 (through the Africa Renewable Energy Fund) for eventual equity participation.

Kenya: Strategic support for the renewable energy and energy efficiency dimension of the SE4ALL Action Agenda and Investment Prospectus development process complementing technical assistance provided by NEPAD and UNDP which do not have a specific climate technology angle. Specifically, the center will address the following additional activities:

- Identify priority activities and potential projects (for inclusion in the Investment Prospectus) related to clean distributed electricity solutions for electrification, which range from island-scale grid infrastructure to mini-grids to individual household systems.
- Focus on the infrastructure necessary to enable the target penetration of renewables and exploit domestic renewable energy resources to best effect including consideration of smart grid projects.
- Identify priority activities and potential projects in shifting to clean cookstoves fuelled by clean fuels such as biogas, solar, or advanced biomass cookstoves building on the work of the Global Cookstoves Alliance in Kenya;

Sierra Leone: Strategic support for the renewable energy and energy efficiency dimension of the SE4ALL Action Agenda and Investment Prospectus development process complementing technical assistance expected to be provided by UNDP and ECOWAS (this funding will be limited and hence the baseline would be an Action Agenda and Investment Prospectus limited in scope and without a particular clean technology angle). Specifically, the center will support the following additional activities:

- Support the consultation process with all relevant stakeholders (Government agencies, development partners, private sector and civil society) in the development of the Action Agenda and Investment Prospectus raising awareness of the advantages of clean technology deployment;
- Provide institutional support to the Sierra Leone SE4ALL focal point and build the capacity of the authorities on clean technology deployment in the energy sector;

- Identify priority activities and potential projects (for inclusion in the Investment Prospectus) related to clean distributed electricity solutions for electrification.
- Identify priority activities and potential projects related to shifting to clean cookstoves fuelled by clean fuels such as biogas, solar, or advanced biomass cookstoves;

Ghana: Ghana adopted an SE4ALL Action Plan in 2012, which provides the baseline. However, the scope of the Action Plan is limited to the off-grid dimension, clean cooking and energy for productive uses, so the center would provide support to Ghana to develop a fully-fledged SE4ALL Action Agenda, specifically addressing issues not covered by the existing Action Plan, notably the energy efficiency dimension:

- Provide process support to the Ghana SE4ALL focal point with the necessary consultations for the Action Agenda development focusing on clean technology deployment in the energy sector;
- Identify priority actions and potential projects (for inclusion in the Investment Prospectus) in the field of buildings and appliances, including retrofitting of the building envelope to decrease consumption incorporating renewable self-generation options, appliance efficiency, lighting, space cooling and heating and refrigeration;
- Identify priority actions and potential projects in industrial and agricultural processes to improve the efficiency of business operations and product design reduce energy consumption and wasteful practices along the value chain; capture and recycle waste heat; as well as use renewable energy sources in industrial and agricultural processes;
- Analyze options for making existing power plants more efficient to decrease GHG emission intensity (e.g. through cogeneration).

Tanzania: Strategic support for the renewable energy and energy efficiency dimension of the SE4ALL Action Agenda and Investment Prospectus development process complementing technical assistance provided by UNDP and possibly other partners (tbc.). The support will also complement an envisaged energy sector policy based operation by the AfDB in 2014. Specifically, the center will support the following additional activities:

- Support the consultation process of all relevant stakeholders (Government agencies, development partners, private sector and civil society) in the development of the Action Agenda and Investment Prospectus raising awareness of the advantages of clean technology deployment;
- Identify priority activities and potential projects (for inclusion in the Investment Prospectus) related to clean distributed electricity solutions for electrification;
- Identify smart grid projects aimed at increasing the share of renewable energy and/or improving system efficiency;
- Identification of priority activities and potential projects in the field of energy efficiency, including in the area of building and appliances, industrial and agricultural processes and transport and supply efficiency;

Mali – The baseline project is a project on strengthening the enabling environment and sharing of knowledge for renewable energy in the context of the “projet d’appui à la promotion des énergies renouvelables au Mali (PAPERM)”. SEFA component 3 is expected to fund the following activities related to the refinement of the institutional framework of the sector, based on experiences to date. Improving the regulatory framework will facilitate the mobilization of private investors. To do this, a unit will be established that can provide targeted advisory support with support of SEFA. The center would finance the following additional aspects:

- Design and implementation of a communication strategy for the promotion of renewable energy in the country, the dissemination and communication of the results of the SREP, including obstacles and best practices to overcome, and support the management of all the knowledge acquired by the program on renewable energy and sharing at local, regional and national level.
- Conduct targeted studies, organizing workshops and consultation to develop spaces for dialogue on clean technology transfer between all stakeholders.

Cote d’Ivoire: Strategic support for the renewable energy and energy efficiency dimension of the SE4ALL Action Agenda and Investment Prospectus development process complementing technical assistance provided by ECOWAS and potential other partners (at this no specific support is confirmed and such co-financing is expected to be limited). Specifically, the center will support the following additional activities:

- Support the consultation process of all relevant stakeholders (Government agencies, development partners, private sector and civil society) in the development of the Action Agenda and Investment Prospectus raising awareness of the advantages of clean technology deployment;
- Provide institutional support to the SE4ALL focal point and build the capacity of Ivorian authorities in the field of clean technology deployment;
- Identification of priority activities and potential projects related to clean distributed electricity solutions for electrification, including technologies identified in the TNA, such as PV pumping systems, small hydro etc.;
- Identification of priority activities and potential projects in the field of energy efficiency, including in the area of building and appliances and industrial and agricultural processes;

Zambia: Strategic support for the renewable energy and energy efficiency dimension of the SE4ALL Action Agenda and Investment Prospectus development process complementing technical assistance provided by other partners (tbc.). Specifically, the center will support the following additional activities:

- Support the consultation process of all relevant stakeholders (Government agencies, development partners, private sector and civil society) in the development of the Action Agenda and Investment Prospectus raising awareness of the advantages of clean technology deployment;
- Identify priority activities and potential projects (for inclusion in the Investment Prospectus) related to clean distributed electricity solutions for electrification;
- Analysis and development of options in relation to the infrastructure necessary to enable the target penetration of renewables and exploit domestic renewable energy resources to best effect;
- Analyze options for making existing power plants more efficient to decrease GHG emission intensity (e.g. through cogeneration).

The Climate Technology Center is complementary to the activities of the Bank's SEFA and in fact increases the bandwidth for SEFA operations, both in project origination as well as testing a wider remit of activities that could inform an expansion of SEFA scope.

As far as the Center's support to projects is concerned (e.g. "last-mile" support under component 3), the center will intervene in support of smaller-scale projects, particularly in the off-grid and mini-grid spheres. These activities are not currently supported by SEFA's project preparation component (component 1) as the intervention threshold is a project size of at least 30 million US\$. By intervening below that level, the center could showcase an intervention model that could later be adopted by SEFA. In fact, SEFA is already receiving many requests for supporting such projects and some of these could be picked up by the Center. This will deliver additional GHG mitigation benefits above what SEFA would have been able to deliver and build the case for expanding SEFA scope in the future. As far as the Center's enabling environment component 2 is concerned, it is complementary to SEFA component 3 in the following ways: (i) the center would intervene further upstream with the identification of needs and early stage advisory to crowd-in additional financing from SEFA. It has to be noted that SEFA component 3 is only activated once the activities to be supported are clearly defined following a needs assessment. For example, the center could provide support to a country to specify the technical assistance needs in relation to advancing energy efficiency in the public sector and assist the country in mobilizing the required resources from SEFA (this could even include some "hand-holding" to prepare the funding application and supervise implementation of activities.). The SEFA Secretariat has only very limited administrative capacity and is therefore not in a position to provide such support beyond a very limited number of countries annually while without such support the experience is that either requests are not being put forward at all or if they are put forward that the quality of the request does not meet the SEFA requirements and that the capacity at country level is too constrained to improve the quality to an acceptable level. Therefore, the center's targeted upstream intervention in some countries will be highly catalytic as it fills a capacity gap at the country level and leverages additional financing from SEFA that otherwise would not materialize; (ii) the center would also support small, rapid and highly targeted interventions, for example, short-term expertise to revise a renewable energy law or to develop an implementing decree (these requests will be below 200,000 US\$ in line with the proposed "framework contract" methodology for the facility). Such type of

interventions are challenging for SEFA to undertake given SEFA's approval procedures. In that sense the center will complement what SEFA can offer.

As far as the Center's support to SE4ALL Action Agendas and Investment Prospectuses is concerned, this support will help to identify concrete activities that can be supported in turn in a programmatic manner through SEFA component 3 (e.g. on mini-grids), as well as identify projects that might require additional project preparation support through SEFA component 1 or equity participation through SEFA component 2 (through the Africa Renewable Energy Fund).

Overall, through the strong complementarity with SEFA, the Center will have a catalytic impact by building a TA pipeline at project and country level, leveraging SEFA funding into Center-initiated activities which will significantly increase the GHG mitigation benefits.

#### Adaptation:

Subcomponent 3.2) Promote and adopt the transfer of relevant adaptation technology remains the same than in the PIF approved by Council. However, the work related to strengthening "existing and needed national centers and information networks for rapid response to extreme weather events, ensuring that information technology is fully considered" has been moved to the sub-component 2.2) of the project as described above.

Overall, in the adaptation sector (financed by the SCCF), the project will support the integration of technologies enabling climate change risk management in the water sector. This will be additional to the baseline scenario consisting of AfDB projects related to the financing of infrastructures in the water sector. The project will therefore bridge the gap between the ClimDev initiative and the projects to be financed by the Bank. While ClimDev will finance projects through regional institutions with the objective of producing climate change related data on the continent and the Bank projects will finance infrastructures in the water sector, the pilot center will enable the establishment of climate change risk management technologies within the Bank financed projects. The pilot center will be additional to the baseline as it will enable the projects to be financed by the Bank in the water to integrate climate change data produced on the continent, including through ClimDev. The additional reasoning for each of the projects identified in the indicative portfolio is detailed further below.

Angola: The baseline project to be financed by the Bank will enable the expansion and rehabilitation of urban water supply and sanitation schemes and capacity building for improved services. Additional to the activities related to this project, the pilot center will enable institutional support to the urban water sector for integration of climate risk management. This will be done through the following:

- Raise awareness and build capacity of the institution to design and implement the project based on the integrated urban water resources management approach, specifically the project will consider watershed management, where appropriate reuse/recycle of treated wastewater, reduction of water leakage and urban flood management with due consideration of climate change impacts.
- Assist the institution to plan infrastructures and improve readiness against climate variability and change impacts using hydro-meteorological information including data generated by ClimDev and results of climate models.

Ethiopia: AfDB will support the construction and rehabilitation of rural water supply and sanitation infrastructures and capacity development of communities. Additional to this, the pilot center will finance the strategic support for management of risks in the rural water supply and sanitation sector. This will be done through the following:

- Support development of climate risk screening tool and technical guideline for rural water point siting and sizing to cope with potential water table variability and flood.
- Capacity development of rural and pastoral communities on water point construction and O&M, watershed management and sustainable use of groundwater for small scale agriculture and livestock.



- Assist government institutions with use of hydro-meteorological information including data generated by ClimDev to better plan and prepare for potential impact of climate change on water resources.

Zambia: AfDB through its water and sanitation department will finance the construction and rehabilitation of rural water supply and sanitation infrastructures and capacity development communities. The pilot center will be additional to this through the supporting of the rural water supply and sanitation sector for management of climate change risks and preparation of a guideline that will:

- Support development of guideline on sustainable groundwater extraction technology with due consideration of climate variability and change impacts.
- Support planning and siting of groundwater monitoring equipment and capacity development on data quality control and data use for planning.
- Support capacity development of rural communities on watershed management and income generation through sustainable use of groundwater for small scale agriculture and livestock.

Madagascar: The Bank will contribute to the construction and rehabilitation of urban and rural water supply and sanitation infrastructure and capacity development of communities. In addition to this project, the pilot center will provide strategic support and support for management of climate change risks to the rural water supply and sanitation sector. In order to do this, the pilot center will:

- Raise awareness and build capacity of the institution to design and implement watershed management and water leakage reduction activities to improve resilience against climate variability.
- Assist the institution to plan infrastructures and improve readiness against climate variability and change impacts using hydro-meteorological information including data generated by ClimDev and results of climate models.
- Support capacity development of rural communities on watershed management and income generation through sustainable use of groundwater for small scale agriculture and livestock.

Mali: the AfDB will support the construction and the rehabilitation of the sewerage system and urban drainage canals.

In addition to this, the pilot center will provide institutional support for urban flood management with a focus on climate change adaptation and integration of climate risk management in project design. This will be done through the following activities:

- Support capacity development of the institutions to plan and design urban drainage/sewerage system based on existing hydro-meteorological information and results of climate model.
- Study relative merit of wastewater reuse/recycle and develop action plan for efficient urban water use.
- Inform land use planning based on flood risks with due consideration of projected impact of climate change.
- Assist the institution to plan their infrastructure and improve readiness against climate variability and change using hydro-meteorological information including data generated by ClimDev and results of climate models.

Namibia: AfDB will support artificial aquifer recharges infrastructures and development of operational procedures. In addition to this, the pilot center will:

- Develop plans for groundwater recharge, wastewater reuse/recycle and leakage reduction to improve resilience against impacts of climate variability and change.
- Support planning and development of groundwater monitoring system and capacity development on data management.
- Assist the institution to plan their infrastructure and improve readiness against climate variability and change using hydro-meteorological information including data generated by ClimDev and results of climate models.

Southern Africa Region (Multinational): AfDB will support the implementation of a transboundary water resources development and management project. Additional to this, the pilot center will contribute to the following:

- Design multi-purpose water use infrastructure with due consideration of climate risks based on existing hydro-meteorological information and results of climate model.
- Assess impact of climate change on water resources and prepare operational manual to cope with extreme droughts and floods.
- Support planning and development of hydro-meteorological monitoring system and capacity development on data management and sharing with riparian countries.
- Assist the basin organization to plan and improve readiness against climate variability and change using hydro-meteorological information including data generated by ClimDev.

A.6 Risks, including climate change, potential social and environmental risks that might prevent the project objectives from being achieved, and measures that address these risks: NA

A.7. Coordination with other relevant GEF financed initiatives

The agreements under the United Nations Framework Convention on Climate Change (UNFCCC), including the Bali Action Plan and Cancun Agreements, emphasize the use of finance, technology, and capacity building as key tools to mitigate and adapt to climate change. The Conference of the Parties to the UNFCCC, by its Decision 1/CP.16, established a Technology Mechanism comprising a Technology Executive Committee and a Climate Technology Center and Network (CTCN). In March 2012, the GEF set aside funds to support the establishment of regional climate technology centers and networks with regional multilateral development banks. The Bank submitted a proposal to establish the ACTFCN through the two above mentioned grants. This proposal was approved in the June 2012 GEF Council. Other regional pilot centers are in the process of being created respectively by the European Bank for Reconstruction and Development (EBRD) for Europe and North Africa, the Asian Development Bank (AsDB) for Asia and the Pacific, and the Inter-American Development Bank for the Caribbean, Central and Latin America.

No formal agreement will be made with the CTCN. However, activities will be coordinated with the CTCN to the extent possible in order to ensure that synergies are realized when possible.

The Bank hosts the Africa Hub of the Sustainable Energy for All (SE4All) Initiative with its triple objectives until 2030 of (1) ensuring universal access to modern energy services in particular access to electricity services and to clean cooking solutions; (2) doubling the global rate of improvement in energy efficiency; and (3) doubling the share of renewable energy in the global energy mix. The latter two of these objectives are directly linked to the objectives of the Centre. The President of the AfDB serves on the Initiative's Advisory Board. In order to respond to this commitment the Bank seeks to align its operations and existing instruments towards these objectives. In this sense the Bank has recently expanded the Sustainable Energy Fund for Africa (SEFA) from a single to a multi-donor trust fund with the creation of a third component for enabling environment activities. This will allow SEFA to better align with the SE4All Initiative and support many of the soft activities arising out the AfDB-hosted SE4All Africa Hub, such as capacity-building and sector planning for public sector counterparts. The GEF-funded Climate Technology Finance Center and Network will also contribute to this effort and will focus on ensuring that the sector planning activities prioritize low carbon, climate change technologies transfer and its correct dissemination.

In relation to the water sector, the Bank hosts the African Water Facility (AWF), whose strategic priority activities are:

- (1) preparing investment projects to mobilize investment funds for projects supported by AWF;
  - (2) enhancing water governance to create an environment conducive for effective and sustainable investments;
  - (3) promoting water knowledge for the preparation of viable projects and informed governance leading to effective and sustainable investments.
- AWF-financed projects mainstream climate change by (1) considering climate change impacts in national and transboundary integrated water resources management processes; (2) strengthening the

adaptive capacity of key water sector stakeholders; (3) establishing hydro-meteorological information and management systems to reduce uncertainties and knowledge gaps; (4) improving the governance of planning and decision making; (5) building resilience of water supply and sanitation; and (6) introducing appropriate agricultural and land management practices to improve both productivity and resilience to climate change. The Bank also launched and hosts the Rural Water Supply and Sanitation Initiative (RWSSI), a pan-African partnership to respond to rural water supply and sanitation challenges in Africa. The strategic thrust of RWSSI addresses climate change as one of the four key areas of focus.

## **B. ADDITIONAL INFORMATION NOT ADDRESSED AT PIF STAGE:**

B.1 Describe how the stakeholders will be engaged in project implementation.

The main stakeholders of the pilot ACTCFN are outlined below.

Lead Agency: AfDB is the GEF Implementing Agency responsible for the design and implementation of the project.  
Regional Political and Economic Organizations: Economic Community of West African States (ECOWAS), Council of Economic Unity (CAEU), Southern African Development (SADC), East African Community (EAC), United Nations Economic Commission for Africa (UNECA) Capital Funds, Technology market place operators, technology buyers/sellers, Private developers (public and private), DMC line agencies/ministries, Technology centers/institutes. Regional agencies, APERC. Stakeholders who have an active role in the design of climate change policies at sub-regional level implement project and are an integral part of project activities.

Climate and Technology African Centers and Networks: Ecowas Regional Centre for Renewable Energy and Energy (ECREEE), Energy, Environment and development (ENDA), Agro-Meteorology and Hydrology Centre (AGRHYM), African Centre for Meteorological Applications for Development (ACMAD), the African Climate Policy Centre (ACC), Drought Monitoring Centre (DMC), the Congo Basin Forest fund (CBFF), the Climate Risk Management and Adaptation (CRMA), the IGAD Climate prediction and Application Centre (ICPAC), the Food, Agriculture and Natural Resources Analysis Network (FANRPAN), Energy, Environment and Development Network for Africa (AFREPREN), etc. These are stakeholders with whom the project will seek active cooperation and coordination (e.g. in avoiding duplicating research work) or which will be entrusted with the implementation of various activities under the Project's components.

International Climate and Technology Centers and Networks: World Agro-Forestry Centre (ICRAF), Renewable Energy Efficiency Partnership (REEEP), International Renewable Energy Agency (IRENA), Climate Technology Innovation Private Financing Advisory Network (CTI-PFAN), International Partnership for Energy Efficiency Cooperation (IPEEC). These are stakeholders with whom the project will seek active cooperation and coordination (e.g. in avoiding duplication or other work) or which will be entrusted with the implementation of various activities under the Project's components.  
Financing Institutions and bilateral organizations / African Sub-Regional Development Banks (DBSA, BOAD, EAC Development Banks, Bi-lateral Agencies (AFD, KfW, USAID, GIZ, etc), International Financial Institutions (World Bank, EBRI, etc. These are stakeholders who have an active role in the design of financial mechanisms, schemes and instruments that help in fostering climate investments.

International Financial Institutions: World Bank, EBRD, IFC, EIB, etc. These are stakeholders who have an active role in the design of financial mechanisms and tools that would help in fostering climate investments and in providing funding for appropriate instruments.

Other International Organizations, Agencies and Initiatives: International Energy Agency (IEA), United Nations Agency for Human Settlements (UN-Habitat), UNIDO, UNFCCC). These are stakeholders with whom the project will seek active cooperation and coordination, supporting the creation of enabling environments in African countries.

SE4All Global Facilitation Team and Thematic Hubs and SE4ALL partners including their facilities: The Global Facilitation Team of SE4ALL is hosted in Vienna. The GFT is supported by several thematic and regional Hubs. The Bank hosts a Hub which objectives are directly linked to the objectives of the Centre. In addition several SE4ALL partners have specific initiatives and funds in support of SE4ALL. For example, the European Commission has launched a SE4All complementing additional funds for investments that will be implemented inter alia through the EU-Africa Infrastructure Fund.

Civil Society and national stakeholders (see below for more information) : NGOs, academia, national research centers, profit associations, private entrepreneurs and developers, etc. Stakeholders who will be the targets for knowledge activities.

#### National stakeholders:

- National climate change focal points and staff from national/regional climate change offices/departments: as contact persons/institutions of their country in the UNFCCC process and for coordinating all national climate change issues, they will directly benefit from the project activities and will be instrumental in raising awareness, disseminating information and leading the government institutions to adopt the necessary strategies, policies and regulations for climate technology transfer.
- Line Ministries and related institutions: they will directly benefit from the project activities and play a key role in developing and implementing the enabling conditions and incentives for climate technology transfer, both for mitigation and adaptation.
- National Bureaus of Standards: as the leading institutions for the improvement of national standards and will be directly involved in normative activities under the project components and play a key role to certify climate technologies, promote consumer acceptance e.g. by requiring energy-efficiency labels for appliances or setting-up minimum energy requirement or building codes.
- Public investment agencies and funds, and related investment entities: they will directly benefit from the project and play a key role in providing investments for project development and implementation phases.
- Private sector especially through the private sector technology developers and vendors, utilities, industries, installers: they will directly benefit from the project activities and play a key role in developing and implementing the deployment of ESTs.
- Private investors, banks and other financial institutions: they will directly benefit from the project activities and play a key role in providing investments for project development phase and implementation phase for the improvement and deployment of ESTs.
- Professionals, project developers, project engineers, technical institutions, technology laboratories and centers of excellence, universities and colleges, technical and social society NGOs: they will directly benefit from the project and provide support, advice and expertise for policy, market mechanisms and project development.
- In-country development partners/donor community: advocacy and investments for national priority projects for project development and implementation (including for the development and implementation of enabling policy regulations).

Since the PIF, it has never been planned that the project would have to coordinate with NDEs. However, it is proposed that NDEs of respective countries of intervention be informed about the project's operations to be financed once approved.

It is expected that the institutions that are also member of the consortium chosen for hosting the CTCN be part of the project. Also, given the process for generating knowledge through call for proposals as outlined in component 1, such institutions will respond to these calls for proposals and contribute to the knowledge production to be generated within the project. The CTCN will be a tool for enhancing the dissemination of locally developed technologies and reach out to investors for potential investments.

#### B.2 Describe the socioeconomic benefits to be delivered by the Project at the national and local levels, including consideration of gender dimensions, and how these will support the achievement of global environment benefits (GEF Trust Fund/NPIF) or adaptation benefits (LDCE/SCCF):

The Project will pay careful attention to social and socioeconomic benefits, including gender issues and, wherever possible, give preference to facilitating the transfer of technologies that will directly benefit women. Potential social benefits and other co-benefits will be identified and monitored during the implementation of the project. To the largest possible extent, the project will seek to maximize these associated social and socioeconomic benefits.

In general, the implementation of adaptation investments as well as the deployment of mitigation technologies can improve the quality of life, especially of the poorest and most vulnerable segments of society. Both mitigation and adaptation technologies can help to address problems faced by the poor and vulnerable. For example, the project

will cover technologies that provide basic services such as access to energy and clean water supplies to communities that have no access to commercial energy or good quality water resources, such as slum dwellers and remote rural communities. Most adaptation technologies will also address important climatic impacts that tend to fall more heavily on the poor as well as directly addressing aspects of poverty itself. For example, flood protection and disease prevention address external shocks, which can often be a cause of poverty and to which poor people tend to be more vulnerable. Some mitigation and adaptation technologies, in land use, agriculture and water use allow more efficient resource use and management, and promote sustainable resource use practices and poverty reduction. Examples may include new crop varieties, drip irrigation techniques, new types of fertilizer and the introduction of no-till or low-till technologies in agriculture.

Some climate technologies promoted by the project are also likely to have positive gender impacts, through addressing household water and energy needs and so addressing the burden placed upon women by these household roles. For example, renewable energy-based cooking stoves could improve infant and maternal health due to decreased indoor air pollution, and with greater efficiency, they would also reduce the need for women to collect fuel-wood, thus giving women more time to engage in more productive economic activities. Similarly, technologies leading to the provision of clean water supplies for households would reduce both the disease burden and the time taken for women to collect water. Adopted technologies that reduce risks from climate-related disasters will benefit women directly, as they are disproportionately victims of such events.

The project will contribute to economic growth and poverty reduction in Sub-Saharan Africa (SSA), for example, by helping RMCs in embracing the potential of renewable energies and harnessing the potential of significant energy efficiency savings. These will have positive impacts resulting in increased energy access for households and businesses. Activities to be undertaken in the water sector will yield substantial positive effects at the household level in terms of health but also in terms of revenues by reducing the risk of unpredictable precipitation through improved water resources management techniques

B.3. Explain how cost-effectiveness is reflected in the project design:

The project has been designed to ensure cost effectiveness of GEF funds and the mobilization of co-financing for the activities. This has been achieved by (i) Leveraging current baseline activities being undertaken, such as building on SE4ALL/SEFA and AWF/RWSSI/ClimDev for mitigation and adaptation activities respectively, as well as on other initiatives such as the TNAs for instance; (ii) Mobilizing private sector investment in ESTs, by supporting the development of a conducive policy context and through addressing search and transaction costs associated with EST transfer; and, (iii) Ensuring that activities carried-out as part of the project have sustainable and long term impacts through integration with broader policy, planning and financing mechanisms. Finally, cost-effectiveness will also be demonstrated through increased private sector participation.

The project will concentrate on relatively early stage technologies (post pilot demonstration stage/pre-diffusion stage technologies). This means that unit costs for technologies are likely to be higher than for technologies that may have otherwise been used. While short term costs may therefore be higher, the project is expected to reap benefits in the medium and long term as superior climate technologies promoted through the project become more widely disseminated and fall more rapidly in price as a result. Therefore, from the medium term onwards the project is expected to be much more cost-effective than projects with a focus on short term results and incumbent technologies. Project economic and financial benefits will accrue at the global, regional and national levels and across a wide range of sectors (energy, agriculture, water, health, natural resources and economic infrastructures are among the most important) of SSA countries thanks to the cross-cutting nature of the two main sectors of intervention: energy and water.. Direct beneficiaries will be public and private institutions in SSA involved in either energy sector mitigation or water sector adaptation activities. For

such project, the usual indicators of project net economic and financial benefits (NPVs, EIRRs, and FIRRs in particular) cannot be quantified in a meaningful way. In terms of expected direct impacts and indirect impacts from the medium term onwards the project is expected to be highly cost effective and represent excellent value for money.

### **C. DESCRIBE THE BUDGETED M & E PLAN:**

The M&E processes for the project will follow all standard AfDB and GEF procedures for monitoring, evaluation and reporting. This will include annual project implementation reports and auditing, and mid-term and terminal evaluations. Given the short timeframe of the project, it is however suggested that the mid-term evaluation would be only a mid-term review. Objective, outcome, output and activity indicators will be monitored as described in the project framework (Annex A). An outline plan and budget for M&E activities to be conducted are given in the table below. Details of the M&E framework will be developed at project inception and will include further definition of baselines, indicators and performance metrics to evaluate progress by 2016, specifically if the project is on track to meet its goals (e.g. emission reduction, technology diffusion, adaptation benefits). Examples of indicators are amount of investments mobilized and leveraged financing, number of investment plans integrated with climate technology considerations, number of projects assisted with technology options assessments, etc, along with micro indicators targeting environmental benefits such as amount of primary energy saved or amount of energy produced from renewable energy sources.

Inception report: Following project start-up

- Report prepared following inception meeting
- Will detail annual work plan for the first year. As well as a broader overview work plan for the whole implementation period.
- Will include details of M&E and reporting activities, meetings of the steering committee and other project management activities
- Will include more detail on the responsibilities of the respective agencies, budgets and more detail on project implementation mechanisms

Cost: USD 2000

Financial reports: Two reports for any given year (July 31 and January 31) and last progress & Financial Report (Final report) within 60 days of project closure

- Part of AfDB procedures for project monitoring (based on Financial Procedures Agreements with the GEF Trustee).
- Detailed progress reports and financial reports with justification of any change (if required).

Cost: none

Progress reports: Semi-Annual reports

- Part of AfDB procedures for project monitoring (based on Financial Procedures Agreements with the GEF Trustee).
- Detailed progress reports and financial reports with justification of any change (if required).

Cost: USD 4000

Annual Project Report: Annually

- Analyses project performance over the year.
- Describes constraints experienced in the progress towards results and the reasons
- Describes the annual work plan and the detailed budget that have been conducted.
- Makes clear recommendations for future orientation in addressing any key problems.

Cost: USD 2000

Project Implementation Report (PIR): annually

- Annual preparation of PIR following GEF guidelines

Cost: none

Midterm independent review: At the midpoint of project implementation

- Determine progress being made towards the achievement of outcomes and identify course corrections if needed.
- Focus on the effectiveness, efficiency, and timeliness of project implementation; high-light issues requiring decisions and actions; and present initial lessons learned about project design, implementation, and management.

Indicative cost: USD 40 000

Project final report: Last three months of project implementation

- Comprehensive report summarizing all activities, achievements, lessons learnt, objectives met or not achieved, structures and systems implemented, etc.
- Lay out recommendations for any further steps that may need to be taken to ensure sustainability and replication of the project activities.

Indicative cost: USD 10,000

Terminal Evaluation Report (TER): Three months prior to the end of the project

- To follow GEF requirements for TERs
- Focus on the same issues as the midterm evaluation.
- Look at the impact and sustainability of results, including the contribution to capacity development and the achievement of global environmental goals.

Indicative cost: USD 40,000

**PART III: APPROVAL/ENDORSEMENT BY GEF OPERATIONAL FOCAL POINT(S) AND GEF AGENCY(IES)**

- A. RECORD OF ENDORSEMENT OF GEF OPERATIONAL FOCAL POINT(S) ON BEHALF OF THE GOVERNMENT(S):**  
 (Please attach the [Operational Focal Point endorsement letter\(s\)](#) with this form. For SGP, use this [OFP endorsement letter](#)).

NAME	POSITION	MINISTRY	DATE (MM/dd/yyyy)
NA	NA	NA	

**B. GEF AGENCY(IES) CERTIFICATION**

This request has been prepared in accordance with GEF/LDCF/SCCF/NPIF policies and procedures and meets the GEF/LDCF/SCCF/NPIF criteria for CEO endorsement/approval of project.
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Agency Coordinator, Agency Name	Signature	Date (Month, day, year)	Project Contact Person	Telephone	Email Address
Ignacio Tourino		02/07/2014	Daniel Schroth	+216 71 10 15 64	d.schroth@afdb.org



**ANNEX A: PROJECT RESULTS FRAMEWORK** (either copy and paste here the framework from the Agency document, or provide reference to the page in the project document where the framework could be found).  
Please refer to result framework in agency project document

**ANNEX B: RESPONSES TO PROJECT REVIEWS** (from GEF Secretariat and GEF Agencies, and Responses to Comments from Council at work program inclusion and the Convention Secretariat and STAP at PIF).

i) GEF Secretariat:

Comment #9: By CEO Endorsement, as the proposed demonstration activities under Outcome 3.3 have been defined in greater detail, please describe their alignment with NAPAs, as well as the appropriate adaptation technologies identified in TNAs and National Communications.

Response: This information has been compiled in section A.1 within tables prepared for the mitigation and the adaptation portfolio respectively.

Comment #10: As for the sustainability, particularly of Outcome 2.2 on policies and regulation, please describe in greater detail, by CEO Endorsement, how the proposed project would catalyze the integration of relevant adaptation technologies in national policies and investment plans, and how the project would contribute towards the sustainable implementation of such policies and plans.

Response: As described in section A.5, relevant adaptation technologies will be integrated in national policies and investment plans through the mainstreaming of such measures in national policies/strategies and programs related to the water sector, such as national rural water and sanitation programs, urban water management policies and national water resources management plans/strategies.

Comment # 11: The baseline program is adequately described at this stage. Yet, by CEO Endorsement, kindly specify the nature of the decision support tools to be developed, the capacity building to be provided, and the pilot projects to be implemented under the framework of ClimDev in order to better describe the interface between the baseline program and the activities proposed for SCCF-B financing. Moreover, as the SCCF-B grant will support the demonstration of adaptation technologies in the context of AfDB other investments, these investments should be identified and included in the project baseline and co-financing by CEO Endorsement.

Response: The pipeline for adaptation is detailed in appendix IV of the AfDB project document and alignment of each of the projects considered in the pipeline has been detailed in section A.1. This pipeline focuses on water resources management projects. While ClimDev will provide the necessary data to assess climate change impacts on natural resources including water, the AfDB water sector activities (including AWF, RWSSI and AfDB lending portfolio in the water sector) will finance the investments needed to increase water access throughout the continent. The project will be additional in the sense that the SCCF funding will enable to implement and mainstream appropriate adaptation technologies within the Bank portfolio. While components 2 and 3 of SCCF funding will enable removing barriers and financing the implementation of such technologies, component 1 (knowledge and network) will enable to better disseminate such approaches across the Bank portfolio and the continent.

For further details on baseline and additional reasoning, please refer to GEF Council member (USA) comment response.

Comment #13: With respect to the integration of relevant adaptation technologies in other AfDB investments, please provide further details of the relevant baseline projects and the nature of the SCCF-B support by CEO Endorsement. (see also Section 11 above)

Response: SCCF funds will finance the technology component of water sector projects that are part of the AfDB Climate Change Action Plan. This pipeline of investment is detailed in appendix IV of the Ban report.

Comment #17: By CEO Endorsement, kindly provide further information as to how the proposed finance center and technology network would reach out to stakeholders at the community level with a view of gathering, disseminating and strengthening indigenous and local knowledge, particularly on technologies for climate-resilient rural livelihoods.

Response: Within component 1, this will be done by constituting a mailing list including stakeholders that are working at the community level for dissemination of knowledge products and best practices by liaising with the executing agencies of the Bank financed projects in all relevant sectors. Also, the projects considered within the pipeline for adaptation are part of the Bank portfolio and hence, they will reach stakeholders at the community level since Bank procedures require that such stakeholders are being consulted throughout the project cycle.

Comment #19 : Coordination with other related initiatives is adequately described for this stage of project development. As noted in the PIF, further detail in this regard will be provided by CEO Endorsement.

Response: The project will be aligned with the Sustainable Energy for All initiative (SE4ALL) for mitigation activities and the African Water Facility (AWF) and the Rural Water Supply Initiative (RWSSI). All these initiatives have received the buy-in from RMCs authorities. SE4ALL is a UN led global initiative to which to date 42 African countries have expressed interest to participate and for which the AfDB hosts the Africa Hub. AWF and RWSSI are trust fund managed by the Bank in order to respond to the need for increasing water access across the continent, and endorsed by African Heads of States.

Comment # 25: By CEO Endorsement, please include co-financing associated with the AfDB investments towards which outcomes 3.3 and 3.4 would contribute. (see also Section 11 above)

Response: For outcome 3.3 (mitigation), the co-financing is equivalent to the funds mobilized through SEFA components 1 and 2 (project investments). This amounts to USD 50 million.

For outcome 3.2 (adaptation), the pipeline projects are identified in appendix IV of the AfDB report. The baseline linked to adaptation technology has been estimated at USD 30 million.

ii) Components submitted by GEF Council members on the work program approved by the Council in June 2012

USA comments:

In "Section B.1, Description of baseline activities," the Agency describes that the baseline project will: (i) promote policies that incentivize adaptation in key sectors and mainstream climate change into key sector policies and regulations; (ii) mainstream technology transfer into country development programming by integrating climate analyses into country programming cycles; and (iii) promote and adopt the transfer of relevant adaptation of technology.

RESPONSE: Please refer to responses below.

In "Section B.2, Incremental/Additional Cost Reasoning," the Agency describes that SCCF funding will enable it to undertake: (i) successful demonstration; deployment, and transfer of relevant adaptation technology in targeted areas; (ii) enable the environment to support adaptation related technology transfer by supporting companies with climate resilient technology products; and (iii) catalyze investments for the deployment of relevant adaptation technologies through the baseline project.

RESPONSE: Please refer to responses below.

We request that the Implementing Agency more clearly describe the baseline project and how SCCF funded activities will help strengthen, specifically, the resilience of the baseline project to the potential adverse impacts associated with climate change. As it stands, it is unclear how the activities under Sections B.1 and B.2 differ from one another.

RESPONSE: The baseline for the activities financed by the SCCF under this project are i) the support the Bank provides to regional institutions to produce relevant climate data in order to reduce uncertainty around climate change variations and ii) the AfDB Climate Change Action Plan (CCAP) through financing of projects aiming at strengthening water resources management through various instruments (African Water Facility, Rural Water Supply and Sanitation Initiative, and the Bank statutory resources – African Development Fund and African Development Bank). In this framework, some pipeline projects have been identified (see appendix IV in AfDB report). These projects will be financed by the Bank under the framework of item ii). When preparing these projects, the Bank will apply its integrated safeguards system, which identifies the main risks and opportunities to climate proof investments and the main climate change risks within the sector. However, this process does not identify and appraise the following:

- Specific climate change technologies and innovations;
- Their associated cost;
- The barriers that need to be tackled to implement those technologies into the sector and the project;
- The potential sources of co-financing.

The SCCF funding will be additional to the baseline in undertaking these four activities and therefore ensuring relevant climate technologies are implemented.

In addition, we note that the STAP review of this PIF also underscored the importance of strengthening the adaptation elements of this project during the next phase. The United States requests the Agency to provide a stronger description of the adaptation activities in the next phases. Will the Agency use SCCF funding, for example, to incorporate climate information into decision-making of key sectors, conduct climate risk and impact assessments of key sectors and sector

policies, raise awareness and build capacity of decision-makers in key sectors, undertake cost-benefit analyses of various adaptation options, etc.?

RESPONSE: Activities for adaptation to be financed by the SCCF are described in sections 2.1.5, 2.1.6, 2.1.9 and 2.1.13 of the AfDB report. Further details have been provided in section A.5 of this CEO endorsement request.

Finally, we note that the Agency describes how, with SCCF funding, it will strengthen existing national and regional centers and information networks for rapid response to extreme weather events. We request that the Agency, in developing the proposal, target the demonstration, deployment, and transfer of adaptation technologies that reduce risk and minimize the impact of extreme weather events, rather than strengthen ex-post emergency response.

RESPONSE: This has been described in sections 2.1.5, 2.1.6, 2.1.9 and 2.1.13 of the AfDB project report.

### iii) STAP

1. Selection of technologies and Universal power supply: The PIF provides criteria for selecting the projects for GEF support, largely based on financial indicators. There is a list of technologies given for different regions of Africa as an indicative pipeline. It is not clear what criteria were adopted for selecting these technologies. STAP suggests developing criteria for selecting technological interventions based on indicators such as capacity to address the issue of "energy access", mitigation potential, and ability to meet the energy needs to promote "universal power supply", cost-effectiveness, etc. The PIF doesn't address how universal power supply would be achieved, even though the PIF notes that this is one of the broad goals.

AFDB response at PIF stage: This comment will be considered at CEO endorsement. The pipeline of projects identified in the PIF includes projects in the renewable energy sector including technologies that meet all the criteria mentioned by STAP.

AFDB response at CEO endorsement: The support to universal energy access is a key dimension of the climate technology center as outlined in the Bank's appraisal report. The alignment with the SE4ALL Initiative whose first objective is universal energy access will ensure that support to renewable energy and energy efficiency projects under the center will consider the impact on energy access. Furthermore, the envisaged support to the development of SE4ALL Action Agendas and Investment Prospectus at country level will address the energy access objective in conjunction with the renewable energy and energy efficiency objectives paying particular attention to the direct interdependencies between them.

2. Barriers: The PIF mentions only financial barriers. Assuming all financial barriers are addressed, what if other barriers become apparent? A thorough analysis of barriers is suggested to ensure all the barriers related to promoting the strategy and technology packages identified are addressed.

AFDB response at PIF stage: In fact, the programme is meant to support the development of renewable energy projects that cannot materialize currently because of the lack of appropriate financing. The program has been designed considering the assumption that other barriers such as the ones linked to the enabling environment are addressed through the activities that the AfDB and other relevant partners are undertaking in the sector through their support to National Governments.

AFDB response at CEO endorsement: The Bank's appraisal report demonstrates that the center will address both dimensions: component 2 will specifically focus on the enabling environment for deployment of renewable energy and energy efficiency addressing legal, regulatory and policy barriers complementing existing AfDB instruments. Moreover, enabling environment considerations are an essential dimension of the support envisaged under component 3 to national strategy documents (e.g. SE4ALL Action Agendas). Component 3 also addresses some of the financing barriers faced by renewable energy and energy efficiency projects.

3. Risks: The potential costs of power supply to end users' needs to be addressed, particularly if the goal is as stated includes provision of universal power supply:

AFDB comment at PIF stage: This comment will be addressed in the CEO endorsement. Projects under this program will benefit from the same level of due diligence than projects to be financed through the AfDB private sector window. During this process, the AfDB pays particular attention to the regulatory framework in respect to this project in order to ensure that end users beneficiaries benefit from an appropriate energy price that is both meeting their needs and the requirements for financially viable project.

AfDB comment at CEO endorsement: The AfDB appraisal document clearly specifies that financial support for projects under component 3 will be evaluated based on several evaluation criteria including the availability of an initial assessment indicating technical, economic, commercial/financial and environmental and social soundness of the proposed investment project. The impact of proposed technology options on end-user prices and affordability will be part of the AfDB due diligence of proposals in line with the Bank's policies and procedures.

**ANNEX C: STATUS OF IMPLEMENTATION OF PROJECT PREPARATION ACTIVITIES AND THE USE OF FUNDS<sup>5</sup>**

A. PROVIDE DETAILED FUNDING AMOUNT OF THE PPG ACTIVITIES FINANCING STATUS IN THE TABLE BELOW:

PPG Grant Approved at PIF:			
<i>Project Preparation Activities Implemented</i>	<i>GEF/LDCF/SCCF/NPIF Amount (\$)</i>		
	<i>Budgeted Amount</i>	<i>Amount Spent To date</i>	<i>Amount Committed</i>
<b>Total</b>	0	0	0

<sup>5</sup> If at CEO Endorsement, the PPG activities have not been completed and there is a balance of unspent fund, Agencies can continue undertake the activities up to one year of project start. No later than one year from start of project implementation, Agencies should report this table to the GEF Secretariat on the completion of PPG activities and the amount spent for the activities.

**ANNEX D: CALENDAR OF EXPECTED REFLOWS (if non-grant instrument is used)**

Provide a calendar of expected reflows to the GEF/LDCF/SCCF/NPIF Trust Fund or to your Agency (and/or revolving fund that will be set up)

NA



**AFRICAN DEVELOPMENT  
BANK GROUP**

**Country:           Multinational**

## **PROJECT APPRAISAL REPORT**

*Date: April 2014*

### **PROJECT: PILOT AFRICA CLIMATE TECHNOLOGY FINANCE CENTER AND NETWORK (ACTFCN)**

<b>Project Team</b>	Team-Leader	Mr. Daniel SCHROTH	Energy Specialist	ONEC 0	1564
	Team Members	Mr. Sébastien DELAHAYE	Climate Change Expert	ONEC 3	2370
		Mr. Hikaru SHOJI	Water and Sanitation Engineer	OWAS 2	1283
		Ms. Faith KAMAU	Legal Counsel	GECL 1	3695
		Mr. Ashraf Hussein AYAD	Procurement Expert	ORPF 1	3041
		Ms. Ghada ABUZOID	Procurement Expert	ORPF 1	2234
		Mr. Eshetu LEGESSE	Financial Management Specialist	ORPF 2	2355
		Mr. Abayomi AYODABO	Financial Accountant	FFCO 1	2631
		Ms. Kelello NTOAMPE	Environmentalist	ONEC 3	2707
		Sector Director	Mr. Alex Rugamba		ONEC
Regional Director	Mr. Franck PERRAULT		ORWB	2036	

<b>Peer-Reviewers</b>	Mr. Ignacio TOURINO, Environmentalist, ONEC 3 Ms. Maimuna NALUBEGA, Water and Sanitation Engineer, OWAS 2 Mr. Monojeet PAL, Investment Officer, ONEC 0 Mr. Yogesh VYAS, Consultant, CCCC
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### Appendices

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- II. List of SE4All Opt-in countries
- III. Project Implementation Core Team and Roles and Responsibilities
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## **Currency Equivalents**

*As of October 2013 (Appraisal)*

UA 1 = USD 1.48854

## **Fiscal Year**

1 January – 31 December

## **Weights and Measures**

1 metric tonne	=	2204 pounds (lbs)
1 kilogramme (kg)	=	2.200 lbs
1 metre (m)	=	3.28 feet (ft)
1 millimetre (mm)	=	0.03937 inch (“)
1 kilometre (km)	=	0.62 mile
1 hectare (ha)	=	2.471 acres

## Acronyms and Abbreviations

ACTFCN	Africa Climate Technology Finance Center and Network	NDE	National Designated Entity
ADF	African Development Fund	NEPAD	New Economic Partnership for African Development
AfDB	African Development Bank	NGOs	Non-Governmental Organisations
AA	Action Agenda	ONEC	Energy, Environment and Climate Change Department
AU	African Union	PIF	Project Identification Form
AWF	African Water Facility	PRSP	Poverty Reduction Strategy Paper
CCAP	Climate Change Action Plan	RDBs	Regional Development Banks
CDKN	Climate & Development Knowledge Network	RECs	Regional Economic Communities
CEMAC	Economic and Monetary Community of Central Africa	RMCs	Regional Member Countries
CIF	Climate Investment Funds	RWSSI	Rural Water Supply and Sanitation Initiative
ClimDev	Climate for Development Initiative	SADC	Southern African Development Community
CTCN	Climate Technology Center and Network	SCCF	Special Climate Change Fund
EAC	East African Community	SEFA	Sustainable Energy Fund for Africa
ECOWAS	Economic Community of West African States	SE4All	Sustainable Energy for All Initiative
ECREE	ECOWAS Center for Renewable Energy and Energy Efficiency	TNA	Technology Needs Assessment
EST	Environmentally Sound Technology	TAP	Technology Action Plan
GEF	Global Environment Facility	UNDP	United Nations Development Program
GHG	Greenhouse Gas	UNEP	United Nations Environment Program
IP	Investment Prospectus	UNFCCC	United Nation Framework Convention on Climate Change
IPCC	Intergovernmental Panel on Climate Change	USD	United States Dollar
NAMAs	National Appropriate Mitigation Actions	WIPO	World Intellectual Property Organization

## Grant Information

### Client's information: Multinational Project

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<b>BORROWER:</b>	N/A
<b>EXECUTING AGENCY:</b>	The African Development Bank

### Financing plan

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Source	Amount (USD)	Instrument
GEF Grant	14,340,000	GEF Grant
<b>TOTAL COST</b>	<b>14,340,000</b>	

### ADB's key financing information

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Loan / grant currency	N/A
Interest type*	N/A
Interest rate spread*	N/A
Commitment fee*	N/A
Other fees*	N/A
Tenor	N/A
Grace period	N/A
FIRR, NPV (base case)	N/A
EIRR (base case)	N/A

*\*if applicable*

### Timeframe - Main Milestones (expected)

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Concept Note approval	July, 2013
Project approval	May, 2014
Effectiveness	June, 2014
Last Disbursement	September, 2017
Completion	May, 2017
Last repayment	N/A

## Project Summary

**Project Overview:** 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, 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. It is financed by set aside funds from the GEF trust fund (GEFTF) and the Special Climate Change Fund (SCCF). In that context, the Bank will implement the project through the execution of a grant of USD 9.09 million from GEFTF and USD 5.25 million from SCCF. The Bank is expected to contribute through its administrative budget to the project management costs.

**Project Impact:** The project aims at supporting SSA countries in mitigating and adapting to the impacts of climate change through transfer of relevant technology. This should reduce emissions of greenhouse gases and decrease the vulnerability of the populations and countries to climate change impacts. The beneficiaries will be public and private sector stakeholders and the civil society involved in activities of enhancing and disseminating knowledge, reforming enabling environments and in planning, financing and implementing mitigation and adaptation investments.

**Needs Assessment:** The use of finance, technology, and capacity building have been emphasized in particular in the agreements under the United Nations Framework Convention on Climate Change (UNFCCC) as key tools to address climate change impacts. A Technology Mechanism comprising a Climate Technology Center and Network has been established as part of the mechanisms addressing these needs.

**Bank's Added Value:** The Project is aligned with the Bank 2013-2022 strategy. In 2012 the Bank also adopted a Climate Change Action Plan and is therefore in a unique position to support mitigation and adaptation activities with respect to climate change and technology transfer in SSA. The Bank is connected with the national, regional and global public and private stakeholders, and with various aspects of development, climate change and technology transfer through financing of public and private sector investments, provision of advisory services, knowledge generation and capacity building. Furthermore, the Bank is very active in the Sustainable Energy for All (SE4All) Initiative and hosts the SE4All Africa Hub whose mission is to facilitate and coordinate information sharing and mobilization of financing to achieve the goals of universal energy access, doubling the share of renewable energies and doubling the global rate of improvement in energy efficiency. The Bank is also managing the Sustainable Energy Fund for Africa (SEFA) which supports Africa's sustainable energy agenda with a focus on unlocking private sector investments

**Knowledge Management:** The project has been designed to create and transfer knowledge to the stakeholders over a three-year implementation period. It specifically supports the activities of a network of practitioners as well as information, learning and capacity building efforts related to the transfer of climate change technologies and the financing of it.



**Country and project name:** Pilot Africa Climate Technology Finance Center and Network

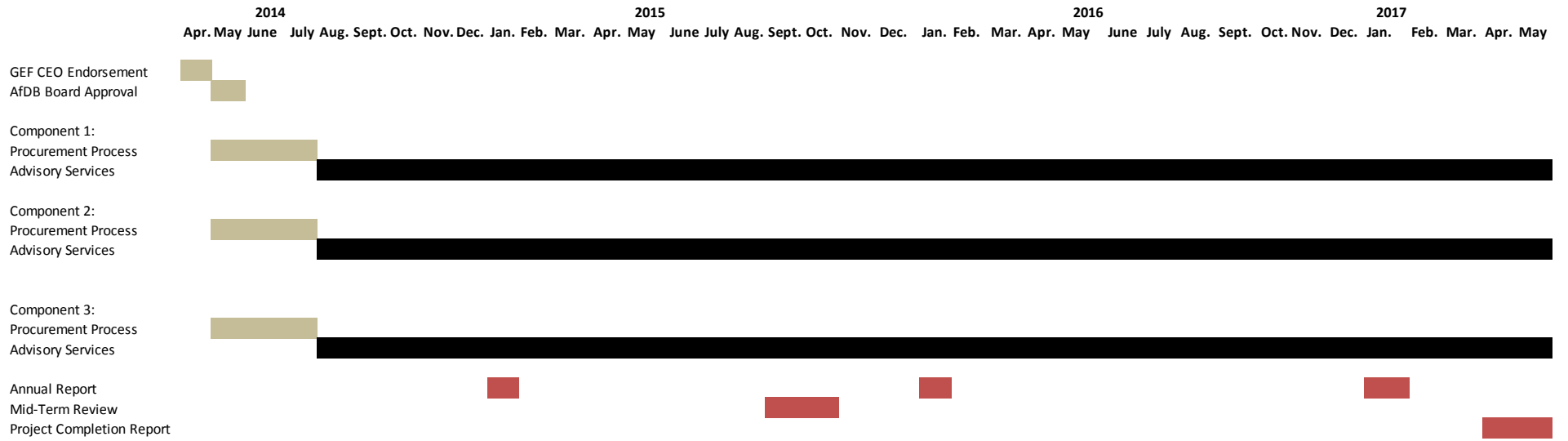
**Purpose of the project:** Support on the ground deployment and scaling-up of both climate change mitigation and adaptation technologies

RESULTS CHAIN		PERFORMANCE INDICATORS			MEANS OF VERIFICATION	RISK & MITIGATION MEASURES
		Indicator (including CSI)	Baseline	Target		
IMPACT	<p><u>Impact:</u> Reduced greenhouse gas emissions in Sub-Saharan Africa and reduced vulnerability to adverse impacts of climate change</p>	1. Tons of CO <sub>2</sub> equivalent avoided	-	2,076,045		
		2. The average HDI value for African countries increased from 2005 levels	-	25%		
OUTCOMES	<p><u>Outcome 1:</u> Increased investments in mitigation and adaptation technologies in selected countries</p>	1.1 Funding for renewable energy and energy efficiency activities mobilized (USD million)	0	130	Project monitoring and evaluation reports	<p><i>Implementation period: implementation of project activities may take longer than the initial timeline of 3-years</i></p> <p>MM: (1) project will focus on countries that are already engaged in climate change mitigation and adaptation activities and on mature technologies and practices; (2) project is supporting advisory services and technical assistance with no works or large equipment to be procured; (3) when appropriate, procurement of consultants will use the Bank Indefinite Delivery Contract procedure; and (4) the project will be executed by Bank staff and consultants located in the Bank's premises. In addition, the Bank will rely on its extensive network of contacts and close relationships with countries, regional institutions, donors and global partners.</p> <p><i>Core implementing team: Availability of human resources within the Bank</i></p> <p>MM: to support the project manager and the Bank's specialists, long and short-term consultants will be assigned to the project.</p> <p><i>Pipeline of activities: is the pipeline of potential activities sufficiently strong?</i></p> <p>MM: Initial exchanges with member countries show a strong interest for mitigation measures based on renewable energies and energy efficiency and for adaptation measures in the water sector. Furthermore as of end of November 2013, 42 countries have joined the SE4All Initiative committing to the preparation of national SE4All Action Agendas. Only a few countries have so far developed an Action Agenda or an Investment prospectus. As the host of the SE4All Africa Hub, the Bank is in a privileged position to provide such support.</p>
		1.2 Funding for water sector adaptation measures mobilized (USD million)	0	50	Bank supervision reports	
	<p><u>Outcome 2:</u> Strengthened enabling environment for technology transfer</p>	2.1 Mitigation: # of countries with improved enabling environment for renewable energy and energy efficiency	0	6	SE4All Global Tracking Framework, other reports (readiness assessments of enabling environment for sustainable energy, Climatescope, Renewable energy readiness assessments etc.)	
		2.2 Additional number of water sector/programs embedding adaptation technologies linked to TNAs or relevant country strategies	0	6		
OUTPUTS	1. Knowledge products are produced and disseminated	1.1 # of knowledge products (on market issues, institutional/organization frameworks, financing mobilization) produced and disseminated	0	12	Project quarterly progress reports, Bank supervision reports and the knowledge products	
		1.2 # of references /citations of knowledge products in professional articles, reports and country plans and strategies	0	25		
	2. Thematic climate technology network is created and sustainability ensured	2.1 # of knowledge events organized (conferences, forums, etc.)	0	400	Events reports	
		2.2 # of network members (adaptation and mitigation)	0	8		
		2.3 resources mobilized from AfDB instruments (CCTF, SEFA)	0	1 mn US\$	Other reports and studies mentioned in semi-annual workplan	
	3. Support/advice provided to countries on national policies and programs	3.1 Mitigation: # of national/regional clean energy policies and strategies adopted	0	6		
		3.2 Mitigation: # of national/regional clean energy institutions strengthened/developed	0	6		
		3.3 Adaptation: # of national climate risk assessments in the water sector prepared	0	6		
		3.4 Adaptation: # policies/programs in the water sector prepared/revised where adaptation technology is mainstreamed	0	6		
	4. Technology transfer mainstreamed into country programs/projects	4.1 Mitigation: # of country energy actions plans/investment plans where climate technology is mainstreamed	0	6		
		4.2 Mitigation: # of renewable energy and energy efficiency projects supported	0	4		
		4.3 Adaptation: # of water sector studies and designs incorporating adaptation technologies supported	0	4		
4.4 Adaptation: # countries supported in mobilizing funding for climate resilient projects in the water sector		0	4			

KEY ACTIVITIES PER COMPONENT	In USD000	
	<p>Component 1: Enhancing knowledge and networking on mitigation and adaptation measures</p> <ul style="list-style-type: none"> <li>- Sub-component 1.1.: creating and transferring knowledge</li> <li>- Sub-component 1.2.: networking and communication platform</li> </ul> <p>Component 2:</p> <ul style="list-style-type: none"> <li>- Sub-component 2.1.: improve the enabling environment for climate change technology transfer in the energy sector.</li> <li>- Sub-component 2.2.: create an enabling environment for catalysing investments in climate resilient development in the water sector.</li> </ul> <p>Component 3:</p> <ul style="list-style-type: none"> <li>- Sub-component 3.1: (i) mainstreaming low carbon and clean technologies in SE4ALL Action Agendas (AA) and Investment Prospectus (IP); (ii) project facilitation (“last mile support”) to reach a final investment decision and approval of viable projects that would contribute to climate change mitigation; (iii) mobilization of financing for eligible investment programs and projects contributing to climate change mitigation</li> <li>- Sub-component 3.2: ensure that appropriate adaptation technologies are considered and mainstreamed in water sector investment programs/projects</li> </ul> <p>Component 4:</p> <ul style="list-style-type: none"> <li>- Project Management</li> </ul>	<p>Component 1 : Mitigation Adaptation</p> <p>Component 2 : Mitigation Adaptation</p> <p>Component 3 : Mitigation Adaptation</p> <p>Project Management : Mitigation Adaptation</p> <p>TOTAL</p>



## PROJECT TIMEFRAME



# **REPORT AND RECOMMENDATION OF THE MANAGEMENT OF THE ADB GROUP TO THE BOARD OF DIRECTORS ON A PROPOSED GEF GRANT TO THE BANK TO CREATE AND MANAGE A PILOT AFRICA CLIMATE TECHNOLOGY FINANCE CENTER AND NETWORK**

Management submits the following Report and Recommendation related to the implementation and execution by the African Development Bank (the Bank) of a GEFTF grant of USD 9.09 million and a SCCF grant of USD 5.25 million to the Bank, for the creation and management over a three-year period, of a Pilot Africa Climate Technology Finance Center and Network.

## **I – STRATEGIC THRUST & RATIONALE**

### ***1.1. Project linkages with strategies and objectives***

1.1.1 The agreements under the United Nations Framework Convention on Climate Change (UNFCCC), including the Bali Action Plan and Cancun Agreements, emphasize the use of finance, technology, and capacity building as key tools to mitigate and adapt to climate change<sup>1</sup>. The Conference of the Parties to the UNFCCC, by its Decision 1/CP.16, established a Technology Mechanism comprising a Technology Executive Committee and a Climate Technology Center and Network (CTCN). Under the GEF-5 CCM strategy, the GEF set aside funds to support the establishment of regional climate technology transfer and financing centers and networks with regional multilateral development banks. The Bank submitted a proposal to establish the ACTFCN through the two above mentioned grants. This proposal was approved in the June 2012 GEF Council. Other regional pilot centers have been created respectively by the European Bank for Reconstruction and Development (EBRD) for Europe and North Africa, the Asian Development Bank (AsDB) for Asia and the Pacific, and the Inter-American Development Bank for the Caribbean, Central and Latin America.

1.1.2 Africa contributes only 4% to global greenhouse gases, but paradoxically climate change will affect Africa disproportionately to other areas of the world. It is therefore of critical importance that Africa builds strong economies that are both resilient to climate change and increasingly low carbon. This requires that technology transfer and innovation are strengthened. The project will contribute to addressing this.

1.1.3 The proposed ACTFCN will address some of the key issues documented in various assessments and studies (Technology Needs Assessments -TNAs-, Technology Action Plans – TAPs-, SE4All country Gap Analysis/Rapid Assessments). These key issues relate to: (a) access to information and expertise relevant to the African context, dissemination of best practices, and investment financing; (b) lack or weak enabling environments at the national level; and (c) weak investment programming, project pipelines and lack of

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<sup>1</sup>Technology transfer encompasses the broad set of processes that cover the flows of knowledge, experience, and equipment for mitigating and adapting to climate change among different stakeholders. It comprises the process of learning to understand, utilize, and replicate the technology, including the capacity to choose it, adapt it to local conditions, and integrate it with indigenous technologies (IPCC definition).

financeable (bankable) projects. As a pilot operation, the project will focus on mitigation and adaptation measures in two cross-cutting sectors of Sub-Saharan Africa critical for climate change mitigation and adaptation: the energy sector regarding mitigation measures and the water sector regarding adaptation measures.

## ***1.2. Rationale for Bank's involvement***

1.2.1 Mitigating and adapting to climate change is one of the Bank's core goals and is included in its corporate and sectoral strategies: in 2012 a Climate Change Action Plan was approved by the Bank's Board of Directors and in 2013 the Bank adopted its ten-year strategy with the overarching objectives of inclusive growth and a transition towards green growth. The project is also aligned with the various Regional Integration Strategy Papers (RISPs): the East Africa RISP stipulates that the Bank will promote clean, environmental and climate-friendly infrastructure. The Southern Africa RISP equally refers to Bank leadership in promoting environment and climate-friendly infrastructure programmes. The Western Africa RISP refers to development of renewable, clean and sustainable energy for the region, a point echoed by the Central Africa RISP. The Bank is involved in all aspects of sustainable development in Africa and has put in place various instruments for action at the continental, regional and country levels.

1.2.2 The Bank hosts the Africa Hub of the Sustainable Energy for All (SE4All) Initiative with its triple objectives until 2030 of (1) ensuring universal access to modern energy services in particular access to electricity services and to clean cooking solutions; (2) doubling the global rate of improvement in energy efficiency; and (3) doubling the share of renewable energy in the global energy mix. The latter two of these objectives are directly linked to the objectives of the Centre. The President of the AfDB serves on the Initiative's Advisory Board (see Appendix 1 for details). In order to respond to this commitment the Bank seeks to align its operations and existing instruments towards these objectives. In this sense the Bank has recently expanded the Sustainable Energy Fund for Africa (SEFA) from a single to a multi-donor trust fund with the creation of a third component for enabling environment activities. This will allow SEFA to better align with the SE4All Initiative and support many of the soft activities arising out the AfDB-hosted SE4All Africa Hub, such as capacity-building and sector planning for public sector counterparts. The GEF-funded Climate Technology Finance Center and Network will also contribute to this effort and will focus on ensuring that the sector planning activities prioritize low carbon, climate change technologies transfer and its correct dissemination.

1.2.3 In relation to the water sector, the Bank hosts the African Water Facility (AWF), whose strategic priority activities are: (1) preparing investment projects to mobilize investment funds for projects supported by AWF; (2) enhancing water governance to create an environment conducive for effective and sustainable investments; (3) promoting water knowledge for the preparation of viable projects and informed governance leading to effective and sustainable investments. AWF-financed projects mainstream climate change by (1) considering climate change impacts in national and transboundary integrated water resources management processes; (2) strengthening the adaptive capacity of key water sector stakeholders; (3) establishing hydro-meteorological information and

management systems to reduce uncertainties and knowledge gaps; (4) improving the governance of planning and decision making; (5) building resilience of water supply and sanitation; and (6) introducing appropriate agricultural and land management practices to improve both productivity and resilience to climate change. The Bank also launched and hosts the Rural Water Supply and Sanitation Initiative (RWSSI), a pan-African partnership to respond to rural water supply and sanitation challenges in Africa. The strategic thrust of RWSSI addresses climate change as one of the four key areas of focus.

### ***1.3. Donor coordination***

1.3.1 The project will be implemented in close coordination with the Donor Community and the specialized institutions (such as UNEP, GEF, etc.). In particular, the ACTFCN will ensure synergies with the global CTCN hosted by UNEP. The ACTFCN envisages participating in the UNEP-CTCN Advisory Board and the relevant UNFCCC Technology Executive Committee meetings. Also, the ACTFCN will build on lessons learnt by other regional centers financed by the GEF through regular exchanges of experiences during relevant GEF meetings where all agencies are represented. It will also be implemented in coordination with other special initiatives the Bank is involved in, such as SE4All, the Programme for Infrastructure Development in Africa, and the Climate for Development Initiative (ClimDev). The project will also seek synergies and additional financing from existing facilities such as SEFA, the Scaling-up Renewable Energy Programme (SREP) under the Climate Investment Funds, AWF and RWSSI. Project component 1 with its focus on knowledge sharing and networking will link with other relevant networks and will ensure donor and stakeholder coordination. This will include the thematic SE4All Hubs, notably the Renewable Energy Hub hosted by the International Renewable Energy Agency (IRENA) and the Energy Efficiency Hub hosted by Denmark in partnership with UNEP.

## **II – PROJECT DESCRIPTION**

2.1 The development objective of this pilot project is to support SSA member countries in scaling-up the deployment of low-carbon and climate resilient technologies for climate change mitigation and adaptation. Project specific objectives are to: (1) enhance networking and knowledge dissemination with respect to climate technology transfer and finance; (2) enable the scaling-up of technology transfer through policy, institutional and organizational reforms of the enabling environments at the national and regional levels; and (3) integrate climate change technologies into investment programs and specific investment projects. In addition, the project will feed in with lessons learned and experiences to the CTCN process.

### ***2.1. Project components***

2.1.1 The main operational focus of the Bank's interventions is in infrastructure. Two infrastructure sectors have therefore been selected for this pilot phase: the energy sector with respect to climate change mitigation measures, and the water sector regarding adaptation measures. The energy sector is an important contributor to GHG emissions and climate change, and various mitigation measures as well initiatives (such as SE4All) and financing instruments (such as SEFA) seek to increase the role of renewable energy sources and energy efficiency. Water management, with its important impact on

agriculture, industry, and urban and rural populations is a key area for adaptation measures. Those two sectors have also been selected because of their cross-cutting characteristics. The energy sector has an enabling role for many other sectors, including health, education, gender, water and agriculture. The water sector involves the consideration of adaptation issues related to agriculture, energy, disaster management, and urban and rural development.

2.1.2 The project includes the three components depicted in Table 2.1 below, supporting at various levels the transfer of climate change mitigation technologies in the provision of energy services, and climate change adaption technologies in the provision of water services.

<b>Table 2.1</b> <b>Project Components and Cost Estimates (Amounts in USD000)</b>				
N°	Component Name	Estimated Cost (including contingencies)	Sub-components	Description
1)	Enhancing Knowledge and Networking	2 097 (1335 for mitigation, 762 for adaptation)	1.1 Enhancing and Transferring Knowledge	Advisory services to enhance the transfer of knowledge on climate change mitigation and adaption in SSA member countries
			1.2 Networking	Advisory services to set-up a network and platform for exchange amongst practitioners on technology transfer engaged in SSA
2)	Enabling the scaling-up of technology transfer through policy and institutional reforms	1 953	2.1 Mitigation	Advisory services to assess, develop and implement – where possible in conjunction with SEFA – recommendations to improve the enabling environment needed to support technology transfer for climate change mitigation in the energy sector of selected SSA countries
		1 090	2.2 Adaptation	Advisory services to assess, develop and implement recommendations to improve the enabling environment needed to support technology transfer for climate change adaptation in the water sector of selected SSA countries
3)	Mainstreaming climate change technologies into investment programs and projects	5 400	3.1 Mitigation	Advisory services to include technology transfer in investment programs and investment projects to mitigate climate change in the energy sector
		3 150	3.2 Adaptation	Advisory services to include technology transfer in investment programs and investment projects to adapt to climate change in the water sector
4)	Project Management	650 (402 for mitigation 248 for adaptation)		Project Management, Auditing, etc
	<b>Total</b>	<b>14 340</b>	<b>Financed by the GEF grant of USD14.340 million (a GEFTF grant of USD 9.09 million and a SCCF grant USD 5.25 million). This will be complemented by a contribution from the Bank’s Administrative Budget to Project Management costs.</b>	

2.1.3 The following sections provide details on the activities to be executed through

each component, the expected outputs, the participants and the criteria for eligibility and assessing requests for project support.

**Component 1: Enhancing Knowledge and Networking (USD 2.097 million)**

2.1.4 Component 1 will create knowledge products related to climate change and technology transfer in the energy and water sectors and a platform to promote knowledge sharing and exchange. It comprises two subcomponents: (a) enhancing and transferring knowledge among the network participants; and (b) setting-up and managing the pilot center network.

2.1.5 Subcomponent 1.1: Creating and Transferring Knowledge. This sub-component will provide advisory services for enhancing and transferring knowledge through technology transfer in SSA. A specific emphasis will be placed on addressing issues related to technology finance, access to technology finance and exchange of technology finance information and knowledge in Africa. Specifically the following knowledge products will be developed – the list might evolve during the three-year project implementation to reflect requests from network participants and project monitoring and implementation reviews with a view to distil new perspectives:

- Analysis of market issues constraining the commercial dissemination of certain technologies, including geothermal, wind and solar energies, waste-to-energy, biomass, biogas, and energy efficiency in the energy sector, and water management in SSA cities;
- Analysis of institutional and organizational frameworks and competencies requirements, and of best practices for technology transfer in SSA;
- Developing a database of existing technologies, cost of technologies and the process for accessing these technologies, including issues related to intellectual property rights;
- Mobilization of climate change and technology transfer financing, and disseminating the modalities for accessing specialized funds (e.g. GCF, CIF, GEF, CDM); and
- Mapping of African climate technology centers, national climate funds and potential public/private sector champions, and development of a roster of experts in the area of technology transfer.

Knowledge products will be generated through tailored calls for proposals targeting research institutes, universities, national climate centers etc. (in particular in Africa). When appropriate the knowledge products should be developed in partnership with identified existing climate technology centers, National Designated Entities (NDEs), and other relevant entities in SSA. The project does not intend to duplicate work that is already undertaken elsewhere. Cooperation with WIPO especially regarding the aspect of intellectual property rights is being considered. Similarly, the Center will explore opportunities for collaboration with Climatetechwiki, CDKN and others. At the same time, the Center will focus on specific African experiences and issues (e.g. importance of local content) in relation to climate technology deployment that are not specifically addressed by global level initiatives.

2.1.6 Subcomponent 1.2: Networking and Communication Platform. To facilitate and ensure a rapid and efficient dissemination of existing and new knowledge on climate technology transfer, this subcomponent will support networking, which has been identified as one of the barriers for the deployment of climate change technologies. This subcomponent will therefore finance professional services required for the creation, operation and maintenance of the technology center platform, which will act as a market-place and facilitator of exchanges on technology transfer matters (case studies, best practices, financing, access to expertise, etc.) and as entry-point for requests related to climate finance investments. The platform will offer online collaboration spaces for specific topics where interested stakeholders could directly communicate with “light-touch” moderation by the Center. It will provide resources to:

- Develop and maintain the pilot center platform and networking capabilities at the Bank’s Headquarters;
- Transfer knowledge and competencies from the Bank hosted climate center to sub-regional and country-level technology centers, climate change centers, government ministries and agencies, and other centers of excellence using the mapping carried-out as part of sub-component 1.1;
- Establish and support thematic networking for low-carbon and climate-resilient development (adaptation in fragile states, public-private partnerships, etc.);
- Sponsor and support networking events, such as conferences, technology forums etc.

The network will be open to all registered participants, such as climate technology centers, private and public sector organizations and individuals contributing to technology deployment and transfer.

**Component 2: Enabling the scaling-up of technology transfer through policy, institutional and organizational reforms (USD3.043 million).**

2.1.7 This second component will seek to enhance the enabling environment for climate change technology transfer, which is one of the main constraints in SSA countries. The component will finance advisory services and capacity building to address barriers related to technology transfer, complementing existing instruments (SEFA, AWF) by operating as much as feasible further upstream in identification of needs, early stage advisory and formulation of requests so as to pave the way for mobilization of financing from these instruments. It will be implemented as a demand-driven, flexible and readily deployed technical assistance facility, with two subcomponents: one for mitigation and one for adaptation.

2.1.8 Subcomponent 2.1: Mitigation. Through the financing of advisory services and capacity building to selected SSA countries or regional entities, the project will improve the enabling environment for climate change technology transfer in the energy sector. Activities targeting the development of an enabling environment will also look at modifying the un-enabling environment (e.g. existing subsidies and import duties). Specifically, the project will help to:

- Develop/update, and implement national or regional policies and strategies for scaling-up technology transfer in the energy sector;
- Assess and recommend measures to improve the enabling environment for renewable energy and energy efficiency. This would ideally be based on the conclusions of prior efforts carried out by the selected countries: TNAs/TAPs, SE4All Rapid Assessment or similar analysis. Recommended actions could include: the development and implementation of feed-in tariffs for renewable energy, fiscal and other incentives for investment in renewable energy and energy efficiency, assistance with scaling-up of off-grid renewable energy systems, etc.;
- Develop critical implementing instruments, such as laws, implementing decrees, regulatory and financing instruments in the areas of energy efficiency and renewable energy (e.g. energy efficiency in buildings, household appliances labeling program, etc.);
- Provide support to the establishment of appropriate institutions (e.g. renewable energy/energy efficiency national or regional agencies) and strengthen the capacities of existing institutions, in particular institutions in charge of climate change, to enhance technology transfer in the areas of renewable energies and energy efficiency;
- Support the design and implementation of de-risking instruments/regulations for clean energy investments;
- Support national and regional dialogue on relevant mitigation issues in the energy sector addressing also the issue of technology receptivity.

2.1.9 Subcomponent 2.2: Adaptation. The aim of this subcomponent is to support countries adopt pro-climate policies, provide incentives for investors, and to mainstream climate change adaptation technologies into key sector policies and regulations related to water. This will create an enabling environment for catalysing investments in climate resilient development in the water sector.

The center will play an advisory role and provide technical assistance to:

- Support countries in conducting national climate change assessments and mainstream adaptation measures in national policies/strategies/programs related to the water sector, such as national rural water and sanitation programs, urban water management policies and national water resources management plans/strategies;
- Identify policy, institutional and organizational roadblocks hindering an integrated approach and sustainability of adaptation measures and provide support/advice for their removal;
- Prepare country-tailored guidance documents on climate change adaptation measures and financing opportunities with a focus on water related sectors;
- Improve readiness of communities and local authorities to better manage water resources and climate change impacts through awareness raising, and support to institutional reforms such as decentralization.

It is envisaged that the activities will influence the design of new projects and could therefore become an integral part of new investment interventions of the Bank. Where appropriate, the support will build on the work done and lessons learnt by the AWF



interventions and advise optimum use of Bank hosted resources such as RWSSI in creating an enabling environment for efficient technical transfer.

2.1.10 Process and criteria for support from project component. Requests will be circulated by the project team asking eligible entities (see below) to submit proposals. Proposals will detail the main issues and results expected from the support requested, the counterpart institution(s) and the stakeholders, the time frame and the level of support (financial and other support) expected from the Project. Because of limited project financial resources, the project will focus on upstream/early stage activities likely to generate opportunities and crowd-in complementary financing from the Bank's own facilities such as SEFA and AWF, as well as small-scale interventions unlikely to be covered by existing facilities. This will ensure catalytic impact and enhance the Bank's ability to reach more widely across the continent. The team will also strive to ensure geographical balance amongst the SSA sub-regions.

The proposals will be assessed by the project team using the following eligibility and evaluation criteria. Eligible are all public sector entities of SSA countries and sub-regional institutions (such as ECREEE for West Africa<sup>2</sup>). Eligible proposals will then be evaluated using the following evaluation criteria: (a) investment orientation of the proposal; (b) potential impact on climate change and technology transfer; (c) country commitment demonstrated, for example, by existing national documents such as TNA or similar approved by the Government and national institutions.

Implementation arrangements: The facility will use, when appropriate, the framework contract model (Indefinite Delivery Contract model)<sup>3</sup>. Several consulting firms (or consortia) will be selected on a competitive basis for the two lots (mitigation and adaptation). Once a request is received from an eligible beneficiary, the climate technology center team will analyze whether the request meets the criteria and can be considered a priority. If this is the case the request is submitted to the pre-qualified firms, to be awarded competitively. The process will be detailed in the project Operational Manual.

### **Component 3: Mainstreaming climate change technologies into investment programs and projects (USD8.550 million).**

2.1.11 Component 3 is focusing on the mainstreaming of climate change technologies in investment programs and specific investment projects. It will finance the advisory services required for the inclusion of climate change technologies into the preparation and implementation of investment programs, and of technically and commercially proven investment projects. It comprises 2 subcomponents: one for mitigation and one for adaptation.

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<sup>2</sup> ECREEE: The ECOWAS Center for Renewable Energy and Energy Efficiency (ECREEE) headquartered in Cape-Verde. Some countries have technology evaluation centers.

<sup>3</sup> A framework contract is an agreement between one or more contracting authorities and one or more economic operators, the purpose of which is to establish first the terms governing specific contracts which may be awarded later on, particularly as regards the duration, subject, price, implementation rules and the quantities envisaged. This approach is widely used as it allows for shorter response time.

2.1.12 Subcomponent 3.1: Mitigation This subcomponent, executed in conjunction with relevant activities of components 1 and 2, seeks to increase the level of investments in renewable energy and energy efficiency in SSA countries. It will finance technical assistance and advisory services in three main areas:

- (i) Mainstreaming low carbon and clean technologies in SE4ALL Action Agendas (AA) and Investment Prospectus (IP)<sup>4</sup>. As part of the implementation of the SE4All Initiative at national level each country is expected to embark on a three-step process that includes: a stock-taking exercise (rapid assessment) to determine the country's current status with regard to the three objectives, preparation of an action agenda coupled with an investment prospectus, and implementation of the plan. Guidelines for the development of national SE4All Action Agendas in Africa were prepared by the SE4All Africa Hub partners and adopted by the Bureau of the Conference of Energy Ministers in Africa (CEMA) in February 2014. These guidelines set out the principles covering the development of national action agenda and highlight in clear terms the need for mainstreaming climate change considerations. The Africa Hub has since developed a detailed Action Agenda template that should form the basis for national Action Agendas.

Co-financing from other sources will be sought to develop these AAs and IPs. The overall budget for a comprehensive AA and IP (combined) in line with the above-cited guidelines is estimated to be in the range of USD 1-1.5 million per country (with some variation taking into account the size of the country).

The selection of countries will be based on the following criteria:

- Country has formally opted-in to the SE4All Initiative. As of November 2013 42 African countries have opted-in (see Appendix II);
- Country has prepared the initial SE4All Gap Analysis/Rapid Assessment; 37 SSA countries have completed this stage and others are under way;
- Country agrees to appoint/assign SE4ALL national coordinating institution and SE4ALL national coordinator where these are not already established;
- Country has not identified all the required resources for the development of AA/IP. The AfDB in its capacity as host of the SE4All Africa Hub has carried-out a mapping of what development partners are envisaging in this regard. This mapping identified that few African opt-in countries have confirmed support;
- Some co-financing is available for part of the cost of AP/IP in particular for the aspects unrelated to renewable energy/energy efficiency. Such co-financing could be provided by the country, by the Regional Economic Communities (RECs), for example ECOWAS is considering earmarking resources for this purpose, or other development partners such as UNDP;

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<sup>4</sup> An investment prospectus provides a strategy on how to operationalize the action agenda towards achieving SE4ALL goals by identifying and developing a set of implementable programs and projects including their investment requirements that can be presented to potential private and public investors

- Formal request for Bank support with development of AA/IP confirming its interest and commitment to this process, as demonstrated ownership is critical for the success of this project and sustainability;
- The country selection process should ensure to the extent possible representation/participation of the RECs, such as EAC, ECOWAS or SADC. This criteria seeks also to incorporate the sub-regional dimension to benefit from the RECs existing networks and to involve existing/planned regional relevant institutions.

It is envisaged that the implementation of component 3 will be carried-out in two phases starting with an initial set of countries (some of which have tentatively been identified, for example Ghana, Sierra Leone, Kenya, Tanzania) followed by other countries that are less advanced in terms of some of the preparatory work required in accordance with above outlined selection criteria. This approach will also allow testing the approach and the tools on a first set of countries, then to refine and adjust based on experience.

- (ii) Project facilitation (“last mile support”) to reach a final investment decision and approval of viable projects that would contribute to climate change mitigation. This would *inter alia* involve advice and support on:
- resolution of remaining outstanding issues (technical, policy, regulatory, financial, legal and other matters) preventing a final investment decision;
  - addressing project risks and development of a risk mitigation strategy;
  - finalization of the project documentation required for the project to be ready for financing;
  - identification of best practice examples and relevant experience.
- (iii) Mobilization of financing for eligible investment programs and projects contributing to climate change mitigation. This would *inter alia* involve advice and support on:
- the most appropriate mix of financing instruments for a project, based on Bank’s experience and best practices;
  - the project financing structure(s) that would most likely ensure mobilization of project financing including domestic and private sector financing;
  - mobilizing the Bank’s financing instruments and other sources of financing outside the Bank (including public-private partnerships arrangements when feasible) that could readily be deployed.

As far as components (ii) and (iii) are concerned, the center will intervene in support of smaller-scale projects, particularly in the off-grid and mini-grid spheres. These activities are not currently supported by SEFA’s project preparation component (component 1) as the intervention threshold is a project size of at least 30 million US\$. By intervening below that level, the center could showcase an intervention model that could later be adopted by SEFA.

2.1.13 Subcomponent 3.2: Adaptation The focus of this subcomponent is to ensure that appropriate adaptation technologies are considered and mainstreamed in water sector investment programs/projects. By linking the activities to component 2, the project will ensure sustainability of the applied technologies and investments. The project will, specifically:

- Provide technical support to Bank task managers and countries at project preparation stage to ensure that climate change risks are sufficiently assessed and appropriate water related adaptation technologies are considered in Bank interventions;
- Support project/program preparation studies and design reviews to ensure appropriate climate change adaptation technologies (e.g. indigenous and cutting edge technologies related to early warning, water saving/reuse, and flood and drought management, watershed management, etc.) are disseminated and applied – linked to TNAs where appropriate;
- Support countries in facilitating communication with and access to the AWF and other project preparation facilities with a view to ensure climate change adaptation technologies are mainstreamed in design of countries’ future projects/programs; and
- Support countries in accessing additional funding including Bank hosted funds such as RWSSI-TF and ClimDev-Africa Program Special Fund to make projects resilient to climate variability and change and to ensure their sustainability.

2.1.14 Process and Criteria for support from project Component 3: As far as the mitigation sub-component (i) is concerned – for which around 70% of the mitigation budget is earmarked – consultants, or a consulting firm, will be recruited to provide the technical assistance. The Bank team will coordinate implementation closely with the responsible Ministry and the nominated SE4All focal point and with the co-financiers. As far as mitigation sub-components (ii) and (iii) and the adaptation subcomponent are concerned, a request for expression of interest will be circulated by the project team. Proposals could be submitted by public sector or private sector entities (not by individuals); they should be investment-oriented, detail the rationale and the results expected from the support requested, the time frame, and the level of support (financial and otherwise) expected. Eligible proposals will then be evaluated using the following evaluation criteria: (a) availability of an initial assessment indicating the technical, economic, commercial/financial and environmental and social soundness of the proposed investment project; (b) confirmation that the investment is a government priority; and (c) potential impact on climate change and technology transfer.

## ***2.2. Technical solution retained and other alternatives explored***

2.2.1 The proposed project corresponds to the 3-component proposal submitted by the Bank to GEF in March 2012, and described in the Project Identification Form (PIF). This proposal was assessed and selected as part of the GEF technical and financial evaluation process (see section 1.1.1 above).

2.2.2 In view of the limited resources available to the project it was decided to focus on the energy and water sectors, which were chosen given their cross-cutting nature and

respective importance for mitigation and adaptation. Furthermore, in both energy and water, the Bank has existing facilities with SEFA and the AWF that served as the baseline for the GEF intervention whereas, for example, in the transport sector the Bank does not have an equivalent facility.

2.2.3 During project preparation, it was felt however, that additional resources were required to carry out the activities related to the reform of the enabling environment (component 2). In line with GEF guidelines, 10 per cent of the amount allocated initially to component 3 was therefore reallocated to component 2.

### **2.3. Project type**

2.3.1 This is a multinational 3-year stand-alone operation financed by a GEF Grant with no additional financing (beyond the resources to be provided through the Administrative Budget) requested from the Bank. The project will be executed by the Bank in compliance with Bank and GEF policies, guidelines and procedures.

### **2.4. Project cost and financing arrangements**

2.4.1 Project cost is estimated at USD 14.340 million (including project management costs and contingencies) and will be financed by a GEFTF grant of USD 9.09, million, a SCCF Grant of USD 5.25 million (see tables 2.2 and 2.3 below). In addition it is envisaged that the Bank will contribute to the project management costs through its administrative budget.

<b>Component</b>	<b>Total Costs GEFTF (incl. contingencies)</b>	<b>Total Costs SCCF (incl. contingencies)</b>	<b>TOTAL (incl. contingencies)</b>
Component 1: Enhancing knowledge and networking	1 335	762	2 097
Component 2: Enabling the scaling-up of technology transfer through policy, institutional and organizational reforms	1 953	1 090	3 043
Component 3: Integrating climate change technologies into	5 400	3 150	8 550

investment programs and projects			
Project Management	402	248	650
<b>Total Project Cost</b>	<b>9 090</b>	<b>5 250</b>	<b>14 340</b>

<b>Table 2.3</b> <i>Sources of financing (amounts in 000 USD)<sup>5</sup></i>	
<b>Sources of Financing</b>	<b>Total Costs</b>
GEFTF Grant	9 090
SCCF Grant	5 250
<b>Total Project Cost</b>	<b>14,340</b>

2.4.2 Project costs by category of expenditures and the disbursement plan are provided in the following Tables 2.4 and 2.5.

<b>Table 2.4</b> <b>Project Costs by Category of Expenditure (amounts in 000USD)</b>	
<b>Category of Expenditure</b>	<b>USD</b>
<b>Services</b>	
Component 1: Consultants' services	2,097
Component 2: Consultants' services	3,043
Component 3: Consultants' services	8,550
Project Management: Consultants' services	650
<b>Total Costs (including contingencies)</b>	<b>14,340</b>

<b>Table 2.5</b> <b>Disbursement Plan by Component (amounts in 000USD)</b>					
<b>Component</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>Total</b>
Component 1	419	734	839	105	2 097
Component 2	609	1 065	1 217	152	3 043
Component 3	1 810	3 223	3 090	427	8 550
Project Management	195	228	195	32	650

<sup>5</sup> All costs are foreign costs, no local currency component envisaged.

<b>Total</b>	<b>3 033</b>	<b>5 250</b>	<b>5 341</b>	<b>716</b>	<b>14 340</b>
<b>% of Total Costs</b>	<b>21</b>	<b>37</b>	<b>37</b>	<b>5</b>	

## ***2.5. Project’s target area and population***

2.5.1 The proposed activities in the energy sector of SSA countries are expected to reduce GHG emissions by 2,076,045 tonnes of CO<sub>2</sub> and mitigate climate change; their impact will be felt at the global, regional and country levels. Adaptation activities supported by the project in SSA water sectors will produce impacts mostly at the local, national and regional levels. Reliable quantification of the projected target area and population impacted by the project is however, very difficult at this stage.

## ***2.6. Participatory process for project identification, design and implementation***

2.6.1 The design of the project components and their implementation mechanisms have been carried out through a participatory process. Such process included consultations with partners and stakeholders during national and regional conferences and workshops, such as the UNFCCC Technology Executive Committee in Bonn (2013), the Regional Stakeholders Consultations in Johannesburg and Dakar (June and September 2013 respectively), and Bank staff missions. The project team carried-out an e-mail consultation of over 70 experts in climate change mitigation and adaption in the energy and water sectors as part of the project appraisal. Furthermore, as far as the mitigation aspects are concerned, discussions took place in the Oversight and Operations Committee (OOC) of the SE4All Africa Hub and in a Hub-organized meeting with the RECs in September 2013.

## ***2.7. Bank Group experience, lessons reflected in project design***

2.7.1 The design of the project and of its implementation mechanisms reflects the Bank’s experience with the design of multinational projects and more specifically with GEF projects. It also builds upon the conclusions of relevant analytical work, such as TNAs, TAPs, and the SE4All Rapid Assessments. Key lessons learnt and reflected in project design are the following:

- Synergies and Complementarities. The project will actively promote sharing of knowledge and networking amongst all stakeholders active in the climate change space (component 1). Synergies and complementarities will also be built through the Bank’s country and sectoral strategies, current or planned financing activities in the energy and water sectors, and existing financing facilities. For example as much as feasible, the center will operate further upstream in identification of needs, early stage advisory and formulation of requests so as to pave the way for mobilization of financing from facilities such as SEFA, AWF, RWSSI-TF and ClimDev-Africa Program Special Fund;
- Building-up national institutions and enabling environments is critical to ensure sustainability. Component 2 in particular focuses on the reforms of the policy

strategy, regulatory, institutional and organizational environment of the energy and water sectors, which should underpin the successful development and implementation of programs and projects by the public and private sector;

- Transferring Technologies. Technology transfer activities must be anchored in a national strategy. Technology transfer activities should also reflect key principles: they should address critical country needs, should be built upon existing institutional competencies and should have long term sustainability;
- Stakeholder Participation. Consultation and participation of the existing institutions and key stakeholders are also critical to ensure ownership and sustainability, efficient implementation and cost management. Outcomes from stakeholders' participation have been taken into account in the design of the project component and implementation mechanisms. Component 1 in particular will provide a platform for stakeholder exchange.

## **2.8. Key performance indicators**

2.8.1 The indicators proposed to measure progress towards achieving the main project outcomes are outlined in the Logical Framework. Key performance indicators are: (a) the financing mobilized through project activities; and (b) the number of countries where barriers to technology transfer have been addressed through revisions of sector policies, regulations, and improved institutional and organizational environments.

2.8.2 These indicators are part of the project Monitoring and Evaluation (M&E) plan and will be reflected in the project monitoring and evaluation reports to the Bank and the GEF. The SE4All Global Tracking Framework, particularly with respect to access to clean cooking solutions, increased role of renewable energies in the country energy mix, and contribution of energy efficiency measures will also contribute to project monitoring and reporting.

# **III – PROJECT FEASIBILITY**

## **3.1. Economic and financial performance**

3.1.1 Project economic and financial benefits will accrue at the global, regional and national levels and across a wide range of sectors (energy, agriculture, water, health, natural resources and economic infrastructures are among the most important) of SSA countries. The project will contribute to economic growth and poverty reduction in SSA, for example, by helping RMCs realize the significant energy efficiency savings potential, the important job potential in the renewable energy sector and positive impacts resulting from increased energy access for households and businesses. Direct beneficiaries will be public and private institutions in SSA involved in either energy sector mitigation or water sector adaptation activities. For such project, the usual indicators of project net economic and financial benefits (NPVs, EIRRs, and FIRRs in particular) cannot be quantified in a meaningful way.



3.1.2 At the global level, project net benefits will take the form of reduced GHG emissions as low-carbon mitigation technologies will be implemented in the energy sector in particular, and adaption measures will benefit the water sector. At the regional and national levels, project benefits are the enhancement of the enabling environments, preparation of investments programs, and mobilization of financing required to implement programs and specific projects.

## **3.2. Environmental and Social impacts**

### **Environment**

3.2.1 The project has been categorized (July, 2013) as a Category 3 project as it will finance advisory services; no civil works or purchase of equipment potentially negatively impacting the environment will be financed by the project.

### **Climate Change**

3.2.2 The main purpose of the pilot regional center for Africa is to support the deployment of both climate change mitigation and adaptation technologies on the ground. Through GEF financing and the Bank's led implementation, the project implements Decision 1/CP.16 of the Conference of the Parties to the UNFCCC, requesting the creation of a Climate Technology Center and Network (CTCN) and comprising a global center and four regional centers.

### **Gender**

3.2.3 Both genders and all ages will benefit from implementation of the project. Women from the SSA region will especially benefit from project implementation as it supports the deployment of renewable and cleaner energies, such as improved cook stoves, substitution to cleaner cooking fuels, better and cleaner lighting systems and decentralized energy solutions and water management technologies, having a direct impact at the household level, enhancing the quality of life, and reducing negative health impacts and time assigned to recurring household tasks. Specific focus will have to be put on gender aspects in the selection of enabling environment activities and in particular in the development of planning tools. For example, the SE4All Action Agenda guidelines contain a dedicated section on mainstreaming gender in national SE4All Action Agenda, *inter alia* noting that such agendas "should establish gender-disaggregated baseline information to inform the formulation of goals, targets and activities. Gender sensitive indicators, including gender-disaggregated data, should form part of the SE4ALL Action Agenda monitoring framework to evaluate gender outcomes and the effectiveness of gender mainstreaming efforts".

### **Social**

3.2.4 The project will contribute to improving the quality of life through its support of more sustainable and cleaner energy in homes and work places, and improved water management solutions. During implementation, particular attention will be paid to the participation of women in knowledge creation (component 1), review of the country enabling frameworks (component 2), and development of the investment plans (component 3).

## **Involuntary resettlement**

3.2.6 The project will finance advisory services, and will not be involved in involuntary resettlement.

## **IV – IMPLEMENTATION**

### ***4.1. Implementation arrangements***

4.1.1 Project Management and Team. The project will be executed by the Bank, specifically by its Energy, Environment and Climate Change Department (ONEC) where the project implementation team will be hosted; it will be under the direct supervision of the ONEC Director. Expertise and networking assets from the Bank's other departments, notably the Water and Sanitation Department (OWAS), field offices and regional resource centers will also be brought in as and when needed for implementation, networking and dissemination of the information and knowledge created by the project and in liaising with stakeholders.

4.1.2 Synergies. With respect to the mitigation activities, the project will be closely linked to the SE4All Africa Hub hosted in ONEC and with the country, regional and global activities in the context of the SE4ALL Initiative, as well as with the Sustainable Energy Fund for Africa (SEFA) where the project will support origination and early/rapid advisory work allowing SEFA to provide better designed RE/EE enabling environment financial support packages across a wider sample of countries. On the adaptation side, the project will realize synergies with RWSSI, the AWF, and ClimDev Africa activities through providing support in identifying opportunities, defining scope of interventions and designing adaptation components to be supported by facilities hosted in the Bank.

4.1.3 The core implementation team will be led by a Project Manager from the Bank and be composed of: (a) Bank professional staff working in the energy and water sectors and professional staff; and of (b) long (covering the 36-month project implementation period) and short term consultants working on climate change, procurement and financial management, information and communication management, and on project monitoring and reporting (Appendix III provides additional details). To contract the long-term consultants a waiver from the President will be sought from the Bank's procurement guidelines. The Project Operational Manual will detail the implementation arrangements (project organizational chart, team members' terms-of-reference, project bi-annual work-plan, procurement plans and procedures, reporting requirements, etc.).

4.1.4 Responsibilities of the Project Manager include day-to-day management of the operations, coordination with relevant initiatives and funds, project monitoring and evaluation, reporting to the Bank and GEF on implementation progress, being the point of contact for external communications regarding the Project, and spearheading capacity building among stakeholders related to climate technologies. The responsibilities and profiles (ToRs) of the Project Manager and the core team members will be described in the Project Operational Manual.

4.1.5 Financial Management. The project is Bank executed and will be implemented in accordance with the Bank's financial management policies and procedures applicable to the Bank administrative budget, financial and other procedures agreed with GEF and the

GEF Trustee, and the Memorandum-Of-Understanding (MOU) between the Bank and the GEF.

4.1.6 Procurement. Procurement will be carried out by the Bank. All procurement activities to be undertaken through the project will relate to the acquisition of consultancy services; no civil works or purchase of equipment is expected. Since procurement under the project will be performed by the Bank, it will be carried out in accordance with the Bank's corporate procurement policy reflected in the Presidential Directive No. 02/2012 Concerning the Procedures for the Acquisition of Consulting Services Funded By the Administrative or Capital Expenditure Budget of the Bank Group, as well as the Delegation of Authority Matrix issued by Presidential Directive No. 06/2012. To facilitate project implementation, contracting of consultants will be when appropriate based on Indefinite Delivery Contracts. The details in terms of how many firms will be contracted or the terms of reference will be specified in the Operational Manual. The project core implementation team will in part rely on long-term (36 months) consultants; a waiver from the President from the Bank's procurement guidelines will be sought for this project.

## **4.2. Monitoring**

4.2.1 The monitoring and evaluation of project implementation and impact will be the overall responsibility of the Bank's project implementation team.

4.2.2 The Bank will monitor and evaluate project implementation in accordance with the project Monitoring and Evaluation (M&E) plan that will be detailed in the project Operational Manual. The M&E plan includes: regular supervision missions (at least twice a year), a project midterm review carried out approximately 18 months after project approval by the Board of Directors, and annual audit reports prepared by an independent auditor. Within six months of the completion of the project, the Bank will prepare a Project Completion Report (PCR).

## **4.3. Governance**

4.3.1 The project will be implemented by an implementing team located in the Bank's ONEC Department and under the direct supervision of the ONEC Director. Project implementation will be carried out in accordance with the fiduciary and procurement rules for services applicable to the Bank's Administrative Budget.

## **4.4. Sustainability**

4.4.1 The project has been designed to build sustainability at three levels:

- global network level, by setting up and operating a network of practitioners engaged at the local, national, regional and global levels, with the objective of creating, enhancing, and disseminating climate change knowledge;
- country and regional levels, by strengthening the enabling framework and the country and regional institutions responsible for technology transfer, by supporting the development of countries' national action agendas and investment plans, and by supporting technically and financially specific investment projects focused on

climate change mitigation measures in the energy sector and adaptation measures in the water sector; and

- within the Bank, by supporting Bank operational teams in the preparation of relevant investment plans and of specific projects, and in the mobilization of financing through available financing instruments (such as SEFA, AWF, etc.)

4.4.2 This ACTFCN will also be linked to the Africa Climate Change Fund that is under preparation and which will provide the basis for fund raising for climate change activities. The work carried-out under the ACTFCN will demonstrate the Bank’s ability to carry-out such activities. Furthermore, an independent evaluation of the project will be carried-out and depending on the results of such evaluation the Regional Public Goods window of the Bank might be approached for additional funding.

#### **4.5. Risk management**

4.5.1 The main risks involved in this project and proposed mitigation measures are discussed in Table 4.1 below.

<b>Risk</b>	<b>Description</b>	<b>Mitigation Measure</b>
Implementation period	Implementation of project activities may take longer than the initial timeline of three years approved by Bank management and GEF.	<p>Mitigation measures related to the project implementation period, included in project design and implementation strategy, are as follows:</p> <ol style="list-style-type: none"> <li>1. Project will focus on countries that are already engaged in climate change mitigation and adaptation activities and on mature technologies and practices.</li> <li>2. Project is supporting advisory services and technical assistance, with no works or large equipment to be procured.</li> <li>3. When appropriate, procurement of consultants will use the Bank Indefinite Delivery Contract procedure.</li> <li>4. The project will be executed by Bank staff and consultants located in the Bank’s premises. In addition, the</li> </ol>

		Bank will rely on its extensive network of contacts and close relationships with countries, regional institutions, donors and global partners.
Core implementing Team	Availability of human resources within the Bank	To support the project manager and the Bank's specialists, long and short term consultants will be assigned to the project (corresponding Terms-of-Reference will be included in the Project Operational Manual).
Pipeline of Activities	Is the pipeline of potential activities sufficiently strong	Initial exchanges with member countries show a strong interest for mitigation measures based on renewable energies and energy efficiency and for adaptation measures in the water sector. Furthermore as of end of August 2013, 41 countries have joined the SE4All Initiative (see Appendix II) committing to the preparation of national SE4All Action Agendas. Only one country has so far developed an Action Plan (Agenda) or an Investment Prospectus. As the host of the SE4All Africa Hub, the Bank is in a privileged position to provide such support.

#### ***4.6. Knowledge building***

4.6.1 The project has been specifically designed to create and disseminate knowledge on climate technology transfer at the global, regional and national levels.

4.6.2 Knowledge building and management will involve the identification of barriers to technology transfer particularly regarding technologies supporting mitigation and adaptation measures, the development of best practices and case studies relevant to SSA regarding the enabling environment, investment planning, and specific projects under preparation or implemented, and the dissemination of terms-of-reference and of expertise available on climate change mitigation and adaptation measures.

## **V – LEGAL INSTRUMENTS AND AUTHORITY**

### ***5.1. Legal instruments***

5.1.1 This a Bank Executed Project that will be governed by the Memorandum-Of-Understanding (MoU) between the Bank and the GEF, and the Financial Procedure Agreement between the Bank and the GEF Trustees.

### ***5.2. Compliance with Bank Policies***

5.2.1 The project complies with all applicable Bank policies.

## **VI – RECOMMENDATION**

6.1 Management recommends that the Board of Directors approve the implementation of the proposed project, financed through a Grant from the GEFTF to the Bank of USD 9.09 million and through a Grant from the SCCF to the Bank of USD5.25 million, for the purposes and subject to the implementation arrangements stipulated in this report.

## **Appendix I. Relevant Initiatives and Funds**

### **I. Sustainable Energy for All Initiative (SE4All)**

The SE4All Initiative was launched by the United Nations Secretary-General in 2011 to bring all key actors to the table to make sustainable energy for all a reality by 2030. The SE4All Initiative has three main goals to be reached by 2030: (1) Ensure universal access to modern energy services in particular access to electricity services and to clean cooking solutions; (2) double the global rate of improvement in energy efficiency; and (3) double the share of renewable energy in the global energy mix. The Initiative is also at the forefront of advocating the inclusion of energy in the post-2015 process in view of the enabling role of energy for sectors such as health, agriculture, water, education, and women rights.

As of end of November 2013, 42 SSA countries have opted-in (the list is provided in Appendix II). Opt-in countries (with the participation of the key stakeholders) are first to carry out a Rapid Assessment/Gap Analysis of the situation with respect to SE4All goals, to be followed by a Country Action Agenda and Investment Prospectus highlighting the current level of effort and financing available, the constraints and the additional actions required by all parties (public and private sectors, CSO) to meet the SE4All objectives. The Action Agenda and the Investment Prospectus would then be used to mobilize additional financing from the Donor Community and the Private Sector in order to finance investments and enabling activities.

Since the launch of the Initiative, the Bank has actively participated in various SE4All forums and in defining the Initiative's strategic work program for 2013-15. The Bank's President participated in the SE4All high-level event during Rio+20 and announced the Bank's commitment to SE4All: i.e. investments of at least US\$1 billion per annum in energy until 2030. Furthermore, the President was nominated a member of the Advisory Board of SE4All. With its engagement to date, the Bank has been recognized by the SE4All Initiative as a key partner. The Bank hosts the SE4All Africa Hub in partnership with the African Union Commission (AUC) and the NEPAD Planning and Coordinating Agency (NPCA) pursuant to a mandate provided by the Conference of African Energy Ministers (CEMA) to the three institutions in November 2012. The Hub has been officially launched by the President on 31 May, 2013 during the Annual Meetings in Marrakesh.

### **II. Sustainable Energy Fund for Africa (SEFA)**

The Sustainable Energy Fund for Africa (SEFA) was conceived to provide early stage financing to small and medium-scale renewable energy and energy efficiency projects in Africa. Such projects can make a significant contribution to addressing the massive power deficits in Africa currently holding back economic growth and socio-economic development, while harnessing the continent's huge renewable resource potential. SEFA traces its origin back to the Danish-initiated Africa Commission in 2009. One of the five initiatives recommended by the Commission, the Sustainable Energy Initiative, later evolved into a bilateral Trust Fund – SEFA – developed jointly with the African Development Bank (AfDB) and Government of Denmark and approved by in 2011. The

Government of Denmark has committed USD 56 million to the fund. In 2013 SEFA was transformed into a multi-donor facility with an initial USD 5 million commitment from Obama's Power Africa Initiative (through USAID) as part of a multi-year engagement. SEFA is one of Africa's instruments under the SE4All Initiative and will cooperate closely with the Bank hosted SE4All Africa Hub.

SEFA allows the Bank to scale-up its engagement in the small to medium-sized renewable energy and energy efficiency space. The Bank has been a lead financier of utility-scale clean energy projects in the continent. By getting involved at an early stage, SEFA will play a catalytic role in addressing a number of barriers associated with low-carbon technologies and bridge the gap in terms of risk-return expected by the private sector, contributing significantly to the bankability of sustainable energy projects. SEFA operates through three components: (i) grants to facilitate the preparation of medium-scale renewable and energy efficiency projects; (ii) equity investments to bridge the financing gap for small and medium scale renewable energy generation projects and (iii) support to public sector in improving the enabling environment for private investments in sustainable energy. Since its inception, SEFA has played a key role in structuring the first truly Pan-African USD 150m private equity fund in renewable energy (AREF), for which it will also be an anchor investor with USD 35m.

### **III. The Rural Water Supply and Sanitation Initiative (RWSSI)**

RWSSI was launched by the African Development Bank in 2003 as a focused regional response to the rural water supply and sanitation subsector to help African governments meet the targets of the African Water Vision and the MDGs. The objective of the RWSSI is to reduce poverty by accelerating access to improved rural water supply and sanitation facilities from a baseline of 47% and 44% respectively in 2000, to 80% by 2015 and to 100% by 2025, in a sustainable manner. Following the external review of the initiative in 2011, baseline and 2015 target were revised to align with the latest Joint Monitoring Programme (JMP) data and MDGs. The approach adopted for RWSSI underscores mainstreaming of rural water supply and sanitation development within government sector programming, and providing support for the development of programs and projects where these are non-existent. This requires a close coordination between government agencies, donors and other stakeholders in order to ensure successful country-level operations, while adopting innovative approaches including designs for demand-responsiveness, programmatic and fast-tracking approaches.

At the first International Conference on Rural Water Supply and Sanitation in Africa held in Paris in April 2005, African Governments and international development partners adopted RWSSI as a common framework for resources mobilization and investment for rural water and sanitation delivery in Africa. It was also agreed to establish the RWSSI Trust Fund (RWSSI-TF) to raise additional resources to be managed by the Bank for financing RWSSI activities. The AfDB Board of Directors approved the RWSSI Multi-Donor Grant Arrangement on January 18, 2006. Subsequently, agreements were signed by Denmark, France, the Netherlands, Canada, and Switzerland. As at the 31st December 2012, a total of €124.5 million had been received from the donors. In March 2012 at the RWSSI and AWF conference in Marseille new pledges totalling about €67.5 million were made towards the RWSSI-TF.



#### **IV. ClimDev Africa**

The lack of appropriate climate information is a major obstacle to addressing the challenges of climate change in Africa, and has led to calls by African leaders and development partners to improve the provision and use of appropriate climate information to promote sustainable development planning in Africa. The Climate for Development in African Program (ClimDev Africa) is a joint initiative of the African Union Commission (AUC), the United Nations Economic Commission for Africa (UNECA) and the African Development Bank (AfDB). The program responds to the urgent challenge that climate change poses to the achievement of Africa's development objectives. It seeks to overcome the lack of necessary information, analysis, and options required by policy and decision makers at all levels. ClimDev Africa will bring to bear the collective efforts of these three key African institutions to foster a common and coordinated response to climate change throughout the continent. The Fund will implement programs that strengthen national and sub-regional institutional capacities to overcome the lack of necessary climate information, analysis and options required by policy and decision makers at all levels within the context of threats of climate change. The fund is operational since February 2013 given commitments of EUR 20 million from the European Commission and EUR 7.5 million from Sweden.

The ClimDev-Africa Program Special Fund (CDSF) supports operations in the following three main areas: i) the generation and wide dissemination of reliable and high quality climate information in Africa; ii) quality analysis for decision support and management practices to enhance capacity of policy makers and policy support institutions to integrate climate change information into development programs; and iii) awareness and advocacy to inform decision-making by implementation of pilot adaptation practices that demonstrate the value of mainstreaming climate information into development.

#### **V. African Water Facility (AWF)**

The African Water Facility (AWF) is an initiative of the African Ministers' Council on Water (AMCOW) hosted by the African Development Bank (AfDB), established in 2004 as Special Water Fund to help African countries achieve the objectives of the Africa Water Vision 2025. The AWF offers grants from €50,000 to €5 million to support projects aligned with its mission and strategy to a wide range of institutions and organizations operating in Africa. Its three strategic priority activities are (1) preparing investment projects to mobilize investment funds for projects supported by AWF; (2) enhancing water governance to create an environment conducive for effective and sustainable investments; (3) promoting water knowledge for the preparation of viable projects and informed governance leading to effective and sustainable investments.

The AWF climate change strategy focuses on building resilience by helping African countries better manage their water resources and increase preparedness in a holistic manner AWF-financed projects mainstream climate change by (1) considering climate change impacts in national and transboundary integrated water resources management processes; (2) strengthening the adaptive capacity of key water sector stakeholders; (3) establishing hydro-meteorological information and management systems to reduce uncertainties and knowledge gaps; (4) improving the governance of planning and decision making; (5) building resilience of water supply and sanitation; and (6) introducing

appropriate agricultural and land management practices to improve both productivity and resilience to climate change.

Since 2006, AWF has funded 81 national and regional projects in 51 countries, including in Africa's most vulnerable states. It has mobilized more than €714 million as a result of its project preparation activities, which constitute 70 percent of its portfolio. On average, each €1 contributed by the AWF has attracted €20 in additional follow-up investments. The AWF is entirely funded by Algeria, Australia, Austria, the Bill and Melinda Gates Foundation, Burkina Faso, Canada, Denmark, the European Commission, France, Norway, Senegal, Spain, Sweden, the United Kingdom, and the African Development Bank. The AWF is governed by a Governing Council representing its 15 donors, UN-Water Africa, the AU via NEPAD, AMCOW and the AfDB. As at the 31st December 2012, a total of €140 million had been received from the donors.

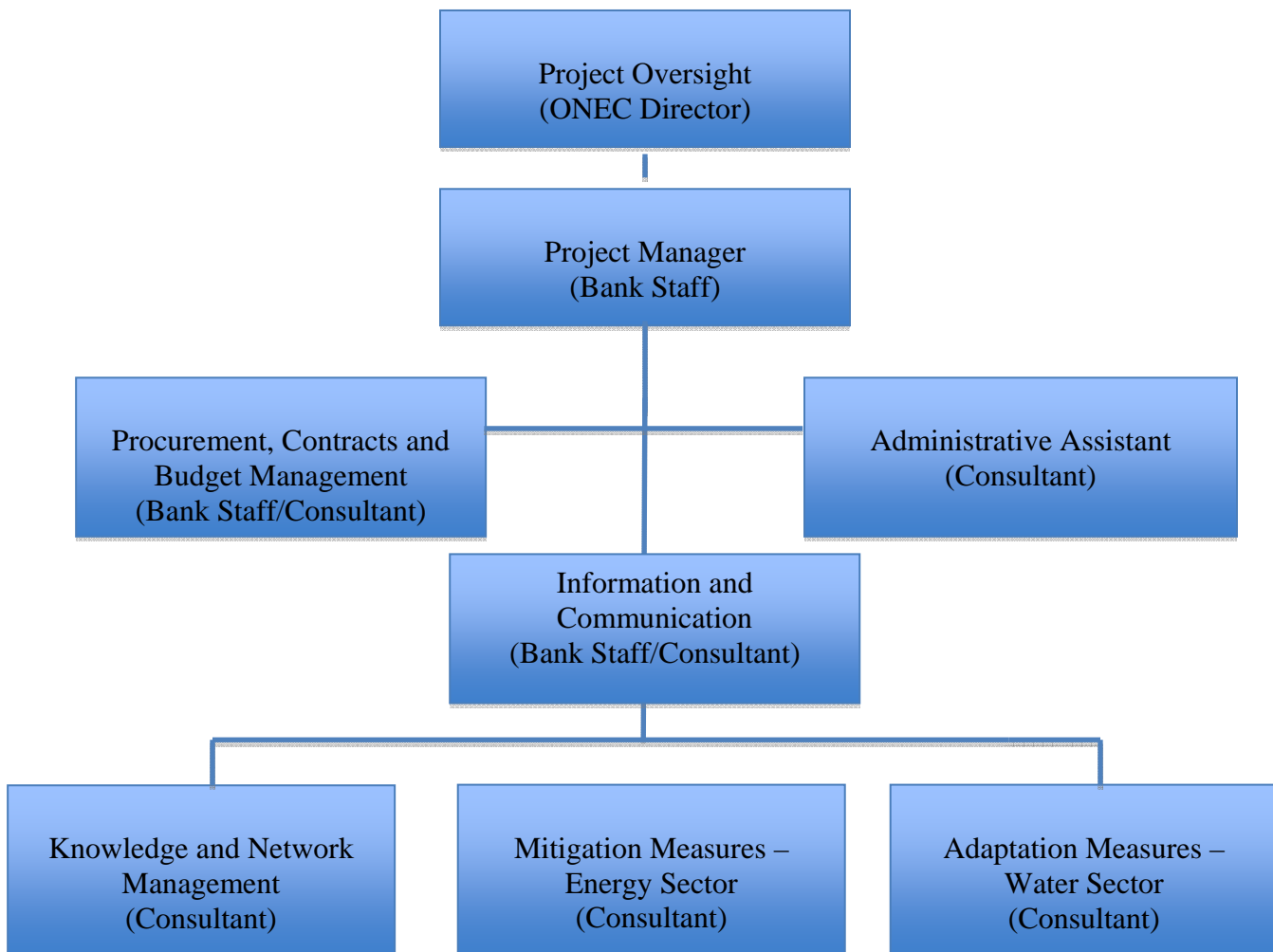
**Appendix II: Sustainable Energy for All (SE4All) Initiative Opt-in Countries**  
(As of November 2013)

<b>Country</b>
Angola
Benin
Botswana
Burundi
Burkina Faso
Cameroon
Cape Verde
Central African Republic
Chad
Congo
Cote d'Ivoire
Democratic Republic of Congo
Ethiopia
Equatorial Guinea
Gabon
Gambia
Ghana
Guinea-Bissau
Guinea-Conakry
Kenya
Lesotho
Liberia
Malawi
Mali
Mauritania
Mozambique
Namibia
Niger
Nigeria
Rwanda
Sao Tome and Principe
Senegal
Sierra Leone
Somalia
South Africa
South Sudan
Swaziland
Tanzania
Togo
Uganda
Zambia
Zimbabwe

### Appendix III: Project Implementation Core Team - Roles and Responsibilities

1. The core implementation team's organizational chart and the roles and responsibilities of its members are described in the following sections. The project is expected to be implemented over a 36-month period, starting in February 2014.

#### Team Organizational Chart



#### Project Team Location

2. The Project core team will be operating from the Bank's ONEC Department located in the Bank's Headquarters. The Bank's field offices and Regional Resources Centers will have a critical role to play in origination of activities to be eventually supported by the center, provision of guidance and comments on consultant deliverables and generally a high degree of ownership of in-country activities is envisaged. The operational manual will detail the role of field offices in relation to project implementation.

### **Core Team's Skills and Responsibilities**

The proposed project implementation core team is built around key skills essential for project implementation. These skills will be provided by Bank Staff and by long term consultants to be contracted by the Bank to implement the project successfully, and within the timeframe and budget.

These skills are:

- (a) project management and monitoring, evaluation and reporting;
- (b) knowledge management and information and communication;
- (c) climate change mitigation in the energy sector;
- (d) climate change adaptation in the water sector; and
- (e) procurement (mostly consulting services) and contracts management.

Full-fledged terms-of-reference will be included in the project Operational Manual. As needed additional expertise will be provided by Bank's staff or consultants. A waiver from the President from the Bank's procurement guidelines will be sought regarding the contracting of long-term (36 months) Bank consultants.

### **Monitoring and Evaluation (M&E)**

3. The monitoring and evaluation of the project's implementation progress and impact will be the overall responsibility of the Bank's ONEC Project team, in charge of project implementation.

4. A detailed M&E Plan will be provided in the Operational Manual. The M&E Plan includes activities to monitor project indicators, tracking tools, monitoring reports and related mid-term and final evaluation reports. It incorporates the Bank's and GEF's requirements for monitoring and evaluation.

5. The M&E Plan includes regular supervision missions (at least twice a year), a project midterm review carried out approximately 18 months after project approval by the Board of Directors, and a review of the annual audit reports. Within six months of the completion of the project, the Bank will prepare a Project Completion Report (PCR).

### **Project Oversight**

6. Project's implementation oversight will be provided by the ONEC Director. The Director will in particular: (a) ensure coordination and synergies amongst the Bank's Departments and initiatives; (b) chair the project quarterly progress meetings; (c) ensure timely semi-annual project monitoring and evaluation reviews; and (d) approve the project's semi-annual work-plans and related budgets and resources.

### **Project's Operational Manual**

7. The project management procedures and implementation details are available in the Project Operational Manual. The Manual provides and centralizes project information

such as: (a) key Project reference documents; (b) Directives from Management; (c) Core team members TORs; (d) Monitoring and Evaluation Plan; (e) Reporting requirements and Reporting schedule; (f) Procurement processes and procurement plan; (g) project financial information; (h) key elements for preparation of the project's semi-annual work plans. This Manual will be adjusted by the team as needed during implementation.

## Appendix IV : Indicative Pipeline 2014-2015

	Description	Country	Project Component	Expected cost
<b>2014 Pipeline</b>	Institutional support to the urban water sector for integration of climate risk management	Angola (Southern)	2	0,2-0,3 million USD
	ESWs/strategic support and support for management of climate change risks the rural water supply and sanitation sector	Ethiopia (Eastern)	2&3	0,2-0,3 million USD
	Support to the rural water supply and sanitation sector for management of climate change risks and preparation of a guideline (component 2&3)	Zambia (Southern)	2&3	0,2-0,3 million USD
	Support the development of the SE4All Action Agenda and the SE4All Investment prospectus	Sierra Leone (Western)	3	0,7 million USD
	Support the development of the SE4All Action Agenda and the SE4All Investment prospectus in partnership with SE4All Africa Hub partners	Kenya (Eastern)	3	0,7 million USD
	Support Ghana with developing a fully-fledged SE4All Action Agenda (current Action Plan covers only clean-cooking and off-grid dimension)	Ghana (Western)	3	0,25 million USD
	Strengthening the enabling environment and sharing of knowledge for renewable energy	Mali (Western)	1&2	0,3-0,5 million USD
	Support the development of the SE4All Action Agenda and the SE4All Investment prospectus	Tanzania (Eastern)	3	0,7 million USD
<b>2015 Pipeline</b>	Madagascar: ESWs/strategic support and support for management of climate change risks the rural water supply and sanitation sector (component 2&3)	Madagascar (Southern)	2&3	0,2-0,3 million USD
	Mali: Institutional support for urban flood management with focus on climate change adaptation and integration of climate risk management in project design	Mali (Western)	2&3	0,2-0,3 million USD
	Namibia: Institutional support for groundwater resources management with focus on climate change adaptation and integration of climate risk management in project design (component 2&3)	Namibia (Southern)	2&3	0,2-0,3 million USD
	Multinational (Southern Africa): Support to trans-boundary water resources development and management	Southern	2&3	0,2-0,3 million USD
	Support the development of the SE4All Action Agenda and the SE4All Investment prospectus	Cote d'Ivoire (Western)	3	0,7 million USD
	Support the development of the SE4All Action Agenda and the SE4All Investment prospectus	Zambia (Southern)	3	0,7 million USD

**Appendix 5: MoU between the Bank and the GEF**