FUNDING SOURCES FOR MITIGATION IN WEST AFRICA

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OUTLINE

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1. CLIMATE CHANGE CONTEXT IN WEST AFRICA

WEST AFRICA REGION

- 70% rural populations – natural resources
- Poverty
- 300 million inhabitants
- Majority of LDCs
- High vulnerability to climate change
- Environmental challenges (funding, capacities...)
- Non sustainable growth (food crisis and energy access gap)
2. CHALLENGE FOR MITIGATION FUNDING IN WEST AFRICA

- Ambitious national and regional policies for mitigation (Ecowas and WAEMU)

- High and support of bilateral and multilateral partners

But...

- Funding needs too high for climate issues: USD 10 to 30 billion up to 2030.

- Question: what efficient funding solutions to enable sustainable growth through mitigation: BOAD experience on energy access and agriculture?
### 3. INTERNATIONAL CLIMATE FINANCE ARCHITECTURE

**Contributor Countries:**
- Australia
- Canada
- EU
- France
- UK
- Germany
- Japan
- Norway
- US
- Others

**Bilateral Institutions:**
- DFAT
- CIDA
- DFID
- AFD
- DECC
- MIES
- FFEM
- DEFA
- NAMA Facility
- BMZ
- GIZ
- MOFA
- JICA
- NORAD
- Ex-Im
- OPIC
- USAID

**Multilateral Institutions:**
- UNFCCC Financial Mechanisms:
  - COP (Standing Committee on Finance)
  - GCF (Global Climate Fund)
  - AF (Adaptation Fund)
  - GEF (Global Environment Facility)
- UN Agencies:
  - UNDP
  - UNREDD
  - IFAD
  - UNEP
  - WB
  - IFAD
  - ADB
  - AfDB
  - EBRD
  - EIB
  - IDB
- Carbon Funds
  - MDBs
  - Bio Carbon Fund

**Non-UNFCCC Financial Mechanisms:**
- National Executing Agencies
- National Climate Funds
- AmF
- ICCF
- BCCF
- BCRF
- FONERWA
- GRIF
- MCCF
- PPF

**Website:**
www.climatefundsupdate.org
Encouraging but insufficient to cover 10 billion annual needs

Low disbursement can be challenging in (West...) Africa
3. CLIMATE FINANCE FOR WEST AFRICA

Subsaharian Africa highly considered

West Africa to benefit from addressing energy access issues
Energy in West Africa

- Low access/gap on supply
- High investment cost RE
- 60-90% thermal based electricity

- Ecowas Renewable Energy Policy: 50% RE in 2030
- Energy Efficiency Policy
- National policies
4.1 FUNDING SOURCES RENEWABLE ENERGY ACCESS IN WEST AFRICA

WAPP Grid Emission Factor Study

- 552 MW with a mitigation potential of 19 MtCO2
- Low investment on RE: 5% of actual total generating capacities
4.1 REGIONAL FUNDING SOURCES FOR RENEWABLE ENERGY IN WEST AFRICA

Regional development Institutions

- West African Development Bank for WAEMU
- ECOWAS Bank for Investment and Development
- African Renewable Energy and Bio Fuel Company
BOAD operation activities

**Private sector**
- Energy
- Urban water
- Transport
- Telecom
- Industries
- Banking services
- Financial expertise

**Public sector**
- Infrastructures
- Rural Development
- Rural water
4.1 BOAD Renewable energy funding

- USD 1 billion for RE projects
- hydro-electricity mainly focus
- Regional projects: Manatali 200 MW (sn-mali)
- National projects: Sotuba dam Mali and Côte d’Ivoire small dam: < 10 MW
4.1 BOAD: WAy fOr WAr D TO MOBILIZE r ESOUr CES f Or EnEr gy ACCESS

- Accreditation on going for Green Climate Fund
- Accreditation on going for Global Environment Facility
- Supporting CDM and carbon market for sustainable development
- NAMAs and other mitigation activities
- Involving financial bank to support energy access
Energy: promote energy access activities impacting households through programmes of activities

Energy: new baseline funding to set up for biogas, mini hydro, cooking stoves projects

Energy: define a sectoral funding strategy for RE projects
Regional development Banks

ECOWAS Bank for Investment and Development

African Renewable Energy and Bio Fuel Company

What ABREC Stands for

- Promotion and funding of renewable energy projects in the private and public sectors
- Advising governments and the private sector to enable them obtain maximum benefit from clean energy markets
- Transfer of new green technologies for the development of renewable energy industries
- Funding of SME/SMIs in the area of renewable energies
- Contribute to the development of the biofuels and renewable energy industry in sub-Saharan Africa, with a particular focus on West Africa
- Provide investors with superior returns through investments in renewable energy projects which generate certified emission reductions
### ECOWAS Development Bank and ABREC

#### Selected Key Milestones

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<thead>
<tr>
<th><strong>ABREC</strong></th>
<th><strong>AREF</strong></th>
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<tbody>
<tr>
<td><strong>Togo</strong></td>
<td><strong>Ethiopia</strong></td>
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<td>• $55m</td>
<td>• Geothermal Power Plant</td>
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<td>• 13k Street Lamps</td>
<td>• Origination, Structuring, Investment, Build</td>
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<td>• Origination, Structuring, Fund Raising, Project management</td>
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<td><strong>Sierra Leone</strong></td>
<td><strong>Uganda</strong></td>
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<tr>
<td>• $20m</td>
<td>• Hydro Power Plant</td>
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<td>• 13K Solar Street Lamps</td>
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<td>• Origination, Structuring Fund Raising, Project management</td>
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<td><strong>PRODERE 1</strong></td>
<td><strong>Uganda</strong></td>
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<td>• $50m</td>
<td>• Hydro Power Plant</td>
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<td>• Origination, Project Management</td>
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<td><strong>Benin</strong></td>
<td><strong>Kenya</strong></td>
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<td>• $100m</td>
<td>• Geothermal Power Plant</td>
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<td>• $15k Solar Street Lamps, 5MW micro Solar power plant</td>
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Significant project pipeline

- 15k Solar Street Lamps (Senegal)
- 5MW Solar power stations in 8 countries of WAEMU
- IPP support fund of WAEMU Commission with a target of 200MW incremental power generated by IPP in the 8 countries of the union
- The OMVS is working in partnership with ABREC to bring to market 200MW power generation projects in Senegal
- ABREC has identified a significant pipeline representing 400MW of solar, wind and biomass projects across Africa

- $50m PRODERE II
- $100m FRAED
- $500m OMVS Project Pipeline
- $1bn Proprietary Project Pipeline

H1 2015

H2 2015
4.2 Regional Contribution to Mitigation: Agriculture

- Agriculture

  - Small scale engaging 70% of population
  - High exposure to climate issue
  - Food security challenge
  - High priority
  - Adaptation
4.2. REGIONAL CONTRIBUTION TO MITIGATION: AGRICULTURE

Agriculture

- 1 billion funding for 140 projects
- 20% addressing climate change issues Adapt/Mit

Mitigation activities

- Water access: 49%
- Agroforestry: 47%
- Rural development: 2%
- Soil and water conservation: 2%

Adaptation activities

- Intensification: 66%
- Lands restoration: 31%
- Insurance: 3%

- 30% projects for mitigation
- 70% projects with adaptation benefits
4.2 WAY FORWARD FOR AN EFFICIENT AGRICULTURE FUNDING

Agriculture: BOAD already accredited to the Adaptation Fund

Agriculture: promoting agribusiness with clean energy tech (e.g. solar water pumping...)

Agriculture: technique for soil and residues conservation
Thank you for your attention!