

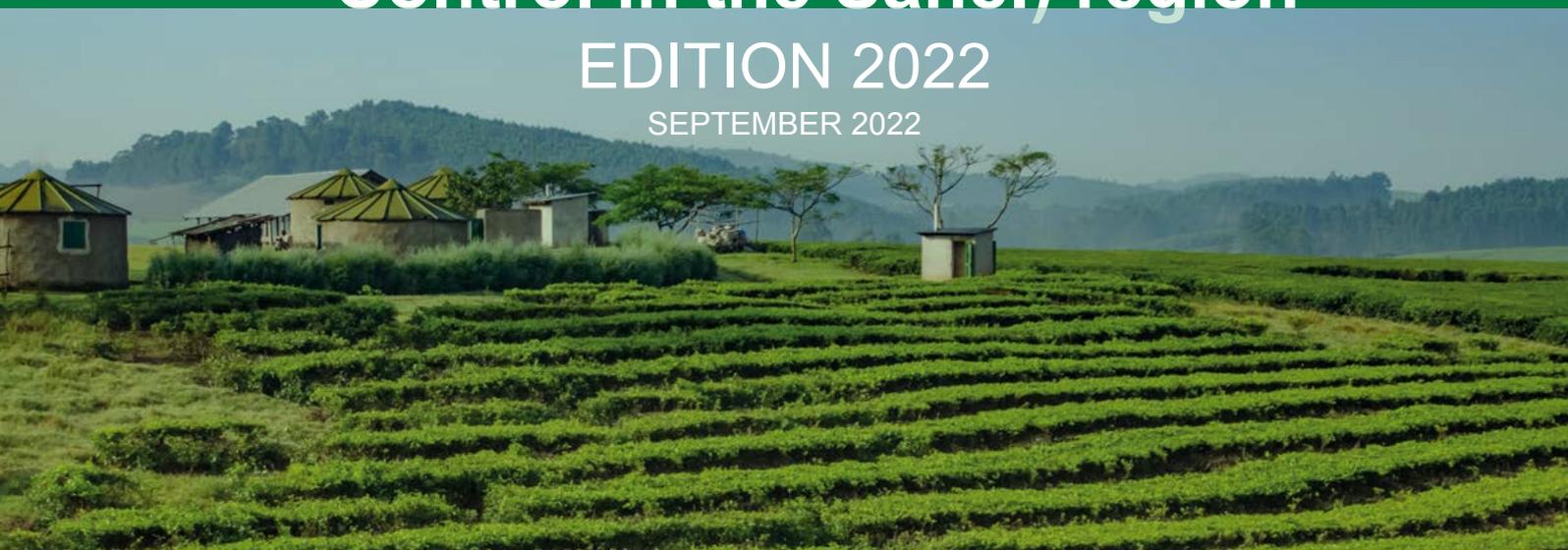


REPORT

of Mapping of climate finance flows
to the ECOWAS CILSS (Permanent
Interstate Committee for Drought
Control in the Sahel) region

EDITION 2022

SEPTEMBER 2022



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This report was carried out as part of the implementation of the ECOWAS Regional Climate Strategy, through the Directorate of Environment and Natural Resources (DERN). The results of this study were validated during an online workshop held on the 8th of September, 2022, which brought together the following partners: ECOWAS Member States (through climate change focal points, GEF focal points as well as national designated authorities for the Green Climate Fund and the Adaptation Fund), regional institutions (WAEMU, EBID, CILSS, WASCAL, CRCC Lomé), accredited entities of the ECOWAS region (BOAD, CSE), financial and technical partners of ECOWAS.



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Disclaimer

This study, which covers the period March 2019 to June 2022, is an update of the first edition of the mapping of financial flows to countries in the ECOWAS-CILSS region published in 2020 and which ran from 2003 to February 2020.

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EXECUTIVE SUMMARY

The United Nations Framework Convention on Climate Change (UNFCCC) recommends three main types of means for its implementation, namely financing, capacity building and technology transfer. The financing of actions to combat global warming, also called climate finance, is an important lever for implementing concrete actions. Developing countries, i.e. the most vulnerable countries and those most affected by climate change, are constantly calling at the level of international bodies, particularly during climate negotiations within the framework of Conferences of the Parties (COP), for developed countries to increase their ambitions in terms of reducing their GHG emissions and to honour their commitments in terms of mobilising climate finance.

Indeed, the question of financing the fight against global warming in favour of the countries of the South, constituted a thorny subject marked by significant divergences of point of view between industrialised countries and emerging countries during the Paris conference. These discussions culminated in the signing of a landmark agreement intended to catalyse investor action. This mobilisation of means of financing climate action should represent a progression compared to previous efforts. Thus, "floor" financing of one hundred (100) billion dollars per year is planned from 2020 to support the countries of the South in their efforts aimed at low-carbon economic development that is resilient to climate change and within the framework of which the Green Fund for the Climate (GCF) is called upon to play a key role.

Africa is the region of the world that contributes the least to greenhouse gas (GHG) emissions, but is the most vulnerable to the impacts of climate change. Africa's share (excluding South Africa) in cumulative global CO₂ emissions between 1751 and 2020 is less than 0.5%. Regarding the countries of the ECOWAS-CILSS zone, they have an average carbon footprint of less than one metric ton per inhabitant per year, and in terms of vulnerability to climate risks, these countries have some of the highest levels of vulnerability in the world.

While the focus of the first edition of 2019 was on multilateral funding, an effort has been made in the context of this second edition of 2022 (covering the period from March 2019 to June 2022) to take into account bilateral flows, and where possible, funding from national sources. **Financial flows from multilateral and bilateral sources** approved and allocated to the countries of the ECOWAS-CILSS region during the period are estimated at approximately **US\$3,888 million, for 180 projects**. Multilateral sources of financing alone account for more than 86% of this international financing, or US\$3,325 million. With regard to areas of impact of funding, 36.4% of international financial flows approved and allocated to countries in the ECOWAS-CILSS region were used to finance cross-cutting actions, 35.8% for adaptation and 27.8%

for mitigation. The primary beneficiary country in the region is Nigeria, followed by Benin, Burkina Faso and Senegal. Sierra Leone, which is among the ten most vulnerable countries in the world received the least finance. This finance comes from 24 multilateral and bilateral institutions, led by the African Development Bank (AfDB) with financing of US\$727 million. The analysis of the different financial instruments mobilised shows that loan financing is the most used between 2019 and 2022 with a share of 47%, while more than 45% of climate finance resources were mobilised in the form of grants.

Regarding funding from multilateral sources, **MDB financing** approved and allocated to countries in the ECOWAS-CILSS zone come first with an estimated volume of approximately **US\$2,501 million** spread over 63 projects (mitigation, adaptation and multi-domain). Approximately 47% of these resources, US\$1,169 million, are earmarked for financing multi-domain projects, and approximately 34% for adaptation. From a sector point of view, 37% of this financing is in favour of agriculture and food security, followed by 20% in the multi-sector and 18% in water.

The new portfolio of the **GCF** for the ECOWAS-CILSS zone includes a total of 14 projects largely dominated by international access (11 projects), as against three projects according to di-

rect regional access. The 14 projects approved represented a **total budget of US\$920 million, of which 38% in GCF equity** and 62% in the form of co-financing. 63% of GCF-approved financing is for mitigation activities, 26% for multi-domain projects, and the rest (11%) for adaptation projects, where loan financing is used most with more than 71% of GCF funding, compared to 29% in the form of grants. The energy sector alone attracted about 60% of this financing, followed by the agriculture sector with nearly 20% of financing, and the forestry sector comes in third position with an 11% share of financing approved by the GCF.

As for **GEF** financing, this has been **estimated at around US\$209 million**, for 46 projects. The largest share (45%) was used to finance adaptation projects, while more than 40% of these resources were used to finance actions in multiple domains, and about 15% for mitigation. The Agriculture, Forestry and Other Land Use (AFOLU) sector was the leading beneficiary of GEF funding (over US\$60 million). Multi-sector projects ranked second with a 14% share of funding.

Finally, among the multilateral sources, the financing of the **AF** (Adaptation Fund) approved and allocated to countries in the ECOWAS-CILSS region between March 2019 and June 2022, totalled **US\$91.5 million** for nine pro-



jects, which represents more than 75% of the funding allocated to date by the AF to this region.

Between March 2019 and June 2022, total contributions from bilateral donors in the ECOWAS-CILSS zone have been estimated at about **US\$563 million** spread over 45 projects. Nearly 52% of these resources or about US\$293 million are intended for adaptation (34% agriculture, 22% water and 22% biodiversity), approximately 37% for mitigation (83% energy and 8% forest) and 11% to multiple domains. The AFD (French Development Agency) is the first contributor with a share of 55%, or US\$311 million, followed by KfW (The German Development Bank) (16%), with almost US\$88 million and





EXECUTIVE SUMMARY

in third position we find the Luxembourg Agency for Development Cooperation LuxDev (11%) with a contribution of nearly US\$64 million. A large part of this funding is intended primarily to finance the energy sector (30%), followed by the agriculture and food security sector (22%) and the water sector (12%).

From a cumulative perspective, **the global balance sheet** established by

taking into consideration the international (multilateral and bilateral) and national funding granted during the **period 2003-2022** indicates total approved climate finance reaching **US\$5,273 million**, with multilateral sources alone accounting for 89% of this funding, i.e. US\$4,702 million. There has been a considerable acceleration in financing since 2019. This can be explained by the combined effect of the accelera-

tion of the implementation of the Paris Agreement through the NDCs and the advanced state of readiness of ECOWAS-CILSS countries to attract international climate finance. However, **the climate finance thus mobilised from international sources between March 2019 and June 2022 represents only 4.7% of the conditional needs expressed by certain countries through their NDCs.**

The approach to monitoring climate finance flows in the ECOWAS-CILSS zone continues to require improvement. Indeed, while the first edition of 2019 and this second edition of 2022 are more based on a Top-Down approach (data drawn from international sources), the future sustainable methodology to be established to serve the updating of climate finance flows at the scale of the ECOWAS-CILSS zone will have to **capitalise on countries' current efforts to comply with the requirements of the Enhanced Transparency Framework of the Paris Agreement.** Indeed, in this framework, the countries, like all other developing countries, are required to produce Biennial Transparency Reports (BTRs) from December 2024. As part of this dynamic, the **new ECOWAS Regional Climate Strategy (RCS)** should lay the groundwork for a lasting regional collaboration not only to improve and institutionalise the biannual production of the mapping of financial flows for the climate, but also to create and strengthen the collaborative framework of exchange between peers for the sharing of experiences and mutual support in efforts to mobilise climate finance resources.

TABLE OF CONTENTS

14	1. CONTEXTE GÉNÉRAL
16	2. INTRODUCTION
20	3. OBJECTIFS ET MÉTHODOLOGIE
20	3.1. Objectifs
20	3.2. Sources et Méthodologie
21	3.3. Phase de collecte et d'analyse des données
22	4. FLUX FINANCIERS CLIMATIQUES MULTILATÉRAUX ET BILATÉRAUX VERS LA REGION CEDEAO-CILSS
23	4.1. Panorama général des flux climatiques multilatéraux et bilatéraux
27	4.2. Les financements multilatéraux
49	4.3. Les financements bilatéraux
56	5. FINANCEMENTS CLIMATIQUES NATIONAUX
58	6. BILAN DES FLUX FINANCIERS POUR LE CLIMAT VERS LA RÉGION CEDEAO-CILSS ET ANALYSE DU GAP ENTRE LES BESOINS DES CDN ET LES FLUX MOBILISÉS
60	7. CONCLUSIONS ET RECOMMANDATIONS
62	8. RÉFÉRENCES BIBLIOGRAPHIQUES





LIST OF FIGURES

Liste des figures

- 14... **Figure 1:** Global climate finance architecture (Source: CFU, 2019)
- 15... **Figure 2:** Regional distribution of multilateral climate finance (US\$ billion) from developed countries (OECD data, 2020)
- 17... **Figure 3:** Distribution of global cumulative CO₂ emissions between 1751 and 2020
- 18... **Figure 4:** Vulnerability map according to the ND-GAIN 2022 index (Source: University of Notre Dame, 2022)
- 24... **Figure 5:** Distribution of the number of projects by theme between March 2019 and June 2022
- 25... **Figure 6:** Approved multilateral and bilateral financing by thematic area (March 2019 - June 2022)
- 25... **Figure 7:** Countries receiving multilateral and bilateral finance, in millions of US dollars (March 2019 - June 2022)
- 26... **Figure 8:** Fund sponsors active in the ECOWAS-CILSS region (March 2019 - June 2022)
- 26... **Figure 9:** Breakdown of financing by type of financial instrument (March 2019 - June 2022)
- 29... **Figure 10:** Distribution of GEF funding by theme between March 2019 and June 2022
- 29... **Figure 11:** Breakdown of GEF funding by sector between March 2019 and June 2022
- 30... **Figure 12:** Breakdown of GEF funding by country between March 2019 and June 2022
- 30... **Figure 13:** Breakdown of GEF funding by country between March 2019 and June 2022
- 31... **Figure 14:** Distribution of GEF funding by sector for multi-country projects (March 2019 - June 2022)
- 31... **Figure 15:** Climate financing from MDBs at the global level (\$ millions) in 2020 (MDBs, 2020)
- 32... **Figure 16:** MDB financing by region (%) in 2020 (data: MDBs, 2020)
- 33... **Figure 17:** MDB financing by region (\$ millions) in 2020 (data: MDBs, 2020)

- 33... **Figure 18:** MDB climate finance to West Africa between 2015 and 2020 (MDB data, 2020)
- 34... **Figure 19:** Distribution of MDB financing (\$ million) between March 2019 and June 2022
- 34... **Figure 20:** Distribution of MDB financing by thematic area (March 2019-June 2022)
- 35... **Figure 21:** Distribution of MDB financing by sector between March 2019 and June 2022
- 37... **Figure 22:** Composition of the GCF portfolio of accredited entities worldwide, June 2022
- 40... **Figure 23:** Number of GCF projects by means of access (March 2019 - June 2022)
- 40... **Figure 24:** Breakdown of GCF portfolio financing in the ECOWAS-CILSS zone between March 2019 and June 2022 (US\$ millions)
- 41... **Figure 25:** Number of projects funded by the GCF by sector between March 2019 and June 2022
- 41... **Figure 26:** GCF financing allocated by sector (US\$ millions) between March 2019 and June 2022
- 42... **Figure 27:** Distribution of MDB financing by area of impact (March 2019-June 2022)
- 42... **Figure 28:** GCF financing instruments (US\$ millions) 2019-2022
- 43... **Figure 29:** Financial instruments by access mode (US\$ millions) 2019-2022
- 43... **Figure 30:** Financial instruments by donor (US\$ millions) 2019-2022
- 44... **Figure 31:** Distribution of GCF financing by theme for multi-country projects (March 2019 - June 2022)
- 45... **Figure 32:** Distribution of GCF financing and co-financing by type of financial instrument for multi-country projects (March 2019-June 2022)
- 45... **Figure 33:** Distribution of GCF financing by sector for multi-country projects (March 2019-June 2022)
- 46... **Figure 34:** Composition of the AF portfolio of accredited entities worldwide, as of February 2022
- 48... **Figure 35:** Resources mobilised from the AF for the ECOWAS-CILSS zone, by access modality (AF, 2022)

- 48... **Figure 36:** AF financing by sector in the ECOWAS-CILSS zone (US\$ millions), (AF, 2022)
- 49... **Figure 37:** AF funding mobilised between March 2019 and June 2022 by country in the ECOWAS-CILSS region
- 49... **Figure 38:** Distribution of bilateral donor financing by theme in the ECOWAS-CILSS region (March 2019-June 2022)
- 50... **Figure 39:** Climate finance from bilateral donors in the ECOWAS-CILSS region (March 2019-June 2022)
- 50... **Figure 40:** Bilateral donor financing by country between March 2019 and June 2022
- 51... **Figure 41:** Distribution of bilateral donor financing by sector between March 2019 and June 2022
- 51... **Figure 42:** Distribution of bilateral donor financing by theme for multi-country projects (March 2019-June 2022)
- 51... **Figure 43:** Multilateral donor financing for multi-country projects (March 2019-June 2022)
- 52... **Figure 44:** Distribution of bilateral donor financing by sector for multi-country projects (March 2019-June 2022)
- 52... **Figure 45:** Mitigation financing from bilateral donors in the ECOWAS-CILSS region (March 2019-June 2022)
- 53... **Figure 46:** Distribution of mitigation financing from bilateral donors by country in the ECOWAS-CILSS region (March 2019-June 2022)
- 53... **Figure 47:** Distribution of mitigation financing from bilateral donors by sector in the ECOWAS-CILSS region (March 2019-June 2022)
- 54... **Figure 48:** Adaptation financing from bilateral donors in the ECOWAS-CILSS region (March 2019 - June 2022)
- 55... **Figure 49:** Distribution of adaptation financing from bilateral donors by country in the ECOWAS-CILSS region (March 2019 - June 2022)
- 55... **Figure 50:** Distribution of adaptation financing from bilateral donors by sector in the ECOWAS-CILSS region (March 2019 - June 2022)
- 56... **Figure 51:** Distribution of national climate finance by theme (March 2019 - June 2022)
- 57... **Figure 52:** Distribution of national climate financing by country (March 2019 - June 2022)
- 58... **Figure 53:** Distribution of financing by source in the

ECOWAS-CILSS region over the period 2003-June 2022 (compilation of data from the first and second editions)

- 58... **Figure 54:** Distribution of financing by theme in the ECOWAS-CILSS region over the period 2003-June 2022
- 59... **Figure 55:** Approved international and national financing for the ECOWAS-CILSS region (2003-June 2022)

List of tables

- 19... **Table 1:** List of the ten most vulnerable countries in the world according to the ND-GAIN index
- 23... **Table 2:** Breakdown of climate finance by source of finance (period: March 2019 - June 2022)
- 38... **Table 3:** GCF direct access entities in Africa (Source: GCF website accessed June 2022)
- 47... **Table 4:** AF Direct Access Entities in Africa (FY 2022 data)
- 59... **Table 5:** Comparison between the international climate financing mobilised between March 2019 - June 2022 and the needs expressed in the NDCs of the countries of the ECOWAS-CILSS region



LIST OF ABBREVIATIONS

ABD	Agence Belge de Développement, the Belgian Development Agency	CC-NUCC/UNFCCC	United Nations Framework Convention on Climate Change	IKI	International Climate Initiative (Germany)	NMFA	Norwegian Ministry of Foreign Affairs	FIP	Forest Investment Programme (implemented by WB, ADB, AfDB, EBRD and IDB)	CER	Certified emission reductions
ACCF	African Climate Change Fund (AfDB)	CDG	Caisse de Dépôt et de Gestion	JBIC	Japan Bank for International Cooperation	NORAD	Norwegian Agency for Development and Cooperation	FIRCA	Interprofessional Fund for Agricultural Research and Advice	RBT	Biennial Transparency Report
CIDA	Canadian International Development Agency	NDC	Nationally Determined Contribution	JICA	Japan International Cooperation Agency	ODI	Overseas Development Institute	FMO	Entrepreneurial Development Bank	REDD	Reducing Emissions from Deforestation and Forest Degradation
ADA	Agricultural Development Agency	CEDEAO/ECOWAS	Communauté économique des États de l'Afrique de l'Ouest / Economic Community of West African States	KfW	German Development Bank	OECD	Organisation for Economic Co-operation and Development	FNEC	National Environment and Climate Fund	REM	REDD First Movers (Germany and UK)
AFC	Africa Finance Corporation	CFU	Climate Finance Update	LDCF	Least Developed Countries Fund	DBSA	Development Bank of Southern Africa	LDCF	Least Developed Countries Fund (hosted by the GEF)	RIE	Regional Implementing Entity
AFD	Agence Française de Développement, the French Development Agency	CIF	Climate Investment Fund (implemented by the WB, the ADB, the AfDB, the EBRD and the IDB)	LuxDev	Luxembourg Agency for Development Cooperation	DEFRA	Department for Environment, Food and Rural Affairs	FSCC	Special Climate Change Fund (hosted by the GEF)	SANBI	South African National Biodiversity Institute
AMCC	Global Climate Change Alliance	CILSS	Comité permanent inter-États de lutte contre la sécheresse dans le Sahel / Permanent Interstate Committee for Drought Control in the Sahel	MFA	Ministry of Foreign Affairs	DFID	Department for International Development (UK)	GCF	Green Climate Fund	SCF	Strategic Climate Fund (implemented by the WB, ADB, AfDB, EBRD and IDB)
ASAP	Adaptation programme for small-scale farmers	COP	Conference of the Parties	MAEC	Ministry of Foreign Affairs and Trade	DRFN	Desert Research Foundation of Namibia	GCCA	Global Climate Change Alliance	SREP	Accelerated Renewable Energy Development Programme for Low Income Countries (implemented by the WB, ADB, AfDB, EBRD and IDB)
AWB	Attijariwafa Bank	CPI	Climate Policy Initiative	MASEN	Moroccan Agency for Sustainable Energy	EGH	ECOBANK Ghana Limited	GCCI	Global Climate Change Initiative (USA)	EU	European Union
BAGRI	Banque Agricole du Niger	CSE	Ecological Monitoring Centre	CDM	Clean Development Mechanism	EIF	Environmental Investment Fund	GCPF	Global Climate Partnership Fund (Germany, UK and Denmark)	UNEP	United Nations Environment Programme
AfDB	African Development Bank	CTF	Clean Technology Fund (implemented by the WB, ADB, AfDB, EBRD and IDB)	MIE	Multilateral Implementing Entity	EMA	Environmental Management Agency	WMO	World Meteorological Organisation	USAID	US Agency for International Development
ADB	Asian Development Bank	GEEREF	Global Energy Efficiency and Renewable Energy Fund (hosted by the EIB)	MIES	Interministerial mission on the greenhouse effect	E.U.	United States	UN-REDD	United Nations Collaborative Programme on Reducing Emissions from Deforestation and Forest Degradation	ND-GAIN	Notre Dame Global Adaptation Initiative
EIB	European Investment Bank	GEF	Global Environment Facility	MOC	Joint Implementation (applied under the Kyoto Protocol)	Ex-Im	US Export-Import Bank	OPIC	Overseas Private Investment Board	WAICSA	West African Initiative for Climate Smart Agriculture
BEIS	Energy and Climate Change Department	GHG	Greenhouse gas(es)	MoE	Ministry of Environment (formerly, Ministry of Natural Resources - MINIRENA)	AF	Adaptation Fund	OSS	Sahara and Sahel Observatory	WB	World Bank
EBRD	European Bank for Reconstruction and Development	IPCC	Intergovernmental Panel on Climate Change	MOFEC	Ministry of Finance and Economic Cooperation	FAO	Food and Agriculture Organisation of the United Nations	FP	Focal point	WIM	Warsaw International Mechanism for Loss and Damage associated with Climate Change Impacts
BID	Inter-American Development Bank	GIZ	German Technical Cooperation	MWE	Ministry of Water and Environment	FCPF	Forest Carbon Partnership Fund	PME/SME(s)	Small and medium-sized enterprise(s)	WMO	World Meteorological Organisation
EBID	ECOWAS Bank for Investment and Development	HBS	Heinrich Böll Foundation	NAMA facility	Facilitation of nationally appropriate mitigation measures (UK and Germany)	GEF	Global Environment Facility	PMR	Partnership for the Development of Carbon Markets		
WB	World Bank	ICF	International Climate Finance (UK)	NEMA	National Environment Management Authority	FFEM	French Global Environment Facility	UNDP	United Nations Development Programme		
MDB	Multilateral Development Bank	IPCC	Intergovernmental Panel on Climate Change	NEMC	National Environment Management Council	FIC	Climate Investment Fund (implemented by the WB, ADB, AfDB, EBRD and IDB)	UNEP	United Nations Environment Programme		
BMZ	Federal Ministry for Economic Cooperation and Development			NICFI	International Forest and Climate Initiative (Norway)						
WADB	West African Development Bank			NIE	National Implementing Entity						
CBFF	Congo Basin Forest Fund (hosted by the AfDB)										

01 GENERAL CONTEXT

Climate finance refers to financial resources mobilised to fund actions in climate change mitigation and adaptation (Watson and Schalatek, 2019 (b)). In the context of international climate negotiations, the concept refers to financial flows from developed to developing countries for

climate action and which ones should be new and supplement existing aid flows (Carvalho A. P. and Terpstra P., 2015).

The global climate finance architecture is complex and constantly evolving. Funds are channelled through multilateral channels (within and outside

the UNFCCC and Paris Agreement financing mechanisms), and increasingly through bilateral channels, as well as through regional and national climate funds (Figure 1).

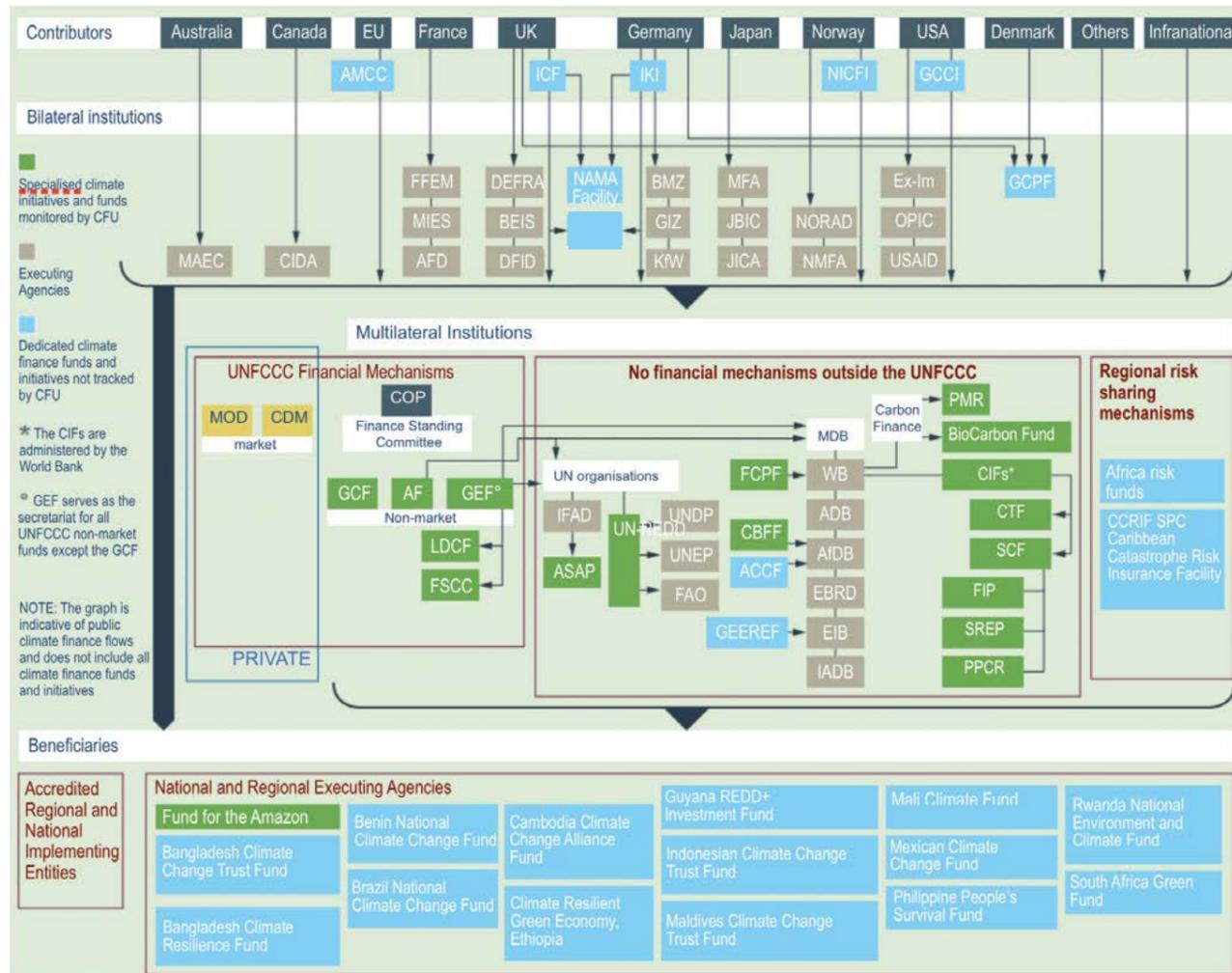


Figure 1 : Global climate finance architecture (Source: CFU, 2019)

Financing is provided in various forms: grants, concessional loans, guarantees and equity investments. Tracking flows is difficult in the absence of an agreed definition of 'climate finance' or uniform accounting rules, in a context marked by a wide variety of financial mechanisms (Watson and Schalatek, 2019 (b)).

Global climate finance flows continue to increase, reaching US\$ 632 billion for the period 2019-2020, but with a slow growth rate (only 10% between 2017/2018 and 2019/2020). Although this increase is expected to continue over the next few years, these flows fall far short of the resources needed to achieve the global transition to low-carbon and climate-resilient development. Moreover, the largest share of these resources is allocated to mitigation (571 billion), with only 46 billion for adaptation and 15.8 billion for cross-benefits. The majority of mitigation financing has gone to energy systems, which includes investments in renewable fuel production, renewable electricity and heat generation assets,

transmission and distribution networks and policy and national budget support, as well as capacity building. Private stakeholders provided the majority of mitigation financing (54%), particularly with regard to the share of renewable energy financing, indicating the maturity of this market. In addition, almost all of the adaptation finance identified in the landscape was funded by public stakeholders (98%), and was mainly allocated to water projects and other cross-sectoral projects.

Three quarters of the climate investments tracked in 2019/2020 (\$479 billion) have flowed to the national level. More than half (58%) of the climate projects funded at national level came from private sources. It is pointed out here that Western Europe, the US and

Canada, and East Asia and the Pacific were the main beneficiaries of domestic flows, which accounted for 76% of global flows. Finally, Sub-Saharan Africa has received only US\$17 billion in international finance compared to US\$2 billion mobilised from domestic sources (ICC, 2021).

Multilateral climate finance (MDBs¹ and Multilateral Funds) is estimated at US\$28.5 billion in 2020 and Africa is the largest recipient region, with US\$8.4 billion², of which the ECOWAS region accounts for 15.7%. (OECD, 2020), (Figure 2).

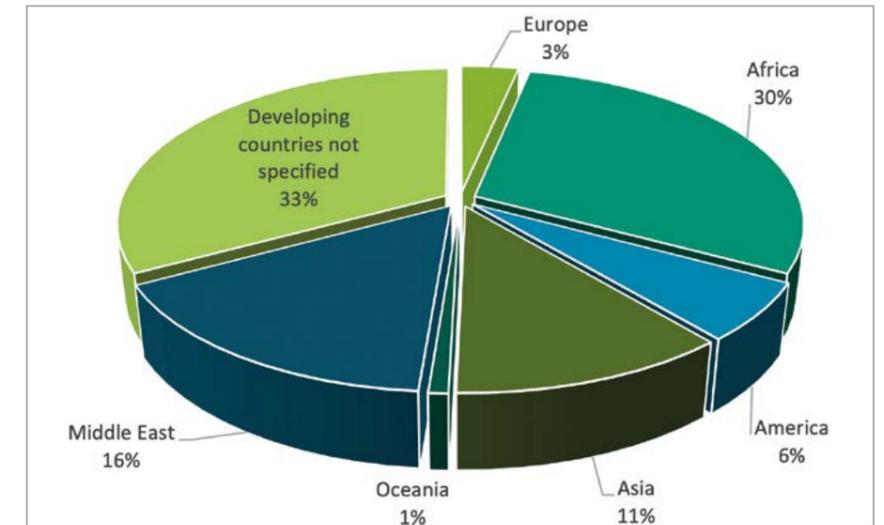


Figure 2 : Regional distribution of multilateral climate finance (US\$ billion) from developed countries (OECD data, 2020)

¹ Multilateral Development Banks / ² <https://stats.oecd.org/Index.aspx?DataSetCode=MULTISYSTEM#>

02 INTRODUCTION

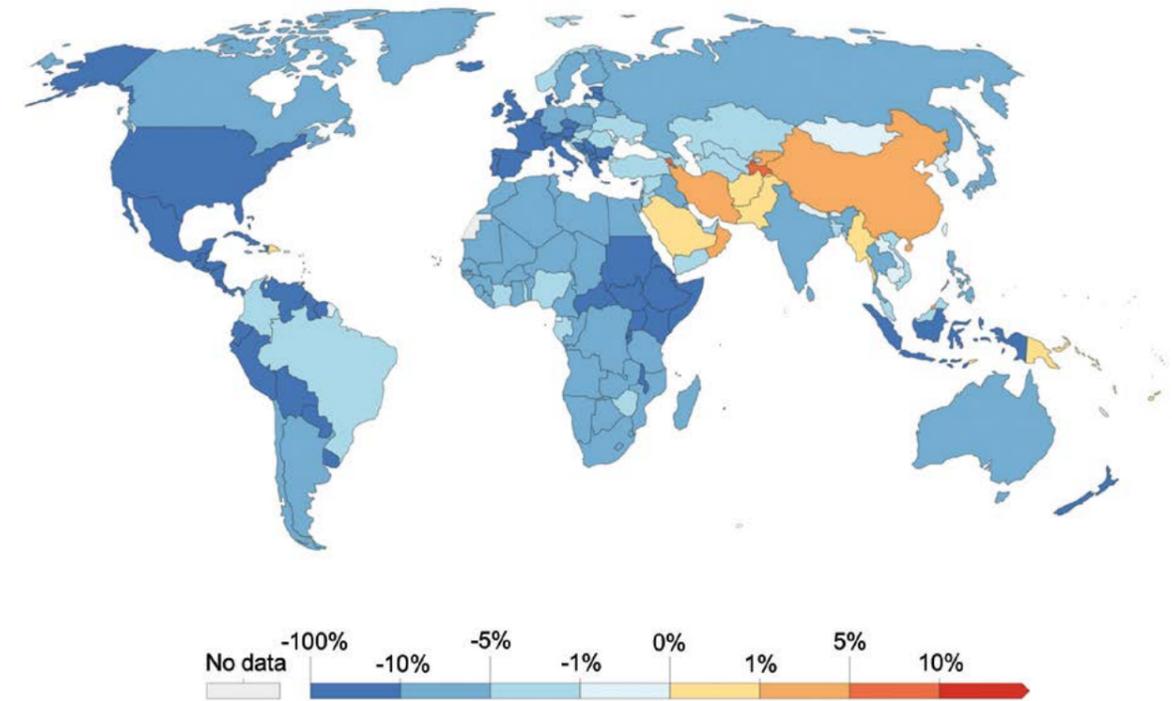


In September 2015, the United Nations General Assembly adopted 'The 2030 Agenda for Sustainable Development', built on the vision of 'a world free of poverty, hunger, disease and want, where all life can thrive'. In its paragraph 14, this Agenda identifies climate change as one of the greatest challenges of our time and a unique and cross-cutting impediment to this vision that compromises the ability of all countries to achieve sustainable development (United Nations, 2015). Climate-related risks associated with climate variability and change have exacerbated food insecurity in many places, particularly in Africa due to the impact of drought, increasing the overall risk of climate-related illness or death (WMO, 2019). Urgent action to combat climate change and its impacts is thus one of the main objectives of the 2030 Agenda and the United Nations Framework Convention on Climate Change (UNFCCC) is the main intergovernmental forum for negotiating the content of this action.

Africa is the region of the world that contributes the least to greenhouse gas (GHG) emissions, but is the most vulnerable to the impacts of climate change (Watson and Schalatek, 2019 (a)). Africa's share (excluding Sou-

th Africa) in cumulative global CO₂ emissions between 1751 and 2020 is less than 0.5% (Figure 3). All countries in the ECOWAS-CILSS zone have an average carbon footprint of less than 1 tonne per capita per year. Countries

such as Chad and Niger have a footprint of 0.06 and 0.07 metric tons per year, respectively, 200 times smaller than the US, Australia and Canada.



Source: Our World in Data based on the Global Carbon Project OurWorldInData.org/co2-and-other-greenhouse-gas-emissions • CC BY

Figure 3 : Distribution of global cumulative CO₂ emissions between 1751 and 2020

According to the Intergovernmental Panel on Climate Change (IPCC) 1.5 °C Report, projections of reduced food availability are more pronounced at 2 °C than at 1.5 °C of global warming in the Sahel, with greater exposure to multiple and complex risks associated with climate change and poverty (IPCC, 2018). An increase in global average surface temperature of 3 °C, relative to the pre-industrial period, increases the risk of reduced agricultural production in Africa and persistent heat stress leading to large increases in human morbidity and mortality (Hoegh-Guldberg et al., 2019).

02 INTRODUCTION

In West Africa, the temperature increase is 1.5 times higher than the global level and the main climatic hazards include recurrent droughts, high variability of rainfall and seasons, increasingly frequent floods and coastal erosion (Kairé et al., 2015). In the region, climate trends over the period 1970-2010 show that: (i) global temperatures have in-

creased, droughts have been recurrent and severe; (ii) rainfall has generally increased; and (iii) floods have occurred more frequently and with greater intensity (UNEP, 2011). According to the World Bank, 50% of the region's population derives its income from sectors (mainly agriculture, livestock and fisheries) whose total contribution to GDP is

28% in the CILSS countries and 32% in the region as a whole (WB, 2009). All this translates into a high level of vulnerability for the countries in the region, as shown by the ND-GAIN vulnerability index³ (Figure 4). The countries of the ECOWAS-CILSS zone have some of the highest vulnerability levels in the world.

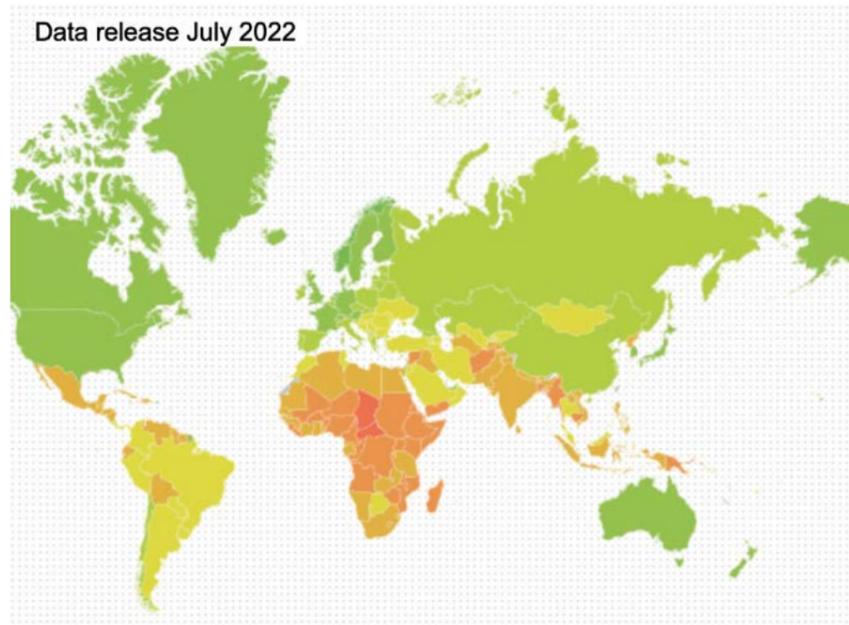


Figure 4: Vulnerability map according to the ND-GAIN 2022 index (Source: University of Notre Dame, 2022)

³ A country's score on the ND-GAIN country index is composed of a vulnerability score and a preparedness score. Vulnerability measures a country's exposure and sensitivity, as well as its ability to adapt to the negative impact of climate change. ND-GAIN measures overall vulnerability by taking vulnerability into account in six vital sectors: food, water, health, ecosystem services, human habitat and infrastructure (University of Notre Dame, 2019).

Five of the ten most vulnerable countries in the world are in the ECOWAS-CILSS zone (Table 1).

Table 1 :
List of the ten most vulnerable countries in the world according to the ND-GAIN index

RANKING	COUNTRY	ND-GAIN SCORE
173	Liberia	33,8
174	Zimbabwe	33,1
175	Afghanistan	33,0
176	Niger	32,9
177	Sudan	32,3
178	Democratic Republic of Congo	31,1
178	Eritrea	31,1
180	Guinea-Bissau	30,6
181	Central African Republic	27,1
182	Chad	26,7

According to the IPCC, limiting warming to 1.5 °C rather than 2 °C would limit the reduction in yields of maize, rice and wheat and potentially other cereal crops, particularly in sub-Saharan Africa. However, this would require 'rapid and large-scale transitions' in land use, energy, industry, construction, transport and urban planning (IPCC, 2018), hence the significant financing needs expressed by developing countries to fund the costs of such a transition. This is particularly the case for countries in the ECOWAS-CILSS zone, which expect development partners to provide most of the resources needed to implement the commitments made in their NDCs.

Climate finance therefore remains a critical element in achieving climate-resilient and low-carbon development (Watson and Schalatek, 2019 (b)). This is why the Paris Agreement, which entered into force on 4 November 2016, brings together all the countries that signed it around an ambitious commitment to a paradigm shift towards lower-carbon and climate-resilient development models. Among other things, it aims to make financial flows more compatible with this transition to low-carbon and climate-resilient development models (Article 2.1(c) of the Agreement). The Decision adopting the Paris Agreement underlines the ambition to mobilise US\$100 billion per year from 2020 for climate action in developing countries until 2025. A new collective quantitative target will be defined before 2025.

03 OBJECTIVES AND METHODOLOGY

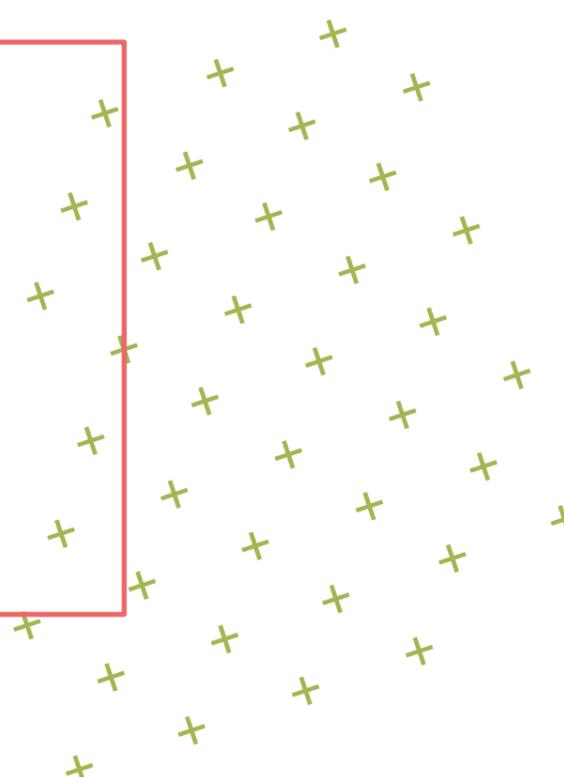
3.1. Objectives

The objective of this mapping is to annually compile the best available information on climate finance flows to the ECOWAS-CILSS zone, to analyse it and to make it available to stakeholders involved to varying degrees in climate action. This is in line with a desire to regularly monitor climate finance flows across the ECOWAS-CILSS zone. The focus of the first edition of 2019 was on multilateral financing. An effort has been made in this second edition to take into account bilateral flows and, where possible, financing from national sources.

THIS REPORT IS INTENDED FOR:



- **Decision-makers at regional and national level, as a snapshot of the region or country in terms of mobilising climate funds. This will contribute to the identification of performance in this area, as well as weaknesses to be corrected at different levels. This will also be used in assessing the level of implementation of NDCs, especially in their conditional options;**
- **It is also intended for the 'transparency stakeholders', i.e. civil society, the press, community organisations, producers' organisations, etc. They will have access to information on the resources that are mobilised and their intended purpose.**
- **Researchers interested in the issue of climate finance, by giving them a regional perspective (ECOWAS-CILSS zone) on the needs and challenges.**



The main data sources used are:

- ▷ The Joint Annual Report on Climate Finance of the Multilateral Development Banks: this is a joint report, prepared annually since 2011 by a group of multilateral development banks (MDBs), consisting of the African Development Bank, the Asian Development Bank, the European Bank for Reconstruction and Development, the European Investment Bank, the Inter-American Development Bank Group, the Islamic Development Bank and the World Bank Group. It aims to publicise the figures of climate finance of MDBs, for developing and emerging countries.
- ▷ The websites of the Global Environment Facility (GEF), the Green Climate Fund (GCF) and the Adaptation Fund (AF), which are still also valuable platforms that offer specific documentation to developing countries on climate project financing (mitigation, adaptation or cross-cutting).
- ▷ The websites of multilateral and bilateral development banks and some multilateral and bilateral funds.
- ▷ The administration of a questionnaire to the UNFCCC, GEF and GCF focal points in ECOWAS-CILSS Member States.

3.2. Sources and methodology

The main data sources used are:

- ▷ Climate Finance Update⁴ (CFU): This is an independent web-based platform that provides information and data on multilateral climate finance initiatives to help developing countries address the challenges of climate change. This is a compilation of official data from multilateral funds⁵, on pledged and approved climate finance. CFU monitors key funds governed by multilateral climate change mechanisms, many of which have links to the UNFCCC. CFU data are cumulative since 2003. Climate Funds Update is administered by the Heinrich Boell Foundation and the Overseas Development Institute (ODI).

⁴ <https://climatefundsupdate.org/>

⁵ Fund websites; official reports to international organisations by the funds and by contributing organisations; and documents such as press releases, key decisions taken at conferences or meetings, information from civil society organisations.

3.3. Data collection and analysis phase

During this data collection phase, an analysis of information sources was carried out. As it is, the working team became aware of the available, potential or missing data before proceeding with the collection phase. In this regard, an Excel database was prepared by collecting the various types of data and information covering the period between **March 2019 and June 2022**

from the various multilateral and bilateral sources identified. It is a reference database used to update the first 2019 edition of the mapping of climate finance flows to the ECOWAS-CILSS region and to produce visualisations (graphs and charts) as a basis for analysis. This database is presented in the form of a summary table giving a detailed overview of the main characteristics of the climate projects identified and analysed over the time frame of this second edition (2019-2022), including theme, sector, project category, overall budget, international financing, national co-financing and the financial instrument⁶.

istics of the climate projects identified and analysed over the time frame of this second edition (2019-2022), including theme, sector, project category, overall budget, international financing, national co-financing and the financial instrument⁶.

⁶ See Annex 1 for more details.



The monitoring of financial flows is difficult, due to the great diversity of mechanisms, but above all due to the absence of a harmonised and global reporting system on financing. This work is mainly based on data collection and literature review.

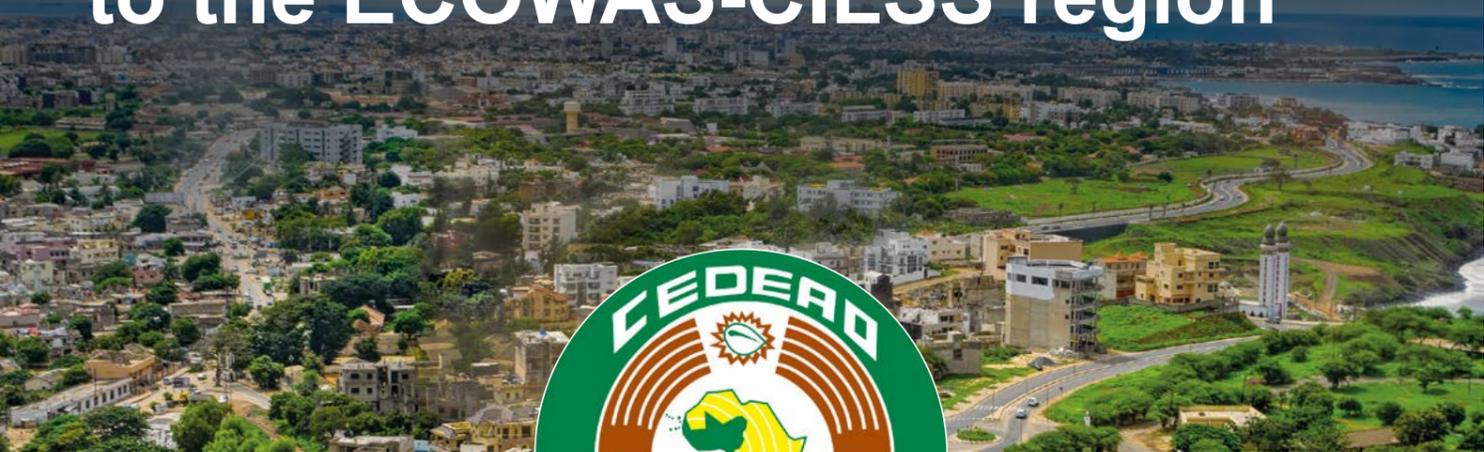


04

Report of Mapping of climate finance flows to the ECOWAS CILSS
(Permanent Interstate Committee for Drought Control in the Sahel) region

CHAPTER 4

Multilateral and bilateral CLIMATE FINANCE FLOWS to the ECOWAS-CILSS region



4.1. General overview of multilateral and bilateral climate flows



Between March 2019 and June 2022, the financial flows from multilateral and bilateral funds approved and allocated to the countries of the ECOWAS-CILSS region are estimated at approximately US\$3,888 million, for 180 projects. Multilateral sources of financing alone account for more than 86% of this international financing, i.e. US\$3,325 million (Table 2).

FINANCING	TOTAL AMOUNT (\$M)	INTERNATIONAL FINANCING \$M	CO-FINANCING \$M
Multilateral	8,667.03	3,325.14	3,193.91
Bilateral	608.97	562.73	0.00
Total	9,276.00	3,887.87	3,193.91

Table 2: Breakdown of climate finance by source of finance (period: March 2019 - June 2022)



Over the period March 2019-June 2022, nearly 42% of approved projects are adaptation projects, nearly 36% of projects are related to multiple thematic areas, and 22% of projects relate solely to mitigation; from a sectoral point of view, the agriculture and food security sector is the leading beneficiary of multilateral and bilateral financing, with a share of 30.4%, followed by the energy sector with 20.7%, multi-sector projects with 14.4% and the water sector with 14% (Figure 5).





04 Multilateral and bilateral CLIMATE FINANCE FLOWS to the ECOWAS-CILSS region

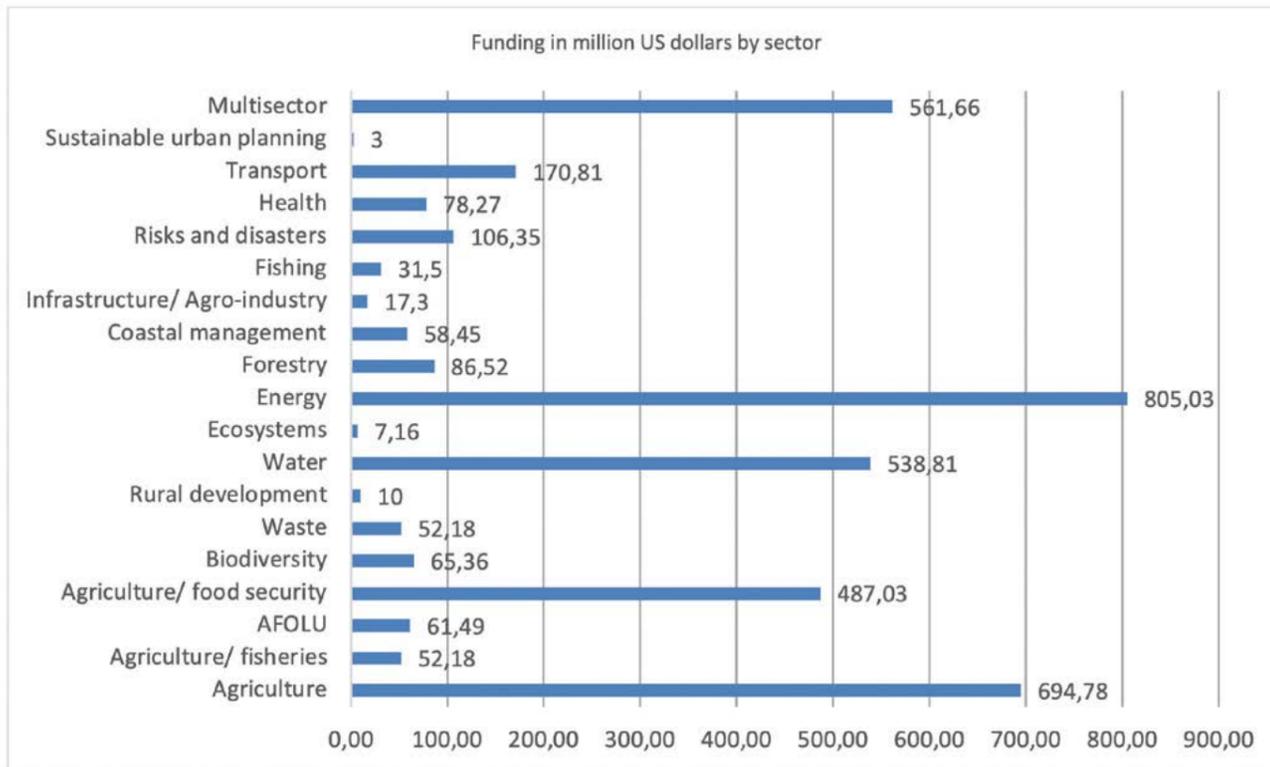
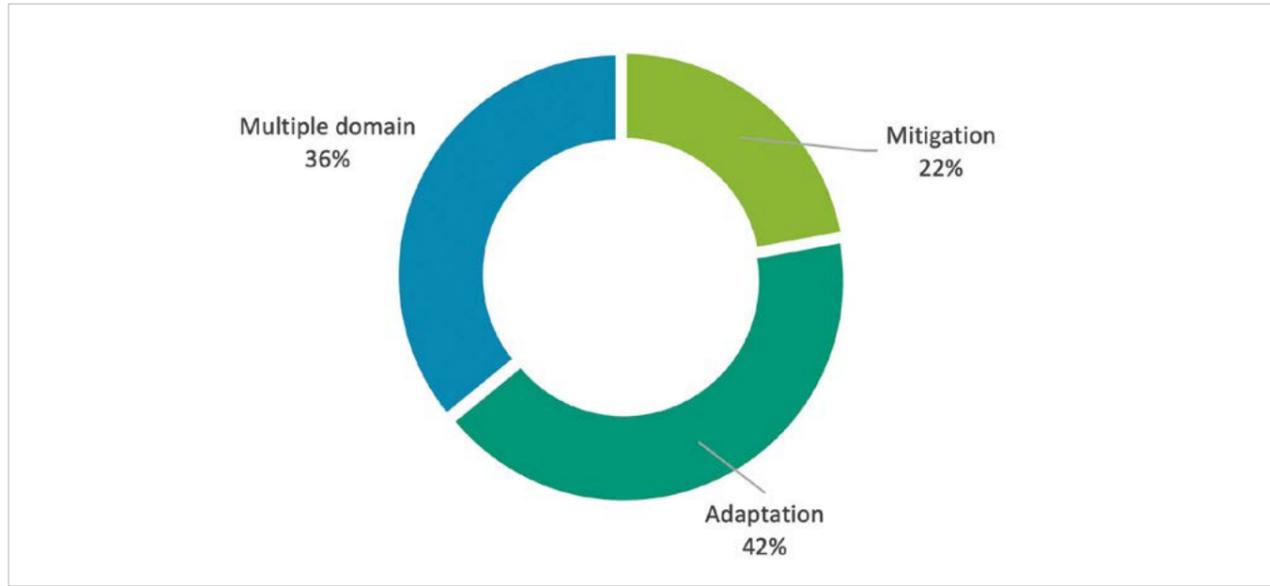


Figure 5: Distribution of the number of projects by theme between March 2019 and June 2022

Indeed, 36.4% of the international financial flows approved and allocated to Member States in the ECOWAS-CILSS region between March 2019 and June 2022 were used to finance cross-cutting actions, 35.8% for adaptation and 27.8% for mitigation (Figure 6).

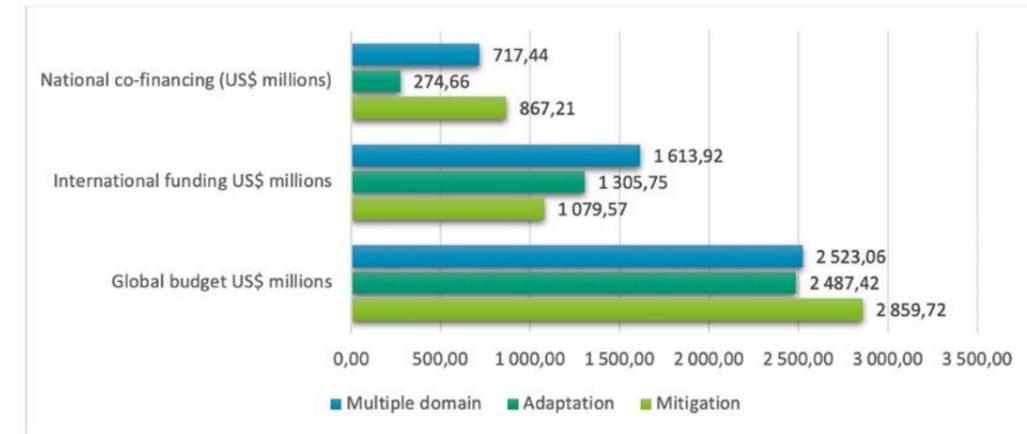
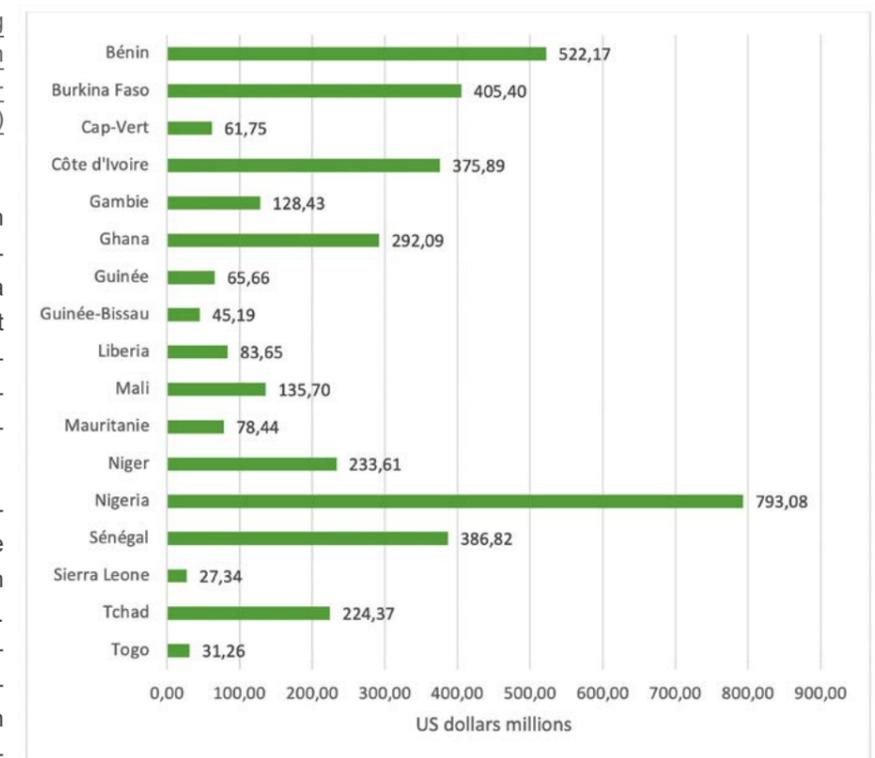


Figure 6: Approved multilateral and bilateral financing by thematic area (March 2019 - June 2022)

Figure 7: Countries receiving multilateral and bilateral finance, in millions of US dollars (March 2019 - June 2022)

The primary beneficiary country in the region is Nigeria, followed by Benin, Burkina Faso and Senegal. Sierra Leone, which is among the ten most vulnerable countries in the world (University of Notre Dame, 2019), has received the least amount of finance (Figure 7).

This finance comes from 24 multilateral and bilateral institutions, led by the African Development Bank (AfDB) with financing of US\$727 million (Figure 8). The full list of projects funded by international sponsors in the ECOWAS-CILSS region over the period March 2019 - June 2022 is presented in Annexes 1 and 2.





04 Multilateral and bilateral CLIMATE FINANCE FLOWS to the ECOWAS-CILSS region

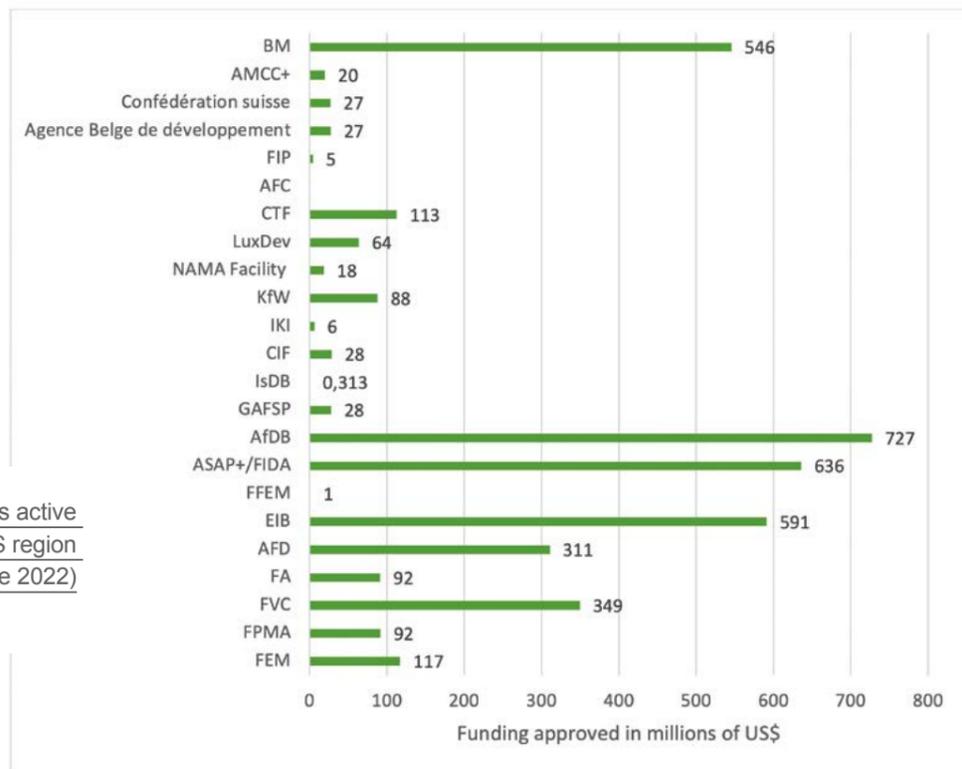


Figure 8: Fund sponsors active in the ECOWAS-CILSS region (March 2019 - June 2022)

The analysis of the different financial instruments mobilised shows that loan financing is the most used between 2019 and 2022 with a share of 47%, while more than 45% of climate finance resources were mobilised in the form of grants (Figure 9).

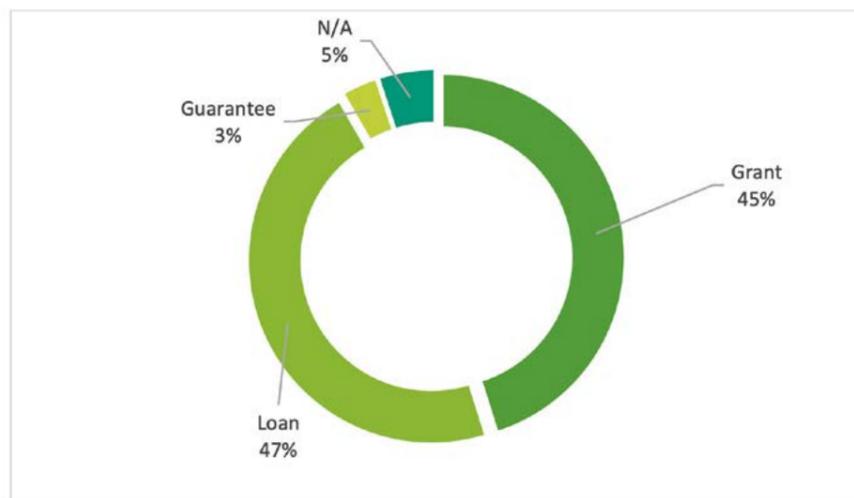


Figure 9: Breakdown of financing by type of financial instrument (March 2019 - June 2022)⁷

⁷ ND: financing instruments not defined, in particular in certain sources of bilateral financing

4.2. Multilateral financing

Funding from the Global Environment Facility

The GEF was established in 1991 in response to the global environmental challenges of the previous decade. It operated in a pilot phase until mid-1994, before being restructured at a meeting of GEF participants in Geneva in March 1994, where representatives of 73 states agreed to adopt its financial instrument. The organisational structure of the GEF includes an Assembly that meets every four years, a Council that meets twice a year, a Secretariat and the Scientific and Technical Advisory Panel. The main decision-making body of the organisation is the GEF Council, which is responsible for developing, adopting and evaluating its policies and operational programmes. It is composed of 32 appointed members, each representing a group of countries or 'Constituency'⁸. The GEF serves as the financial mechanism for a number of multilateral environmental agreements, the UN Convention on Biological Diversity (CBD), the UNFCCC, the Stockholm Convention on Persistent Organic Pollutants and the UN Convention to Combat Desertification (UNCCD). The GEF is a trust fund to finance the incremental costs of global environmental protection actions, both public and private, in developing and

transition countries.

It is funded by donor countries, which commit funds every four years in a process referred to as 'replenishment of the GEF'. Since its inception in 1991, the GEF Trust Fund has been replenished with US\$2.75 billion (GEF-1); US\$3 billion (GEF-2); US\$3.13 billion (GEF-3); US\$3.13 billion (GEF-4); US\$4.34 billion (GEF-5); US\$ 4.43 billion committed for GEF-6; US\$4.1 billion committed for GEF-7. By November 2018, more than 1,000 projects had been approved for the field of climate change, for a cumulative amount of US\$3.6 billion.

The GEF-7 covers the operations and activities of the GEF for the period 2019 to 2022, with programming organised around five focal areas, each of which is aligned with the Multilateral Environmental Agreements (MEAs) and conventions for which the GEF acts as a financial mechanism: Biodiversity, Climate change, International waters, Land degradation, Chemicals and waste. The allocation for the climate change focal area is US\$511 million, down from previous replenishments mainly due to the resources drained by the GCF as the main financial instrument of the UNFCCC.

The allocation of these resources to countries is based on the System for Transparent Allocation of Resources (STAR), which determines the minimum amount of GEF resources that a given country can access during a replenishment period. STAR is a system for allocating resources to countries in a transparent and consistent manner, based on global environmental priorities and relevant national capacities, policies and practices for successful implementation of GEF projects.

GEF financing is channelled to recipient countries through eighteen accredited entities⁹.

Prior to 2019, the GEF country project portfolio in the ECOWAS-CILSS zone consisted of 72 country projects, with a cumulative total of nearly US\$167 million, of which US\$74 million was disbursed. These projects were channelled through 9 GEF agencies: FAO, ADB, UNEP, World Bank, UNDP, UNIDO, IFAD, BOAD and IUCN.

The GEF also administers two special funds focused on financing climate change adaptation and technology transfer activities, the Special Climate Change Fund (SCCF or Special Fund) and the Least Developed Countries

⁸ Group of countries including both donors and recipients / ⁹ <https://www.thegef.org/partners/gef-agencies>

¹⁰ The regional and global projects cover several other countries in the African region or in the world, in addition to the countries in the zone. This makes it difficult to analyse them from a national perspective



04 Multilateral and bilateral CLIMATE FINANCE FLOWS to the ECOWAS-CILSS region

Fund (LDCF). The operational policies, procedures and governance structure of the GEF apply to these funds, unless the COP and the LDCF / Special Fund Council (the main governing body) decide otherwise. The GEF Agencies are the operational arm of the GEF.

The Special Fund was established in 2001 under the UNFCCC to finance climate change-related activities, programmes and measures that complement those financed by resources allocated under the GEF climate change focal area and bilateral and multilateral funds.

In principle, the Special Fund has four different financing windows: Adaptation; Technology transfer; Energy, transport, industry, agriculture and waste management; and Economic diversification for fossil fuel dependent countries. However, to date the Special Fund has only financed adaptation and technology transfer projects and programmes that: (i) are country-

driven, cost-effective and integrated into national sustainable development and poverty reduction strategies; and (ii) take into account national communications or NAPAs and other relevant studies and information provided by the Party. To date, the SCCF has funded national projects in the Sub-Saharan Africa region to the tune of US\$34 million (cumulative volume).

The Least Developed Countries Fund (LDCF) was established under the United Nations Framework Convention on Climate Change (UNFCCC) at the seventh session of the Conference of the Parties in Marrakesh and is managed by the GEF. The LDCF takes into account the special needs of the 49 LDCs that are particularly vulnerable to the adverse effects of climate change. As a priority, it supports the preparation and implementation of National Adaptation Programmes of Action (NAPAs), country-driven strategies that identify the immediate needs of LDCs for adaptation to climate

change from 2001 onwards.

Any LDC that is a party to the UNFCCC and has established a NAPA is eligible to receive finance for projects under the LDCF. Annex II countries¹¹ of the UNFCCC provide funding for the LDC Fund, as do some Annex I countries¹² and any non-Annex I country¹³ that wishes to do so.

The cumulative volume of LDCF country funding in the Sub-Saharan Africa region up to June 2022 amounts to almost US\$884 million.

Furthermore, between March 2019 and June 2022, the period covered by this second edition, the overall GEF funding approved and allocated to the countries of the ECOWAS-CILSS region is estimated at approximately US\$209 million, for 46 projects. The largest share (45%) was used to finance adaptation projects, while more than 40% of these resources were used to finance actions in multiple domains, and about 15% for mitigation (Figure 10).

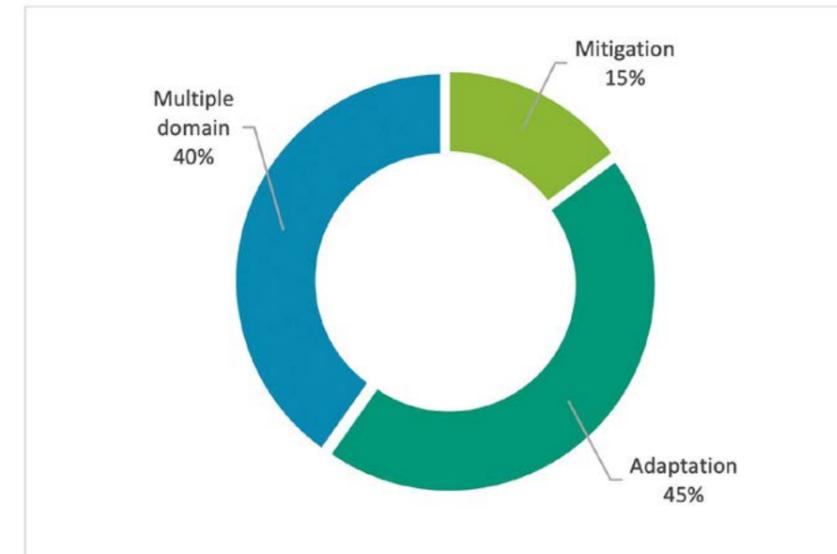


Figure 10: Distribution of GEF funding by theme between March 2019 and June 2022

According to Figure 11, the Agriculture, Forestry and Other Land Use (AFOLU) sector was the leading beneficiary of GEF funding (over US\$60 million). Multi-sector projects ranked second with a 14% share of funding.

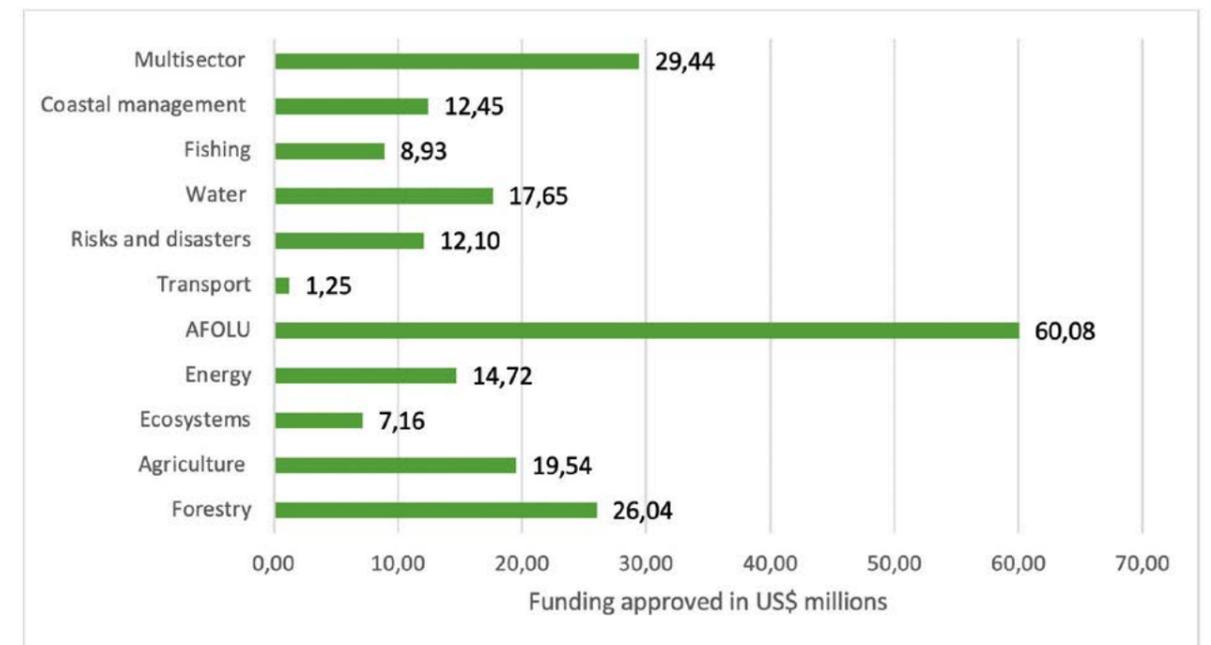


Figure 11: Breakdown of GEF funding by sector between March 2019 and June 2022

¹¹ Annex II: OECD and EU countries (2010)

¹² Annex I: Industrialised countries covered by the Convention

¹³ Non-Annex I countries: Developing countries covered by the Convention

04 Multilateral and bilateral CLIMATE FINANCE FLOWS to the ECOWAS-CILSS region

The primary beneficiary country in the region is Nigeria, followed by Burkina Faso and Benin. Côte d'Ivoire received the least funding (Figure 12).

Figure 12: Breakdown of GEF funding by country between March 2019 and June 2022

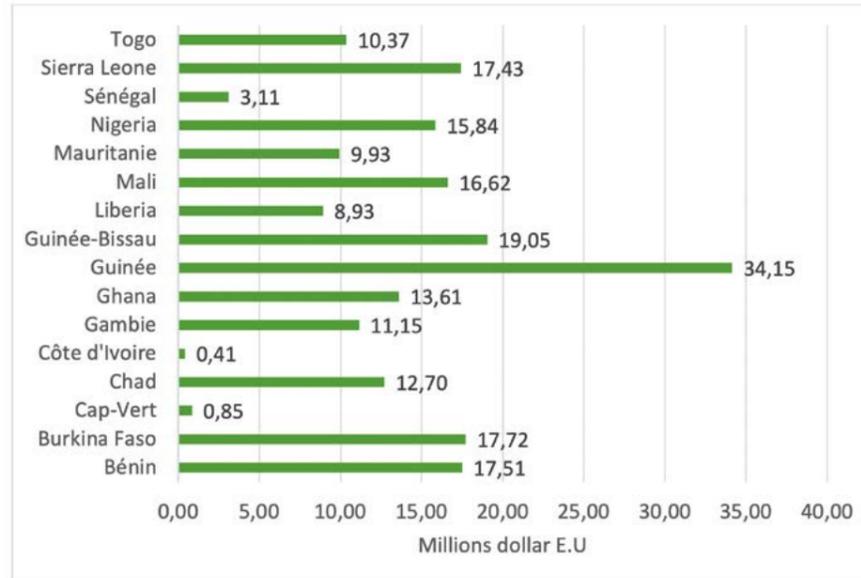
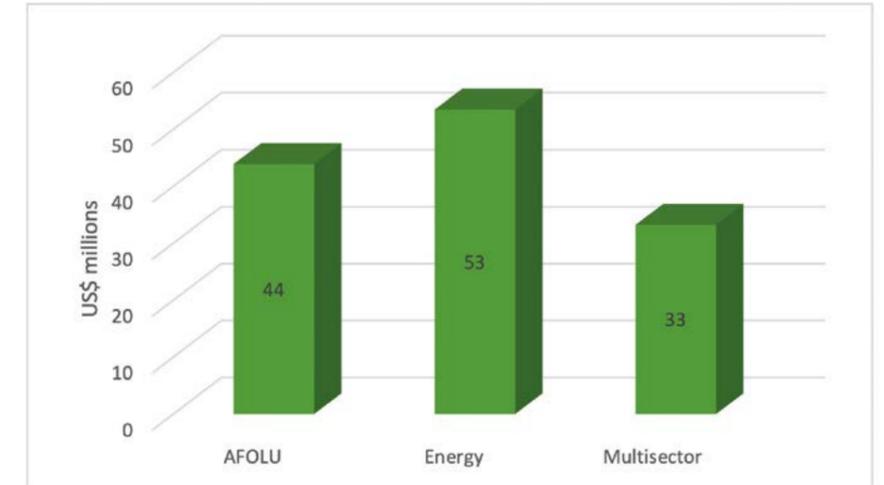


Figure 14 shows that the energy sector is the largest recipient of GEF multi-country project funding (US\$53 million), accounting for 41% of total GEF resources.

Figure 14: Distribution of GEF funding by sector for multi-country projects (March 2019 - June 2022)



Multilateral Development Bank financing

In 2020, the MDBs¹⁴ committed to contributing US\$66,045 million¹⁵ to combating climate change. About 76% of these resources, i.e. US\$49,945 million, is for mitigation and about 24% for adaptation. Total net climate co-financing committed in 2020 alongside MDB European Investment Bank (EIB) is the largest contributor, with a share of 42% (Figure 15).



MULTI-COUNTRY GEF FUNDING AT THE REGIONAL LEVEL

In total, GEF global funds have committed US\$130.6 million in climate finance for multi-country projects (nine projects) between March 2019 and June 2022, of which US\$68 million (52%) is allocated for multi-country and multi-sector project financing, US\$53 million (41%) for mitigation financing and US\$9 million for adaptation. The total net climate co-financing committed over this period amounted to US\$800 million (Figure 13).

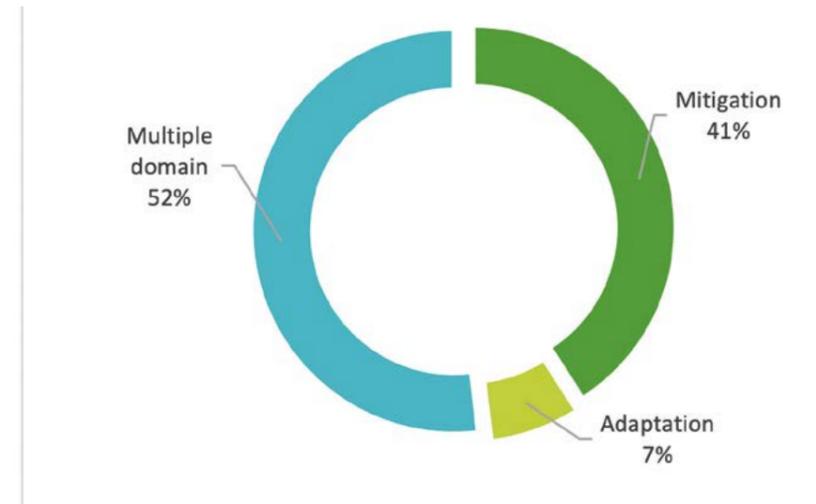


Figure 13: Distribution of GEF funding by theme for multi-country projects (March 2019 - June 2022)

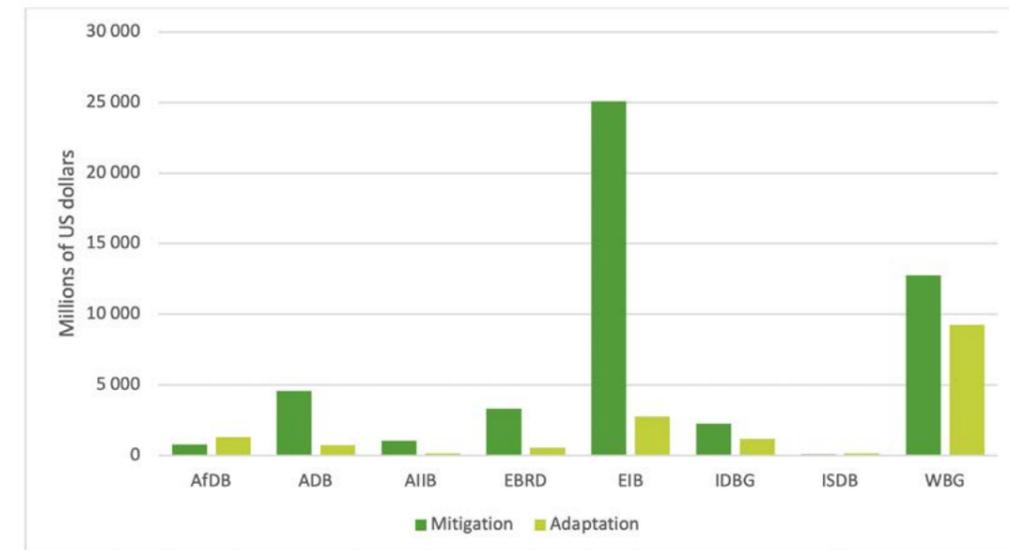


Figure 15: Climate financing from MDBs at the global level (\$ millions) in 2020 (MDBs, 2020)¹⁶

¹⁴ African Development Bank (AfDB), Asian Development Bank (ADB), Asian Infrastructure Investment Bank (AIIB), European Bank for Reconstruction and Development (EBRD), European Investment Bank (EIB), Inter-American Development Bank Group (IDBG), Islamic Development Bank (IsDB) and World Bank Group (WBG)

¹⁵ MDB Climate Finance 2020_BM / ¹⁶ MDB Climate Finance 2020_BM /



04 Multilateral and bilateral CLIMATE FINANCE FLOWS to the ECOWAS-CILSS region

The MDBs' sources of climate financing are divided between the MDBs' own accounts and external resources channelled and managed by the MDBs. External resources include trust funds such as those financed by bilateral agencies and funds dedicated to climate change financing such as the Climate Investment Funds (CIF), the Green Climate Fund (GCF) and climate-related funds under the Global Environment Facility (GEF), the European Union (EU) Mixed Funds and others (MDBs, 2020).

The total amount of MDB climate financing for the year 2020 from their own funds is US\$63,112 million, with US\$2,932 million from external resources channelled through the MDBs. Almost 76% of this financing is in the form of loans and only 5% is in the form of grants (MDBs, 2020).

Sub-Saharan Africa is the second largest recipient with US\$9.06 billion, or 14% of all financing in 2020 (Figure 16 and Figure 17). About 48% (or US\$4.34 billion) of this financing is dedicated to mitigation and 52% (or US\$4.72 billion)

to adaptation (MDBs, 2020). These amounts do not include co-financing from other institutions, public or private, which are estimated at US\$85,084 million for 2020. This is largely justified in view of the region's situation in terms of vulnerability and contribution to GHG emissions.

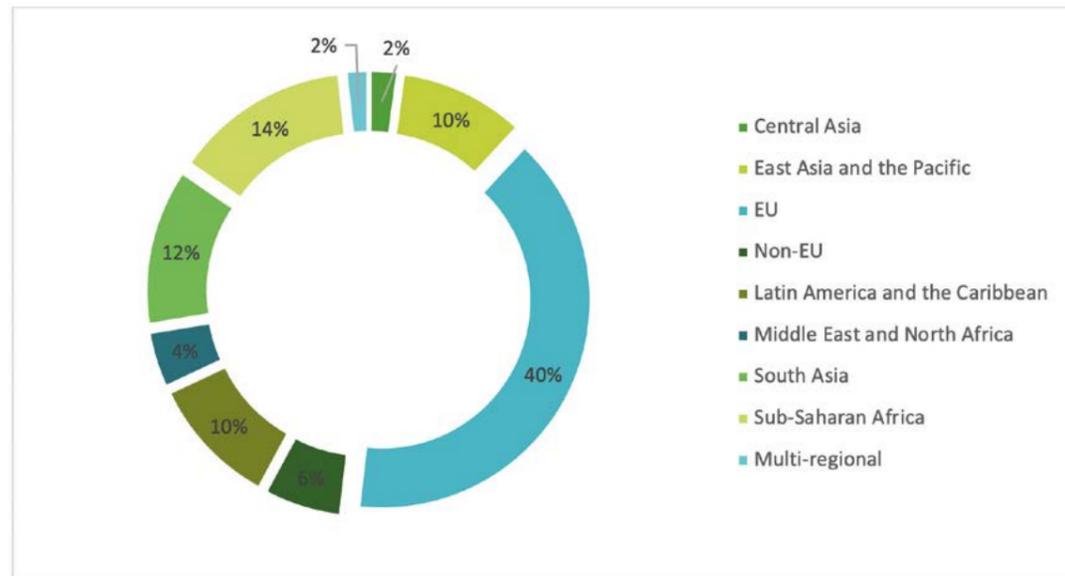


Figure 16: MDB financing by region (%) in 2020 (data: MDBs, 2020)

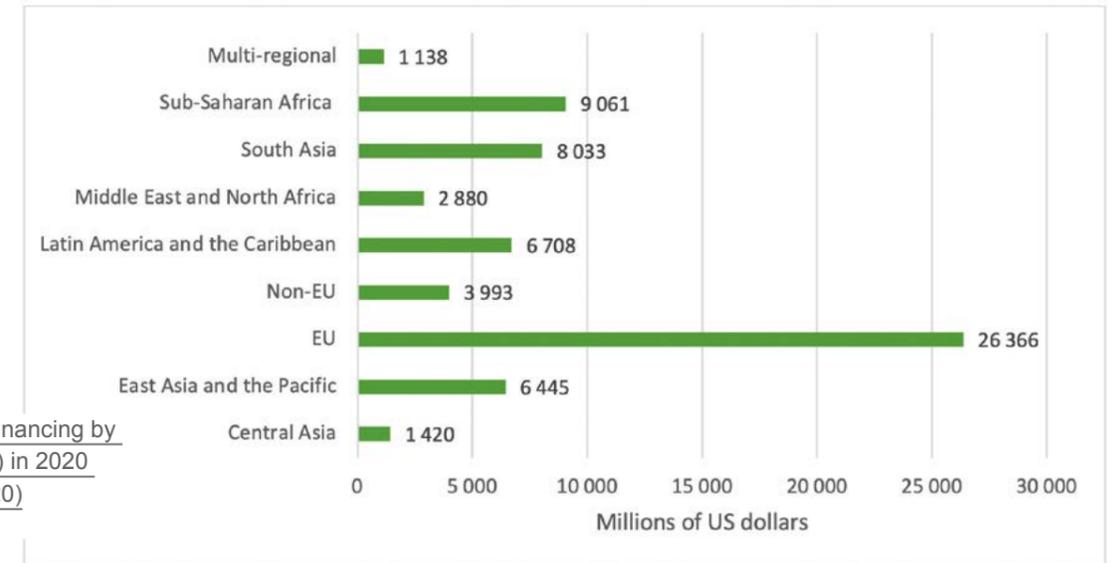


Figure 17: MDB financing by region (\$ millions) in 2020 (data: MDBs, 2020)

ECOWAS-CILSS countries received commitments of US\$2,751 million in 2020, representing about 4% of all MDB financing and 30.4% of financing that went to sub-Saharan Africa.

For the period 2015-2020, the primary beneficiary countries were Nigeria, Côte d'Ivoire and Senegal. For 2020, the same three countries were still in the lead, with Nigeria alone accounting

for 40% of the total financing allocated to the ECOWAS-CILSS region that year (Figure 18).

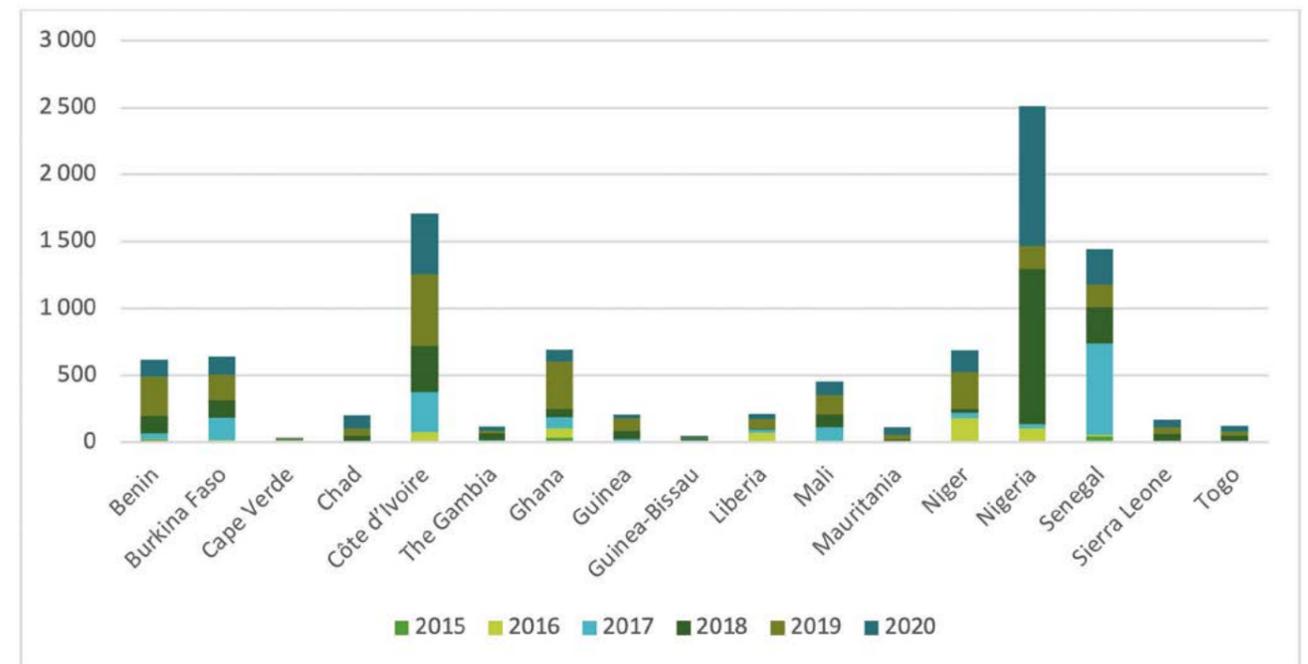


Figure 18: MDB climate finance to West Africa between 2015 and 2020 (MDB data, 2020)



04 Multilateral and bilateral CLIMATE FINANCE FLOWS to the ECOWAS-CILSS region

Over the period March 2019 to June 2022, MDB financing approved and allocated to countries in the ECOWAS-CILSS zone is estimated at approximately US\$2,501 million (Figure 19) spread over 63 projects (mitigation,

adaptation and multiple domain). Approximately 47% of these resources (US\$1,169 million) are earmarked for financing multi-domain projects and approximately 34% for adaptation (Figure 20)¹⁷.

Figure 21 represents MDB financing by sector, with 37% in agriculture and food security, followed by 20% in multi-sector and 18% in water.

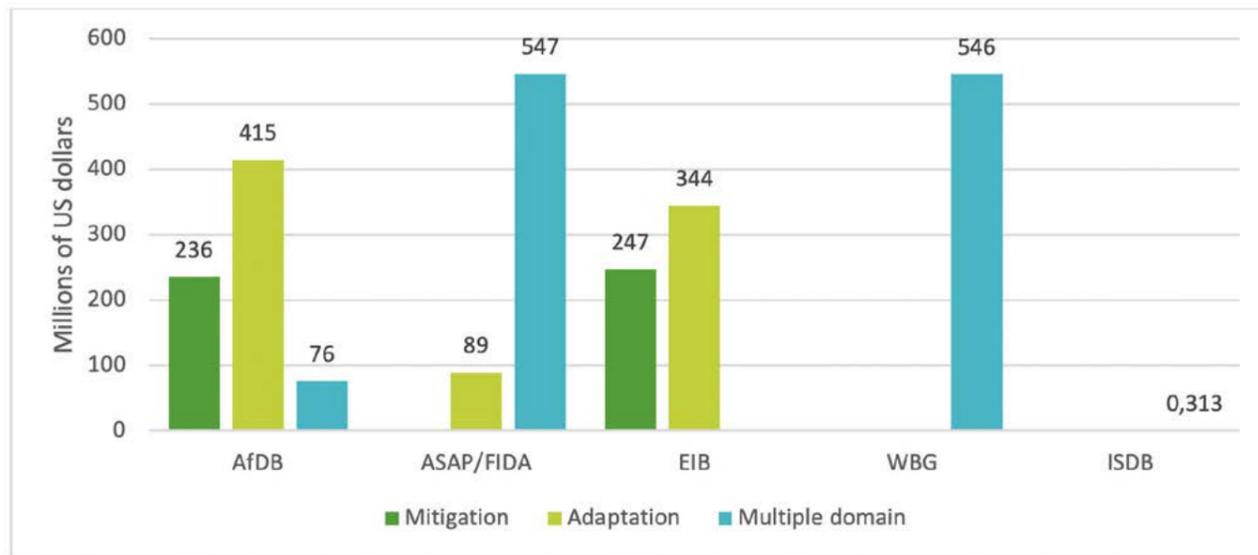
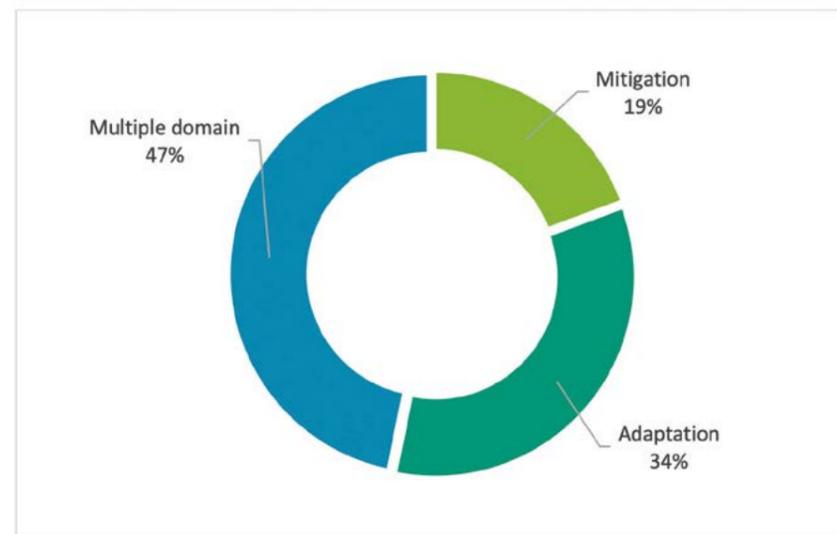


Figure 19: Distribution of MDB financing (\$ million) between March 2019 and June 2022

Figure 20: Distribution of MDB financing by thematic area (March 2019-June 2022)



¹⁷ These figures were taken directly from the websites of the various MDBs active in the ECOWAS-CILSS region

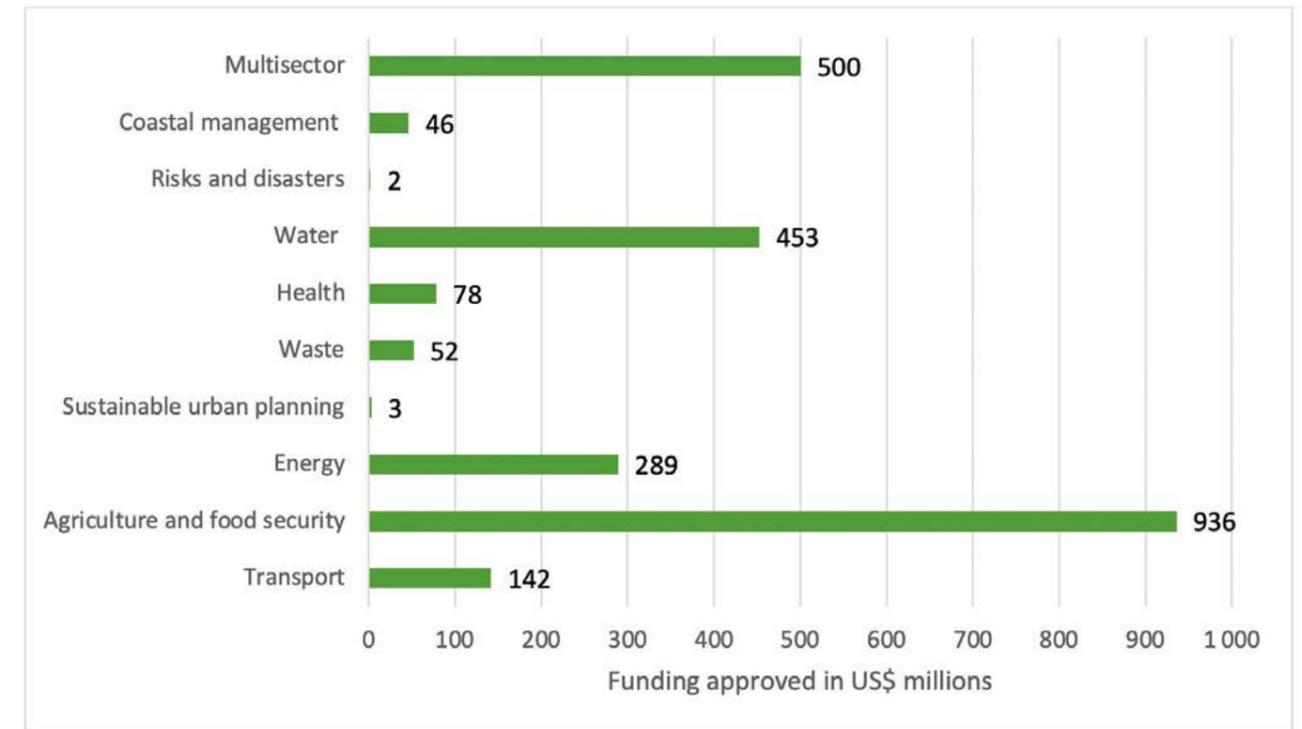


Figure 21: Distribution of MDB financing by sector between March 2019 and June 2022

Green Climate Fund portfolio in the ECOWAS-CILSS zone

Presentation of the Green Climate Fund

The Green Climate Fund (GCF) was created in 2010 in Cancun (COP 16), and its governance framework was adopted in 2011 in Durban (COP 17). It is the main financial mechanism for the United Nations Framework Convention on Climate Change (UNFCCC) and is also used for the Paris Agreement, along with the GEF and the Adaptation Fund (AF).

The mission of the GCF is to promote the paradigm shift towards low-emission and climate-resilient development in developing countries and to support the implementation of the Paris Agreement, taking into account the specific needs of developing countries that are particularly vulnerable to the adverse effects of climate change (Decision B.12/20).

The GCF Strategic Plan 2020-2023 emphasises the need to implement urgent and transformative solutions to limit warming to below 2 °C above pre-industrial levels and to continue efforts to limit the temperature increase to 1.5 °C above pre-industrial levels. It also recognises the imperative of scaling up climate investment to meet the ambitions set out by developing coun-



04 Multilateral and bilateral CLIMATE FINANCE FLOWS to the ECOWAS-CILSS region

tries in their Nationally Determined Contributions (NDCs), adaptation plans and national climate strategies, using the resources of the GCF to catalyse financing to match the climate investment needs of developing countries.

The GCF channels its climate funds through a wide range of private, public, non-governmental, sub-national, national, regional and international organisations. These, which are assumed to have good potential to contribute to

climate action, must be accredited by the GCF, i.e. demonstrate that they can comply with the GCF's requirements regarding fiduciary management, environmental and social safeguards and gender. Once accredited, these organisations can submit climate projects to the GCF and will be responsible for overseeing the implementation of these projects, if approved. The accreditation is valid for a fixed period of five years (Decision B.10/07). During this period, the GCF regularly monitors the ac-

credited entity's compliance with the accreditation standards and its obligations. To be re-accredited, entities must demonstrate that their performance vis-a-vis the GCF requirements has been maintained or improved, or risk losing accreditation or being downgraded to lower categories.

There are two types of accredited entities, depending on the access modalities: direct access entities and international access entities.



There are two types of accredited entities, depending on the access modalities: direct access entities and international access entities.

Direct access entities are sub-national, national or regional organisations that must be nominated by the Designated National Authorities (DNA) or Focal Points (FP) of developing countries. Direct access is an innovative modality designed to enable developing countries to take greater ownership of climate finance and better integrate it into their national climate action plans.

International access entities include UN agencies, Multilateral Development Banks (MDBs), international financial institutions and regional institutions. The GCF believes that these organisations have the necessary scale and expertise to deal with climate change issues, including those that are transboundary and cross-cutting. International access entities do not need to be designated by developing country NDAs/FPs.

There are currently 58 **national direct access** entities, 14 **regional direct access** entities and 41 **international access** entities (Figure 22). Direct access thus represents the majority of the GCF portfolio of accredited entities (64%), but international access remained predominant in terms of volume up to June 2022.

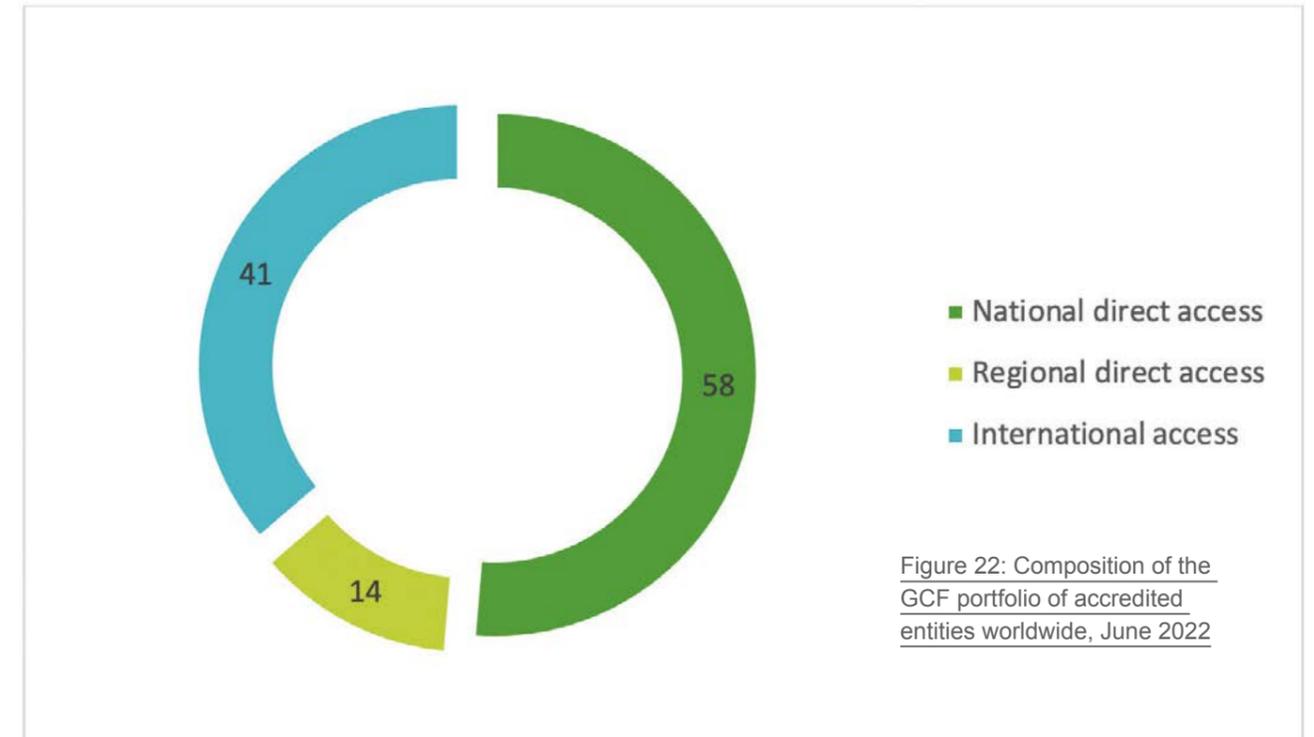


Figure 22: Composition of the GCF portfolio of accredited entities worldwide, June 2022



The GCF has 72 direct access entities (national and regional), of which 21 are located in Africa, five of them in the ECOWAS-CILSS zone:

- 04 national direct access entities: the Ecological Monitoring Centre(CSE) of Senegal, Eco-bank Ghana Limited (EGH), the Benin National Environment and Climate Fund (FNEC), and Senegal's Banque Agricole; and
- 01 regional direct access entity: the West African Development Bank (WADB), based in Togo (Table 3).



04 Multilateral and bilateral CLIMATE FINANCE FLOWS to the ECOWAS-CILSS region

Table 3: GCF direct access entities in Africa (Source: GCF website accessed June 2022)

NAME	COUNTRY/HEADQUARTERS	MODE OF ACCESS
Agricultural Development Agency (ADA)	Maroc	Direct National
Attijariwafa Bank (AWB)	Maroc	Direct Régional
West African Development Bank (WADB)	Togo	Direct Régional
CDG Capital S.A. (CDG Capital)	Maroc	Direct National
Ecological Monitoring Centre (CSE)	Sénégal	Direct National
CRDB Bank PLC	Tanzania	Direct National
Development Bank of Southern Africa (DBSA)	Afrique du Sud	Direct Régional
Development Bank of Zambia	Zambia	Direct National
Ecobank Ghana Limited (EGH)	Ghana	Direct National
Environmental Investment Fund (EIF)	Namibie	Direct National
Benin National Environment and Climate Fund (FN)	Benin	Direct National
KCB Bank Kenya Limited	Kenya	Direct National
The Banque Agricole (formerly Caisse Nationale de Credit Agricole du Sénégal)	Sénégal	Direct National
Ministry of Environment, MoE (formerly Ministry of Natural Resources, MINIRENA) of Rwanda	Rwanda	Direct National

NAME	COUNTRY/HEADQUARTERS	MODE OF ACCESS
Ministry of Finance and Economic Cooperation of the Federal Democratic Republic of Ethiopia (MOFEC)	Ethiopie	Direct National
Ministry of Water and Environment of the Republic of Uganda (MWE)	Ouganda	Direct National
Moroccan Agency for Sustainable Energy S.A.	Maroc	Direct National
National Environment Management Authority of Kenya (NEMA)	Kenya	Direct National
Sahara and Sahel Observatory (OSS)	Tunisie	Direct Régional
South African National Biodiversity Institute (SANBI)	Afrique du Sud	Direct National

The GCF has a *fit-for-purpose* accreditation strategy. Entities are accredited according to a number of criteria, based on their experience and core activity. Project owners and DNAs should

consider these intermediaries before choosing the most appropriate one in view of the size of the project, the level of environmental and social risk, the targeted financial instrument(s), but

also the sector in which they have the most references by virtue of their mandate.

The Green Climate Fund portfolio

By the end of June 2022, the GCF had built a global portfolio of 196 projects totalling US\$10.4 billion¹⁸, generating a total climate investment of US\$38.9 billion¹⁹ in 133 developing countries. About 38% of the resources were allocated to adaptation, and about 68% to

mitigation. In 2021, the GCF became the largest climate donor in sub-Saharan Africa, overtaking the LDCF (CFU, 2022)²⁰.

Between March 2019 and June 2022, the new ECOWAS-CILSS portfolio comprising a total of 14 projects was

still largely dominated by international access (11 projects), compared to 3 projects under regional direct access (Figure 23).

¹⁸ Montants alloués à des projets sur ressources GCF, tels qu'approuvés par le Conseil du Fonds jusqu'à juin 2022

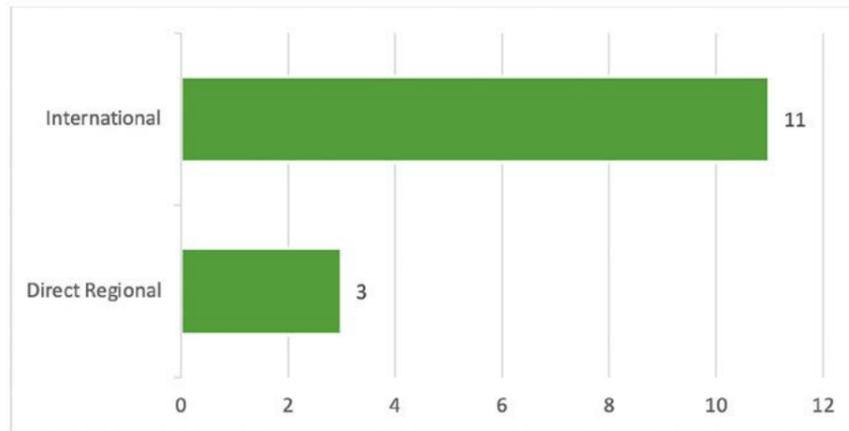
¹⁹ Total des montants approuvés pour des projets, financements GCF et cofinancements compris

²⁰ Regions - Climate Funds Update

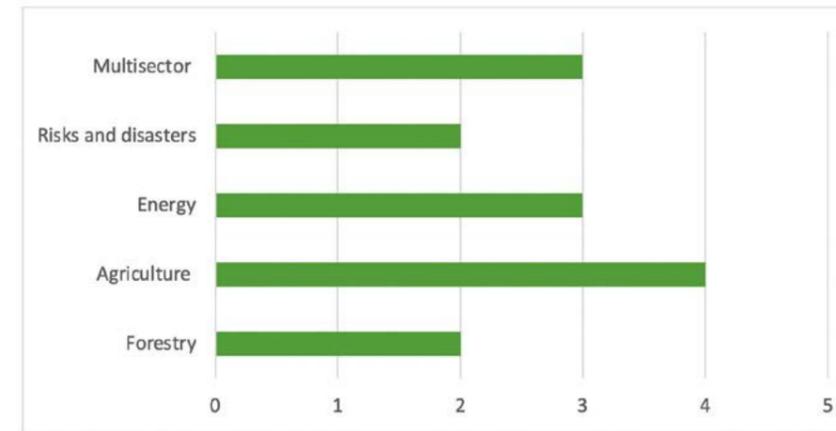


04 Multilateral and bilateral CLIMATE FINANCE FLOWS to the ECOWAS-CILSS region

Figure 23: Number of GCF projects by means of access (March 2019 - June 2022)



The 14 approved projects represent a total budget of US\$920 million, of which 38% is from GCF resources and 62% from co-financing (Figure 24).



In terms of numbers, agriculture (4 projects) and energy (3 projects) are the main sectors financed, and together they account for 50% of approved projects (Figure 25) in the ECOWAS-CILSS zone.

Figure 25: Number of projects funded by the GCF by sector between March 2019 and June 2022

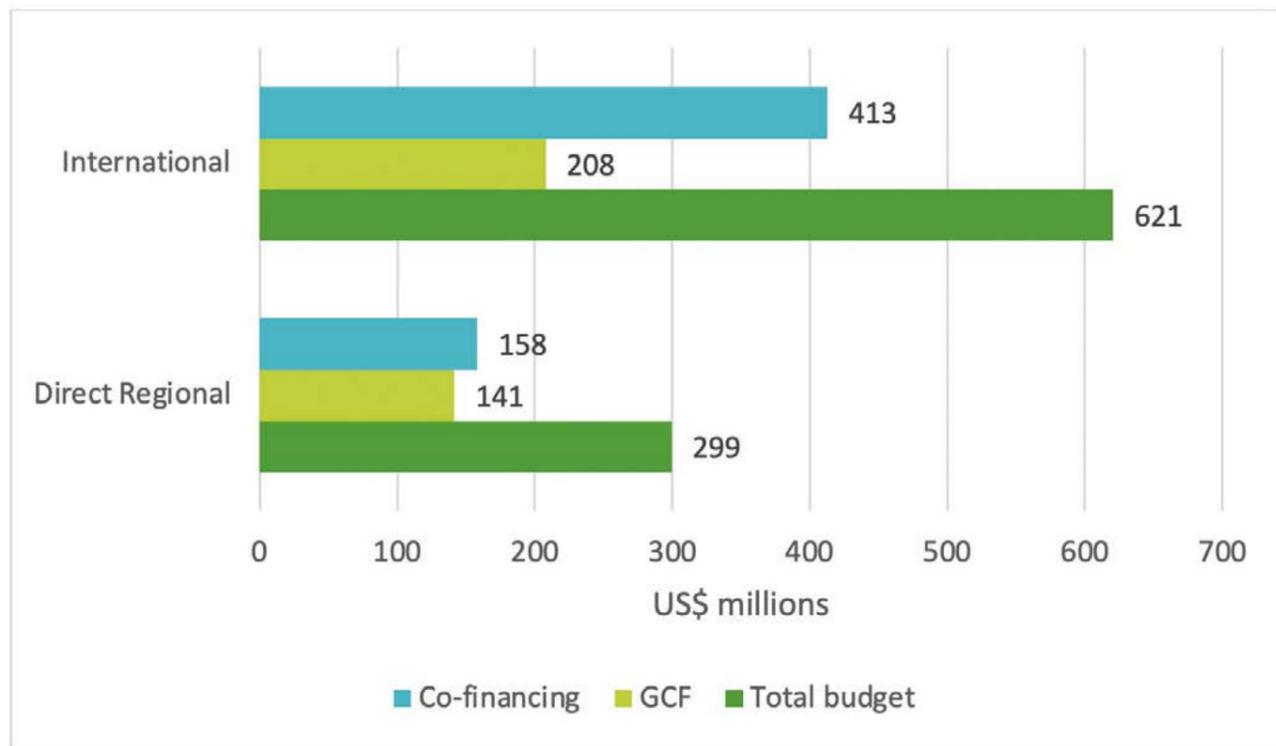


Figure 24: Breakdown of GCF portfolio financing in the ECOWAS-CILSS zone between March 2019 and June 2022 (US\$ millions)

With total financing of US\$349.5 million, the energy sector alone accounted for about 60% of this financing, but only three countries in the ECOWAS-CILSS zone benefited, namely Mali, Senegal and Nigeria. It is followed by the agriculture sector with almost 20% of the financing, which is destined for five countries in the ECOWAS-CILSS zone. The forestry sector comes third with a share of 11% of approved financing (Figure 26).

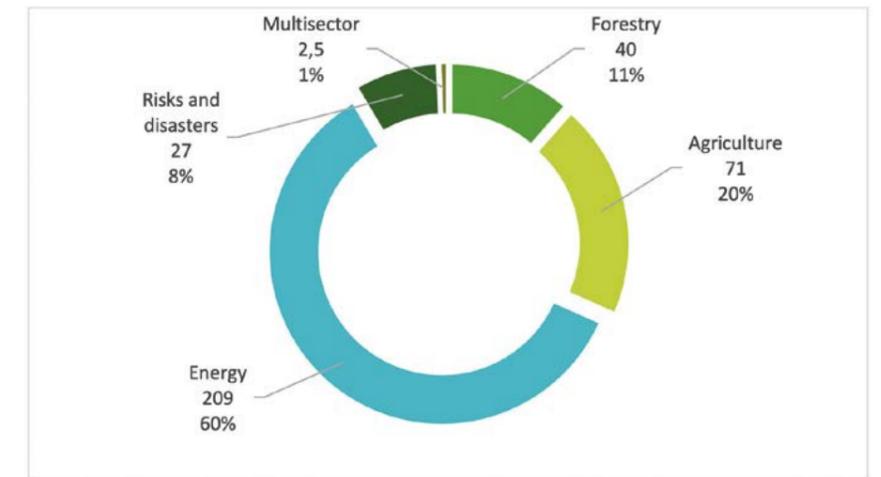


Figure 26: GCF financing allocated by sector (US\$ millions) between March 2019 and June 2022



04 Multilateral and bilateral CLIMATE FINANCE FLOWS to the ECOWAS-CILSS region

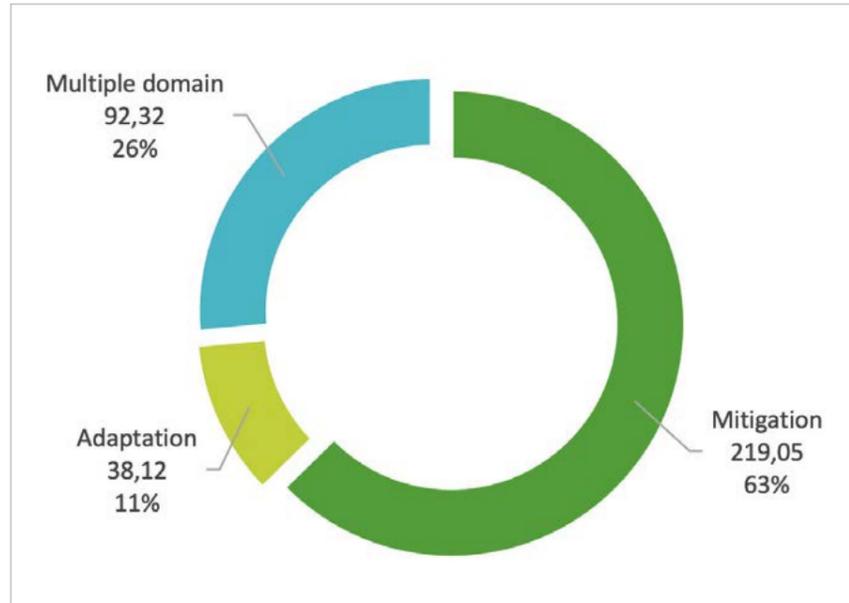


Figure 27: Distribution of MDB financing by area of impact (March 2019-June 2022)

Finally, 63% of the approved financing is for mitigation activities, 26% for multiple domain projects, and the remaining 11% for adaptation projects (Figure 27).

The substantial resources available through the GCF **Readiness Programme** should allow for considerable strengthening of the institutional and technical capacities of the direct access entities. However, the overall pattern will remain the same for a long time to come, due to the size and experience of the multilateral entities, which is reflected in their accreditation categories, particularly in terms of project size and financial instruments.

Multilateral entities operate with all GCF financial instruments²¹. Between March 2019 and June 2022, regional direct access entities have operated with loans (about 79%) and grants (Figure 29). Through these entities, the countries of the region should be able

to make greater use of other financial instruments and mobilise greater volumes of financing through national entities. Direct access in general and domestic direct access in particular are major innovations in the climate finance landscape. They offer countries the opportunity

to take greater ownership in implementing and financing their projects and programmes. However, direct access should be seen as an additional channel for delivering resources, and not as a replacement for international access. There are always areas where international entities add value to enable countries to mobilise more of the resources they need, and even faster, to finance their climate-sensitive development priorities.

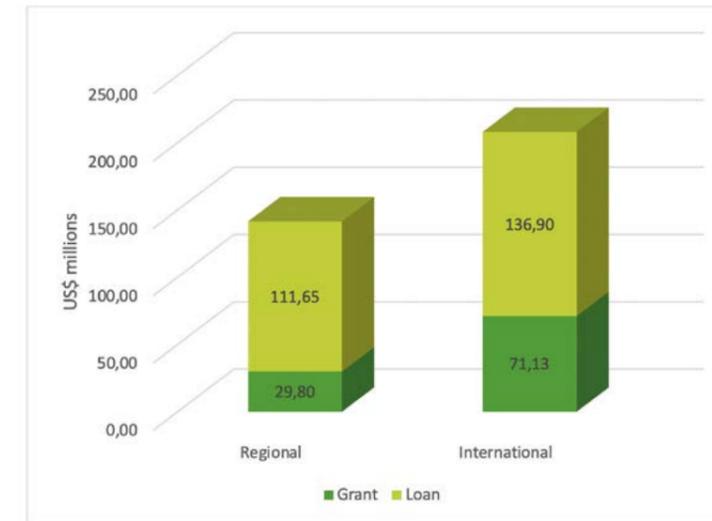


Figure 29: Financial instruments by access mode (US\$ millions) 2019-2022

Financial instruments

The analysis of the different financial instruments used reveals that loan financing is the most used between 2019 and 2022. This type of financial instrument accounts for more than 71% of GCF financing, compared to 29% in the form of grants (Figure 28).

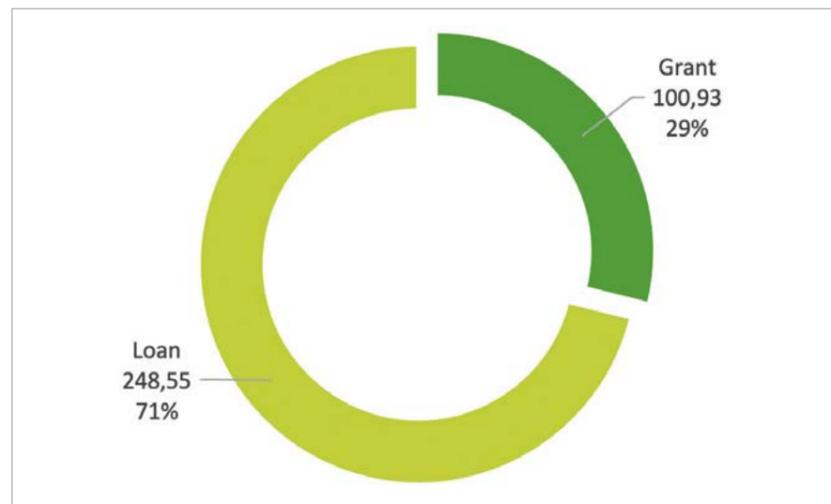


Figure 28: GCF financing instruments (US\$ millions) 2019-2022

In addition, for the same period, the analysis of financing by donor shows that the most used instruments for GCF equity financing so far are loans (71%), followed by grants (29%). For the co-financing part, the instruments used most are loans (68%), followed by equity with 25% (Figure 30).

As the GCF has a mandate to promote climate-sensitive development for developing countries, particular attention should be paid to this preference for using loans as an instrument rather than grants.

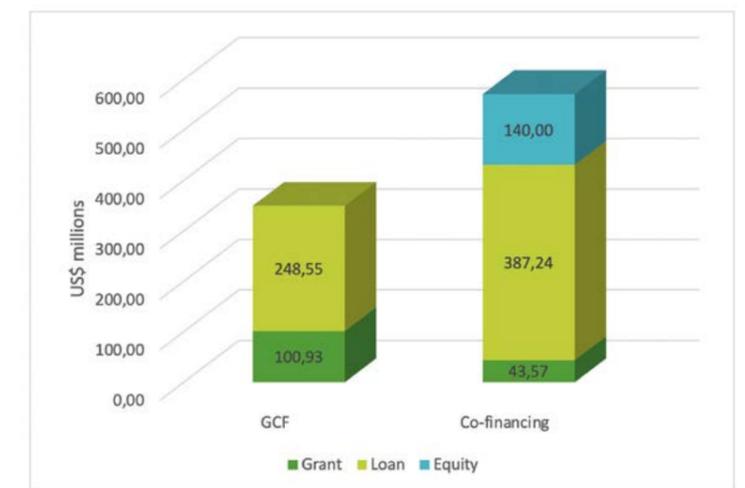


Figure 30: Financial instruments by donor (US\$ millions) 2019-2022

²¹ Concessional loan, grant, guarantee and action

04 Multilateral and bilateral CLIMATE FINANCE FLOWS to the ECOWAS-CILSS region



GCF MULTI-COUNTRY FINANCING AT REGIONAL LEVEL

GCF financing for multi-country projects (11 projects) in the ECOWAS-CILSS region has been estimated at US\$1,102.86 million between March 2019 and June 2022, and an amount of US\$3,852.28 million has been mobilised as co-financing. It should be noted that 76% of total GCF financing in the region has been absorbed by these multi-country projects. It is important to note, however, that it is still difficult to specify the funding allocated only to countries in the ECOWAS-CILSS region, so the amount of this funding cannot be added to the overall amount of GCF funding for the region.

About 82% (US\$908 million) of the GCF financing for these multi-country projects is approved for mitigation activities and 18% for multi-domain projects (Figure 31).

During the same period, the predominant financial instrument was loans. Indeed, GCF financing in the form of loans represents 43%, compared to 25% in grants, 19% in equity and lastly the financial guarantee instrument with a percentage of 13%. Total loan co-financing was estimated at US\$2,321 million or 60% of the total (Figure 32).

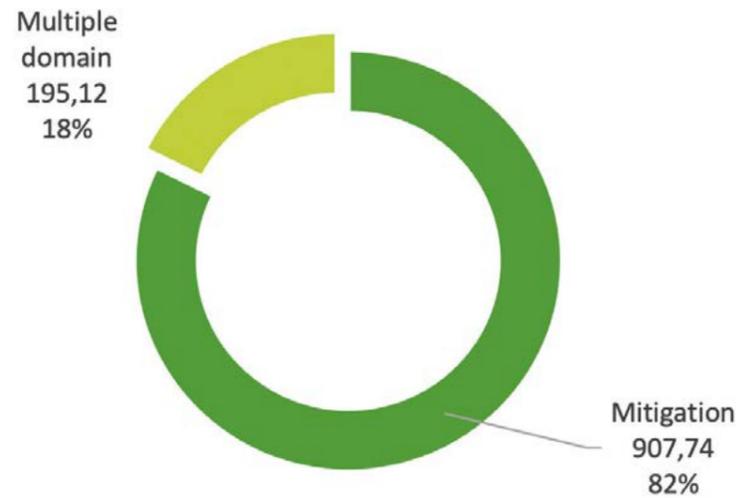


Figure 31: Distribution of GCF financing by theme for multi-country projects (March 2019 - June 2022)

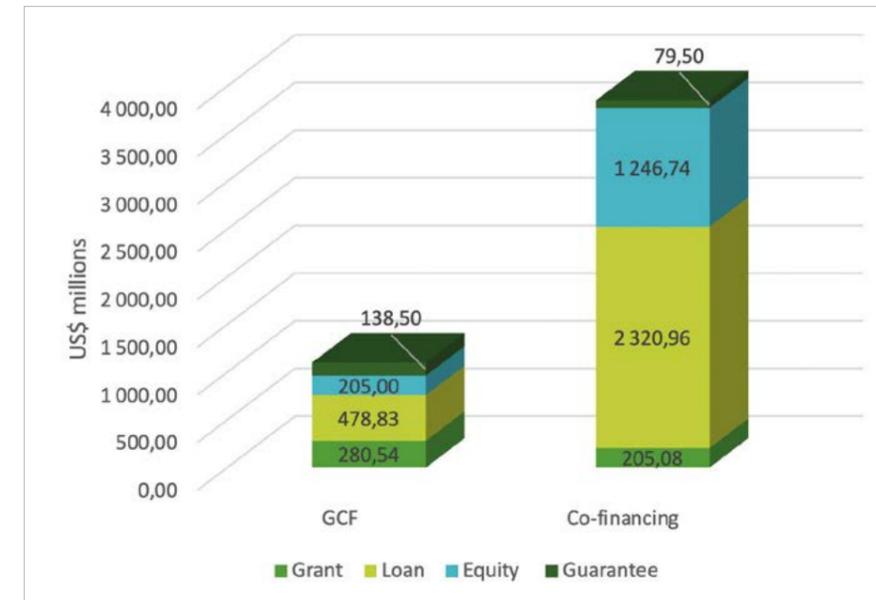


Figure 32: Distribution of GCF financing and co-financing by type of financial instrument for multi-country projects (March 2019-June 2022)

Figure 33 shows that the energy sector is the largest recipient of GCF multi-country project financing (US\$696 million), accounting for 63% of total GCF resources.

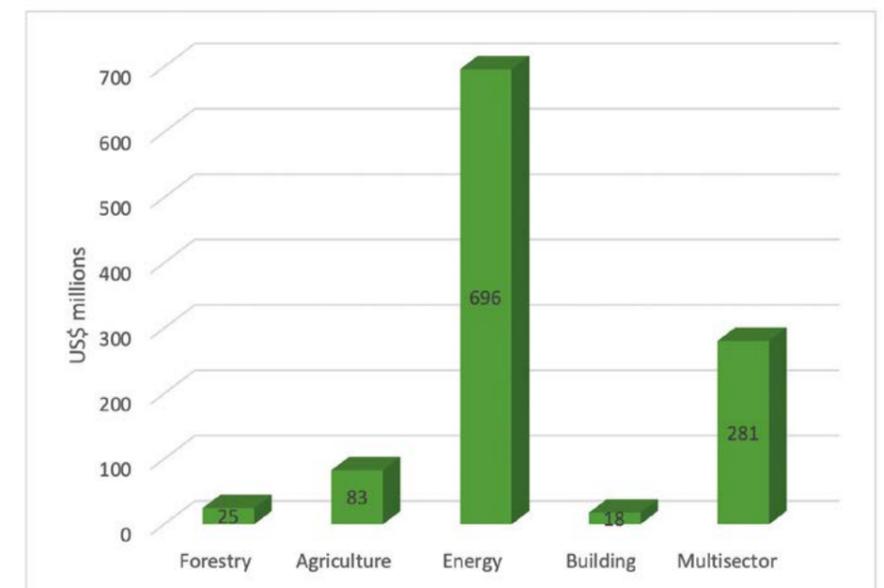


Figure 33: Distribution of GCF financing by sector for multi-country projects (March 2019-June 2022)



04 Multilateral and bilateral CLIMATE FINANCE FLOWS to the ECOWAS-CILSS region

Portfolio of the Adaptation Fund in the ECOWAS-CILSS zone

The Adaptation Fund (AF) was established in 2001 under the Kyoto Protocol, under the United Nations Framework Convention on Climate Change (Decision 10/CP.7). It was operationalised as a follow-up to the Decisions adopted at COP 13 in December 2007 in Bali, Indonesia. In 2008, the Board proposed the strategic priorities, policies and guidelines of the Adaptation Fund (decision B.3/7), which were subsequently endorsed by the Parties at CMP4 (Decision 1 / CMP.4), stating that the main objective of the Fund is 'to provide international finance to help developing countries undertake concrete adaptation projects/programmes consistent with their development needs, goals and strategies.' (AF, 2018). Along with the GCF and GEF, the AF serves as the financial mechanism for the United

Nations Framework Convention on Climate Change (UNFCCC) and also serves the Paris Agreement. At 30 June 2022, the total amount of contributions²² to the Adaptation Fund was US\$902.7 million.

Since 2010, the AF has committed US\$720 million to climate adaptation and resilience activities, including support to 100 concrete adaptation projects and 36 South-South cooperation and institutional support programmes.

The Fund is financed by a 2% share of the proceeds from Certified Emission Reductions (CERs) of GHGs emitted from Clean Development Mechanism (CDM) projects and in part by government and private donors.

AF resources are accessed through im-

plementing entities that must be accredited. The AF has introduced one of the most important innovations in the climate finance landscape, namely direct access. Countries can thus access resources through a national or regional entity (direct access), but also through multilateral entities (international access). As of February 2022, there were 56 implementing entities, including 14 multilateral entities (MIEs), 34 national entities (NIEs) and eight regional entities (RIEs). Entities applying for accreditation with the AF must be nominated by the Designated Authorities of that Fund.

Similarly to the GCF, direct access has come to dominate the climate finance landscape, accounting for almost two-thirds of the implementing entities of the AF (Figure 34).

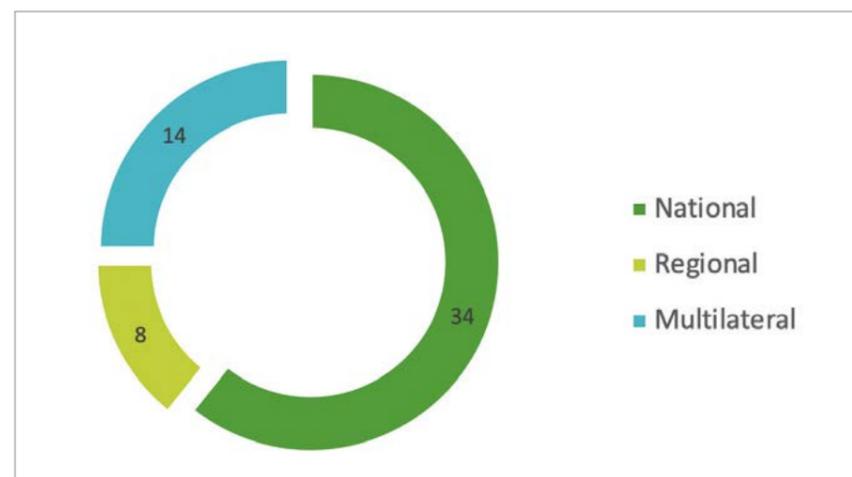


Figure 34: Composition of the AF portfolio of accredited entities worldwide, as of February 2022

²² Including sales from certified GHG emission reduction units



Of the 42 direct or regional access entities in the AF, 15 are located in Africa, five of them in the ECOWAS-CILSS zone (Table 4):

- Four direct access entities: the Ecological Monitoring Centre (CSE) in Dakar, the Banque Agricole du Niger (BAGRI), the Benin National Environment and Climate Fund (FNEC) and the Fonds Interprofessionnel pour la Recherche et le Conseil Agricoles (FIRCA) in Abidjan; and
- one regional access entity: the West African Development Bank (WADB) based in Togo.

COUNTRY/HEADQUARTERS	NAME	MODE OF ACCESS
Morocco	Agricultural Development Agency (ADA)	Direct National
Senegal	Ecological Monitoring Centre (CSE)	Direct National
Niger	Banque Agricole du Niger (BAGRI)	Direct National
Namibia	Desert Research Foundation of Namibia (DRFN)	Direct National
Zimbabwe	Environmental Management Agency (EMA)	Direct National
Côte d'Ivoire	Fonds Interprofessionnel pour la Recherche et le Conseil Agricoles (FIRCA)	Direct National
Rwanda	Ministry of Environment, MoE (formerly Ministry of Natural Resources, MINIRENA) of Rwanda	Direct National
Ethiopia	Ministry of Finance and Economic Cooperation of the Federal Democratic Republic of Ethiopia (MOFEC)	Direct National
Uganda	Ministry of Water and Environment of the Republic of Uganda (MWE)	Direct National
Kenya	National Environment Management Authority of Kenya (NEMA)	Direct National
Benin	Benin National Environment and Climate Fund (FNEC)	Direct National
South Africa	South African National Biodiversity Institute (SANBI)	Direct National
Togo	West African Development Bank (WADB)	Regional
Tanzania	National Environment Management Council (NEMC)	Direct National
Tunisia	Sahara and Sahel Observatory (OSS)	Regional

Table 4: AF Direct Access Entities in Africa (FY 2022 data)



04 Multilateral and bilateral CLIMATE FINANCE FLOWS to the ECOWAS-CILSS region

The AF portfolio in Africa consists of 80 projects (country and multi-country projects), totalling US\$375 million.

The flow of AF resources to the ECOWAS-CILSS zone currently amounts to US\$121.3 million, i.e. nearly 32% of AF flows to Africa. Almost 62% of these resources were mobilised through multilateral entities (Figure 35). 38% of the resources mobilised were mobilised by entities with direct (8%) or regional (30%) access²³.

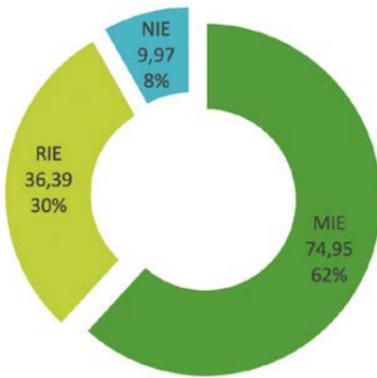


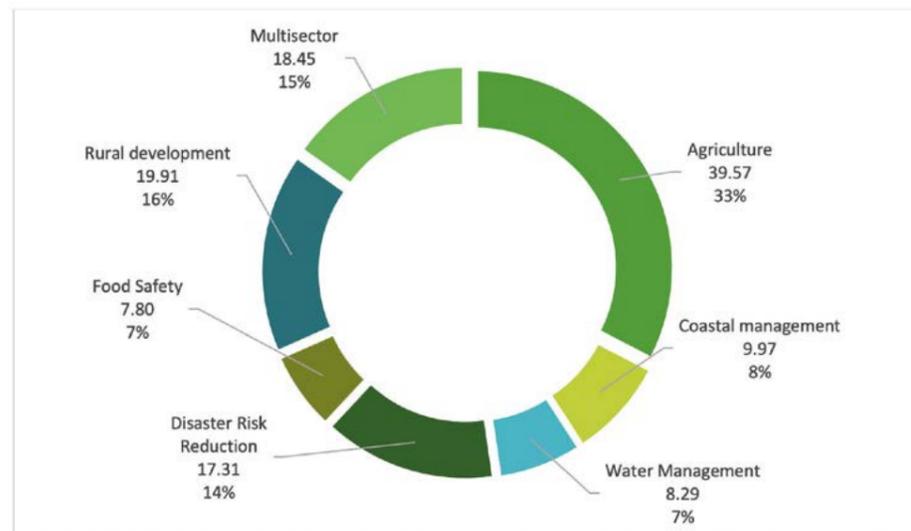
Figure 35: Resources mobilised from the AF for the ECOWAS-CILSS zone, by access modality (AF, 2022)

This indicates the performance of multilateral entities, notably IFAD and the World Food Programme, which respectively mobilised 21% and 29% of the total resources, but also that of the regional entity, the West African Development Bank, which mobilised 30% or more than US\$36 million. Senegal's

national entity, the 'Ecological Monitoring Centre' (CSE) has mobilised almost US\$10 million.

The agricultural sector received the most financing (33%), followed by rural development (16%), (Figure 36).

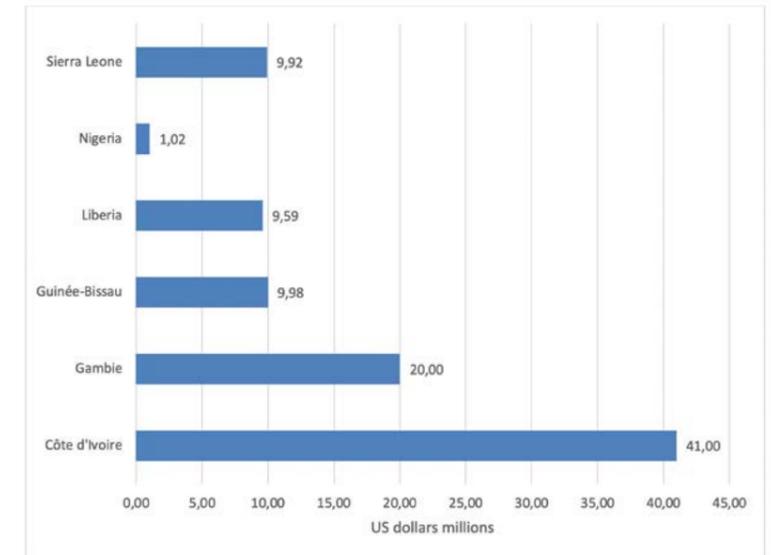
Figure 36: AF financing by sector in the ECOWAS-CILSS zone (US\$ millions), (AF, 2022)



²³ Projects Data Table View (adaptation-fund.org)

Between March 2019 and June 2022, AF financing approved and allocated to countries in the ECOWAS-CILSS region totalled US\$91.5 million for nine projects, which represents more than 75% of the financing allocated to date by the AF to this region. The leading recipient country in the region was Côte d'Ivoire, which received funding for US\$41 million. (Figure 37).

Figure 37: AF funding mobilised between March 2019 and June 2022 by country in the ECOWAS-CILSS region



South-South Cooperation is very dynamic in the Region, with ongoing and dynamic exchanges between direct-access entities. To date, 10²⁴ of the 17 countries in the ECOWAS-CILSS zone

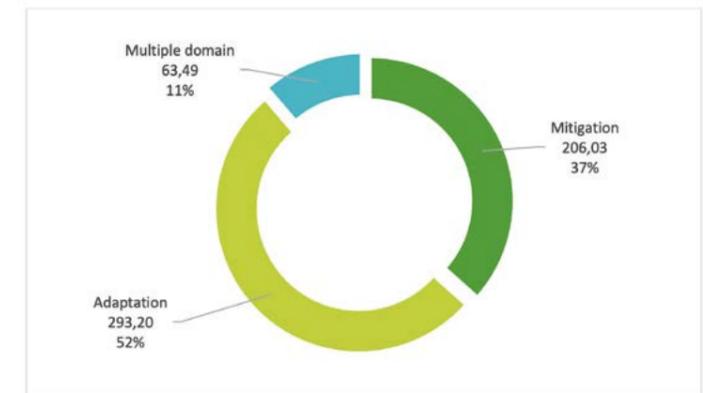
have benefited from the AF Readiness Programme's resources to the tune of US\$482,694 for capacity building activities of national and regional institutions to prepare for accreditation and to then

receive and manage climate action financing.

²⁴ Bénin, Cape Verde, Chad, Côte d'Ivoire, Guinée, Mali, Niger, Senegal, Sierra Leone, Togo

4.3. Bilateral financing

Between March 2019 and June 2022, total contributions from bilateral donors in the ECOWAS-CILSS zone have been estimated at about US\$563 million spread over 45 projects. About 52% of these resources (US\$293 million) are for adaptation, about 37% for mitigation and 11% for multiple areas (Figure 38)²⁵.



²⁵ These figures were taken directly from the websites of the various bilateral donors and funds active in the ECOWAS-CILSS region

Figure 38: Distribution of bilateral donor financing by theme in the ECOWAS-CILSS region (March 2019-June 2022)



04 Multilateral and bilateral CLIMATE FINANCE FLOWS to the ECOWAS-CILSS region

Figure 39 shows that AFD is the largest contributor with a share of 55% or US\$311 million, followed by KfW (16%) and in third position is the Luxembourg Agency for Development Cooperation-LuxDev with an estimated contribution of US\$64 million.

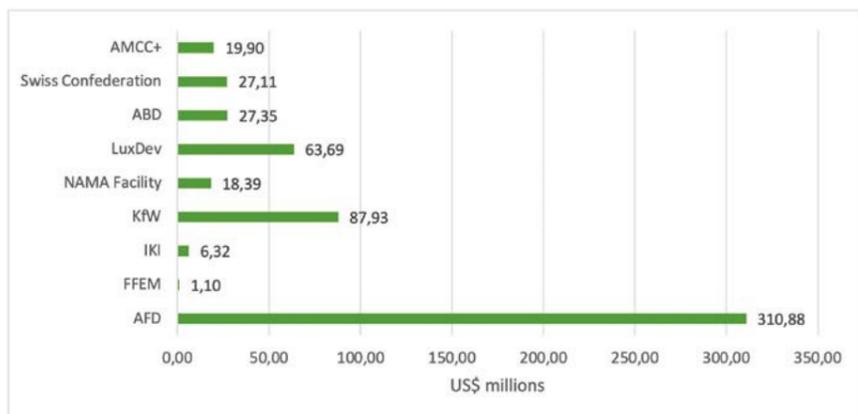


Figure 39: Climate finance from bilateral donors in the ECOWAS-CILSS region (March 2019-June 2022)

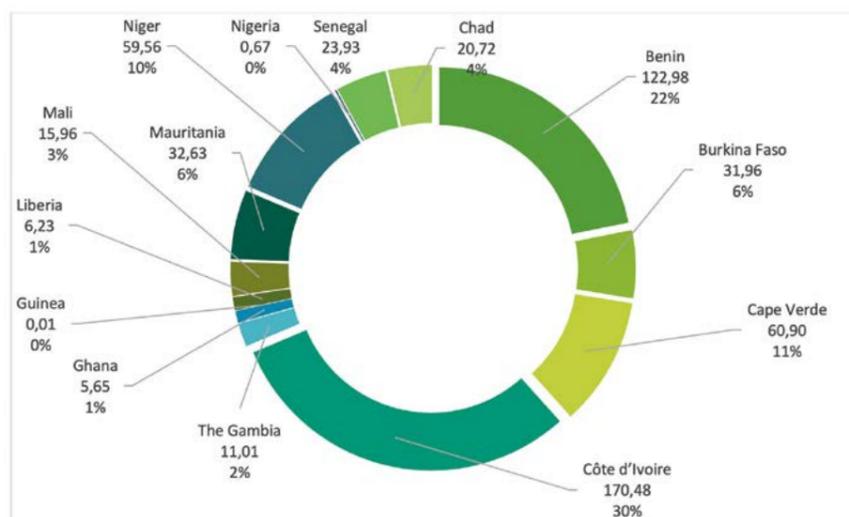
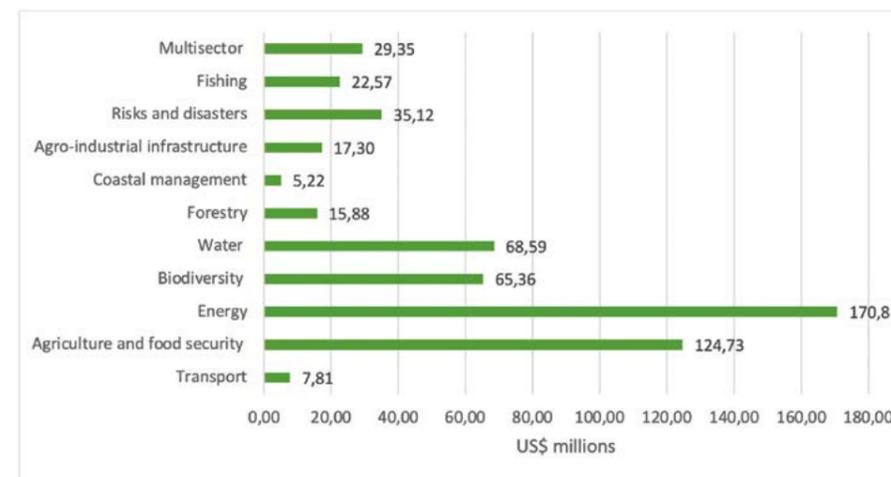


Figure 40: Bilateral donor financing by country between March 2019 and June 2022

Côte d'Ivoire is the largest recipient country with US\$170 million, or 30% of all financing between 2019 and 2022 (Figure 40). The second beneficiary is Benin Nigeria with a percentage of 22% (US\$123 million).

Over the period 2019-2022, a large share of the approved bilateral donor financing allocated to countries in the ECOWAS-CILSS region has been intended primarily to finance the energy sector (30%), followed by the agriculture and food security sector (22%) and the water sector (12%). (Figure 41).

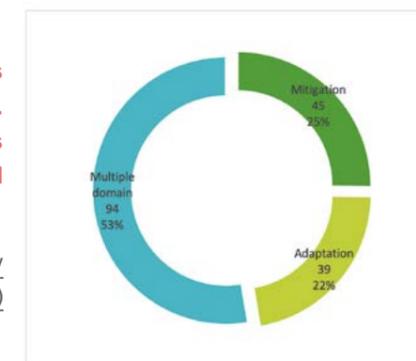
Figure 41: Distribution of bilateral donor financing by sector between March 2019 and June 2022



MULTI-COUNTRY FINANCING FROM BILATERAL DONORS AT THE REGIONAL LEVEL

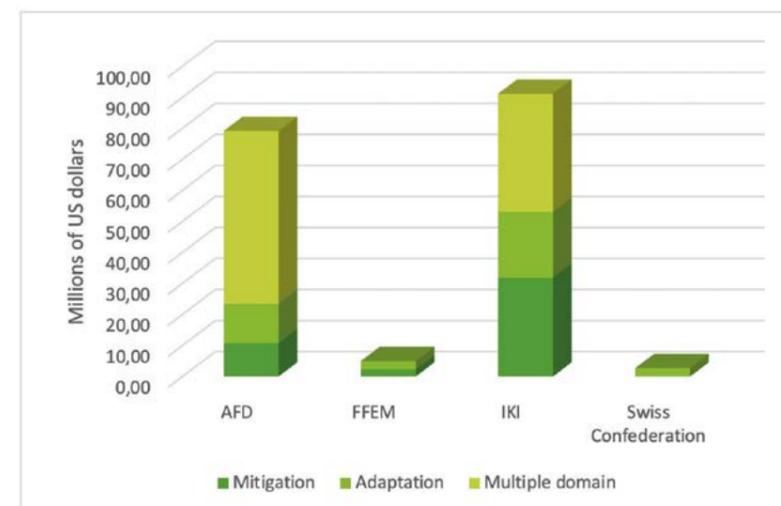
Between March 2019 and June 2022, a total of US\$178 million in financing has been allocated to multi-country projects (29 projects) from bilateral donors. About 53% of bilateral donor financing is approved for multi-country projects in multiple domains or about US\$94 million, 25% for mitigation projects, and 22% for adaptation (Figure 42).

Figure 42: Distribution of bilateral donor financing by theme for multi-country projects (March 2019-June 2022)



During the same period, the International Climate Initiative (IKI) of the Federal Republic of Germany was the largest donor in the ECOWAS-CILSS region. Indeed, IKI financing represented 51% of total bilateral donor financing, equivalent to US\$91 million, followed by the AFD with 44% (Figure 43).

Figure 43: Multilateral donor financing for multi-country projects (March 2019-June 2022)





04 Multilateral and bilateral CLIMATE FINANCE FLOWS to the ECOWAS-CILSS region



Approved financing for multi-sector projects was estimated at US\$116 million (65%), representing the largest recipient of multi-country project financing from bilateral donors, followed by the AFOLU sector, which accounted for 22% of the total (Figure 44).

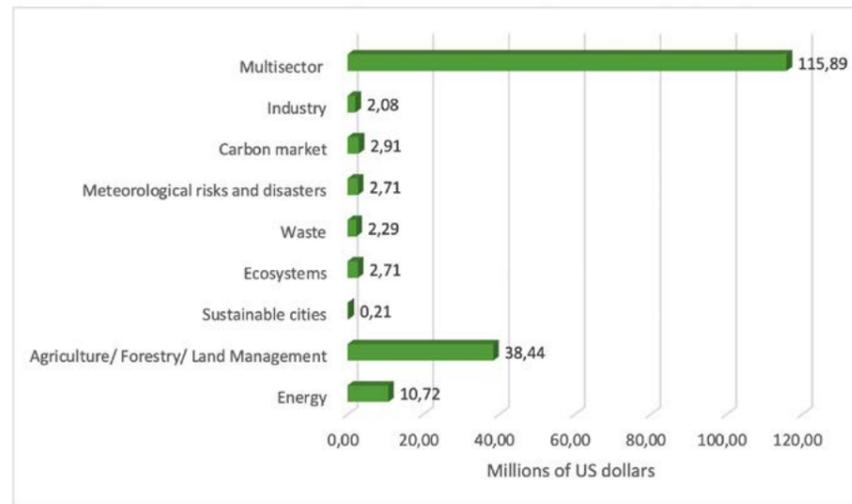


Figure 44: Distribution of bilateral donor financing by sector for multi-country projects (March 2019-June 2022)

4.3.1. Mitigation financing from bilateral donors

Between March 2019 and June 2022, bilateral donors contributed a total of US\$206 million in financial commitments for climate change mitigation, of which US\$170 million, or 83%, was committed to finance the energy sector and 8% to the forestry sector.

AFD financing represented 59% or US\$157 million. The leading beneficiary country was Côte d'Ivoire, with a total of nearly US\$121 million, followed by Benin with a 23% share (US\$ 47 million).

Figure 45 shows approved mitigation finance by bilateral donor between March 2019 and June 2022.

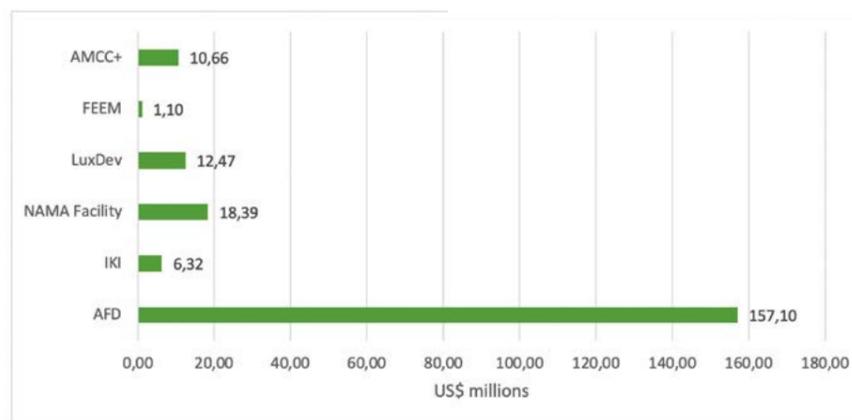


Figure 45: Mitigation financing from bilateral donors in the ECOWAS-CILSS region (March 2019-June 2022)

Figure 46 shows the breakdown of bilateral donor mitigation financing by country in the ECOWAS-CILSS region over the period from March 2019 to June 2022.

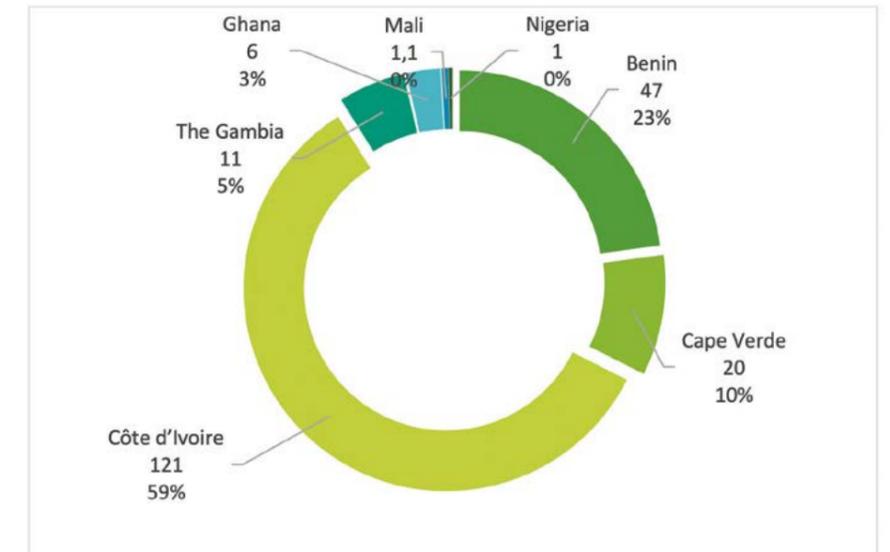


Figure 46: Distribution of mitigation financing from bilateral donors by country in the ECOWAS-CILSS region (March 2019-June 2022)

Figure 47 shows bilateral donor mitigation financing by sector.

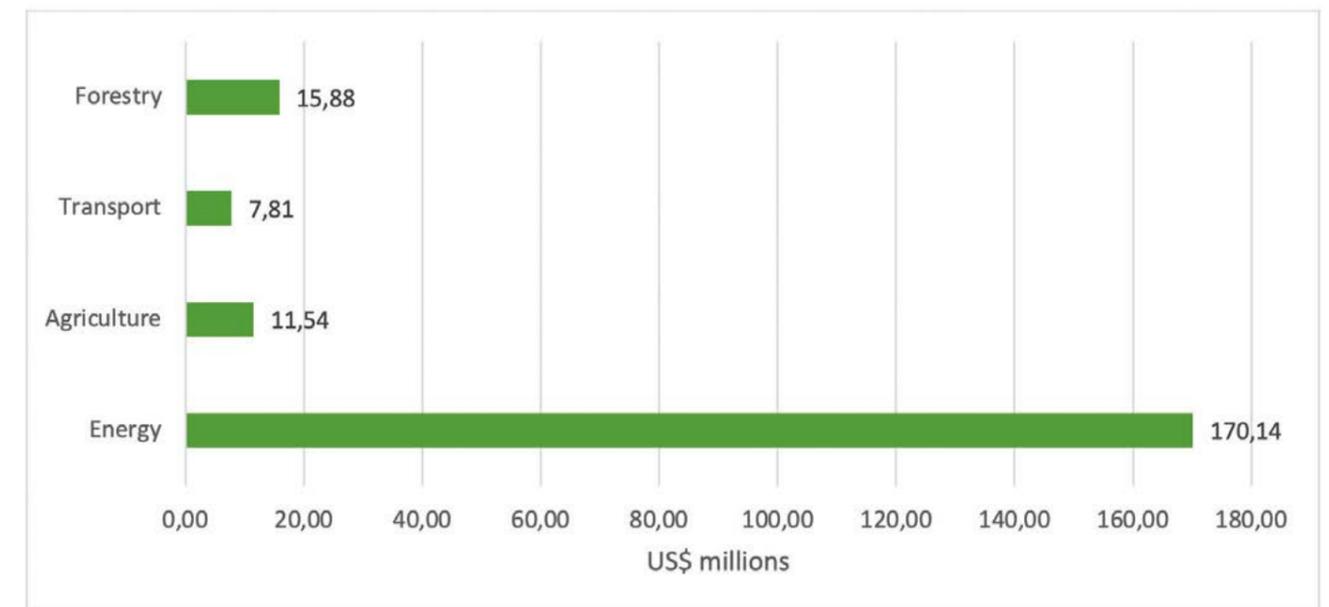


Figure 47: Distribution of mitigation financing from bilateral donors by sector in the ECOWAS-CILSS region (March 2019-June 2022)



04 Multilateral and bilateral CLIMATE FINANCE FLOWS to the ECOWAS-CILSS region

4.3.2. Adaptation financing from bilateral donors

Over the period March 2019 to June 2020, bilateral donors have made financing commitments of US\$293 million for climate change adaptation, of which US\$99 million, or 34% has been committed to finance the agriculture and food security sector and 45% for the water and biodiversity sector (US\$65.47 million and US\$65.36 million respectively).

The AFD was the leading contributor to finance adaptation projects (52%) with a total financing of US\$151 million between March 2019 and June 2022. In addition, US\$76 million has been approved and allocated to Benin, which is among the first beneficiary countries (Benin first, followed by Niger and Côte d'Ivoire).

Figure 48 shows approved adaptation financing from bilateral donor between March 2019 and June 2022.

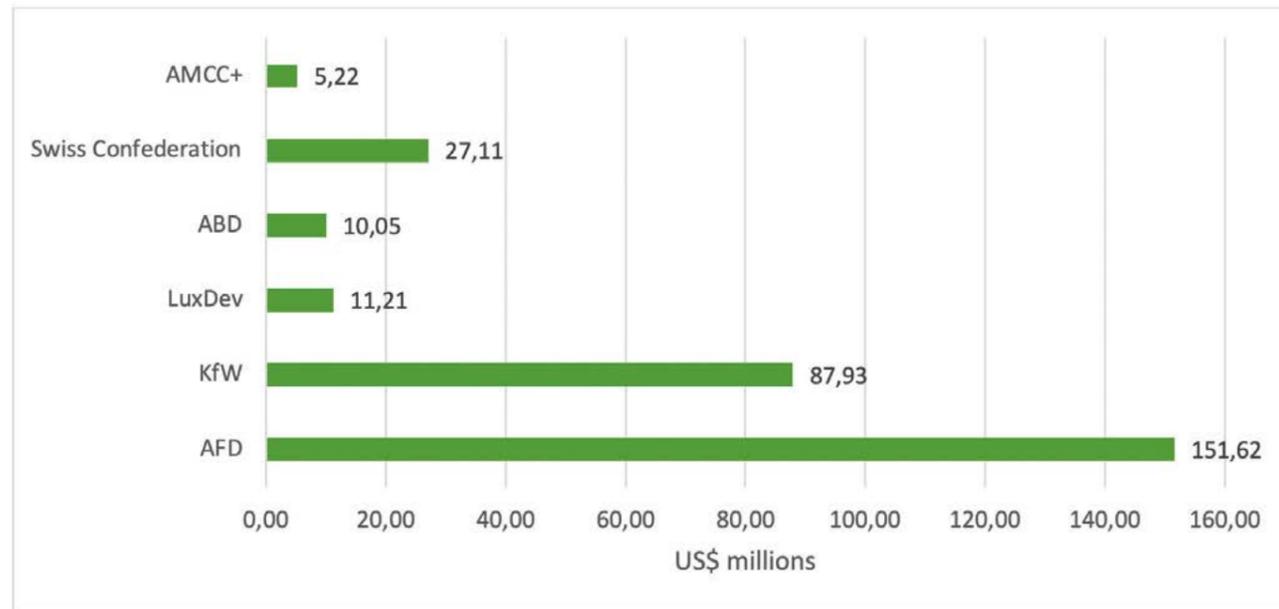


Figure 48: Adaptation financing from bilateral donors in the ECOWAS-CILSS region (March 2019 - June 2022)

Figure 49 shows the breakdown of adaptation financing from bilateral donors by country in the ECOWAS-CILSS region over the period from March 2019 to June 2022.

Figure 49: Distribution of adaptation financing from bilateral donors by country in the ECOWAS-CILSS region (March 2019 - June 2022)

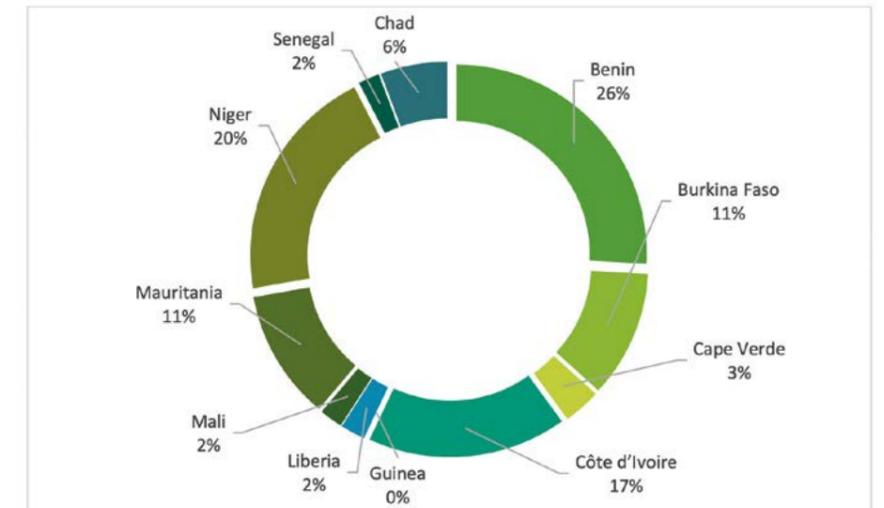


Figure 50 shows adaptation financing from bilateral donors by sector.

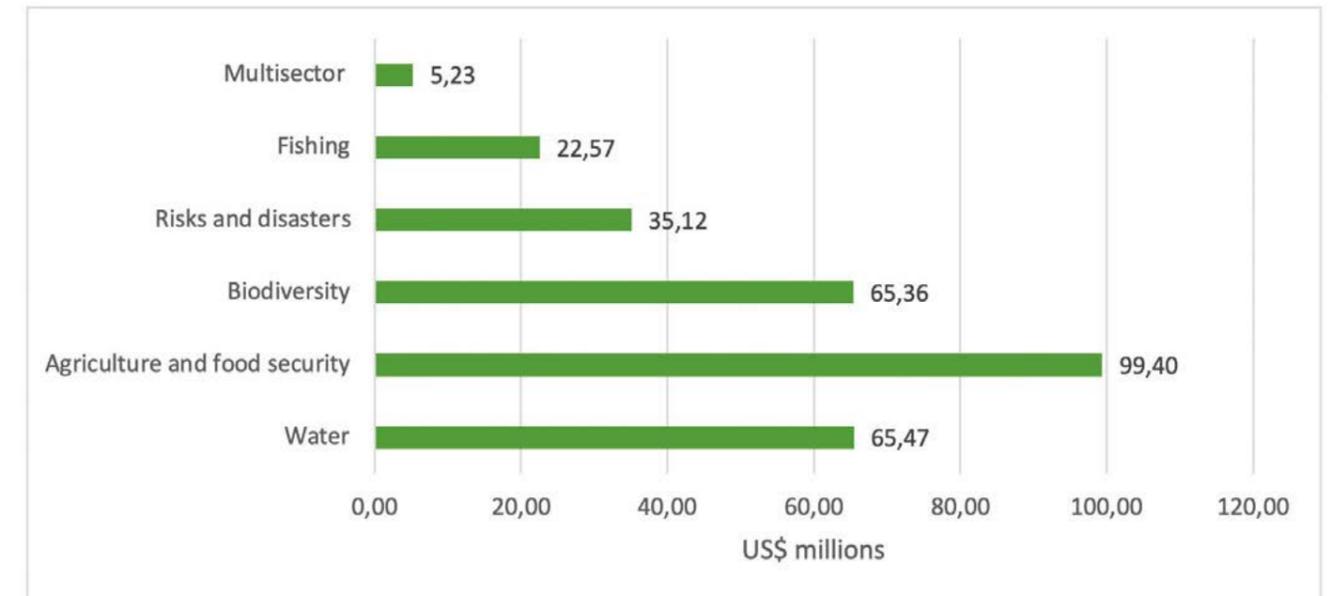


Figure 50: Distribution of adaptation financing from bilateral donors by sector in the ECOWAS-CILSS region (March 2019 - June 2022)

05 NATIONAL CLIMATE FINANCE



As part of this second edition, the administration of a questionnaire intended for the UNFCCC, GEF and GCF focal points of the countries of the ECOWAS-CILSS region aimed to collect data not only on the flows of international climate financing but also on the financing mobilised through national budgets.

It turns out from this first experience that little data could be collected, which in no way reflects the reality of climate financing from national sources, considering the lack of mechanisms allowing the countries of the region to trace and categorise national financing with a climate impact.

Nevertheless, the data collected during this second edition indicate that between March 2019 and June 2022, financial flows from domestic public sources are estimated at around US\$8 million²⁶, for 15 projects. Nearly 71% of approved funding is for mitigation projects (Figure 51).

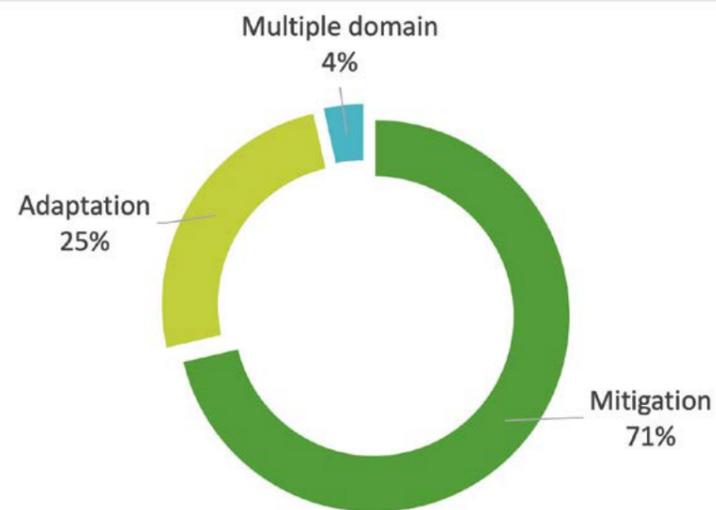


Figure 51: Distribution of national climate finance by theme (March 2019 - June 2022)

²⁶ This amount represents the national climate financing of only three countries (Guinea, Mali and Nigeria) which communicated their data through the questionnaires

The breakdown of domestic climate finance by country is shown in Figure 52.

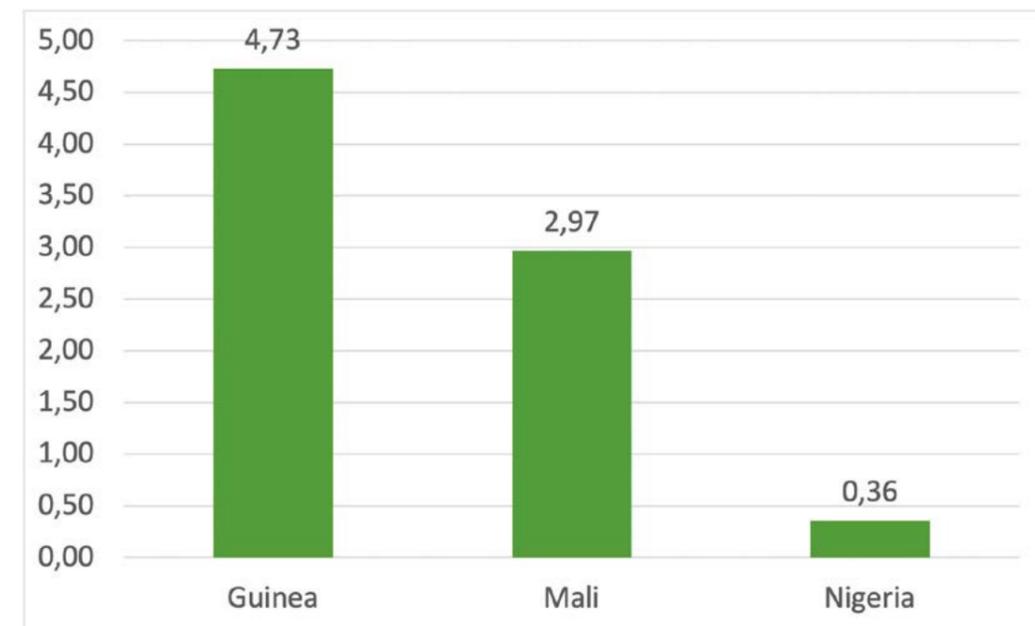


Figure 52: Distribution of national climate financing by country (March 2019 - June 2022)





06 Assessment of FINANCIAL FLOWS

for the climate towards the ECOWAS-CILSS region and analysis of the gap between the needs of the NDCs and the flows mobilised

The overall balance sheet has been compiled taking into consideration international (multilateral and bilateral) and national financing provided during the period 2003 - June 2022²⁷. Over this period, total approved climate finance

amounts to **US\$5,273 million**. Multilateral sources of financing alone account for 89% of this financing or US\$4,702 million (Figure 53).

There has been a considerable acceleration in financing since 2019. This can be explained by the combined effect of the acceleration of the implementation of the Paris Agreement through the NDCs and the advanced state of readiness of ECOWAS-CILSS countries to attract international climate finance.

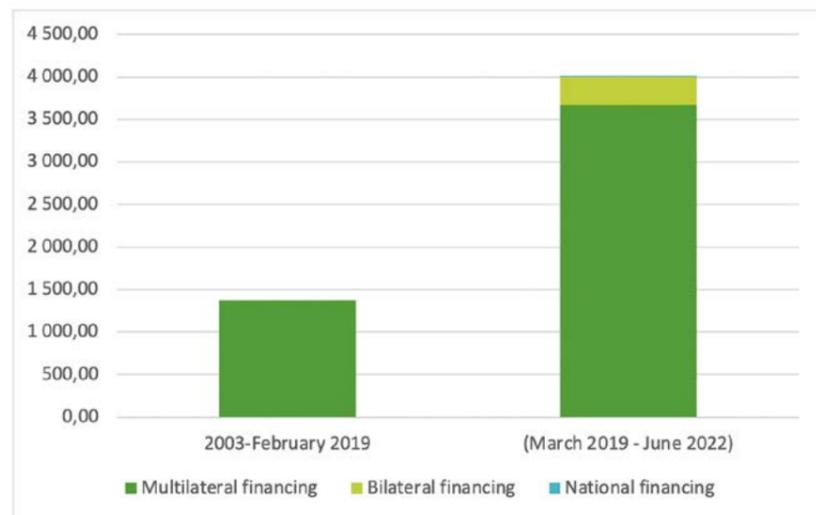


Figure 53: Distribution of financing by source in the ECOWAS-CILSS region over the period 2003-June 2022 (compilation of data from the first and second editions)

Almost 40% of these financial resources were used to finance adaptation actions, with about 32% for mitigation and 28% for multiple areas (Figure 54).

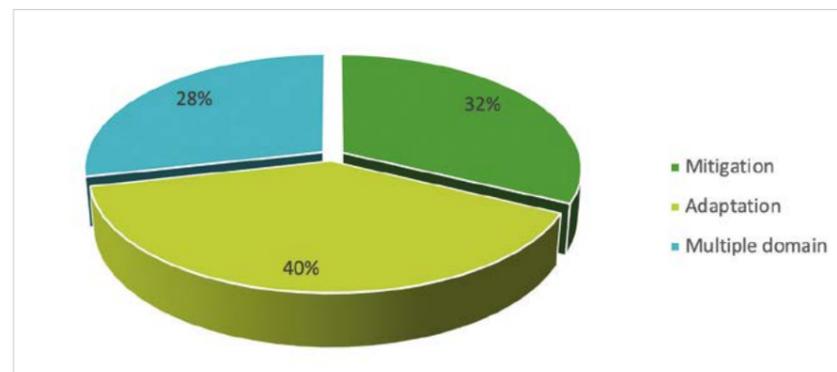


Figure 54: Distribution of financing by theme in the ECOWAS-CILSS region over the period 2003-June 2022

Approved financing for adaptation projects was estimated at US\$2,080 million, approximately US\$1,693 million for mitigation projects, of which 55% was approved between March 2019 and June 2022, and US\$1,500 million to multi-domain projects from international financing (Figure 55).

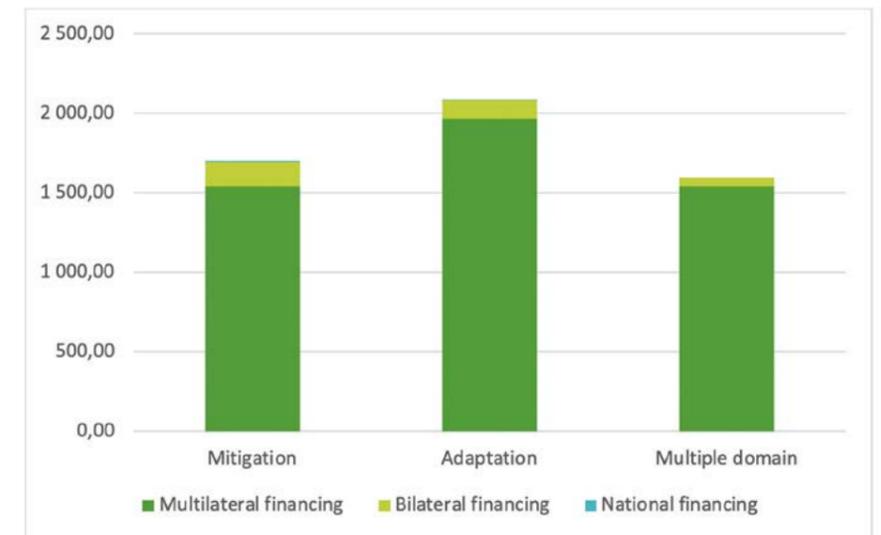


Figure 55: Approved international and national financing for the ECOWAS-CILSS region (2003-June 2022)

According to the revised NDCs of the countries in the ECOWAS-CILSS region, the climate financing requirement for implementing all the conditional and unconditional mitigation and adaptation actions is estimated at US\$340,234.22 million.

The need for climate finance to implement the conditional actions amounts to US\$82,689 million; we note that the majority of countries* have not communicated their conditional needs²⁸.

The climate financing thus mobilised from international sources between March 2019 and June 2022 represents only 4.7% of the conditional needs expressed by certain countries through their NDCs.

	FUNDING MOBILISED between March 2019 and June 2022 (US\$ millions)	NDC NEEDS (Total cost in US\$ millions)	NDC REQUIREMENTS (Cost of conditional actions in US\$ millions)
Mitigation	1,080.39	280,708.22	55,131.46
Adaptation	1,393.72	59,526.00	27,557.70
Multiple domain	1,413.76	-	-
Total	3,887.87	340,234.22	82,689.16

Table 5: Comparison between the international climate financing mobilised between March 2019 - June 2022 and the needs expressed in the NDCs of the countries of the ECOWAS-CILSS region

²⁷ The first edition of the monitoring of climate finance flows in the ECOWAS-CILSS zone covered the period from 2003 to February 2019, without taking into account bilateral international sources and national sources. This second edition covering the period from March 2019 to June 2022 has taken different international sources (multilateral and bilateral) into account, as well as national sources, depending on data availability

²⁸ Cape Verde, Côte d'Ivoire, The Gambia, Ghana, Guinea, Liberia, Mali, Nigeria and Sierra Leone.



07 CONCLUSIONS AND RECOMMENDATIONS



In cumulative terms, on the basis of the first edition and the present second edition, i.e. from 2003 to June 2022, the countries of the ECOWAS-CILSS zone have mobilised US\$5,265 million from multilateral and bilateral climate funds²⁹ 89% of which came from multilateral financing, mainly for adaptation actions and with the LDCF as the leading donor, followed by the GEF through its various replenishments (GEF 1 to 7).

The MDBs are also making a very significant contribution to financing climate action in these countries. In 2020, these countries received US\$2,751 million in commitments from the MDBs³⁰, representing about 4% of all MDB financing and 30.4% of the financing that went to Sub-Saharan Africa.

Financial resources for climate action are therefore available and increasing, and the ECOWAS-CILSS zone is among the most efficient in Africa in terms of mobilising financing. However, there are enormous disparities between countries in the region and there is a need to better target capacity building actions, and also to provide more support for South-South cooperation actions. Capacity building initiatives abound across the region, but the measurable impacts and outcomes are not always commensurate with the investment. These actions should be complemented by longer-term mentoring to allow time to translate capacity gains into concrete achievements.

Moreover, the resources mobilised remain far below the needs expressed by

the countries, particularly in view of the commitments made in the Paris Agreement. For resources available at the international level, mobilisation capacity is a major challenge for the region, which is still limited by its capacity to absorb funds. Moreover, domestic financing is still very modest, despite the initiatives developed here and there, notably with the establishment of national climate funds. At the regional level, ECOWAS adopted its first Regional Climate Strategy (RCS) on 29 April 2022, within the framework of which the organisation is committed alongside and in support of its fifteen (15) Member States to make climate a priority of the region's political action, consistent with its Vision 2050, based on the observation that the impacts of climate change are cross-border and that it is together

that ECOWAS Member States can meet this challenge. In terms of mobilising climate finance, the RCS devotes one of its six specific objectives (SOs) to this major issue, in particular SO6 "Promote new approaches to mobilise endogenous and exogenous financial resources".

Beyond climate finance, countries in the ECOWAS-CILSS region are encouraged to exploit the possibilities of carbon finance within the framework of the implementation of Article 6 of the Paris Agreement.

There is much enthusiasm for the GCF and the AF, often tempered by the complexity (perceived or real) and length of their procedures. The region has so far been able to mobilise nearly US\$5 billion

in investments through GCF-approved projects (of which just over 1/3 is funded directly by the Fund, with the other two thirds being mobilised by other donors, national budgets or private investment) and about US\$121 million from the AF. With these two mechanisms, direct access has finally established itself as a good practice in the climate finance landscape. However, particularly in the case of the GCF, the vast majority of flows are for multi-country projects, often with a majority of countries outside the region, which makes it difficult to analyse them from a national or regional perspective. Beyond that, DNAs seem to have less control over multi-country projects (especially global projects), especially in regard to implementation. There is a need to rethink the financing strategy for such projects, giving priority to regional (or even sub-regional) projects, covering countries that share similar realities and challenges, and ensuring a clear and transparent distribution of resources.

In the GCF portfolio in the region, the most funded sectors are agriculture and energy, when considering the number of projects. However, when it comes to volumes, more than two thirds of the financing went to energy and mitigation – the thematic balance between adaptation and mitigation has therefore not yet been achieved in the region.

In the agricultural sector, which still occupies the vast majority of the population, risk mitigation instruments have yet to be fully exploited, particularly with GCF financing. Also, the countries of the ECOWAS-CILSS zone would benefit from being well prepared for future actions and flows linked to the WIM³¹, especially towards insurance companies.

Finally, it is important to mention the importance of improving the approach to monitoring climate finance flows in the ECOWAS-CILSS zone. Indeed, if the first edition of 2019 and this second edition of 2022 are more based on a Top-Down approach (data drawn from international sources), the future sustainable methodology to be established to serve the updating of climate finance flows at the scale of the ECOWAS-CILSS zone will have to capitalise on countries' current efforts to comply with the requirements of the Enhanced Transparency Framework of the Paris Agreement. Indeed, in this framework, the countries, like all other developing countries, are required to produce Biennial Transparency Reports (BTRs) from December 2024. The BTRs, which should include information on financing received, among other information (e.g., status of NDCs, GHG inventories, etc.), will provide a credible basis for the biennial report on climate finance flows at the ECOWAS-CILSS zone level. It is

also proposed to include, the climate financing needs of the countries, from the new 2024 edition onwards in order to assess the gap between the needs and the resources mobilised. This gap can be updated as, the climate financing needs of the countries are produced and country NDCs are updated

As part of this dynamic, the RCS should lay the foundations for a lasting regional collaboration not only to improve and institutionalise the biannual production of the mapping of financial climate flows, but also to create and strengthen the collaborative framework for exchange between peers for experience sharing and mutual support in efforts to mobilise climate finance resources.

²⁹ Only bilateral financing approved between March 2019 and June 2022 was analysed

³⁰ Own resources and external resources channelled through them

³¹ Warsaw International Mechanism (WIM) on loss and damage from the adverse effects of climate change.



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