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Evaluation of Mainstreaming Green Growth and Climate Change into the AfDB's Interventions

Summary Report

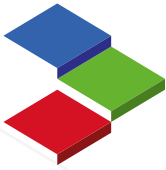


AFRICAN DEVELOPMENT BANK GROUP

March 2021

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AFRICAN DEVELOPMENT BANK GROUP

March 2021

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Independent Development Evaluation (IDEV)

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Abbreviations and Acronyms

ACCF	Africa Climate Change Fund	EQ	Evaluation Question
ACMAD	African Centre of Meteorological Application for Development	ERG	Evaluation Reference Group
ADER	Annual Development Effectiveness Review	FAO	Food and Agriculture Organization of the United Nations
ADF	African Development Fund	FGD	Focus Group Discussion
ADOA	Additionality and Development Outcomes Assessment	FONERWA	Rwanda Green Fund
AFAC	African Financial Alliance on Climate Change	GCI	General Capital Increase
AfDB	African Development Bank Group	GG	Green Growth
AGRHYMET	Agrometeorology and Operational Hydrology and Their Applications Centre	GG-CC	Green Growth and Climate Change
AHAI	Agriculture and Agro-Industry Department, AfDB	GGF	Green Growth Framework
AHFR	Agricultural Finance and Rural Development Department, AfDB	GGGI	Global Green Growth Institute
AHWS	Water Development and Sanitation Department, AfDB	GHG	Greenhouse Gas
AREF	Africa Renewable Energy Fund	GW	Gigawatt
AREI	Africa Renewable Energy Initiative	ICPAC	IGAD Climate Prediction and Applications Centre
AWF	African Water Facility	IDEV	Independent Development Evaluation, AfDB
CBFF	Congo Basin Forest Fund	IGAD	Inter-Governmental Authority on Development
CC	Climate Change	KPI	Key Performance Indicator
CCAP	Climate Change Action Plan	LCBC	Lower Chad Basin Commission
CDSF	ClimDev Special Fund	MDB	Multilateral Development Bank
CIF	Climate Investment Fund	MERL	Monitoring, Evaluation, Reporting and Learning Framework
CO	Country Office	NDC	Nationally Determined Contribution
CSCR	Country Strategy Completion Report	NGO	Non-Governmental Organisation
CSO	Civil Society Organisation	NSO	Non-Sovereign Operation
CSP	Country Strategy Paper	PAR	Project Appraisal Report
CSPE	Country Strategy and Programme Evaluation	PBO	Program Based Operation
DBDM	Development and Business Delivery Model	PCE	Project Cluster Evaluation
ECNR	African Natural Resources Centre, AfDB	PCR	Project Completion Report
ECOWAS	Economic Community of West African States	PCREN	Project Completion Report Evaluation Note
		PECG	Climate Change & Green Growth Department, AfDB
		PESD	Power Systems Development Department, AfDB

PESR	Energy Statistics, Policy and Regulation Department, AfDB	SCF	Strategic Climate Fund
PEVP	Power, Energy, Climate and Green Growth Complex, AfDB	SDG	Sustainable Development Goal
PICU	Infrastructure and Urban Development Department, AfDB	SEFA	Sustainable Energy Fund for Africa
PIFD	Financial Sector Development Department, AfDB	SO	Sovereign Operation
PRA	Project Results Assessment	SNDR	Delivery, Performance Management and Results Department, AfDB
PSE	Emerging Senegal Plan	SNSP	Strategy and Operational Policies Department, AfDB
QA	Quality Assurance	SSA	Sub-Saharan Africa
RDGC	Central Africa Regional Development and Business Delivery Office, AfDB	TOC	Theory of Change
RDGS	Southern Africa Regional Development and Business Delivery Office, AfDB	TOR	Terms of Reference
RDGW	West Africa Regional Development and Business Delivery Office, AfDB	TYS	Ten-Year Strategy
RE	Renewable Energy	UA	Unit of Account
RISP	Regional Integration Strategy Paper	UNCBD	United Nations Convention on Biological Diversity
RMC	Regional Member Country	UNCCD	United Nations Convention to Combat Desertification
RMF	Results Measurement Framework	UNEP	United Nations Environment Program
RWSSI	Rural Water Supply and Sanitation Initiative, AfDB	UNFCCC	United Nations Framework Convention on Climate Change
SADC	Southern African Development Community	UNSG	United Nations Secretary General
SAP	Systems, Applications, and Products	USAID	United States Agency for International Development
SAPP	Southern Africa Power Pool	USD	United States Dollar
SCCF	Special Climate Change Fund	WMO	World Meteorological Organization





Executive Summary

Background

The transition to Green Growth (GG) is one of the two overarching objectives of the African Development Bank's (AfDB or "the Bank") Ten Year Strategy (TYS: 2013-2022). An integral part of the Bank's GG efforts is building resilience to climate change impacts, providing sustainable infrastructure and sustainable use of natural resources.

The objective of combating Climate Change (CC) and its impacts is linked to the Bank's High 5 Agenda – Light Up and Power Africa, Feed Africa, Industrialize Africa, Integrate Africa and Improve the quality of life of Africans. Addressing the impacts of CC is central to the attainment of the Sustainable Development Goals (SDGs) and the Paris Climate Change Agreement. The Bank has also committed to supporting African countries to implement their Nationally Determined Contributions (NDCs).

The TYS is supported within the Bank by other strategic and operational documents, including the Climate Risk Management and Adaptation Strategy (CRMA, 2009) and the first and second Climate Change Action Plans (CCAP1: 2011-2015; CCAP2: 2016-2020), which have provided frameworks for scaling up implementation and investments in climate change adaptation and Greenhouse Gas (GHG) mitigation in the Bank's Regional Member Countries (RMCs). CCAP2: 2016-2020 provides the framework for mainstreaming CC into project design and outlines targets to allocate 40% of the Bank's project approvals as climate finance by 2020 and to enhance RMCs' climate resilience. The Green

Growth Framework (2014) and Sector Guidance notes also guide mainstreaming GG principles into the Bank's interventions.

In 2015, the Bank created a dedicated Climate Change and Green Growth Department (PECG) to lead and scale-up its efforts to mainstream Green Growth and Climate Change (GG-CC) into the Bank's interventions (policies, strategies, and operations) including its High 5 priorities, to mobilize climate finance and to guide Bank-wide work to minimize and reverse the impact of climate change on Africa at the regional, national and local levels.

What was evaluated

To improve the performance of the Bank in mainstreaming GG-CC considerations into its policies, strategies and operations, Independent Development Evaluation (IDEV) conducted an evaluation of the Bank's efforts to mainstream Green Growth and Climate Change between 2008 and 2018. The evaluation assessed (i) the extent to which the Bank has mainstreamed GG-CC into its interventions (policies, strategies, operations); (ii) the performance of the Bank's projects which have mainstreamed GG-CC, and (iii) factors of success and/or failure of GG-CC mainstreaming, to understand what works and what does not work, why and in what context. This led to the formulation of lessons, good practices and recommendations to enable the Bank to improve the quality and performance of its interventions and inform the new climate change and green growth policy and strategy framework currently being developed.

Purpose and scope of the evaluation

The purpose of the evaluation was to take stock of and assess the mainstreaming of Green Growth and Climate Change into the AfDB's interventions approved between 2008 and 2018. This evaluation will inform the new climate change and green growth policy and strategy framework under preparation by AfDB Management, which is expected to be completed by Q4 2021. The evaluation has two objectives: (i) learning (for Management and operations staff), by providing lessons and recommendations to address strategic, conceptual and implementation issues related to Bank interventions that mainstream GG-CC and (ii) accountability, by reporting to the Board of Directors and other stakeholders on the results of the Bank's investments in activities included within its GG and CC strategies and frameworks.

The evaluation covered the period from 2008 to 2018 and considered all interventions related to policies, strategies, projects, guidelines, tools and action plans in both public and private sectors. Analytical work (sectoral and economic studies, knowledge products, etc.), capacity-building activities, institutional arrangements, internal procedures, practices and processes were also analysed.

The evaluation addressed the following two overarching questions:

- How well has the Bank mainstreamed GG-CC into its interventions including policies, strategies and operations?
- How well have the Bank-funded projects that mainstream GG-CC performed in terms of relevance, effectiveness, efficiency and sustainability?

Furthermore, the key factors of success and failure associated with the above two overarching questions were examined.

Methodology

The AfDB evaluation policy, the International Evaluation Criteria and the Evaluation Cooperation Group (ECG) Big Book on Good Practice Standards guided this evaluation. It considers the Bank's interventions in the context of country development by determining the extent to which the development results are achieved as well as the conditions and reasons for success and/or failure.

The evaluation opted for a theory-based approach, broken down into six 'building blocks,' to answer the main evaluation questions. The six building blocks include: (i) a Benchmark Review: a desk-based review of strategies, policies and safeguards in place in other Multilateral Development Banks (MDBs) compared with those of the AfDB; (ii) a Meta-Evaluation Synthesis: a synthesis of lessons from previous evaluations relevant to GG-CC to inform design and delivery of the evaluation's building blocks; (iii) a Portfolio Review: an analysis of the composition of the Bank's projects based on a database of projects that was prepared for this evaluation by IDEV; (iv) five Country Case Studies: an assessment of country-level mainstreaming based on reviews of strategy documents, policy dialogue, and assessment of enablers and barriers around mainstreaming GG-CC, involving field visits to each country (Cameroon, Morocco, Mozambique, Rwanda and Senegal); (v) 20 Project Results Assessments (PRAs) involving 4 selected projects in each of the 5 case study countries: in-depth reviews of the Bank's project performance; and (vi) a cluster evaluation of energy and transport projects¹. Evidence from each of the six building blocks was then used to synthesize findings and develop a set of learnings and recommendations.

The evaluation faced the following limitations: (i) the countries visited are not necessarily representative of the whole African continent; (ii) limited resources relative to the scope of the evaluation; and (iii) challenges defining the Bank's projects that have mainstreamed GG and CC; and

the 'backward' looking analysis, given that many of the CC and GG mainstreaming activities within the Bank have been undertaken during the later years of the evaluation period of 2008-2018. To address these challenges in this evaluation, IDEV planned the evaluation in collaboration with PCEG and the AfDB's regional and country offices. In addition to IDEV's internal review, the results of the evaluation were reviewed by an evaluation reference group (ERG), comprised of experts from relevant departments at headquarters and decentralized offices, and external peer reviewers. Meetings were held with the ERG to discuss the emerging findings and recommendations.

Findings

Mainstreaming GG-CC into Bank policies, strategies and operations

Bank's Ten-Year Strategy & "High 5s": Results of GG-CC mainstreaming activities are increasingly evident during the 2008-2018 period after the Bank's approval of key policy and strategy documents, such as the 'Transitioning Towards Green Growth' framework (2014) following the Bank's Ten-Year Strategy (2013), which promotes Africa's transformation through inclusive growth and the transition to green growth. GG-CC was also integrated into the Bank's "High 5s" (2015), which are currently the principal strategies of the Bank. The approved strategies also include the two consecutive Climate Change Action Plans – CCAP1, 2011-2015 and CCAP2, 2016-2020.

Country Strategy Papers (CSPs) and Regional Integration Strategy Papers (RISPs): In terms of mainstreaming GG-CC into the Bank's CSPs and RISPs, the evaluation found the following: (i) among several measures taken by the AfDB to mainstream GG-CC, one important focus has been on ensuring that CSPs and RISPs include GG-CC activities and objectives. Substantive references to GG-CC are now observed in the most recent CSPs and RISPs. However,

interviewed stakeholders indicated that the Bank needs to prioritize and improve the effectiveness of the mainstreaming efforts in the CSPs and RISPs to achieve the intended results; (ii) although the Bank did well in mainstreaming GG-CC in its policies, strategies and operations during design, GG-CC references in CSPs, RISPs, Bank programs and sectoral policies have been implemented in a limited way, largely due to capacity constraints at country level, green growth not being readily 'actionable' and a high level of uncertainty about "pathways to change." This is exacerbated by the limited use of GG-CC targets and indicators within Bank-funded projects; and (iii) the recent CSPs highlighted the need for increased Bank GG-CC intervention in areas where it had a proven comparative advantage. There is evidence that CSPs in the case study countries have identified potential interventions that may enable RMCs to develop NDC action plans and then implement them, providing an opportunity for enhanced funding and non-lending support for RMCs.

Bank-funded operations: The main findings of the evaluation with regard to mainstreaming GG-CC into the Bank's operations are the following: (i) among several measures taken by the AfDB to mainstream GG-CC into Bank-funded operations, GG-CC mainstreaming considerations have been introduced systematically during project design. Project Appraisal Reports (PARs) provide, in a dedicated section, agreed climate change measures. By 2018, 82% of new projects were designed to enhance resilience/adaptation and reduce climate impacts/GHG emissions. However, attention to measures that consider GG-CC dissipates during project implementation; (ii) the extent to which projects have noticeable GG-CC-linked outcomes depends on several factors. These include: how effectively projects are delivered; whether an upstream or downstream project or context provides complementary GG-CC benefits; whether there is an environmental component; whether dedicated climate funds have been used; and whether the RMC has requirements to integrate GG-CC into a project;

(iii) the extent to which Bank investments are achieving results related to GG-CC mainstreaming is not being adequately measured during implementation; this is mainly due to lack of clear reporting requirements and limited capacity and systems to effectively assess and monitor GG-CC outcomes; (iv) the portfolio review of the Bank's projects indicated an unequal distribution of projects that mainstreamed GG-CC across regions and countries; and (v) the evaluation found that the Bank has gained a track record in mainstreaming GG-CC in some RMCs by working in the key relevant sectors, where the Bank has comparative advantage. However, the Bank could do more to facilitate coordinated cross-sectoral action for effective GG-CC mainstreaming. For example, Morocco's significant water stress, now intensified by climate change, shows the importance of a cross-sectoral focus and provides an opportunity for the Bank to deepen the dialogue with other sector stakeholders, such as in agriculture. Discussions within the Bank reinforced field evidence of the need for cross-sectoral cooperation at the operations level.

Regional and international partnerships:

The Bank has developed a considerable array of regional and international partnerships in strategic, financial and technical areas to assist RMCs in their efforts to mainstream GG-CC into their development interventions. These partnerships were found to be relevant, and interviewed stakeholders widely indicated that the Bank should do more in terms of engaging directly with RMCs for better results.

Knowledge generation, evidence-based policy advice, and technical assistance: The Bank has already gone a long way towards mainstreaming GG-CC into Bank procedures and operations in RMCs through knowledge generation, evidence-based policy advice, and technical assistance. The main findings of the evaluation are the following: (i) the Bank has published a variety of knowledge products in the area of green growth and climate change; (ii) the Bank is the first

regional development Bank to participate in the Green Growth Knowledge Sharing Platform, which brings together multiple stakeholders, including international organizations, donors and academic institutions; (iii) GG-CC has been part of country dialogue on various occasions, including during CSP/RISP design and during support to some RMCs to design their own strategies (e.g. Morocco, Rwanda, Mozambique); (iv) in the context of NDC policy dialogue, the Bank under the Africa NDC Hub has been active in many countries. However, the interviewed stakeholders indicated that the Bank needs to put more emphasis on tracking progress during implementation and systematically following up on RMCs' focus on GG-CC; and (v) the Bank did well in terms of developing tools, guidelines, relevant processes and targets with a clear CC mainstreaming perspective; however, inconsistencies in understanding GG persist among RMC stakeholders, especially in RMCs without a green growth or low carbon development policy, as well as within the Bank.

Portfolio and Performance of projects evaluated

The Bank's projects, interventions, or portfolio in the context of this evaluation refers to those that mainstreamed GG-CC into their designs. Because the Bank's systems do not classify or mark projects in this way, the evaluation team went through the Bank's project database and undertook the identification itself.

Overall, funding for Bank projects that mainstreamed GG-CC over the evaluation period increased from approximately 1.5 billion UA in 2008 to just over 4.5 billion UA in 2018. The overall project database for this evaluation is comprised of 277 'component' projects/indirect investments (18% of the total number of projects approved by the Bank over this period and 32% of the GG-CC portfolio) and 596 'autonomous' projects (39% of the total number of projects approved by the Bank over this period and 68% of the GG-CC portfolio). Although some projects receive co-financing from internal

and external climate and environment funds, the Bank has endeavoured to ensure that all Bank projects mainstreamed GG-CC at the design stage irrespective of the funding source.

In the 2008-2018 period, the largest sectors within the Bank's portfolio which performed well in GG-CC mainstreaming are energy, with 198 projects, 22.7%; followed by agriculture (161 projects, 18.4%); transport (157 projects, 18%); and water supply and sanitation (145 projects, 16.6%). The distribution of the Bank's projects that have mainstreamed GG-CC is uneven across member countries: 14 countries received 70% of the funding, and 40 countries received 30% of the funding.

From the Bank's portfolio, four projects in each of the five case study countries, totalling 20 projects, were selected for in-depth analysis (Project Results Assessments-PRAs). These projects included a broad coverage of financing mechanisms, total values, project types (standalone or component) and sectors: WSS (7), energy (4), transport (3), agriculture (4), and environment (2). The PRA data was synthesized using scorecards to assess their relevance, effectiveness, efficiency and the sustainability of their results, based on a screening of project documents, log frames and other documents that were then cross-checked during country on-site visits and by interviews with stakeholders.

Relevance: The overall relevance of the 20 projects was assessed based on the alignment of their design with the associated CSPs and RISPs (where these referred to GG-CC at the time a project was developed), as well as on the average alignment of the project with national policies, Bank strategies, tools and beneficiaries' needs that mainstreamed GG-CC. Two-thirds of the projects scored 'medium' or 'high' on alignment with the Bank's and national policies and beneficiaries' needs in terms of GG-CC. The relevance of project objectives and targets was also satisfactory overall.

Effectiveness: The effectiveness of the projects in achieving their intended GG-CC mainstreaming

results (outputs and outcomes) was assessed. Almost half of the projects couldn't be assessed (due to a lack of data) and of the remainder, about one quarter was unsatisfactory.

Efficiency: The evaluation examined project efficiency in terms of budget, time usage, how the project had coped with challenges that significantly impacted project performance and whether solutions were found to these challenges during implementation. Most projects did not report on the efficiency of timely delivery and budget execution specifically for the aspects related to GG and CC. Therefore, overall efficiency was evaluated: it was satisfactory for budget use -almost half the projects found and applied solutions to major challenges that significantly impacted implementation, while timely delivery was unsatisfactory for most projects.

Sustainability: Project sustainability was assessed in terms of the overall sustainability of project results (financial and institutional sustainability) and to what extent projects had considered specific risks related to GG-CC or sustainability in their design or exit strategy, and whether projects were likely to be effective in the long term. Most projects (16 of the 20) had an exit strategy and incorporated some sustainability measures, though few projects (3 of the 20) considered GG-CC factors or institutional or financial factors in sustainability plans that were credible and likely to be effective in the long term. The sustainability of the projects was unsatisfactory overall.

Factors enhancing or hampering the projects' performance

Among others, the evaluation highlighted the following key factors that enable and/or hinder of mainstreaming GG-CC into the AfDB's interventions: (i) support of a coherent policy frameworks and the matching of ecological and economic objectives; (ii) link between environmental performance and the core indicators/main results; (iii) contribution of the Bank's Environmental and Social Safeguard measures, and the ESIA procedures, to the

environmental sustainability dimensions of projects; (iv) adequacy of human (GG-CC expertise of the Bank), financial resources and project management and procurement systems; (v) enabling environment to private sector investments and involvement, including profitability of GG designs; and (vi) participatory planning approaches and broad stakeholder consultations.

Lessons

1. **Where specialized GG-CC units are located higher in an MDB's structure, GG-CC results are better achieved.** All MDBs have a specialist unit in charge of GG-CC, but its location in the organization hierarchy varies. The higher up in the organization the unit is located, the more effective it can be at seizing opportunities, influencing decisions and resource allocation, and increasing the effectiveness and efficiency of mainstreaming efforts.
2. **An increased role, capability and GG-CC expertise in Regional and Country Offices tends to enhance the performance of projects and non-lending interventions in the area of GG-CC.**
3. **Monitoring and measuring the Bank's achievement of GG-CC results is essential to ensuring that its intentions and its approved intervention designs that mainstream GG-CC are being implemented.** While GG-CC screening is applied to AfDB projects during the design process, before approval, there are no formal mechanisms and structures to ensure considerations focusing on GG-CC are closely monitored during the implementation of projects. GHG mitigation measures are not sufficiently embraced during project implementation for expected emissions reductions to be achieved; CC adaptation measures are not sufficiently integrated into project implementation for adaptation and resilience outcomes to be adequately achieved. Results obtained in terms

of GG-CC by government and Bank actions are both poorly monitored and measured.

Conclusion

This evaluation highlights lessons and recommendations to support the Bank to be increasingly effective at mainstreaming its own principles of GG and CC in its policies, strategies and operations. This evaluation also acknowledges the complexities in Africa about the multitude of contexts across its 54 RMCs as well as the difficulties of reconciling climate change targets amidst economic and political constraints.

The Bank did well in mainstreaming GG-CC in its policies, strategies and operations during design. Over the 10-year period, most notably from 2015 onward with the revisions to strategy, policy, and operations, there has been a clear progression within the Bank, increasing the mainstreaming of GG-CC across its operational departments and projects with RMCs. As strategies and frameworks – such as CSPs, RISPs, TYS, CCAP, and RMF – have been updated and revised periodically, there is a clear progression in acknowledging and explicitly mentioning GG-CC as one of the important cross-cutting issues to be addressed as Africa continues to rapidly evolve and develop. However, GG-CC references in CSPs, RISPs, Bank programs and sector policies have been implemented in a limited way, largely due to capacity constraints at country level.

Overall, the Bank has demonstrated its commitment and leadership in pushing the climate agenda forward across the region through a dedicated department whose mandate is to mainstream GG-CC at the operational level and there is a strong proclivity from the Bank to be at the forefront of change across the region and present itself as a key actor for supporting CC policy and CC interventions. While there has been a shift in Bank strategies and policies to integrate GG-CC, project implementation ought to be further improved through the inclusion of clear expectations and measurable targets for

suppliers and task managers. Clear expectations and measurable targets ought to be outlined as well in strategies at regional, country, sectoral, and Bank policy-level. Evidence of uptake and adoption of these measures would strengthen strategic thinking and the development of more 'actionable' products.

The Bank can further strengthen its position and more effectively execute its strategies by devising clear pathways of change through a revision and update of the strategic-level theory of change with alignment to results indicators.

Targets for climate finance and climate screening have been integrated into project design phases, creating CC dialogue between operational staff and documenting and mitigating climate risks resulting from projects. Given the limited resources available to address such a complex issue, it is essential to find the right balance between the development of ambitious policy objectives, while ensuring that the support is both internally coherent and externally complementary to the support of other donors. This also means potentially re-defining what a project which targets GG-CC means and creating specific standards that clearly articulate the principles of the Bank's strategies (e.g. GHG emission targets for projects). Among other donors and multilateral development banks with strong influence and interest in addressing the negative impacts of climate change, the Bank has a critical role in influencing policy and delivering discernible results in its RMCs. Over the 2008-2018 period, the Bank has presented itself as a key institutional actor in the region with the capacity to influence policy and engender transformative change. This proven ability and willingness to substantively engage with GG-CC mainstreaming over a decade have provided a solid platform from which the Bank can further integrate GG-CC within its policies, strategies and projects.

Recommendations

IDEV makes the following recommendations:

1. Locate the department responsible for GG-CC appropriately in the Bank's hierarchy, so that it provides overall strategic oversight and guidance for all GG-CC activities, including responsibility for appropriate targets that are cascaded throughout the institution.
2. Strengthen the technical and institutional capacities of the Bank's GG-CC specialised unit, PEGC, to provide quality and timely hands-on support to the Bank's Regional and Country offices for effective GG-CC mainstreaming throughout the project cycle.
3. Establish a clear theory of change (in particular for GG, but also CC), and an integrated GG-CC results framework, with clear definitions that follow the recently strengthened and agreed GG-CC definitions of MDBs.
4. Clarify focus areas for GG-CC interventions for the AfDB that appropriately consider the Bank's comparative advantage and the expertise across sectors.
5. Put in place adequate mechanisms to monitor and track GG-CC results throughout the project cycle, to (i) promote continued attention for GG-CC during project implementation, (ii) enable the Bank to address potential barriers to the uptake and effectiveness of GG-CC mainstreaming, and (iii) improve reporting on the results achieved. ■



Management Response

Management welcomes IDEV's evaluation of the Bank's interventions on mainstreaming green growth and climate change. The evaluation is a fair assessment of the Bank's support for climate change and green growth over 2008-2018. Management agrees with most of IDEV's findings and recommendations and will draw on them as it continues to develop the Bank's new climate change and green growth policy framework. This note presents Management's responses to key issues raised by the evaluation and highlights ongoing and planned actions to implement IDEV's recommendations.

Introduction

IDEV's evaluation of the Bank's interventions on mainstreaming Green Growth and Climate Change (GG-CC) over 2008-2018 is timely. It comes as the Bank's second Climate Change Action Plan (2016-2020) ends and as Management prepares a new GG-CC policy framework that will include (a) an umbrella Climate Change and Green Growth Policy, (b) a 10-year Climate Change and Green Growth Strategy, and (c) the third five-year Climate Change and Green Investment Plan (2021-2025).

Beyond IDEV's evaluation and as part of the recent Seventh General Capital Increase (GCI-VII) and the Fifteenth Replenishment of the African Development Fund (ADF-15), the Bank has taken on several new commitments to GG-CC:

- i. Investing USD 25 billion in climate finance from 2020 to 2025 and allocating 40% of project approvals to climate finance, giving equal weight to adaptation and mitigation
- ii. Mainstreaming GG-CC in all operations, country strategy papers (CSPs), and regional integration strategy papers (RISPs)
- iii. Aligning Bank-financed investments with the objectives of the Paris Climate Agreement and the national climate action plans of regional member

countries (RMCs), including RMCs' nationally determined contributions (NDCs)

The Bank is aware of RMCs' vulnerability to the impacts of climate change, and the urgent need to adapt and build resilience to these impacts while pursuing a low-carbon development pathway. The Bank is also aware of the threats that climate change poses to its own investments. This is why the Bank has scaled up its work on GG-CC over the last decade, a period that overlaps most of IDEV's evaluation period (2008–2018).

The Bank's work on climate change was essentially structured in 2009 with the development of the Bank's Climate Risk Management and Adaptation Strategy. Efforts to address climate change were scaled up in the Bank's first Climate Change Action Plan (2011–2015), which embraced the concept of "climate-compatible development" and provided that economic development could be pursued while addressing climate change. Efforts to address climate risks in the Bank's operations and build climate resilience in RMCs while promoting green and inclusive growth were further strengthened with the adoption of the Bank's Ten-Year Strategy 2013-2022 (TYS) and the Transitioning Towards Green Growth Framework (2014). The TYS – which remains in force – aims to build resilience to climate change impacts, produce sustainable infrastructure, and promote the sustainable use of natural resources.

The Bank's GG-CC work advanced further with the development of the Bank's second Climate Change Action Plan (2016-2020). This plan set more ambitious targets, particularly with regards to scaling up climate finance and better mainstreaming GG-CC in the Bank's policies, strategies, and operations. It also took into consideration key global commitments such as the sustainable development goals and the Paris Agreement. In 2016, the Bank established the Climate Change and Green Growth Department (PECG) to ramp up its capacity to deliver the Bank's GG-CC agenda, among other things by mainstreaming GG-CC at all of the Bank's policy and operational levels.

The period covered by IDEV's evaluation (2008-2018), especially the second half, thus saw much greater mainstreaming of GG-CC objectives in the Bank's policies and operations. The Bank set clear targets for mainstreaming GG-CC in CSPs and RISPs and in sovereign and non-sovereign operations. The Bank also set targets to mobilise and allocate climate finance, develop capacity, and generate knowledge.

Main findings and lessons of the evaluation

Below are the main findings and lessons of IDEV's evaluation and Management's actions, ongoing and planned, to implement IDEV's recommendations.

Gaps in mainstreaming GG-CC in the Bank's operations – IDEV's evaluation found several gaps in mainstreaming that Management had noted likewise. IDEV notes that while mainstreaming GG-CC in CSPs and RISPs has improved, with many CSPs/RISPs now specifying GG-CC activities and objectives, the GG-CC activities/components of CSPs/RISPs have only been implemented to a limited extent and the pathways to change are not clear. Similarly, at an operational level, GG-CC-related activities are seldom pursued during project implementation, and project logframes lack clear GG-CC-linked activities, outputs, and outcomes. The extent to which the Bank's investments achieve GG-CC-related results

is rarely measured during project implementation. Further, IDEV notes that PECG has no means of preventing a project that has not mainstreamed GG-CC from being approved by the Board. This has limited the effectiveness of GG-CC mainstreaming and reduced monitoring and reporting on CC-related outputs and impacts.

Aware of these shortcomings, Management implemented several measures in the past five years:

1. Establishment in 2016 of a dedicated department to spearhead the Bank's GG-CC work
2. Development of GG-CC mainstreaming tools and development of guidelines to mainstream GG-CC in CSPs/RISPs
3. Continuous training of GG-CC officers and of task managers across all complexes on GG-CC tools, on climate finance, and on mainstreaming GG-CC in general
4. Continuously updating mainstreaming tools and guidelines in light of observations and emerging trends
5. Deployment of GG-CC officers in the regions since 2017 to help mainstream GG-CC
6. Organization of annual GG-CC days since 2018 to raise awareness on climate change and sensitize task managers to tools and mainstreaming

To further mainstream GG-CC in the Bank's operations, the Bank made its 40% climate finance target a corporate key performance indicator (KPI). As such, the target is monitored in the Bank's Results Measurement Framework and reported annually using multilateral development banks' (MDBs') methodologies to track climate finance. Management is currently exploring how to cascade this KPI in all operational complexes and regional offices. Similarly, the revised readiness review, which takes place when preparing project concept notes and project appraisal reports, requires that

Box 1: Examples of new circular economy initiatives

- The Green Growth Investment Program in Africa, which focuses on waste management and the circular economy.
- The Africa Circular Economy Facility, a multi-donor trust fund established by the Bank to support the adoption and diffusion of circular practices in RMCs.
- The Africa Circular Economy, a country-led coalition of African nations and global partners hosted by the Bank that advances the transition to a circular economy and supports cleaner production and consumption systems in Africa as avenues for attaining GG.

projects be screened for climate risks, that projects' carbon footprint be calculated and reported, and that projects be designed with a sound GG-CC rationale.

RMCs limited understanding of green growth –

IDEV notes inconsistencies in RMCs' understanding of green growth (GG), especially among RMCs without a GG or low-carbon development policy. It notes that while the Bank did well in developing tools, guidelines, relevant processes, and targets with a clear climate change mainstreaming perspective, GG mainstreaming is less clear. To address this gap, the new Climate Change and Green Growth Policy, Strategy, and Action Plan will explain these concepts more clearly and suggest ways to encourage GG when conducting lending operations.

Ongoing work on the circular economy and waste management already provide a starting point for operationalizing GG in operations. (Box 1)

Limited direct partnerships with RMCs on GG-CC –

IDEV'S evaluation finds that although the Bank has developed partnerships with a considerable array of regional and international partners in strategic, financial, and technical areas that assist RMCs to mainstream GG-CC in their development interventions, the Bank is not engaging with RMCs directly. Direct engagement is necessary for better alignment and results.

To deepen policy engagement in and support for GG-CC in RMCs, the Bank has established flagship initiatives on GG-CC (e.g., the African NDC Hub, the African Financial Alliance on Climate Change, and the Adaptation Benefit Mechanism). The Bank also hosts key instruments and facilities such as the

ClimDev-Africa Special Fund and the Africa Climate Change Fund, through which PEEG works closely with country/regional offices to strengthen the Bank's engagement with RMCs.

Further, the Bank will enhance its policy engagement by supporting RMCs to review or implement their NDCs, national adaptation plans, GG strategies, and long-term strategies. The Bank will build public and private sector agencies' capacity to capitalize on climate finance opportunities, and will scale up its support to the African Group of Negotiators on Climate Change (AGN), the African Ministerial Conference on the Environment (AMCEN), and the Committee of African Heads of States and Government on Climate Change to enhance Africa's voice and advocate for Africa's priorities on climate change on the global stage.

Inadequate budgets for GG-CC activities –

IDEV identifies inadequate budgets for GG-CC activities as the primary barrier to operations' realizing GG-CC outcomes. Management will work with project teams to better budget for GG-CC-related activities in operations. It will mobilize more climate finance to implement the Bank's GG-CC projects, by targeting a range of partners outside traditional climate finance purveyors (multilateral funds): for example, bilateral donors, private finance entities, and the financial industry.

Inadequate integration of GG-CC activities in project logframes and in monitoring and evaluation –

To make the Bank's work on GG-CC more visible, Management is developing a Monitoring, Evaluation, Reporting and Learning Framework (MERL). The MERL will track the Bank's

GG-CC investments, record their outcomes, and link to the Bank's Results Measurement Framework. Going forward, PECG will train task managers to better include GG-CC-related activities and outputs/outcomes in project logframes, and to monitor implementation during routine supervision missions and in project completion reports. To this end, PECG staff will actively participate in Bank missions to track and monitor the implementation of GG-CC activities and emerging outcomes and lessons. Moreover, under its upcoming GG-CC policy framework, the Bank will align its operations with MDBs' joint Paris Alignment framework. Finally, the Bank shall consider requiring GG-CC mainstreaming for all operations seeking Board approval.

Relevance of the Bank's support

Management welcomes IDEV's finding that **the Bank's support for GG-CC has been satisfactory**. In supporting RMCs with projects in different sectors of the economy (energy, water, transport, etc.), the Bank has endeavoured to align its interventions closely with countries' national GG-CC priorities and plans (NDCs, national adaptation plans, etc.), with the plans of regional and continental bodies, and with the Bank's own policies and strategies. Recognizing the cross-border/ regional dimension of climate change, the Bank will continue to support regional bodies such as Regional Economic Communities (RECs) and Regional Climate Centers to ensure continental and regional coordination of policy responses. The Bank is already mainstreaming climate change and green growth in Regional Integration Strategy Papers to not only promote regional responses to climate change but also to support development of cross-border projects to address impacts that spans borders. The Bank is also building the capacity of African Climate Centers such as the African Center for Meteorological Applications for Development (ACMAD) to deliver quality weather and climate services for development planning. The Bank is supporting regional initiatives such as the Great Green Wall and the Sahel Climate Investment Plan. Going forward, PECG will work with ECVP to align CSPs/RISPs with national NDCs,

NAPs and Green Growth policies, and in developing pipelines to support GG-CC related investments in RMCs.

At the same time, IDEV notes instances where the Bank's investments were not aligned with its own policies. This was the case in Cameroon, where the Bank built a power station fuelled by heavy fuel oil in contradiction to its own 2009 Climate Risk Management Strategy and Adaptation Strategy and Climate Change Action Plan 2011-2015. Management recognises the need not only to better align the Bank's operations to its own GG-CC policies and commitments, but also to adjust its policies and operations to converge more closely to international GG-CC policy orientations.

Effectiveness of the Bank's support

Management notes IDEV's observation that the **effectiveness of the Bank's support for GG-CC was unsatisfactory for a quarter of the projects and that it could not be assessed in almost half of the projects due to a lack of data**. More specifically, IDEV could not assess 40 percent of sampled projects, either because the projects lacked clear objectives for GG-CC outputs or outcomes, because indicators were not specific enough to allow outputs/outcomes to be assessed objectively, or because data on performance/effectiveness was not available. Management is aware of the challenges of including GG-CC inputs (including expected outputs/outcomes and activities) in final project appraisal reports. In addition, Management recognizes that the GG-CC unit is not in a position to sanction projects that fail to incorporate GG-CC inputs.

Management has created technical and quality assurance committees and the Technical Investment Committee to improve the quality of public and private sector projects. PECG is represented on these committees to make sure that when projects are reviewed, GG-CC measures are part of project design and implementation. In response to IDEV's observation that climate change mainstreaming

tools are cumbersome, the Bank plans to improve the tools continuously to make them more user-friendly. The Bank will also set up clinics to train task managers in the tools' use.

Going forward, Management will give a clear directive to all operational complexes and task teams to mainstream GG-CC with clear targets in the logframes. GG-CC officers already help design projects, but where necessary, Management will strengthen officers' participation in project supervision as well.

Efficiency of the Bank's support

Management welcomes IDEV's finding that projects that mainstream GG-CC use budgets efficiently and find solutions to challenges in implementation. This said, IDEV noted significant delays in project implementation. A lack of data prevented IDEV from assessing the efficiency of projects' use of time.

Management notes that some of the factors that hinder the timely implementation of projects are external to the Bank. Nonetheless, Management will make project implementation more efficient by leveraging internal and external climate financing and lowering the transaction costs of mobilizing climate finance, notably by pursuing more large programs and fewer small ones.

Sustainability of GG-CC interventions

IDEV finds that most of the projects it evaluated had exit strategies and incorporated some sustainability measures. However, too few projects featured credible sustainability plans that considered GG-CC factors and institutional or financial factors. To make its operations more sustainable, the Bank will step up policy dialogue and engagement to continue to ensure that its operations align with national development policies and with RMCs' GG-CC plans.

Additionally, the Bank will improve the commercial and financial viability of its interventions by enhancing its commercial and financial analyses. It will also champion the development of policies that are aligned with international GG-CC policies, and generate knowledge and training to build in-country capacity to operate and maintain investments. To ensure that its interventions are environmentally sustainable, the Bank will better screen its investments for climate risk and will implement appropriate mitigation measures, building RMCs' capacity and knowledge to address the challenges of climate change and reform policies and regulations to ensure sustainability. The Bank has committed to promoting the best, affordable clean and efficient technologies available to reduce greenhouse gas emissions. This includes assisting RMCs to (i) gradually increase the sustainable use of renewable energy sources where possible, (ii) foster energy efficiency, and (iii) adopt cleaner technologies.

Conclusion

IDEV's evaluation highlighted several areas where the Bank can improve delivery on its GG-CC agenda. IDEV's report is very timely, as the Bank is developing its new Climate Change and Green Growth Policy, Strategy, and Action Plan. The Bank will seek to mobilize more internal and external financing for GG-CC interventions in RMCs from dedicated climate funding mechanisms. The Bank will then be in a better position to support RMCs as they build climate resilience while pursuing green and low-carbon development trajectories. The ongoing work of the Bank and other MDBs to use the joint Paris Alignment framework to align investments to the goals of the Paris Agreement will help address the issues raised by IDEV as well.

The findings, lessons, and recommendations in IDEV's evaluation reaffirm efforts that are underway and will encourage the Bank's work and actions on GG-CC, thereby contributing to the Bank's High 5s. ■

Management Action Record	
Recommendation	Management Response
<p>Recommendation 1: Locate the department responsible for GG-CC appropriately in the Bank's hierarchy so that it provides overall strategic oversight and guidance of all GG-CC activities, including responsibilities for appropriate targets that are cascaded throughout the institution.</p>	
<p>a. Engage equally well with all operational complexes;</p> <p>b. Ensure that the Bank's climate finance target is shared across complexes and regional delivery units;</p> <p>c. Make GG-CC mainstreaming a mandatory process for project appraisal, like E&SS disclosure requirement. This will enhance the unit's efforts to maximize upstream influence on strategic planning and decision-making to increase the efficiency and effectiveness of GG-CC mainstreaming and supporting RMCs that are implementing NDC action plans and projects.</p>	<p>Agreed – Management agrees that PECG's position should be strengthened, and Management has taken several steps to improve GG-CC mainstreaming in policies/operations (see above).</p> <p>The Bank's climate finance target is included in the Results Measurement Framework and in the Institutional key performance indicators and targets which are broken down by complex and business delivery units.</p> <p>Further actions:</p> <ul style="list-style-type: none"> ■ The Bank is currently developing a new GG-CC policy, strategy and action plan, which will further ensure GG-CC mainstreaming in all Bank policies, programs and operations. (PECG, Q3 2021). ■ To ensure that Bank's climate finance target is shared across complexes and regions, Management has ensured that the climate finance target becomes a Bank corporate KPI. This target is already part of the internal dialogues during the annual Work Planning Week roundtables with Directors General, Deputy Directors General and Country Managers on how to achieve it at Regional and County level. Management will continue sensitizing Bank's managers and task managers to ensure that the target is considered a joint KPI. (PECG, Q4 2021). ■ Management will ensure that the new GG-CC policy makes GG-CC mainstreaming mandatory for project approval and that projects that do not demonstrate having mainstreamed GG-CC are not considered for approval. (PECG, Q4 2021). ■ In addition to the Non-Sovereign Operations (NSO) Pathway for the Operations Academy developed by Management (with an e-course on climate change, green growth, and gender in the Bank's NSOs), the Bank will develop tools and guidelines to bolster GG-CC mainstreaming in private sector operations (NSOs) and lines of credit and to help micro, small and medium enterprises integrate GG-CC considerations in their operations. (PECG, Q1 2022).

Management Action Record	
Recommendation	Management Response
<p>Recommendation 2: Strengthen the technical and institutional capacities of the Bank's GG-CC specialized unit, PEGG, to provide quality and timely hands-on support to the Bank's Regional and Country Offices for effective GG-CC mainstreaming throughout the project cycle.</p>	
<p>a. Strengthen the technical and institutional capacities of the Bank's GG-CC specialized unit, PEGG</p>	<p>Agreed – Management recognizes that the current staffing of the department is very low as compared to the country demand. Management therefore agrees that PEGG capacity needs to be strengthened in order to support Bank's Regional and Country Offices to effectively mainstream GG-CC into Bank's operations across the project cycle.</p> <p>Further actions:</p> <ul style="list-style-type: none"> Management has made propositions for additional GG-CC officers in the context of the right-sizing exercise to enhance the capacity of the GG-CC unit in the Regional Offices. As Management awaits the outcome of the right-sizing exercise, ongoing measures to enhance staff capacity in Regional Offices include the use of Short-term Consultants and training of Task Managers and Investment Officers on GG-CC mainstreaming tools and their application as well as climate finance (PECG, Q4 2022).
<p>Recommendation 3: Establish a clear theory of change (particularly for GG, but probably also CC), and an integrated GG-CC results framework, with clear definitions that follow the recently strengthened and agreed GG-CC definitions of MDBs.</p>	
<p>a. Define Green Growth and ensure the meaning of the concept is mainstreamed across operations and interventions, and develop GG-CC mainstreaming guidance notes;</p> <p>b. Ensure consistency of concepts across all strategies and policy documents, with more 'actionable' items in accordance with country NDC targets to help clarify what an 'inclusive green growth' compliant project is;</p> <p>c. Improve monitoring and evaluation of GG-CC investments and develop tools for users, knowledge products, learning processes and result indicators to improve project implementation.</p>	<p>Agreed – Management agrees with the need to develop a theory of change for GG-CC mainstreaming as well as an integrated GG-CC results framework.</p> <p>Further actions:</p> <ul style="list-style-type: none"> Through its new GG-CC policy and strategic framework, the Bank will review and harmonize its concept of GG with the concept of other MDBs, including criteria and indicators for measuring GG-CC outcomes. To this end, the Bank will develop knowledge products that define Bank's concept of GG and the operationalization of GG in programs and projects. It will also educate staff in all complexes on the concept, how to apply it in programs and operations, and what tools to use to do so. To keep all complexes abreast with development in the climate change and green growth arena, Management will organize quarterly/ bi-annual regional trainings/ sensitizations on state of play of the international climate change and green growth agenda, while continuing with the organization of the Annual Green Growth Days. (PECG, Q4 2022).

Management Action Record	
Recommendation	Management Response
	<ul style="list-style-type: none"> ■ The Bank will develop guidelines for mainstreaming GG-CC during project implementation, including criteria and indicators for tracking GG-CC components and measuring GG-CC outcomes. Going forward, PEGC will take part in project supervision activities and in developing project completion reports that track the implementation of GG-CC measures and their outcomes. PEGC will work with ECST to build capacity for data collection on GG-CC and ensure data collection on GG-CC takes place in National Statistical Offices. (PEGC, Q4 2022). ■ The Bank is developing a Monitoring, Evaluation, Reporting, and Learning (MERL) system to monitor and evaluate the Bank's GG-CC work and investments and link to the Bank's Results Measurement Framework. The MERL will also track results on adaptation and mitigation outcomes of Bank's support to GG-CC, as well as achievements with regards to supporting development of an enabling environment for GG-CC in RMCs and in mobilizing climate finance. (PEGC, Q4 2021).
<p>Recommendation 4: Clarify focus areas for GG-CC interventions for the AfDB that appropriately consider the Bank's comparative advantage but need to pull in expertise across sectors as needed.</p>	
<p>a. Deliver dynamic support services to RMCs on issues pertaining to GG-CC, and its wider mandate related to the project cycle.</p> <p>b. Establish a special fund/facility that is resourced internally to support early-stage studies, technical assistance and/or business development for projects with the potential to attract external climate finance.</p>	<p>Agreed – Management agrees with the recommendation to clarify focus areas for GG-CC interventions. As part of the Bank's selectivity approach, and based on Bank's comparative advantage, Management has clarified Bank's focus areas for GG-CC which will inform the design of the Bank's new GG-CC framework. These will include enhancing country support under the NDC Hub through which the Bank will support RMCs to review their NDCs and develop their long-term climate strategies.</p> <p>Further actions:</p> <ul style="list-style-type: none"> ■ In the context of the Fifteenth Replenishment of the African Development Fund (ADF-15) and Seventh General Capital Increase (GCI-VII), the Bank will support the revision or development of NDCs in 10 ADF countries including transition states. (PEGC, Q4 2022). ■ While Management agrees with the need for an internal facility, there are existing facilities within the Bank which already provide technical assistance and support to early-stage studies. These include for instance the ADF and ADB windows as well as existing climate facilities such ACCF and SEFA. Such facilities need to be strengthened to support projects with potential climate co-benefits. (PEGC, Q4 2023).

Management Action Record	
Recommendation	Management Response
	<p>■ The Bank will support policy engagement in the 10 ADF countries within the framework of the NDC Hub. Management has also initiated several programs to enhance RMCs' understanding of and engagement in GG as highlighted in Box 1. Through these programs, the Bank will train private sector and government agencies on GG-CC and the business opportunities they present as well as on concessional resources available for investments in GG-CC interventions. The Bank is already training financial institutions and government agencies in several RMCs on concessional resources and technical assistance opportunities presented by international environment and climate funds. (PECG, Q4, 2022).</p>
<p>Recommendation 5: Put in place adequate mechanisms to monitor and track GG-CC results throughout the project cycle to: (i) promote continued attention for GG-CC during project implementation; (ii) enable the Bank to address potential barriers to the uptake and effectiveness of GG-CC mainstreaming; and (iii) improve reporting on the results achieved.</p>	
<p>a. Put in place adequate mechanisms to monitor and track GG-CC results throughout the project cycle to: (i) promote continued attention for GG-CC during project implementation; (ii) enable the Bank to address potential barriers to the uptake and effectiveness of GG-CC mainstreaming; and (iii) improve reporting on the results achieved (at both the Bank and project-level).</p>	<p>Agreed – Management agrees with the recommendation to put in place adequate mechanisms to monitor and track GG-CC results throughout the project cycle. As part of its monthly reporting, the Bank is already tracking GG-CC mainstreaming and climate finance commitments.</p> <p>Further actions:</p> <p>■ Building on IDEV's database and internal departments' monthly, quarterly, and annual reports, Management will develop a system to catalogue all Bank operations with a view to determining whether and how well they mainstreamed GG-CC, implemented GG-CC components and activities, and achieved results and targets. (PECG, Q2 022)</p>



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Introduction

Background and Context to the Evaluation

With climate change (CC) impacts on the continent becoming increasingly severe, Africa must promote environmental protection whilst pursuing economic growth. Acknowledging that economic growth has an interdependence with the sustainable use of natural capital, the Bank's transformative plan for Africa has put green and inclusive growth at the centre, with a focus on sustainable use of natural resources and utilizing technology solutions via African markets to spark green growth (GG). Africa's population has a high proportion of younger people, which provides a great potential for Africa to expand its labour force and human capital. Green economic growth is critical for Africa to avoid high levels of un- or underemployment. Several African countries have realized the importance of green growth and are actively institutionalizing policies around green growth and climate change (GG-CC) at the national level. Additionally, with African economies being highly dependent on natural resources, there is a strong need to reduce the heavy ecological footprint of consumption as part of the green growth strategy.²

The transition to green growth in RMCs, as outlined in the AfDB's GG framework and GG Readiness Assessment, should be inclusive. This requires equity and inclusiveness in clean energy access and access to clean water and improved sanitation while ensuring that negative impacts from greenhouse gas (GHG) emissions, air pollution and ecosystem services are not unjustly being experienced by certain populations. It has been widely documented that with increased global temperatures and sporadic rainfall patterns in the region, major sectors such as agriculture, forestry, fisheries, environmental protection and disaster management are being

negatively impacted by climate change. This also includes negative impacts on major development projects such as the construction of infrastructure (e.g. road construction).³ Furthermore, economic impacts on the region have also been estimated to increase to account for climate change adaptation measures and required infrastructure costs. Despite Africa contributing to less than 7% of total emissions, Africa is one of the most vulnerable regions in the world due to high exposure to CC and low adaptive capacity.⁴ Green and inclusive growth addresses issues of environmental injustice as a result of climate change through economic, spatial, social, and political inclusion.⁵

The 2015 Paris Agreement was cited as the most ambitious effort yet to strengthen the global response to the increasingly urgent challenges of climate change, and it initiated further efforts from the Bank.⁶ The Bank has increasingly become a key international development actor in supporting mitigation and adaptation of climate change in the region. Findings and lessons from this evaluation will inform future Bank policies, strategies/action plans and interventions regarding CC and GG in Africa. This evaluation assesses the Bank's GG-CC activities to support its GG-CC objectives and effectively execute strategies from the Bank-level, down to the regional, country, sector, and project level.

The Global Green Growth and Climate Change Agenda

The extent to which the Bank is supporting GG-CC is very much dependent on how the Bank views GG and CC. Thus, an understanding of the concept and how it is viewed by the evaluation team and the Bank is clarified in the sub-section below.

Defining Green Growth and Climate Change

The concept of green growth originated in March 2005 during the Fifth Ministerial Conference on Environment and Development (MCED) in Asia and the Pacific,⁷ which gathered 52 governments and other stakeholders in Seoul.⁸ It was an agreement to move beyond the rhetoric of ‘sustainable development’ and to ‘green growth’ as a way of achieving sustainable development and commitment to the Millennium Development Goals.⁹ In recent publications, the UN cited 13 separate definitions by key international actors.¹⁰ However, the overarching principle of all the definitions is framed around the idea that pursuing economic growth can be in harmony with environmental sustainability. Green growth, green economy and low-carbon development have been used interchangeably, with all terms being widely accepted as a more ‘holistic approach to incorporating environment and development in economic decision making, policy and planning.’¹¹ The AfDB defines GG as *“the promotion and maximisation of opportunities from economic growth through building resilience, managing natural assets efficiently and sustainably, including enhancing agricultural productivity, and promoting sustainable infrastructure”*.¹²

Climate change is a change in pattern of weather and related changes in oceans, land surfaces and ice sheets, occurring over time scales of decades or longer.¹³ According to the Intergovernmental Panel on Climate Change (IPCC), climate change is largely caused by human activities resulting in increasing levels of GHG emissions. The observed impacts of climate change in Africa are increasing extreme weather events such as droughts, floods, erratic rainfall patterns, high temperatures, rising sea levels, and cyclones. Climate change is considered the greatest threat to human existence.

In this evaluation report, the “Bank’s projects” or “interventions” or “portfolio” refer to the Bank’s projects or interventions or portfolio that mainstream green growth and climate change into their designs.

Evolution of the AfDB’s Climate Change Agenda and Key Milestones

Global conferences such as the 21st Paris Conference of Parties (COP) have become essential for sparking global momentum and encouraging greater ambition for parties to address climate change across the world. Amongst other initiatives and strategies emphasising its commitment to GG, the Bank has stated its commitment to work toward addressing climate change since as early as 2009, when the Bank Group developed its Climate Risk Management and Adaptation Strategy (CRMA).¹⁴ Climate change action plans were drafted and are now regularly updated every five years (since 2011). The Bank’s first Climate Change Action Plan (CCAP1, 2011–2015) embraced the concept of “climate-compatible development” and noted that economic development could continue while addressing climate change. The subsequent action plan (CCAP2, 2016-2020) later included more ambitious targets, particularly regarding scaling up climate finance. In 2015, the Bank also established a dedicated department (PECG) mandated to mainstream GG and CC across all operational levels of the Bank (more detail in the *Portfolio and Performance of Projects Evaluated* section). In May 2018, the AfDB and the Global Green Growth Institute (GGGI) entered into a partnership agreement to promote programs, projects, research and joint activities in support of capacity building and development of green growth options in Africa. A timeline of activities that mainstream GG-CC can be found in Annex 7 in the technical annexes of this report highlighting other key GG-CC milestones during the evaluation period (2008-2018).

Purpose and Scope

The purpose of the Evaluation of Mainstreaming Green Growth and Climate Change into the AfDB’s Interventions, approved between 2008 and 2018, was to (i) support management and operational staff in addressing the strategic, conceptual and implementation issues related to the Bank’s interventions (mainstreaming and project

performance) in its Regional Member Countries (RMCs); (ii) promote learning within and outside the Bank by identifying lessons and recommendations on how the Bank could contribute most effectively in improving the design and delivery of its interventions that mainstream GG-CC; and (iii) account to the Board and other stakeholders for the results of the Bank projects in mainstreaming GG-CC.

Evaluation Questions

This evaluation focused on assessing the extent to which the AfDB has mainstreamed GG-CC, and whether project results are clearly aligned with GG-CC. The evaluation was guided by the following key Evaluation Questions (EQs):

1. How well has the Bank mainstreamed GG-CC into its interventions including policies, strategies and operations?
2. How well have the Bank-funded projects that mainstream GG-CC performed in terms of relevance, effectiveness, efficiency and sustainability?

Furthermore, the key factors of success and failure associated with the above two overarching questions were examined.

Evaluation Approach and Methods

The overall evaluation design employs a theory-based approach,¹⁵ drawing from a range of methods and data sources. The evaluation activities were broken down into six building blocks as described in Table 1 below. Findings and lessons from each of the six buildings blocks were used as evidence to develop the lessons and recommendations to answer the key overarching EQs. The evaluation matrix can be found in Annex 4 of the Technical annexes of this report, with details on sub-questions and methods, and presenting how each sub-EQ corresponds to the international evaluation criteria. Further detail on the

specific methods employed for each building block, including the rating scale used, is in Annex 1 and 4 in the Technical annexes of this report.

The evaluation building blocks were sequenced in such a way that enabled one to inform the other. The meta-analysis of previous evaluations, the portfolio review, and the benchmarking study (Building Blocks 1, 2, and 4) were completed in time to inform primary data collection activities in-country and during the evaluation team's missions to Bank headquarters in Abidjan. The country case studies and Project Results Assessments (PRAs) were completed together (Building Blocks 3 and 5), to assess national policy-level mainstreaming and to assess project results within these five countries. The cluster evaluation (Building Block 6) was completed after all five other building blocks were completed, to synthesize findings at the sector level across all five countries and sampled projects.

Portfolio and Sampling

Because the Bank's systems do not classify or mark projects that mainstreamed GG-CC, the evaluation team went through the Bank's entire project database for the period 2008-2018, and conducted an extensive analysis of all existing operations in order to identify the relevant portfolio for the evaluation. Out of a total of 1530 projects, IDEV identified 277 'component' projects (indirect investments) and 596 'autonomous' projects that mainstreamed green growth or climate change during the ten-year period. Given the size and diversity of these 873 interventions and the limited scope of the evaluation (with only 1 week available for meetings per country), a sample of countries and projects were selected as the focus of the evaluation. Five case study countries were selected based on the following criteria: (i) geographical representativeness (of the regions of Africa: North, South, East, West, Central); and (ii) availability of projects with good documentation representing as many characteristics of the portfolio as possible.

Table 1: Summary of evaluation building blocks

1. Benchmark Review	A desk-based comparison between the AfDB and other multilateral development banks of the extent to which GG-CC mainstreaming processes/practices/tools are relevant; good practice standards and global agendas and the strategic objectives of the Ten-Year Strategy (TYS) and the DBDM. The Benchmarking study considered the strategies, policies and safeguards in place in other multilateral development banks in order to assess the clarity of concepts and assumptions underlying the AfDB's policies and strategies and their usefulness.
2. Meta-Evaluation Synthesis	The meta-analysis captured a relevant sample of completed IDEV evaluations. An initial review of objectives, targets, progress and learnings was used during the inception phase to refine the Theory of Change (ToC), EQs, evaluation framework and evaluation tools. Key learning from previous evaluations was documented as part of the overall evidence base for lessons on the effectiveness of interventions and policies that the AfDB can use to improve or influence the way in which design and implementation of AfDB GG-CC strategies, policies and operations are undertaken.
3. 20 Project Results Assessments	<p>The main objective of this building block was to produce credible evidence on the development results, project performance and critical internal or external drivers of success of the selected projects with respect to GG-CC mainstreaming. The evaluation team conducted four PRAs in each of the five case study countries, which were projects selected from the IDEV database of projects that mainstream GG-CC, prepared in 2018 and updated in 2020. The projects assessed under this building block covered a broad range of sectors, financing mechanisms, and total values, to provide a representative sample. Some projects were classified as an autonomous project (explicitly GG-CC oriented) or component (aspects of the projects were geared toward GG-CC activities). The team pre-populated a PRA template using PAR and PCR reports, and subsequently collected primary data to fill gaps and update questions around results and impacts of the GG-CC aspects of the project. The Summary table of the 20 PRAs and key GG-CC considerations can be found in Annex 6 of the technical annexes of this report.</p> <p>An overall rating of highly satisfactory, satisfactory, unsatisfactory or highly unsatisfactory was assigned to each of the four evaluation criteria: relevance, effectiveness, efficiency and sustainability.</p>
4. Portfolio Review	The portfolio review assessed the composition of the Bank's projects that mainstream GG-CC (based on IDEV's database) and its performance. The review covered a broad range of aspects to better understand the Bank's projects that mainstream GG-CC, this included: an overview of the trends of the AfDB's GG-CC lending and approvals, an assessment of the share of the GG-CC area in the AfDB's portfolio, the use of instruments (investment programs, sector budget support, TA and capacity-building) and the share of co-financing in the Bank's programs.
5. Country Case Studies (CCS)	Country case studies were completed for five RMCs covering one country for each of the five African Regions (Southern, Western, Eastern, Central and Northern Africa). The purpose was to understand the relevance of the AfDB's strategy and approach to addressing GG-CC issues, and to improve understanding of external factors affecting the effectiveness of AfDB interventions across different African contexts. These case studies were also used to identify 'enabling environments' for effective mainstreaming and implementation of policies and projects. ¹⁶
6. Evaluation of Clusters of Energy and Transport Projects¹⁷	The project cluster evaluation measures result from PRAs in the energy and transport sectors to synthesise findings and evaluate against the criteria of relevance, effectiveness, sustainability and efficiency. The cluster evaluation also captured the performance of project management systems used by the AfDB-supported projects and drew lessons to improve future AfDB interventions in the various sectors in relation to GG-CC goals.

Based on these criteria, the following countries were selected: Senegal (West Africa); Rwanda (East Africa); Mozambique (Southern Africa); Morocco (North Africa) and Cameroon (Central). For each case study country, four projects were selected for in-depth results assessment and review. The 20 projects were selected based on the same criteria as the countries, that is:

1. Geographic representativeness (selected from within case study countries);
2. Existence of documentation, namely project completion reports;
3. Representativeness of types of projects (i.e. autonomous versus component);
4. Sectoral coverage (natural resources: agriculture/environment and sustainable infrastructure: energy/transport); and
5. Inclusion of both public and private sector operations.

Data Collection

The evaluation relied on both primary and secondary data collection throughout the evaluation process. Key Bank stakeholders were interviewed by the Team Leader and Evaluation Task Manager in Abidjan and through Skype, and in-person interviews with country-level stakeholders were completed by each country lead for building blocks 3 and 5. Meetings and interviews were held with operations staff from the energy/power, transport, water and agriculture sectors, regional office staff, PEGG staff, the Quality Assurance Department, Environmental and Social Safeguards staff, task-managers, government ministerial stakeholders, and implementing agencies. Project site visits were undertaken for all 20 projects for physical observations and used to

gather as much information as possible about the projects' progress and factors which have enabled or constrained the changes they aimed to achieve in terms of GG-CC. Literature and policy review was completed at all stages of the evaluation of relevant project documents (completion and appraisal reports), strategies (country, sector, and regional-level), annual reports, and previous Bank evaluations.

Synthesis, Validation, and Reporting

Based on the building-block studies, this phase of the evaluation drew analysis together to formulate findings for each EQ. A synthesis workshop took place in November 2019 following the completion of all building blocks, prior to the addition of another case study country.¹⁸ Each of the evaluation team members reported evidence available from their evaluation building-block studies in line with the relevant EQs. Regular team Skype meetings were held to validate findings from team members who undertook primary data collection. The evaluation team assessed the quality of each piece of evidence through triangulation of data (both primary and secondary) and identified corroborating or conflicting evidence from other data collection exercises such as Bank interviews and review of secondary data. Throughout the evaluation process, the team consulted the Evaluation Reference Group (ERG) and other stakeholders for feedback and verification of the preliminary findings. Among other interactions, the evaluation team held a validation workshop in Abidjan in December 2019 to discuss preliminary findings and obtain feedback from the ERG. Feedback on each finding and recommendation presented was gathered from 26 Bank staff, which equates to a 44% response rate. In total, the findings and recommendations were shared with 59 Bank staff (comprised of ERG members and members of staff from regional offices).

Limitations

Table 2: Limitations of the evaluation

Limitation	Description	Mitigation Measure
Difficulty generalising findings based on a limited sample	The countries visited are not necessarily representative of the entire sub-region. The sample projects represent 2% of the total portfolio, making it difficult to generalise.	Lessons drawn from projects and country case studies were substantiated with secondary sources, other building block activities and supporting interviews / consultations with Bank staff and the ERG to support the findings.
Limited resources relative to the scope of the evaluation and data unavailability	The evaluation scope of work called for a Bank-wide policy, operational, regional, country, sector, and project-level analysis of mainstreaming, where primary data collection was to be conducted in a very short time frame. This limited the data that could be collected to more thoroughly respond to the EQs and affected the data quality used to synthesise results and findings. Primary data from the AfDB's monitoring systems on the effectiveness of projects mainstreaming GG and CC was also limited. Time usage and budgets were not separately reported/available for project aspects focusing on GG-CC and did not allow for a separate assessment of efficiency.	Findings and recommendations were based on the main sources of information that the Bank uses for mainstreaming climate change and green growth. IDEV used the project's overall efficiency rating, where it was not possible to separately assess the efficiency of the GG/CC component.
Ambiguous definition of GG-CC for identification of the Bank's projects that mainstream GG-CC	The 873 projects that were identified as Bank projects that mainstream GG-CC were not part of a formalised system for classifying and monitoring these projects. As a result, the 20 projects sampled for the PRAs were not all directly/explicitly GG-CC oriented and were selected based on mentions of GG-CC objectives in their PARs. Where projects were implicit/component-based, GG-CC aspects were not always clear.	The evaluation team evaluated the projects based on their GG-CC components and activities to understand the project areas where GG-CC considerations were made. As the Bank's PEGG department's mandate is to mainstream GG-CC across all operations, the findings in the PRAs are highly relevant to the understanding of the effectiveness of mainstreaming activities.
Time period of approval and relevance	Given the nature of the 'backward' looking analysis, we exercise some caution with the findings and conclusions and understand that much of the CC and GG mainstreaming activities within the Bank have been undertaken during the later years of the evaluation period of 2008-2018. This means that projects approved during the earlier years of this 10-year period would not be as relevant for assessing the current status/ability to mainstream and achieve GG-CC objectives and make useful forward-looking recommendations.	All projects were reviewed in-depth, to assess their GG-CC aspects. To assess the progression of mainstreaming over time, five projects were sampled from the GG-CC database that covered the time period from 2013-2018, which allowed for some assessment of mainstreaming over time. Since the evaluation also covered strategies such as CRMA (2009) and CCAP1 (2011-2015), it was necessary also to evaluate older projects (e.g. approved since 2009).

Evaluation of the Bank's Mainstreaming of and Support for Green Growth and Climate Change

This section presents the evaluation's key findings on the Bank's efforts of mainstreaming GG-CC into the AfDB's interventions. Firstly, the findings regarding the two overarching evaluation questions on mainstreaming GG-CC in Bank interventions; and the portfolio and performance of projects evaluated will be presented. This analysis will be further complemented by the benchmarking analysis; and the synthesis of relevant IDEV's evaluations, in order to draw the lessons learned from good mainstreaming practices from other MDBs and relevant IDEV's evaluations.

Mainstreaming GG-CC in Bank Interventions

A series of Bank policies have driven mainstreaming of Green Growth and Climate Change within the Bank. These have provided high-level direction, including enabling frameworks, support to institutional capacity through PECO unit staffing in central and regional offices, and climate screening and GHG accounting tools to support project design.

Bank's Ten-Year Strategy & "High 5s"

Results of GG-CC mainstreaming activities are increasingly evident during the 2008-2018 period after the Bank's approval of key policy and strategy documents, such as the 'Transitioning Towards Green Growth' framework (2014) following the Bank's Ten-Year Strategy (2013), which promotes Africa's transformation through inclusive growth

and the transition to green growth. GG-CC was also integrated into the Bank's "High 5s" (2015), which are currently the principal strategies of the Bank. The approved strategies also include the two consecutive Climate Change Action Plans – CCAP1, 2011-2015 and CCAP2, 2016-2020.

Country Strategy Papers (CSPs) and Regional Integration Strategy Papers (RISPs)

Mainstreaming GG-CC in Bank interventions has had an important focus on engaging with RMCs and ensuring CSPs and RISPs reflect GG-CC priorities relevant to RMCs to provide the framework for mainstreaming at the country level. To this end, the Bank developed guidelines for mainstreaming GG-CC in CSPs (revised in 2017) and a step-by-step guidance tool.

Among several measures taken by the AfDB to mainstream GG-CC, one important focus has been on ensuring that CSPs and RISPs include GG-CC activities and objectives. Substantive references to GG-CC are now observed in the most recent CSPs and RISPs. The interviewed stakeholders indicated that the Bank needs to prioritize and improve the effectiveness of the mainstreaming efforts in the CSPs and RISPs to achieve the intended results.

Mainstreaming GG-CC was present in some CSPs around 2012 when climate finance was first mobilized, primarily from the Climate Investment Fund's (CIF's) Clean Technology Fund (CTF) and

the Pilot Program for Climate Resilience-PPCR. The presence of GG-CC in CSPs is stronger where it is an integral part of the RMC's broader strategic framework and where there is a relevant analysis of the country situation, for example in Morocco and Mozambique. RMCs with clear, well-established green growth and climate change policies, strategies, and action plans have provided obvious opportunities for the Bank to align its GG-CC interests.

Although the Bank did well in mainstreaming GG-CC in its policies, strategies and operations during design, GG-CC references in CSPs, RISPs, Bank programs and sectoral policies have been implemented in a limited way, largely due to capacity constraints at country level, green growth not being readily 'actionable' and a high level of uncertainty about "pathways to change." This is exacerbated by the limited use of GG-CC targets and indicators within Bank-funded projects.

In mainstreaming GG-CC in planning, budgeting and sector management, the Bank has built on its awareness of RMCs' GG-CC needs. Country Office staff and CSP planners interviewed indicated that they have promoted the Bank's capacity, programs and additionality related to GG-CC. These streams have come together to shape how the Bank and the RMCs align and collaborate on GG-CC initiatives. By the end of the period being evaluated, the Bank had played a significant role in furthering GG-CC action beyond project interventions and the provision of funding in each of the case study countries. However, evidence from this evaluation indicates there is a degree of fragmentation and blurred boundaries in the Bank's GG-CC policy and its mainstreaming experience.

The recent CSPs highlighted the need for increased Bank GG-CC intervention in areas where it had a proven comparative advantage. There is evidence that CSPs in the case study countries have identified potential interventions that may enable RMCs to develop NDC action plans and then implement them, providing an opportunity

for enhanced funding and non-lending support for RMCs.

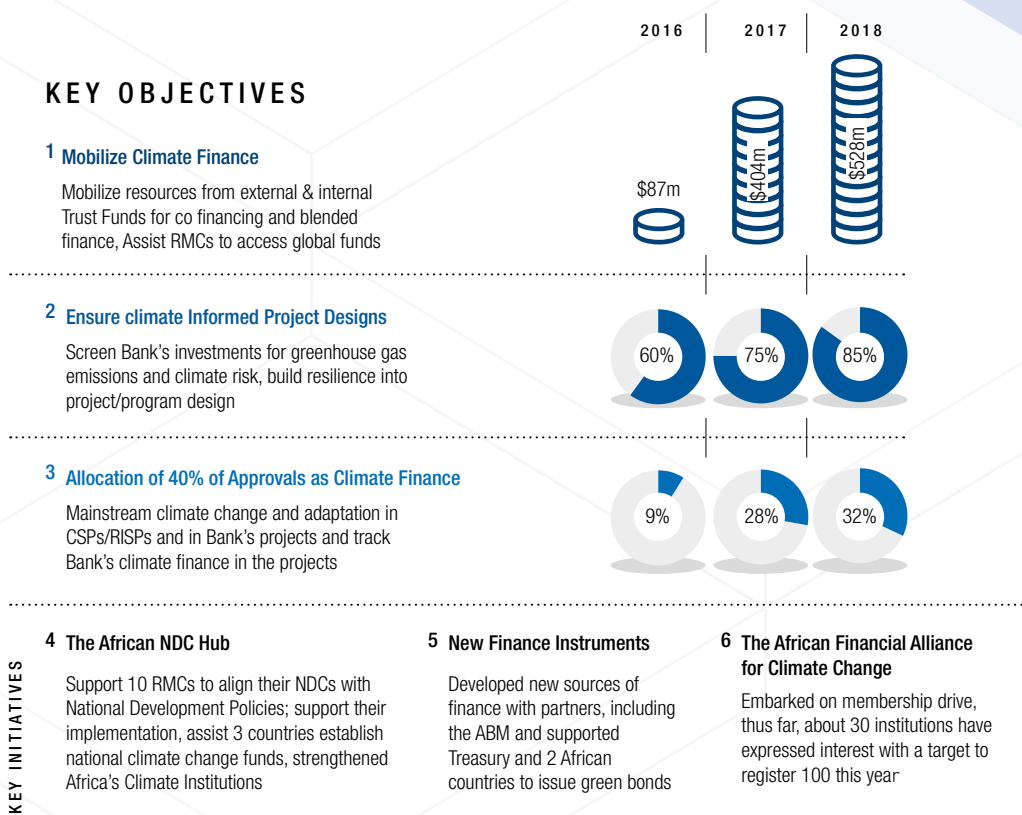
CSPs are currently aligned with and support the achievement of national priorities related to GG-CC. As policies that mainstream GG-CC have emerged in case study countries, the Bank has written and negotiated CSPs that align with RMC priorities related to GG-CC. This is the case for the current CSPs in effect in all five case study countries. There is evidence of increasing Bank support overall for interventions that mainstream GG-CC in the period reviewed, initiating and supporting effective policy dialogue and other non-lending interventions at the sector or multi-sector level.

Bank-funded operations

Mainstreaming of GG-CC in Bank operations has largely been led by the Bank's Climate Change and Green Growth Department (PECG) situated under the Vice Presidency for Power, Energy, Climate and Green Growth (PEVP). PECG has worked at the policy/strategy level, and at the project level with operations units, sector specialists and RMCs. It has primarily sought to leverage funds from internal and external sources for activities that mainstream GG-CC and achieve an annual increase in the number of Bank projects based on climate-informed design. PECG has implemented two climate change action plans (CCAPs), dated 2011-2015 and 2016-2020 (CCAP3 is forthcoming), each of which included key performance indicators and targets which have been reported against in PECG's Annual Report.^{19,20} Figure 1 summarises progress made from 2016-2018, as well as key initiatives since the establishment of the PECG Department.

Internal advocacy for GG-CC integration as cross-cutting issues for the Bank interventions have been particularly effective when integrating them into project planning and design stages. This is the case for most Bank initiatives, particularly for projects approved from 2014 onward, and less so for non-lending operations (such as capacity building initiatives). Mobilization of funds internally

Figure 1: CCAP2 accomplishments



Source: Adapted from a presentation by the Director of PECG to AIDB Executive Directors, Technical Board Seminar, 13 Sept. 2019: Increasing evidence of measurable achievement in recent years.

and externally for GG-CC-linked projects has been driven by financial targets primarily in the last half of the period under review, i.e., 2014-2018. In addition to ADB and ADF resources, dedicated financial instruments and trust funds were used, such as the Adaptation Fund (AF), African Water Facility (AWF), the Climate Investment Funds (CIFs), the Global Environment Facility (GEF), the Least Developed Country Fund (LDCF), the Green Climate Fund (GCF), and the Congo Basin Forest Fund, among others.²¹ Together with ADB and ADF funds, these financial resources have been used by the Bank to establish a solid track record in mainstreaming GG-CC into projects and to achieve climate finance objectives to a large extent (Figure 1).

At the same time, evidence from this evaluation's five country case studies suggests that significant progress is still needed at the strategic planning level as well as at the project results level before full integration can be claimed. Evidence from 20 projects completed during the 2008-2018 period shows slow progress and many challenges in the link between Bank policies, frameworks, tools and methodologies, and the attainment of GG-CC results across observed sectors.

While GG-CC interventions have taken place both at policy/strategy and project levels, stakeholders indicate that the Bank must improve its approach, e.g., (i) by improving the focus on project

components that mainstream GG-CC during project implementation; and (ii) by improving results monitoring and reporting to demonstrate impacts. The Bank's focus on resources, partnership inputs, and tools to support mainstreaming at the design stage need to be balanced with robust data on efficiency and effectiveness as well as sustainability of results achieved. If completed and resourced well, this critical change will meet increasing demands from Bank investors and RMCs. It will also meet the demands for sustainable livelihoods from beneficiaries and RMC citizens.

At the project level, GG-CC mainstreaming considerations have been introduced systematically during project design. Project Appraisal Reports (PARs) provide, in a dedicated section, agreed climate change measures. By 2018, 82% of new projects were designed to enhance resilience/adaptation and reduce climate impacts/GHG emissions. However, attention to measures that consider GG-CC dissipates during project implementation.

The Bank's main area of influence has been at the project intervention level. The Bank's strategy and its climate safeguard system including methodologies, guidance and tools related to climate change are well developed relative to their objectives. They have focused attention on adaptation and mitigation issues related to each project, identifying areas for improved project design to reduce climate change impacts of projects and reducing the projects' vulnerability to climate change impacts. Bank projects are thus considered 'climate-informed' when they incorporate design amendments recommended by tools in the Bank's climate safeguard system. PEGG has reported that 85% of new Bank proposals in 2018 had met Bank standards for climate-informed design – up from 65% just 2 years earlier.^{22,23} This number will likely rise even higher. The Bank's focus on the project preparation phase has included that Project Appraisal Reports (PARs) have a required section on GG-CC considerations. In this evaluation's five case study countries, among the 20 projects reviewed, there was a pattern of newer projects incorporating

design elements related to climate change. However, budget gaps were evident, with the result that climate change components – as cross-cutting features – were under-budgeted or deprioritised in implementation, reducing the effectiveness of the Bank's intentions. This was not true for projects that were fully focused on GG-CC outcomes, including those funded by dedicated climate funds, such as the MDBs' Climate Investment Funds. There are currently no formal systems or requirements in the Bank to ensure that crucial GG-CC objectives and components are regularly monitored during project implementation. Project supervision and project completion reports (PCR) do not require reporting on GG-CC components, targets or results, so it is seldom done, though this reporting is done where dedicated climate funds have been utilised.

The extent to which projects have noticeable GG-CC-linked outcomes depends on several factors. These include: how effectively projects are delivered; whether an upstream or downstream project or context provides complementary GG-CC benefits; whether there is an environmental component; whether dedicated climate funds have been used; and whether the RMC has requirements to integrate GG-CC into a project.

The perception is widespread among country-level and Bank-level stakeholders interviewed that once a project is designed for GG-CC mainstreaming and approved by the Bank, all aspects or stages of project implementation are deemed "climate-informed". There appear to be few requirements for ensuring that design considerations mainstreaming GG-CC are appropriately implemented. Evidence from field interviews in case study countries revealed that GG-CC considerations do not feature in crucial implementation decisions or are not taken far enough during implementation. Also, projects with plans that mainstream GG-CC have required mid-term adjustments to achieve outcomes linked to GG-CC, but GG-CC specialists are not always on monitoring missions to ensure corrections are recommended. Stakeholders also spoke about the lack of process indicators that mainstream GG-CC in

project log-frames and the lack of green or climate-smart procurement protocols and requirements.

Mobilization of funds internally and externally for GG-CC-linked projects has been driven by financial targets primarily in the last half of the period under review, i.e., 2014-2018. In addition to ADB and ADF resources, dedicated financial instruments and trust funds were used, such as the Adaptation Fund (AF), African Water Facility (AWF), the Climate Investment Funds (CIFs), the Global Environment Facility (GEF), the Least Developed Country Fund (LDCF), the Green Climate Fund (GCF), and the Congo Basin Forest Fund, among others. Together with ADB and ADF funds, these financial resources have been used by the Bank to establish a solid track record in mainstreaming GG-CC into projects and to achieve climate finance objectives to a large extent (Figure 1).

The evaluation revealed that the Bank gained a track record on mainstreaming GG-CC in some RMCs by working in the key sector of its involvement, where Bank has comparative advantage. Additionally, the evaluation also revealed that the Bank needs to do more in facilitating coordinated cross-sectoral action for effective GG-CC mainstreaming. For example, Morocco's significant water stress, now intensified by climate change, shows the importance need for a cross-sectoral focus and provides an opportunity for the Bank to deepen the dialogue with other sector stakeholders for example in agriculture. Discussions within the Bank reinforced field evidence of the need for cross-sectoral cooperation at the operations level.

The extent to which Bank investments are achieving results related to GG-CC mainstreaming is not being adequately measured during implementation; this is mainly due to lack of clear reporting requirements and limited capacity and systems to effectively assess and monitor GG-CC outcomes.

The evaluation found that the Bank has gained a track record in mainstreaming GG-CC in some RMCs by working in the key relevant sectors, where the Bank has comparative advantage. However, the Bank could do more to facilitate

coordinated cross-sectoral action for effective GG-CC mainstreaming. For example, Morocco's significant water stress, now intensified by climate change, shows the importance of a cross-sectoral focus and provides an opportunity for the Bank to deepen the dialogue with other sector stakeholders, such as in agriculture.

The Bank has been more effective with projects focused on climate change than projects focused on green growth, as the precise nature of the GG domain remains somewhat ambiguous to stakeholders. Specific pathways of change to enhance green growth strategies are insufficiently clarified, articulated, supported or measured outside of those related to climate change. Stakeholders who informed this evaluation indicated that they see GG and CC as different, and that they are less able to pursue outcomes related to GG. This evidence strongly suggests the Bank should more clearly define green growth and how it will measure performance in this area.²⁴

The Bank did well in terms of developing tools, guidelines, relevant processes and targets with a clear CC mainstreaming perspective; however, inconsistencies in understanding GG persist among RMC stakeholders, especially in RMCs without a green growth or low carbon development policy, as well as within the Bank.

GG and CC are normally seen as separate spheres. While they are intrinsically linked, climate change issues are better explained and understood than those related to GG. Climate change comes with specific tools and methodologies, and measurements. Climate change is also clearly linked to national NDC strategies and targets. Further, the Bank is the only MDB linking green growth with climate change at a conceptual level, at program level and through the use of the same tools, methods, knowledge products and project systems. While other MDBs are developing programs in green growth, blue economy, and circular economy, these are outside of their climate change program management structures and organisational targets.

Bank's organizational capacity and partnerships

Mainstreaming of GG-CC in Bank operations has largely been led by the Bank's Climate Change and Green Growth Department (PECG) situated under the Vice Presidency for Power, Energy, Climate and Green Growth (PEVP). PECG has worked at the policy/strategy level, and at the project level with operations units, sector specialists and RMCs. It has primarily sought to leverage funds from internal and external sources for activities that mainstream GG-CC and achieve an annual increase in the number of Bank projects based on climate-informed design. PECG has implemented two climate change action plans (CCAPs), dated 2011-2015 and 2016-2020 (CCAP3 is forthcoming), each of which included key performance indicators and targets which have been reported against in PECG's Annual Report.^{25,26} Figure 1 summarises progress made from 2016-2018, as well as key initiatives since the establishment of the PECG Department.

PECG has operated a Climate Safeguards System (CSS) since 2014, within the framework of the Bank's Climate Risk Management and Adaptation (CRMA) strategy (2009) and in concert with other aspects of the Bank's Integrated Safeguard System (ISS), which is implemented separately by the Bank's Compliance and Safeguards Department (SNSC).

Key stakeholders in RMCs and in Bank Country Offices interviewed for this evaluation felt that PECG's mainstreaming guidelines, including the 2017 revised guidelines and guidance tool, lacked clarity - they indicated a need for more awareness and support, and more access to GG-CC expertise. Despite an active program of training and awareness-raising implemented by PECG as part of CCAP2, these perceptions continue to exist. Interviews with Bank staff at the country-level indicated that improved GG-CC adoption would have been facilitated by enhanced rapport and collaboration with RMCs and more effective integration among sectoral units, PECG and the Compliance and Safeguard Department. PECG has sought to increase the ability and ambition of

sector departments for improved achievement of GG-CC integration into project design and is now striving for better coordination among Bank units as climate screening capacities have increased, which is a positive development. Sector departments such as Energy and Water have increased their climate specialist competence beyond what PECG can offer with its more generalist GG-CC competencies. Continual improvement of GG-CC guidelines, tools and methodologies that incorporate more precision and new knowledge relevant to and developed with the Bank's various sectors and sub-sectors will further improve Bank projects.

Departmental coordination within the Bank is a challenge. For example, the Bank's Environment and GG-CC departments are separate. Furthermore, the Sector Departments (Agriculture and Rural Development, Energy, Water, etc.) have acquired their own expertise related to CC. This may lead to inconsistencies with respect to how GG-CC is mainstreamed. This evaluation found a perception among staff in sector departments that PECG's climate screening tool is too generic and not context-specific compared to what is needed in each of the projects now being developed.

PECG has been partially decentralized, with PECG staff placed in each of the five Regional Hubs. However, its staffing capacity is minimal compared to its formal mandate within the Bank. Both HQ and regional staff of PECG have engaged Task Managers and other project staff in training and learning sessions on relevant tools, including the Bank's own Climate Screening Tool, its Adaptation Review and Evaluation Procedures (AREP), its GHG Accounting Tool and the Joint MDB Methodology²⁷ for reporting climate finance. Tools and training aim to mainstream GG-CC and leverage co-financing. The Bank has endeavoured to meet its commitment to allocate 40% of its investments as climate finance by the end of 2020²⁸. Based on the trajectory of recent performance, the Bank is likely to achieve this climate finance target.²⁹

The Bank's approach has been to ensure projects are screened for climate change issues related to adaptation/resilience and GHG emissions reduction (mitigation) so that changes are integrated into project design during the pre-approval stage – both to reduce a project's impacts on CC and to reduce the changing climate's impacts on projects. The role of PEGG and the Bank's overall capacity and systems for influencing the design of projects from a GG-CC perspective have grown significantly and continue to improve, based on country case study data and portfolio review. PEGG has no power, however, to prevent a project from going forward if GG-CC design inputs are not included in the final iteration of a proposal. It rarely appears that projects have been stopped based on concerns related to GG-CC, though there have been extensive discussions. For example, the Mozambique LNG project faced intense scrutiny at the Board in terms of GG-CC (among other issues), yet it was approved. Whether it contravened the Bank's GG-CC principles is still debated.

There are definitional issues related to determining which projects are GG-CC compliant.³⁰ The appearance of GG-CC in CSPs followed and seems closely tied to the evolution of the Bank's own policy development. The Bank's ability to influence a country's policy is affected primarily by two things: i) its ability to leverage funding, and ii) its ability to introduce credible new ideas and approaches or leverage institutional support. Country case study evidence suggests the Bank has been responsive to demands from governments in all case study countries though the extent to which the Bank can provide specialized funds for specific GG-CC-linked projects is limited by its ability to access specialized funds and climate finance. PEGG points out in its technical report to the AfDB Board that "mainstreaming GG-CC and mobilizing climate finance is not a KPI for project Task Managers and is often treated as an additional task."³¹ To further minimize climate impacts and reduce climate risk, Bank Country Office staff discussed the potential to use green procurement³² methods during project implementation. A guidance document by the

Bank on 'Sustainable Procurement for Buyers and Suppliers'³³ was published on how the Bank could undertake procurement in a way that would minimize the Bank's operational footprint. However, evidence on the uptake of these guidelines is limited and should be explored further.

The natural resource endowment, political context and governance system in which the Bank operates have affected the extent of RMCs' buy-in to the Bank's GG-CC objectives. The portfolio review of the Bank's projects indicated an unequal distribution of projects that mainstreamed GG-CC across the regions and countries.

All RMCs are experiencing frequent extreme climate events with evidence of widespread climate vulnerability. Most countries are seeking urgent support for near- or medium-term response programs, while others are seeking long-term economic and infrastructure restructuring for improved resilience. Further, nearly all RMCs have signed the Paris Climate Change Agreement and submitted their Intended Nationally Determined Contributions to the UNFCCC, and more than 50 RMCs have ratified their NDCs. RMCs with clear, well-established GG-CC policies, strategies and action plans and an interest in Bank-funded programs, such as Rwanda, Ethiopia and Kenya, provide an opportunity for the Bank to align its GG-CC interests, policies and finance in CSPs at the strategic and project level, including lending and non-lending mechanisms. Operations staff indicated in interviews that they are not sufficiently familiar with GG-CC or have insufficient incentive or knowledge of how to access limited climate finance and are hampered by this at the project design stage. There is no community of practice, and GG-CC requirements are seen as additional, non-essential work. Furthermore, considerations on how high climate risk projects could increase the fragility and vulnerability of countries is not clearly captured in screening tools and in countries where further support and prioritization is said to be needed for these countries to be able to access climate finance.³⁴

Regional and international partnerships

The Bank has developed a considerable array of regional and international partnerships in strategic, financial and technical areas to assist RMCs in their efforts to mainstream GG-CC into their development interventions. These partnerships were found to be relevant, and interviewed stakeholders widely indicated that the Bank should do more in terms of engaging directly with RMCs for better results.

The Bank has established its NDC hub, with 17 other international and regional organizations, to coordinate NDC support in Africa. For several years, the Bank has been partnering with global institutions including UNFCCC Secretariat, UNCCD Secretariat, UNCBD Secretariat, UNSG, WMO, UNEP, FAO, and the Global Adaptation Commission and Centre. There are also bilateral partnerships, such as with Finland since 10 years ago on climate risk screening and recently on the circular economy, climate finance across non-sovereign and some sovereign guaranteed projects with Canada to develop the CAD 132.9 million AfDB-Canada Facility, and in the context of climate funds like ACCF with its donor countries, as well as CDSF with EU countries like Sweden, etc.. In addition, there are regional partnerships (e.g. with African Climate Centres like ACMAD, AGRHYMET, and ICPAC) and Regional Economic Communities (RECs) like ECOWAS, SADC, IGAD, and the LCBC. Under AFAC, new partnerships have emerged, including with the Association of Insurers, the Toronto Centre, the Association of African Central Banks, etc. as well as partnership with all MDBs on the ongoing design of the Paris alignment framework.

Recently, in 2018, the Bank was able to strike a cooperation agreement and work program with the GGGI³⁵, a leading international organization supporting green growth policies and investments, to start a structured work program including the preparation of a green growth readiness assessment in Africa and the development of the Africa Green Growth Index, among others. This arrangement includes four of the five case study countries in this

evaluation (Mozambique, Morocco, Senegal and Rwanda). For example, in Rwanda, the opportunity now exists for the Bank to engage in dialogue with the GGGI about forming a partnership to fund the green cities strategy of FONERWA, Rwanda's Green Climate Fund.³⁶

The Bank has mobilised the resources of 18 global institutions under its NDC Hub with at least 8 RMCs seeking assistance to implement their NDCs.³⁷ As more than 50 RMCs have developed NDCs, this is an area for concentration by the Bank going forward, and an area where the Bank can increase its non-funding contribution to RMCs. This evaluation found evidence that the Bank is responsive to demand from governments in all case study countries. A more proactive stance might see the Bank offer more incentives for RMCs to work with it on the partnerships it has developed, such as those mentioned above. Further, the Bank might commit to implementation of NDC projects in CSPs through grants and non-lending operations, especially in ADF countries.

The Bank's recent development and approval of the 'Programme for Integrated Development and Adaptation to Climate Change' (PIDACC) project in nine countries sharing the Niger River in West Africa is a clear example of how to create new opportunities that have strong GG-CC features and anticipated results: the Bank's work in PIDACC has attracted significant funding from the GCF. However, there appear to be very few formal and institutional mechanisms of cooperation among the Bank's sectoral departments, and country offices as was the case for PIDACC. Institutionally the teams/divisions at sector and country level appear very compartmentalised. This evaluation found a lack of awareness of the Bank's non-lending operations amongst stakeholders in case study countries. The results were mixed with regard to non-lending operations in two case study countries. In Mozambique, non-lending operations included Economic and Sector Work (ESW) intended to support policy dialogue. While the ESW was deemed useful, the Bank was considered the primary user and the

effect on its policy dialogue with Mozambique was not discernible.³⁸ The Bank's non-lending influence was more effective when it provided support in 2018 for Mozambique's Ministry of Finance to successfully become the Green Climate Fund (GCF) National Designated Authority (NDA). In Morocco, where the Bank is a respected long-standing, high-level Technical and Financial Partner (TFP), its non-lending GG-CC expertise and competency ably helped leverage considerable investments from the CIF's Clean Technology Fund for renewable energy projects in 2011.

The Bank's ability to leverage funds for GG-CC is crucial if it wants to be actively engaged with and supportive of RMCs. The Bank has excelled in Senegal, for example, in leveraging funding from other donors for a highly inclusive project that mainstreams GG-CC. The Bank was the first donor to support the rural component of the "Programme d'eau potable et d'assainissement du millénaire-PEPAM". The Bank's participation in the first phase of this project over a long period positioned it to be instrumental in the formulation of Phase 2. The project's first phase significantly improved people's access to water (98.5% in urban areas; 80.1% in rural areas). Since then, other donors, mainly the World Bank, BTC (Belgium), Luxembourg Cooperation and USAID, and many NGOs have supported this program. The PSE has thematic references to challenges related to climate change adaptation and achieving sustainable growth. Opportunities are there for the Bank to support Senegal with GG-CC interventions in the water sector, especially as the country's PSE also indicates the importance of 'inclusion' with benefits for vulnerable groups. Job creation for vulnerable groups has been prioritised in AfDB projects and by other donor's projects, which is likely to continue given its recognition as a crucial element of inclusive GG.

The Bank has become the first multilateral implementing entity for Africa under the Green Climate Fund, having been accredited in 2016 for the highest level of project funding category (above

USD 250 million for each project). The Bank is the lead MDB of CIF operations in Africa.

Knowledge generation, evidence-based policy advice, and technical assistance

The Bank has published a variety of knowledge products in the area of green growth and climate change- including newsletters, thematic reports, strategy documents, technical reports, annual reports on various climate funds and assessments.

The Bank has already gone a long way towards mainstreaming GG-CC in its procedures and operations in RMCs through knowledge generation, evidence-based policy advice, and technical assistance; however, the interviewed stakeholders indicated that the Bank needs to put more emphasis on tracking progress and systematically following up on RMCs' focus on GG-CC.

The Bank is the first regional development Bank to participate in the Green Growth Knowledge Sharing Platform, which brings together multiple stakeholders, including international organizations, donors and academic institutions. Furthermore, GG-CC has been part of country dialogue on various occasions, including during CSP/RISP designs and during support to some RMCs to design their own strategies (e.g. Rwanda, Mozambique, Kenya, etc.) In the context of NDC policy dialogue, the Bank under the Africa NDC Hub has been active in many countries, including Morocco, Rwanda, Mozambique, Zimbabwe, Namibia, Seychelles and South Africa. The Bank is the main MDB among other MDBs leading on GG-CC in Africa, as it supports the major African stakeholders. The Bank also hosts the Secretariat of the Africa Circular Economy Alliance launched recently during the African Ministerial Conference on the Environment (AMCEN) in November 2019 in Durban. At AMCEN, the Bank was proactive in including in the AMCEN agenda not only the circular economy, but also a ministerial dialogue on policy and financing implications of NDC implementation in Africa.

The Bank's GG-CC policy dialogue is challenged by what stakeholders describe as inconsistent understanding of GG in particular – both within the RMCs (especially those with no clear national GG policy) and within the Bank. Increased emphasis by the Bank on developing and using improved knowledge products may improve and support Bank staff's capacity to participate in, inform and move forward GG-CC policy dialogue. Indicators present in the Results Framework are not currently aligned with a Bank-level Theory of Change to narrate causal pathways at the strategic-level following the publication of the GG Framework and TYS and at the project-level. In three case study countries, namely Mozambique, Rwanda and Senegal, the possibility for the Bank to engage in this policy dialogue is high, given existing national policies on disaster risk reduction, renewable energy and potable water, respectively. Where RMC policies on GG-CC were developed ahead of policy dialogue with the Bank, the RMC's own systems have been instrumental in maintaining a high level of awareness of climate, green, or environmental practices. In these cases, the Bank has been able to provide technical advice in response to requests. Furthermore, there is a low awareness of the Bank's GG-CC policy intentions in some of the case study countries despite the Bank's preoccupation with ensuring GG-CC-informed project design and its efforts to involve RMCs in GG-CC dialogue, such as Green Growth Readiness Assessments and the Africa Green Growth Index. This situation is further complicated by a lack of focus on monitoring and reporting on project outcomes linked with GG-CC.

Strategic dialogue often occurs at the sector level there where the Bank has clear expertise. For example, in Morocco's and Rwanda's energy sector, there are sector-level discussions often chaired by the Bank on renewables, grid and off-grid options, connecting regional lines for regional integration or accessing power from large power generating capacity in a neighbouring country. However, it is important to consider cross-sectoral collaboration, to proactively respond to CC as a multi-sectoral issue. For example, a focus on renewable energy in

Morocco. At the same time, severe water stresses are also being experienced and expanding dialogue in other sectors in Mozambique, while still maintaining strong ties within agriculture.

Portfolio and Performance of Projects Evaluated

The Bank's projects, interventions, or portfolio in the context of this evaluation refers to those that mainstreamed GG-CC into their designs. Because the Bank's systems do not classify or mark projects in this way, the evaluation team went through the Bank's project database and undertook the identification itself.

CC-GG has been seen as a cross-cutting theme across all sectors of the AfDB portfolio as GG and CC have become increasingly integrated in the design phase of development projects funded by the AfDB.³⁹ IDEV set out to create a database in 2018 to identify projects where GG and CC were part of the project objectives. The information sources were the project appraisal reports (PARs) and project completion reports (PCRs) for projects approved between 2008-2018. The methodology for selecting the projects is presented in the "Methodological note on the development of the green growth and climate change portfolio at the Bank" (IDEV, 2018) in Annex 1 of the technical annexes of this report outlines. This approach relied on information derived from the Bank's SAP system, reconciled with a pre-existing database covering the 2015-2018 period.⁴⁰ The final version of IDEV's GG-CC database contains 873 projects.

Portfolio overview

The overall project database for this evaluation is comprised of 277 'component' projects (indirect investments) and 596 'autonomous' projects defined by IDEV as projects that mainstreamed green growth or climate change during the ten-year period. Although some projects receive co-financing from internal and external climate and

Table 3: Number of autonomous vs. component projects funded by the AfDB during the 2008-2018 period

Autonomous	Component
596 projects	277 projects
39% of all Bank projects during the period	18% of all Bank projects during the period
68% of the GG-CC portfolio	32% of the GG-CC portfolio

environment funds, the Bank has endeavoured to ensure that all Bank projects mainstreamed climate change and green growth at the design stages irrespective of the funding source.

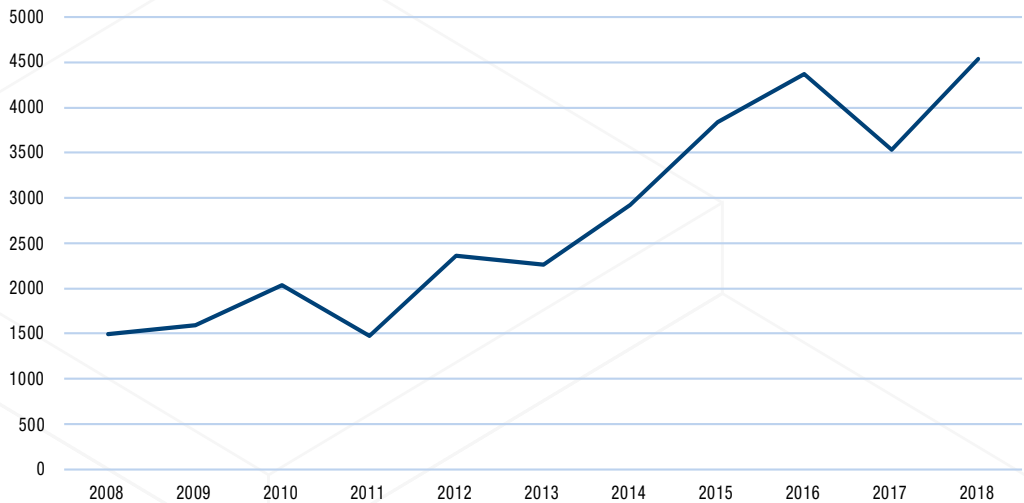
The Bank's portfolio of projects which mainstreamed GG-CC consists of 873 projects out of a total of 1,530 projects funded by the AfDB from 2008-2018, consisting of a diverse mix of interventions, including both 'autonomous' and 'component' projects. The 873 projects represented an amount of over 30.4 billion UA over a 10-year period. Table 3 describes the proportion of the overall portfolio and the IDEV database of projects that mainstream GG-CC, comprising of either autonomous or component projects. 20 projects – 4 from each of the 5 case study countries – were further assessed to understand how well they performed, from the design stage to completion stage, against criteria focusing on GG-CC in the PRAs.

Overall, funding for Bank projects that mainstreamed GG-CC over the evaluation period increased from approximately 1.5 billion UA in 2008 to just over 4.5 billion UA in 2018. The overall project database for this evaluation is comprised of 277 'component' projects/indirect investments (18% of the total number of projects approved by the Bank over this period and 32% of the GG-CC portfolio) and 596 'autonomous' projects (39% of the total number of projects approved by the Bank over this

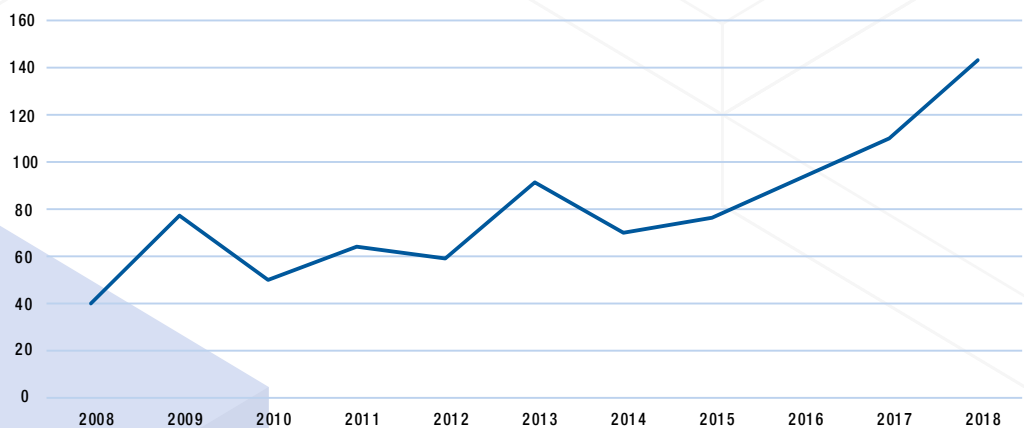
period and 68% of the GG-CC portfolio). Although some projects receive co-financing from internal and external climate and environment funds, the Bank has endeavoured to ensure that all Bank projects mainstreamed GG-CC at the design stage irrespective of the funding source.

The graphs below illustrate the total net loans per year (Figure 2 shows the evolution of the total net loan in IDEV's database of projects that mainstream GG-CC) and the number of active projects per year (Figure 3 shows the evolution of the total number of projects that mainstream GG-CC according to IDEV's database) in the GG-CC portfolio during the reference period. Half (50%) of the projects that mainstream GG-CC are loans, 36.9% are grants (project cycles (24.3%), and institutional support and rehabilitation (12.6%)). These projects are mainly funded through the ADF window with 44.2% of commitments, and the ADB window with 47.4% of net commitments. The Nigeria special fund represents 0.3% of the commitments. The remaining 7.2% of the projects are partially funded across 24 different funding sources and/or trust funds.

A majority of interventions are ongoing and still in operation (519; 59.5%), while 30.7% are now closed or complete (268 projects); 7.2% of the portfolio is still in 'approved' status (63 projects) and have yet to be implemented, and 2.4% (21 projects) have been terminated.

Figure 2: Net loan in million UA for Bank projects that mainstream GG-CC from 2008 to 2018

Source: Data provided by IDEV

Figure 3: Number of Bank projects that mainstream GG-CC per year, 2008-2018

Source: Data provided by IDEV

Distribution of the GG-CC portfolio across sectors and countries

In the 2008-2018 period, the largest sectors within the Bank's portfolio which performed well in GG-CC mainstreaming are energy, with 198 projects, 22.7%; followed by agriculture (161 projects, 18.4%); transport (157 projects, 18%); and water supply and sanitation (145 projects, 16.6%). The distribution of the Bank's projects that have mainstreamed GG-CC is uneven across member countries: 14 countries received 70% of the funding, and 40 countries received 30% of the funding. Table 4 presents the top countries where most of the projects are located for each major sector.

The three sectors with the most allocated funding are transport (9.7 billion UA; 32% of the total net loans in the GG-CC portfolio); power (8.3 billion UA; 27 % of net loans) and WSS (4.15 billion UA; 14 % of net loans). Figure 4 below illustrates the distribution of net loans in the Bank's GG-CC portfolio across the 10 main sectors. Annex 2 in the Technical annexes of this report presents the reconstructed AfDB Green Growth and Climate Change Intervention Logic (Results chain). The distribution of projects that mainstream GG-CC (autonomous and component) (net loan per sector) within the Bank's major sectors are outlined in Table 4: power, agriculture, transport, WSS, and environment.

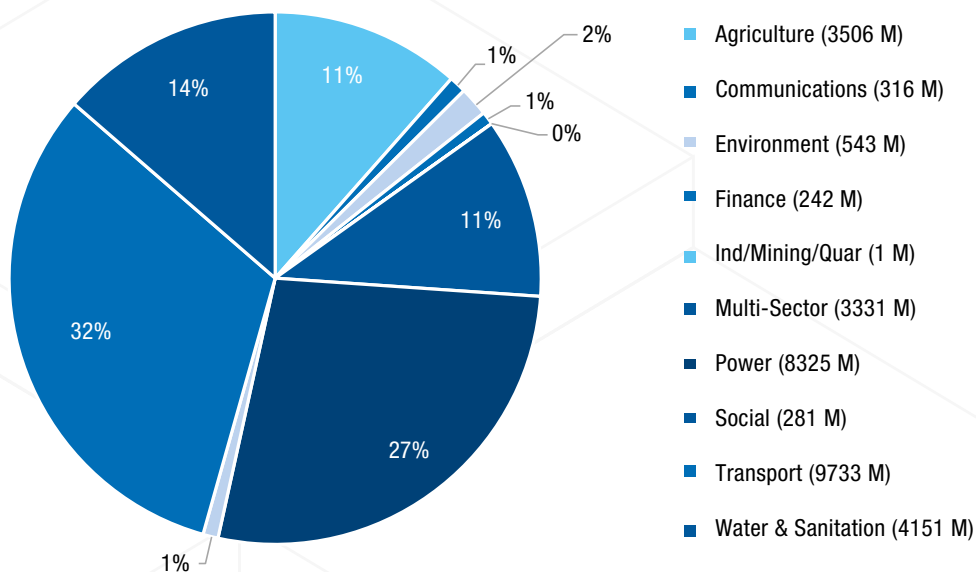
Although the portfolio is distributed across the entire African continent, West Africa has the highest number of projects (243; 27.8%); followed by East Africa (178; 20.4%), Southern Africa (107; 12.3%) and Central Africa (101; 11.2%), while North Africa has the lowest number of projects (77; 8.8%). In terms of allocated amounts, however, the Eastern (26.1 %), Western (23.9 %), and Northern (23.8%) regions are the main beneficiaries of the allocations, while the Southern Africa region received 14.85% and the Central region received 11.35% of the allocations.

The five countries that received the largest volume of net loans with GG-CC focus during the reference period were Morocco (2547.5 M UA; 8.4% of total net loans for the Bank's projects that mainstream GG-CC), Kenya (2397.8 M UA, 7.9%), Egypt (1969,1 M UA; 6,5%), Cameroon (1480.8 M UA; 4.9%), and Tanzania (1472.7 M UA; 4,8%). The loans received by these five countries account for 9867.9 M UA which is 32.4% of the total net loans of the Bank's projects that mainstream GG-CC. However, multinational projects received the highest net amount of loans – 3214.1 M UA (10.6 % of total net loans).

The five countries that received the least net loans for projects that mainstream GG-CC were Equatorial Guinea (0 M UA); Somalia (13.7 M UA); Sao Tome & Principe (19.0 M UA), Eritrea (21,8 M UA) and the Seychelles (22.2 M UA). The total net loans for GG-CC received by these countries was about 0.05% of the total loans. The combined total net loan granted to

Table 4: Countries with projects in each of the AfDB's major project sectors (number of projects)⁴¹

Power/Energy	Agriculture	Transport	WSS	Environment
Kenya (18)	Uganda (7)	Senegal (9)	Kenya (10)	Cameroon (3)
Morocco (11)	Madagascar (7)	Côte d'Ivoire (9)	Uganda (8)	DRC (4)
Uganda (9)	Côte d'Ivoire (6)	Kenya (8)	Malawi (6)	
Rwanda (8)	The Gambia (6)	Cameroon (7)	Morocco (6)	
South Africa (7)	Mali (6)	Benin (7)	Tunisia (6)	
	Mozambique (6)		Zimbabwe (6)	
	Senegal (6)			
	Zambia (6)			

Figure 4: AfDB GG-CC portfolio, net loan per sector 2008-2018

the 27 countries that received the smallest net loans (i.e., 23 of the total 54 countries in the portfolio) was 1737.7 M UA which is 5.7% of the total net loans. The combined net loans for the 40 countries (out of 54) that received the least funding was 30.4% of the total loans for the Bank's projects that mainstreamed GG-CC. 23 countries received loans of up to 200 M UA, while one country received a loan in the highest 200-2600 M UA category.

Public vs. private funding to GG-CC across countries

Out of the total 873 projects in IDEV's GG-CC database, 77 (or 8.8% of the Bank's projects that mainstream GG-CC) were private sector and 796

were public sector projects. The five countries with the highest number of private sector projects were: Côte d'Ivoire (8 projects), Kenya (7 projects), Senegal (6 projects), Nigeria (6 projects), Uganda (4 projects). Private finance accounted for 7.2% or 2,187 M UA of the total net loan amount of 30,430.8 M UA for Bank-funded GG-CC activities/contributions in 2008-2018. The five countries receiving most private finance for GG-CC activities were: Kenya (235.5 M UA), South Africa (206.6 M UA), Côte d'Ivoire (200 M UA), Cameroon (175.9 M UA) and Nigeria (129.4 M UA). Multinational initiatives that mainstream GG-CC received a total of 590.4 M UA private financing, which represents approximately 27% of the total net loan to multinational initiatives that mainstream GG-CC.

Performance of projects evaluated

From the Bank's portfolio, four projects in each of the five case study countries, totalling 20 projects, were selected for in-depth analysis (Project Results Assessments-PRAs). These projects included a broad coverage of financing mechanisms, total values, project types (standalone or component) and sectors: WSS (7), energy (4), transport (3), agriculture (4), and environment (2). The PRA data was synthesized using scorecards to assess their relevance, effectiveness, efficiency and the sustainability of their results, based on a screening of project documents, log frames and other documents that were then cross-checked during country on-site visits and by interviews with stakeholders. The criteria for assessing the quality of the relevance, efficiency, effectiveness and sustainability of the Bank's portfolio are found in Annex 5 in the technical annexes of this report.

Relevance

The overall relevance of the 20 projects was assessed based on the alignment of their design with the associated CSPs and RISPs (where these referred to GG-CC at the time a project was developed), as well as on the average alignment of the project with national policies, Bank strategies, tools and beneficiaries' needs that mainstreamed GG-CC.

Two-thirds of the projects scored 'medium' or 'high' on alignment with the Bank's and national policies and beneficiaries' needs in terms of GG-CC. The relevance of project objectives and design was also satisfactory overall.


The relevance of project objectives and design was found generally satisfactory. For example, the Sustainable Land and Water Resources Management Project (SLWRMP) in Mozambique, initiated in 2013, had as its objectives to increase the capacity of communities to address challenges including climate change, rural poverty, food insecurity, and land degradation through agriculture and water infrastructure development and restoration of natural

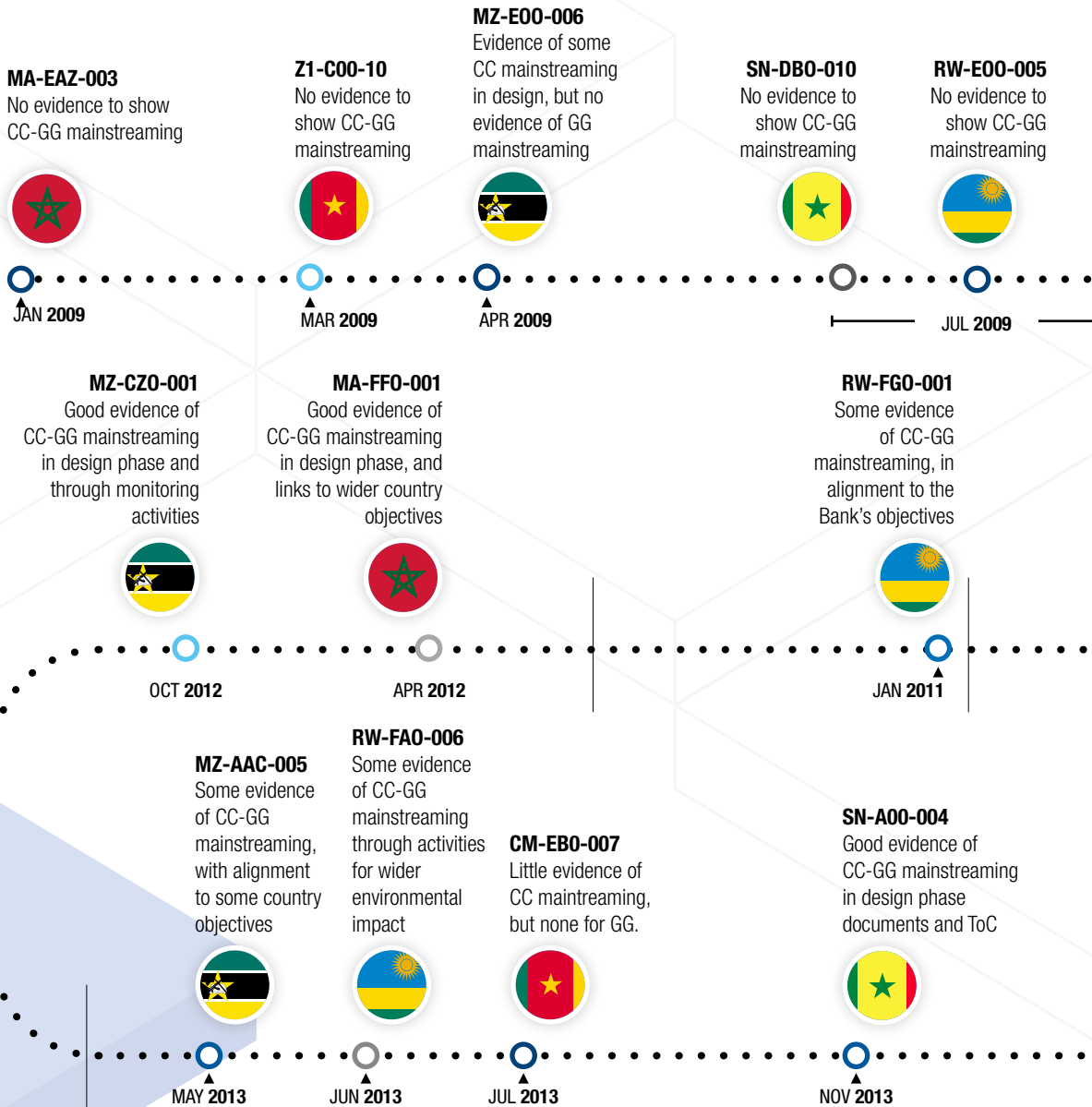
habitats. The project was highly aligned with CCAP1, and although the CSP (2011-2015) for Mozambique focused on the twin objectives of "Enhanced private sector competitiveness through infrastructure development" and "Governance in support of inclusive growth," the CSP noted the highly climate-sensitive nature of Mozambique's agriculture sector. The project objectives resonated well with the Southern Africa RISP (2011-2015), which listed CC as a key cross-cutting issue, stating that the Bank will take leadership in promoting environment- and climate-friendly infrastructure programmes; they also align with Mozambique's National Adaptation Plan of Action-NAPA (2007) and its National Irrigation Strategy (2011-2019).

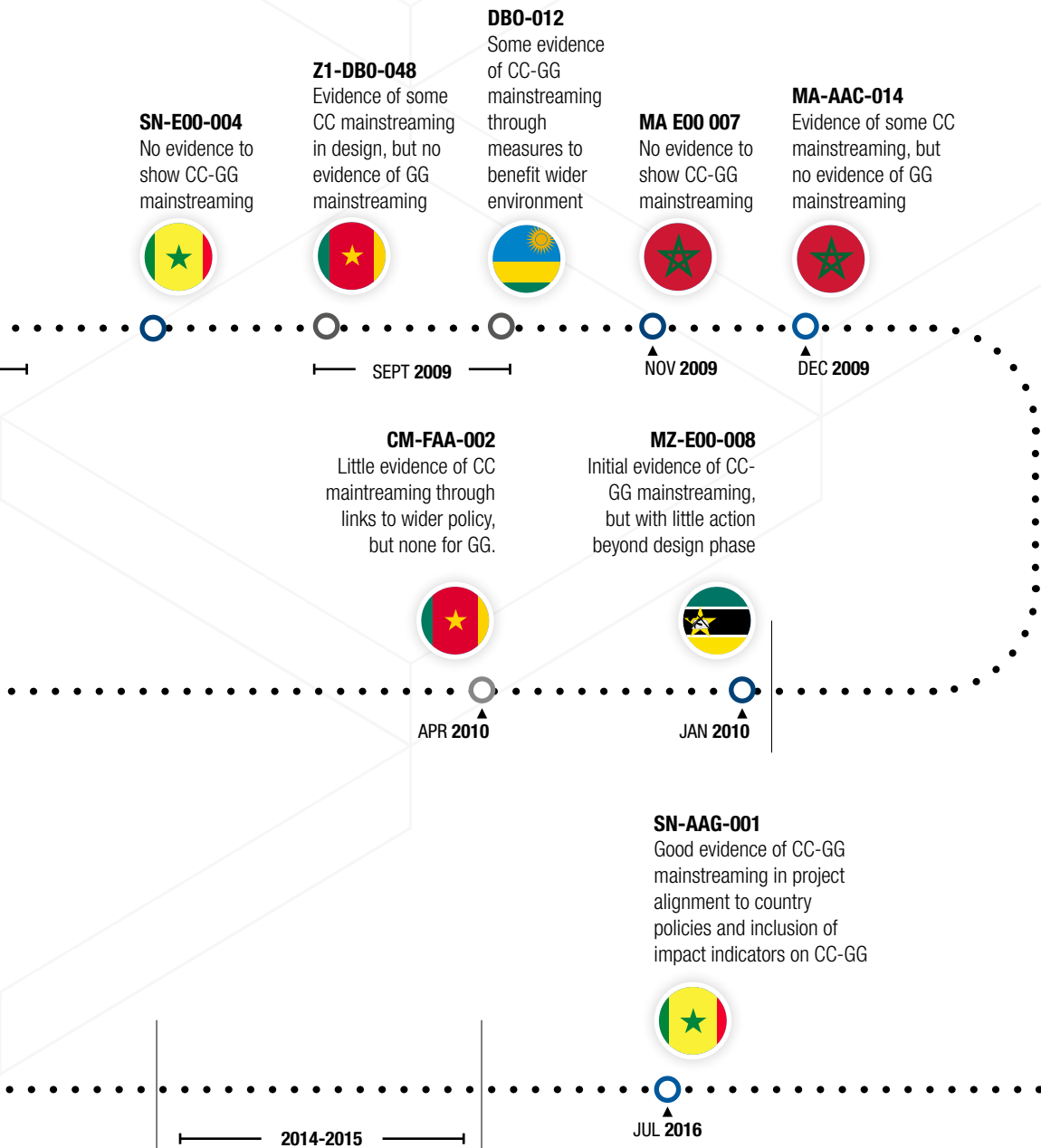
On the other hand, an example of poor alignment was the Dibamba energy project in Cameroon that was initiated in 2011 to build a power station fuelled with heavy oil, while the CSP (2010-2014) at the time stressed: (1) strengthening governance to enhance the strategic management of the State, and (2) development of (road and water) infrastructure. This project is not in line with the CRMA (2009) or CCAP1 (2011-2015), or Cameroon's policies that mainstream GG-CC, other than a component of its objective, which stated that pollution was to be controlled to remain within acceptable limits.

As shown in Figure 5, there was little consideration or no evidence of activities or outcomes that mainstream GG-CC for projects approved in 2009-2011. During 2012-2013, we see limited activities mainstreaming GG-CC and some alignment with objectives related to GG-CC, as well as some measures to 'climate-proof' projects. In 2016, we see more consideration of components that mainstream GG-CC and associated indicators in the projects and the ToC. However, as described above, evidence of actual implementation for these activities was limited. Unfortunately, the evaluation team was not able to cover more projects approved in later years since there is very little project documentation available yet on such projects that could be used for assessment; further, it would not be possible to assess the effectiveness and sustainability of projects approved after 2016.⁴²

Figure 5: Timeline of 20 PRAs based on project approval date

-  **Water Supply and Sanitation**
-  **Agriculture**
-  **Thermal Energy**
-  **Environment**
-  **Transport**
-  **Electricity**
-  **Solar Energy**





Effectiveness

The effectiveness of the projects in achieving their intended GG-CC mainstreaming results (outputs and outcomes) was assessed.

Almost half of the projects couldn't be assessed (due to a lack of data) and of the remainder about one quarter was unsatisfactory.

Effectiveness was assessed based on how well projects had achieved their output and outcome level objectives with relevance for GG-CC. The effectiveness of the 20 sample projects in achieving their intended GG-CC mainstreaming results was assessed based on a screening of project documents, log frames and other documented output and outcome level results that were then cross-checked during the country on-site visits and by interviews with stakeholders. The contribution of any observed unintended outcomes on the projects' achievements was also assessed, where possible.

40% of the 20 sample projects could not be assessed either because they did not have clear objectives pertaining to GG-CC at output or outcome levels, because indicators were not specific enough to be objectively assessed, or because data on performance/effectiveness was not available. At the same time, there were also projects that did present clear outcomes related to GG-CC, such as the Ouarzazate Project in Morocco (Solar power station), which installed a capacity of 160 MW with an annual electricity production estimated at 500 GWh. In two years of operation (January 2016 to December 2017), the project prevented the emission of about 428 thousand tonnes of CO₂ from alternate sources of electricity.

When analysing the achievement of results in terms of outputs versus outcomes, distinguishing between results that pertain to GG-CC on these two levels was rarely evident in log frames, as clear indicators had not been developed in the majority of project documents and/or they did not comprehensively capture the relevant results on these two levels.

An overview of all observed results related to GG-CC indicates that results at the output level were achieved more often than at the outcome level (based on a subjective assessment in 13 of the 20 PRAs). For example, the PACEB Co Congo Basin ecosystems conservation support program in Cameroon developed measurable, specific indicators that pertain to GG-CC, showing that although a few output level achievements had been made, the overall outcome level achievements were modest. Some projects, through their objectives and design, are known either to produce net negative climate impacts, such as the Dibamba Power Plant project (powered by heavy fuel oil) in Cameroon or have a high environmental risk profile.

Although 40% of the PRA projects did not have targets or output or outcome level indicators that pertain to GG-CC, the majority of these projects had environmental sustainability considerations built into the project's Environmental and Social Impact Assessment (ESIA) and Environmental and Social Management Plan. The environmental and social compliance criteria and Bank requirements to monitor environmental and social impacts throughout and beyond the project lifetime (for private operators) is repeatedly cited as the 'green' added value of the Bank, especially when projects are not directly relevant to GG-CC or only have a GG-CC-relevant component.

Efficiency

The evaluation examined project efficiency in terms of budget, time usage, how the project had coped with challenges that significantly impacted project performance and whether solutions were found to these challenges during implementation.

Most projects did not report on the efficiency of timely delivery and budget execution specifically for the aspects related to GG and CC. Therefore, overall efficiency was evaluated: it was satisfactory for budget use - almost half the projects found and applied solutions to major challenges that significantly impacted implementation, while

timely delivery was unsatisfactory for most projects.

The reasons for delays varied among projects. However, factors that were cited as contributing to delays included: longer than anticipated tendering and contracting procedures; cumbersome processes to obtain authorization from local authorities; failures of service providers; complex partnerships; and unfamiliarity with AfDB procurement rules and procedures.

Eight of the 20 PRA projects experiencing challenges that significantly impacted on project implementation were able to find and apply solutions, while another eight projects experienced considerable challenges and were not able to find solutions. For PRAs such as the PADY 2 project, it was noted that while the Bank and implementers were sensitive to aspects related to mainstreaming GG-CC, these aspects were underfunded and treated as 'cross-cutting' objectives without having been allocated specific or sufficient budget lines.

Sustainability

Project sustainability was assessed in terms of the overall sustainability of project results (financial⁴³ and institutional⁴⁴ sustainability) and to what extent projects had considered specific risks related to GG-CC or sustainability in their design or exit strategy, and whether projects were likely to be effective in the long term.

Most projects (16 of the 20) had an exit strategy and incorporated some sustainability measures, though few projects (3 of the 20) considered GG-CC factors or institutional or financial factors in sustainability plans that were credible and likely to be effective in the long term. The sustainability of the projects was unsatisfactory overall.

One of the good practice example which considered sustainability from the financial, institutional, environmental and social perspectives is the Kiwu-Watt renewable energy project in Rwanda. Also, the

power plant runs on naturally occurring methane gas from the Kiwu Lake – a renewable, natural source estimated to continue producing methane in the long term. Since PRA project objectives were often aligned with government policies, this aspect of sustainability is fairly strong. However, more could be done to ensure the sustainability of the projects' environmental aspects that mainstream GG-CC and to build climate-proofing into project investments. Two projects were reported to have experienced major challenges due to the effects of extreme weather: rough winds had damaged equipment in the solar energy project in Morocco, and irregular rains (droughts, floods) had put the profitability and sustainability of the paddy rice investment in Senegal at risk. In Cameroon, the Ketta-Djoum road project showed that the sustainability of environmental aspects had been neglected during implementation, although plans were in place when the project was designed. Overall, many case study projects/PRAs revealed some significant differences between strong expected results and planned sustainability strategies linked to GG-CC, and their actual realisation during implementation.

In Mozambique's National rural water supply and sanitation program in Nampula and Zambezia Provinces, a shortfall of water in dry seasons has led to a situation in which the water supply system developed by the project is non-operational for most of the year because of the high operational cost (diesel costs for private operators). Although connecting the water supply system to the national grid is envisaged, the network has not yet reached the area. To sustain the results, the government will have to address these challenges either by increasing the water inflow by using groundwater or by securing the sustainable power supply to the project area.

Factors enabling or hindering the performance of GG-CC Mainstreaming into Bank's Projects

The following are the important factors enabling or hindering the effectiveness of GG-CC Mainstreaming

into Bank's Projects, as well as interrelated factors in Bank/host country performance are:

Supporting coherent policy frameworks and matching ecological and economic objectives.

At the policy level, a recurring observation in all case study countries was that when host countries had clear and strong forward-looking national policy frameworks that mainstream GG-CC, this catalysed government support and enabled PRA projects to perform better than in situations where national GG-CC policies were weak, contradicted by other sector policies or when their contents were not clear to the concerned administrations. All country case studies showed that national ownership, and buy-in by the project implementing organizations, was also crucial to overall success. Similarly, this coherence was achieved when the Bank had succeeded in aligning its CSPs and project objectives with strong, relevant national needs. A related factor was 'demonstrated economic incentives for GG-CC': when projects were designed to align with national or sub-national development plans and local governments saw the economic return of investing in GG-CC, the commitment was stronger and persisted throughout the implementation period. Examples include the solar power and water/irrigation sector project in Morocco. These projects aligned with national/subnational interests to stimulate agricultural exports and sales of value-added renewable energy to European markets. Similarly, in Mozambique, the government's clear commitment to GG and CC along with its existing policies, strategies, and institutional arrangements, seems to present a significant enabler to achieving its objectives. Recent climate disasters, notably Cyclone Idai, have strengthened the country's commitment to ensuring climate resilience. Projects that were able to clearly associate ecological and economic dimensions in their design and make GG-CC a case for local economic resilience were also observed to have performed well in Cameroon. On the other hand, lack of alignment with national policy priorities emerged as a key constraint to effectiveness when the political will to prioritise GG-CC was missing. PRA evaluators cited lack of host country commitment and lack of prioritisation

by Bank staff of GG-CC as a considerable barrier to effective CC adaptation and mitigation and GG promotion.

Linking environmental performance to the core indicators/main results

and including GG-CC in project TOC frameworks. For example, in the PRA projects studied in Senegal, local authorities had not included environmental considerations nor included GG-CC dimensions in the projects' theories of change or indicators. This shortcoming was shared with the Bank. Neither the Senegalese authorities nor the Bank appeared to prioritize integrating environmental considerations into project designs and implementation. When environmental concerns are dealt with as "problems to be mitigated" rather than core objectives (which is often the case in sectors other than strictly environmental protection), targets related to GG-CC lost importance and were poorly understood by project staff. In the Sustainable Land & Water Resources Management Project in Mozambique, some GG-CC relevant targets and indicators were removed from the project's logical framework during implementation, and data provided indicates a significant deviation from the initial output indicators and associated activities. It was suggested that "less significant activities", including activities that related to forest fire management/monitoring, were changed on an ad hoc basis and were to be taken over by government authorities. These components that "fell away" had a clear GG-CC link. No evidence could be obtained to determine the extent to which the GoM has implemented some of these activities, and there is a risk that these activities were not necessarily integrated or aligned with other project activities. Overall, this suggests the potential that GG-CC outcomes were not maximized. However, as these activities did not directly bear on other project activities, it is unlikely that this approach had any significant effect on the overall intervention logic.

The Bank's Environmental and Social Safeguard measures, and the ESIA procedures, significantly contributed to the environmental sustainability dimensions, especially of 'component' projects.

The Bank has shown its value-added through its rigorous ESIA system and related implementation and monitoring of the Environmental and Social Management Frameworks. Through the standardized and systematic ESIA processes and related plans, the Bank has profiled itself as a 'green' donor compared to many other funders – this is, in many instances, the most tangible GG 'value-added'. In the Kiwu-Watt project in Rwanda, for example, the evaluation team could observe substantial evidence of careful planning and consultation with local stakeholders which contributed to mitigating negative E&S effects of the project. In Senegal, it was also noted that social measures and economic benefits for the affected populations could be added to projects thanks to the ESIA screening process. The Bank's high standards of environmental (and social) assessment also acted as an enabler of its GG-CC performance in Morocco. This was seen both in the "Tenth Drinking Water Supply" project, where the Bank's environmental assessment during project design reinforced the significance of taking GG and CC dimensions into account, and in the solar power project, where the Bank's high standards of E&S compliance raised the standards of the project overall. On the other hand, the Ketta-Djoum road project serves as an example of the risks of relying entirely on the ESMP for environmental and social objectives to be realised. The Report of the Bank's Advisory Ad-Hoc Compliance Audit raised serious concerns that the ESIA and related reports had not followed Bank guidelines and that the Environmental and Social Management Plan (ESMP) had not been adhered to, revealing concerns related to serious breaches of environmental legislation and human rights. As pointed out above, the Bank's GG-CC mainstreaming should be separated from the ESIA, which is to guarantee compliance with minimum standards.

Allocation of financial resources to GG-CC components (especially in 'component' projects). In all projects evaluated in Mozambique, the primary barriers to positive GG-CC results relate to a lack of adequate financial resources. The Niassa Provincial Towns Water and Sanitation Project,

for example, was overall underbudgeted, which hindered the opportunity to achieve GG-CC success as the cost estimates were unrealistic. It appears that 'component' projects allocated proportionally fewer resources to the GG-CC dimensions than 'core' projects and appear not to have performed as well as core projects in meeting their GG-CC results. When GG-CC aspects were added to infrastructure projects (energy, transport, agriculture sector) for example, budgets for implementation of the 'green' activities were mainly those allocated to the government or expected to come from counterpart funds, and thereby risked not materialising. GG-CC 'add-on' components are not prioritised, are considered as "cross-cutting" and are easily watered down. In Cameroon, the fact that the Bank and the government consider activities that mainstream GG-CC as "related" rather than "priority" is also a major obstacle to their successful implementation, mainly because their financing depends on counterpart funds from the Government of Cameroon, which is not always available. This is, for example, the case of the vegetated strips that should have been put in place in the PADY1 and PADY2 projects, and the planned tree planting to compensate for the vegetation cover destroyed by the Ketta-Djoum road, which were not carried out. Linking infrastructure projects to 'core' environmental projects and building capacity at the local level through collaboration with other environmental projects may help mitigate the problem of insufficient GG-CC budgets. In Rwanda, in conjunction with the "Scaling up Energy Access" project, the introduction of the "Increasing Climate Change Adaptive Capacity of Rwandan Communities" project proved to be positive for the successful implementation of GG & CC components.

Project management and procurement systems. Administrative hurdles and project operators had difficulties following Bank procurement systems/rules, which impacted not only efficiency but also posed barriers for effectiveness. In Senegal, Bank systems and procedures were considered by various partners of the Bank, including public agencies, as lengthy and complicated. Some partners claimed that this results in difficulties for stakeholders in

understanding procedures within the Bank. Bank representatives did not cite this as an issue, and recounted that training is carried out on procurement, financial management, and disbursement with project teams. Furthermore, the Bank is increasingly using the programme management system used by the authorities in Senegal (this is the case for example in PREFELAG and PEPAM). Among several other PRA projects, the PACEBCo project in Cameroon also cited insufficient knowledge of the Bank's rules and procedures as a constraining factor for overall effective implementation of activities – but it should be noted that this problem is not necessarily specific to GG-CC.

GG-CC expertise of Bank, project and monitoring staff.

The presence of environmental experts at all stages of implementation and review processes can be identified as an important recurring GG-CC specific success factor. In Cameroon, the lack of permanent GG-CC expertise at the Bank was thought to lead to missed opportunities for better environmental performance. In Morocco, on the contrary, in addition to the favourable enabling factor, stakeholders explained that for a number of projects, the Bank's contributions in these cases were enabled through constant and prompt involvement of the Bank throughout project implementation, as well as through the Bank's previous and ongoing experience in the water, agriculture, and energy sectors in Morocco. The evaluation team was able to identify particular instances where the Bank played a key and valued role in providing GG-CC technical support, for example in the Noor Ouarzazate I Solar Power Station project, where the Bank's environmental and social requirements set high standards for compliance.

Cross-cutting Issues

By the very nature of their objectives, the Bank's projects that mainstream GG-CC are assumed to have integrated the cross-cutting issues of climate change adaptation and/or mitigation, environmental conservation or sustainability, poverty reduction, and income generation, according to the framework of

green growth objectives. Investments in helping societies to adapt to climate change impacts and climate change mitigation are likely to yield positive direct or indirect long-term impacts for marginalised groups such as women, the elderly, children and the youth (girls and boys), and other groups at risk of climate impacts, such as ethnic minorities or indigenous peoples whose livelihoods may be especially threatened by features of climate variability such as irregular rainfall, increased drought or flooding, reduced availability or even extinction of certain plant species or coastal erosion from sea-level rise combined with more intense storms and higher storm surge.

Gender equality and inclusion

Evaluation evidence shows that 75% of the Bank projects reviewed (15 out of 20) had gender-disaggregated indicators for reporting. Bank investments in the reviewed projects have not automatically led to immediate or medium-term benefits for marginalized groups and may have exposed them to severe risks. Negative side-effects observed in the 20 PRAs included involuntary resettlement, loss of (customary) land rights, and loss of livelihoods.

Climate change is a set of environmental and economic issues, and a highly social concern affecting social equality and human rights. The increasing impacts of CC are felt differently by different groups, with women, children, youth, and other marginalized groups often being the worst affected or most at risk. When African economies are transitioning to low-carbon GG development pathways, it is of utmost importance that these changes are managed so that the new benefits and emerging costs are equally distributed so that the poor and other marginalized groups are not left behind.

To evaluate the inclusiveness and gender aspects of each of the 20 case study projects/PRAs, the evaluation team looked for answers to the following questions (included in the PRA template):

- In what way has the project targeted benefits to women, youth and/or other vulnerable people?
- How inclusive has the project been from a gender perspective, in terms of youth, etc.?
- Is there a GG and CC dimension to a project's inclusivity?

When looking at how gender equality was addressed in different sectors, most WSS and water/irrigation sector projects addressed water resource management and distribution systems, guaranteeing water access especially to farmers and households. The WSS sector projects can be expected to have positive climate adaptation effects for women and girls through enhanced preparedness for variability of water supply, shorter time needed for fetching water releasing time for studying, etc., regardless of whether gender is consciously addressed as a cross-cutting issue or not. There also seem to be differences between countries: in Morocco, the positive impact of gender equality in WSS sector projects that mainstream GG-CC was more an 'unintended outcome' than a result of intentional gender transformative programming,⁴⁵ while gender aspects were addressed in more detail in WSS projects in Mozambique and Rwanda.

The PADY 2 project in Cameroon, which built WSS infrastructure and a drainage channel in Yaoundé to increase resilience to floods, can be cited as a project that successfully addressed gender as a cross-cutting element in its design. In the municipalities targeted by the project, women and youth are the main actors in waste management. Post-flood rehabilitation (e.g. cleaning houses and digging water drainage channels) is usually a task carried out by women and youth. The end of project survey showed that women had been involved in associations (comprising 67% of the members) who were active in sanitation, with more than 28%

of these women holding positions of responsibility or leadership. The project also took a proactive approach to youth and women's employment in assuring 'green jobs' and jobs to youth and women during project works.

Gender dimensions were partially addressed in energy sector projects reviewed, whereas the environment sector projects showed the most gender-transformative designs. The PACEBCo project in Cameroon that aimed to contribute to the sustainable management of forest resources, biodiversity, and protected areas in the Congo Basin appears to the evaluation team as a 'best practice' project to empowering rural women through investments that mainstream GG-CC. Although this project did not stand out in terms of effectively reaching its overall results, gender equality was effectively addressed in many aspects of its design. Associations, women's groups and the heads of ministerial departments responsible for the promotion of gender equality were consulted during the preparation and evaluation phases of the programme, and a gender specialist was recruited for monitoring purposes. The project strived to ensure that women were represented in the coordination committees of the selected landscapes and in the regional steering committee. At least 50% of the beneficiaries of micro-projects had to be women. The construction of infrastructure and multipurpose centres targeted women and children as primary beneficiaries (for example, all schools built were reported to have separate latrine blocks for girls and boys). Regarding job creation, the project's completion report states that about 500 women had been recruited to work on the construction sites of the multipurpose centres, research and ecological studies centres and schools. In Rwanda, women belonging to groups and associations were reported to have been trained and supervised and are managing a 599-hectare forest plantation established under a project funded programme.



Monitoring of and reporting on the inclusivity and gender aspects of GG-CC activities and results

Many of the Bank's cross-cutting issues (gender, poverty reduction, climate change in GG projects) were often discussed and integrated into PARs and project designs. However, only a few projects had set performance targets for implementing these cross-cutting issues. Hence, there was no coherent or regular M&E system for the Bank's projects that mainstream GG-CC that would have allowed for an objective comparison of performance.

The M&E systems studied for the PRAs are not systematically tracking project impacts of activities that mainstream GG-CC on gender and social equity. For 'core' Bank projects, most of which have results related to GG-CC, or which should contribute positively to outcomes related to GG-CC such as mitigation/adaptation, gender-aggregated indicators will normally track gender-related benefits, regardless of whether these indicators were designed with gender impacts in mind for components that mainstream GG-CC. Although issues such as project impacts on gender equality, the involvement of women and youth in project activities, and the impacts of project outcomes on women all were discussed or at least mentioned in the PARs for each of the 20 PRA projects, and 15 projects followed up or reported on gender in some way, only ten PRA projects had included measurable and verifiable gender related indicators in their log frames for reporting at output or outcome level⁴⁶. The evaluation team found that gender dimensions were often more systematically addressed in Project Appraisal Reports than in Project Completion Reports.

Overall, discussions and analysis related to gender and inclusiveness remains generic and superficial⁴⁷. A more detailed analysis – perhaps drawing from Country Gender Profiles and using gender experts in project teams – could provide valuable ideas and point to opportunities to increase the inclusiveness of Bank's projects that mainstream GG-CC. The Bank's portfolio does not appear to have an obvious or coherent approach related to including or addressing

gender or social equity in projects that mainstream GG-CC. There was no project within the 20 PRAs completed by this evaluation that specifically focused on youth or women in relation to GG-CC. Targeted interventions, i.e. projects that mainstream GG-CC and specifically focus on girls, for example, could help strengthen knowledge generation about gender-sensitive approaches linked with GG-CC for the Bank's future investments that mainstream GG-CC.

Poverty reduction, and equal distribution of benefits from GG-CC investments

Poverty reduction targets were rarely reported on or named as a cross-cutting issue, instead it was rather cited as an underlying project objective. For example, transport sector projects were to have, according to PARs, a positive impact on local economies through such outcomes as enhanced access to markets. While positive effects on the local economies in the long-term are perhaps indisputable, there were issues of concern related to the involuntary resettlement of affected populations in all transport sector projects studied. For example, in the Dakar-Diamniadio highway project, it appeared that the area to which the population had to move had not been made ready to accommodate the affected households until years after the project works had started. Further, accurate/reliable information or final reports on how these resettlement processes had ended were not available to the evaluation team in the two projects reviewed. Similar observations were made in other transport and energy infrastructure projects, raising concerns about how the Bank and implementing entities have monitored the risk of unequal distribution of associated indirect costs affecting the local population/affected communities.

Land rights were another social equity issue raised by the PRAs. For example, in the "Scaling up energy access" project in Rwanda, negative impacts included permanent loss of residential and agricultural land belonging to private individuals. The project executing agency was to ensure that affected people are given advice and encouraged to secure another piece of land instead of using their financial

compensation on non-sustainable activities such as moving to cities without clear plans for finding employment. Another example is the Kiwu-Watt project, where 27 farmers were displaced, but in this case detailed data on compensatory measures were available. In Cameroon, the Ketta-Djoum road development project reported results including the displacement of about 600 households; according to the Project Evaluation Report “occupants are grouped into families and will be compensated by the government”.⁴⁸ The non-availability of the project completion reports and the concerns raised by the Report of the Advisory Ad-Hoc Compliance Audit of the Ketta-Djoum Road Development Project, published in June 2019, raises concerns about social equity and land rights.

Youth, children, elderly and ethnic minorities

The most common way PRA projects considered youth was to provide education (and specific scholarships) and employment opportunities at infrastructure construction sites and other project-related jobs (especially in road and WSS sector projects that were studied). The elderly was not mentioned in gender-related discussions/interventions in any of the projects except the “Scaling up Energy Access” project in Rwanda, where the elderly had been consulted as part of the Strategic Environmental Assessment (SEA). Ethnic minorities and indigenous groups were considered in fewer projects; one positive example was the PACEBCo project (Cameroon), which targeted indigenous minorities (pygmies). The evaluation team was not able to find reporting on trainings/awareness raising activities that were provided by projects in local languages; it was therefore not possible to assess the extent to which ethnic or other language minorities were included in project activities as compared to larger/dominant ethnic/language groups in target areas.

Inclusiveness from a regional perspective: inclusion of fragile states

The portfolio review showed that the Bank’s investments that mainstreamed GG-CC have focused on a relatively small number of RMCs that have experienced relatively stable political and economic development in the past decade. There are only very few investments that mainstreamed GG-CC in so-called fragile states. These can be considered as highly vulnerable to the impacts of CC due to lack of institutional capacity and financial/human resources to cope with shocks and stresses.

Lessons on Good Mainstreaming Practices from Other MDBs

Drawing from the evaluation’s benchmarking exercise that assessed and compared GG-CC mainstreaming approaches across multilateral development banks (MDBs), the evaluation identified good practices in mainstreaming GG and CC. The analysis looked at (i) the organisational and institutional arrangements for GG-CC within each MDB; (ii) the main policies and strategies related to GG-CC and the clarity and accuracy of concepts and objectives presented in them; (iii) how MDBs ensure their GG-CC investments are relevant to member countries; (iv) operational effectiveness: how MDBs mainstream CC (and GG) at the project design phase, in their M&E procedures, and how they report results; and (v) their respective GG-CC/environmental safeguard systems.

Comparing organisational and institutional arrangements for GG-CC in MDBs, the AfDB is the only MDB that associates GG with CC, a combination of concepts that is not encountered in the set-up of other MDBs. All MDBs have a sector-based structure and organisation. The World Bank (WB), the AfDB, the Asian Development Bank (AsDB) and the Inter-American Development Bank (IADB) all have a division for Climate Change (although the title varies – for example, the AsDB has a “Climate Change and Disaster Risk Management team”). Regarding the location of responsibility for environmental and social safeguards within the MDBs, currently, all MDBs except the WB appear to have a dedicated

safeguards division or team placed outside the main sectoral or geographic divisions. It seems to be important in MDB efforts to ensure that safeguards divisions are 'external' and that their work to ensure compliance with set safeguards criteria remains 'independent' of other executive or implementing bodies.

CC issues and mainstreaming appear to be the responsibility of a specific dedicated team or division within MDBs, while simultaneously a concern within all sectors; CC must be understood in all divisions/departments to be genuinely mainstreamed. In the AfDB, while the PEGC department is housed within the PEVP complex, it is responsible for mainstreaming GG-CC into all operational complexes of the Bank. While a specialist GG-CC division is needed to ensure specialist knowledge and effective mainstreaming actions, an organisational setup whereby the main responsibility for GG-CC mainstreaming is placed at a lower hierarchical level than the level where upstream planning decisions are made risks the loss of opportunity for effective mainstreaming. Therefore, placing the specialist GG-CC division as high up as possible in the organisational hierarchy is an efficient measure to maximise GG-CC mainstreaming efforts and ensure GG-CC considerations are applied in all aspects of the project cycle and in strategic planning and decision-making processes. This could also help ensure that GG-CC mainstreaming decisions, mandates and responsibilities are accompanied by the appropriate resources for their proper implementation, and horizontal and vertical coordination is well managed across the organisation.

The benchmarking found that good practices in policy work include: a) clear definitions and common understanding of visions, goals and actions, and b) updating strategies and action plans regularly, considering constantly changing circumstances, beneficiary countries' priorities and needs, increased knowledge about CC impacts and future projections, and global climate policies and agreements. CC strategies of all MDBs assume climate finance is limited and therefore priority sectors must be

identified. All MDBs share a common understanding of climate change challenges and share a similar strategic orientation: a dual focus on adaptation and mitigation interventions, with adaptation highlighted as particularly relevant for developing countries. Breaking this dual approach by finding win-win approaches and designing investments that promote both mitigation and adaptation might be crucial to obtaining benefits efficiently in the future, such as in the Bank's recently approved PIDACC project in West Africa.

On the relevance of GG-CC strategies to RMCs:

The specific GG-CC priorities of each RMC based on its NDC or national CC strategies need to be analysed and highlighted in CSPs. The evaluation's findings suggest that this analysis has not been done, as no analysis of this kind was cited in the CSPs reviewed. For climate change interventions to be relevant and effective in any country, in their key documentation, all MDBs recommend starting by conducting a country-level analysis to make sure that the interventions respond to the country's specific needs. Access to and use of relevant climate data in all initiatives is generally accepted across the MDBs. The AfDB has prepared a guidance document to mainstream GG-CC in CSPs, which is a good practice that needs to be reinforced with more specific guidelines on how to access and use climate data in country/sector analysis and project preparation.

Operational effectiveness (design, M&E, reporting):

On project design, the AfDB appears to be among the few MDBs developing practical tools to guide project design beyond a screening and safeguards checklist methodology. On results frameworks, the AfDB's high-level results framework includes GG-CC indicators at the outcome level, such as the share of the population with access to clean cooking solutions, and expected impacts, and "reduced vulnerability to the adverse impact of climate change and variability (adaptation)". However, the AfDB does not report on GG-CC results at the project level. Rather it provides an annual and per project calculation of anticipated or expected

GHG reduction. Among the MDBs, only the AsDB has a general results framework similar to the AfDB's. The European Investment Bank (EIB) applies carbon pricing to a project, which has the effect of penalising the economic performance of carbon-intensive projects and publishes both the absolute (or gross) and relative (or net) emissions for each of its projects.

Safeguards: All MDBs have safeguards systems in place. The AfDB's 2013 Integrated Safeguards System (ISS)⁴⁹ consists of four interrelated components: Environmental and Social Impact Assessment (ESIA); Environmental and Social Management Framework (ESMF); Environmental and Social Management Plan (ESMP); and Environmental and Social Management System (ESMS). Projects are categorised at an early stage of the assessment, with the category determining the level of investigation and the tools to be used. This is a good practice and in line with how other MDBs are conducting safeguard measures. The AfDB is one of the few MDBs that fully commits to Environmental and Social Safeguards Assessment within its core mandatory safeguards system.⁵⁰ The ISS Evaluation (2019) found that using Social and Environmental Safeguards Assessment for E&S medium- and high-risk sector PBOs could contribute to assisting countries to transition to green growth paths through sector reforms. In Morocco, the Bank played a key and valued role in providing CC/GG technical support to the Ouarzazate I Solar Power Station project, where the Bank's environmental and social requirements set high standards of compliance.

Lessons from Recent IDEV Evaluations

As part of this evaluation, a synthesis of recent IDEV evaluations was conducted to understand how and why the Bank's operations have resulted in certain outcomes and in what contexts these outcomes occur. The meta-evaluation elicited lessons on meeting operational challenges that apply to the Bank's ability to mainstream GG-CC.

Three key themes emerged from the review and are summarised below.

Use of resources and communication within the Bank: Previous evaluations have emphasised the importance of ensuring that adequate timeframes are allocated to accomplish the objectives of the operation or fund. Inadequate time and resourcing, given the level of complexity and needs, resulted in deficiencies in reporting and negatively impacted the quality of work.⁵¹ Understanding the scope of work and embedding capacity development across institutions and partners has shown effectiveness in knowledge management and implementation capacity at the national and sub-national level. Previous evaluations also recommended that the Bank begin launching discussions with other MDBs to jointly organise capacity building for staff of executing agencies of Bank-funded projects, the international and local consulting sector, national environment and land management regulatory agencies and civil society organisations, to support better resourcing and capacity of implementation partners and staff as resource constraints have been a widely cited issue across all sampled evaluations.⁵²

Need for more systematic use of robust monitoring, evaluation, and learning systems and theory of change: Improved reporting mechanisms on monitoring and evaluation as part of the data management systems of the Bank would lead to more credible results if there was more consistency or systematic use in Bank tools (e.g. E&S Safeguards). At present, there is limited availability of documentation on actual implementation of activities and measures agreed on during the project design stage or early impact assessments. This leaves assessment of actual implementation of the measures being evaluated heavily reliant on project approval documentation, limiting understanding of projects and being able to capture learning. Also, specific indicators tailored to the context of Africa to better capture economic activities will bring better light to progress on the transition to GG. The development of an integrated and/or automated information management system to accompany project systems would enhance

oversight of the Bank's activities, better inform strategic decisions and foster accountability.^{53,54}

Harmonization of policy and guidance from the Bank: With better alignment between policies and strategies across the Bank, there will be greater alignment in project objectives and design. Guidance and policy documents would also lead to enhanced project performance if there was complementarity between investments and integrated within legal and regulatory frameworks. For example, support for regional infrastructure projects as well as operations around value chains and financial integration.⁵⁵ Furthermore, if there was greater clarity on the

rules of engagement across co-financiers and stakeholders and greater coverage extended to all project-affected parties, there would be more clarity on project activities and better integration of key factors such as the political-economy of the region, while fostering better donor coordination when seeking complementarity with other projects/donors. The engagement with the private sector for example is presently limited and creates inconsistencies when harmonising project plans.^{56,57} ■



Challenges, Success Factors and Lessons

This section presents the challenges, success factors and lessons from the Bank's efforts of mainstreaming GG-CC into its interventions.

Challenges

There is a need for clarifying the Bank's Policy and Strategy on Inclusive Green Growth:

Evidence indicates there is a degree of fragmentation and blurred boundaries in the Bank's GG-CC policy and mainstreaming experiences, with a nebulous and inconsistent understanding of GG within RMCs (especially those with no national Green Growth policy) and by staff at the Bank. The Bank's Green Growth Framework and subsidiary documents are not seen as actionable or useable for mainstreaming or programming as they currently stand. The existing policies, strategies, and action plans do not clearly spell out the AfDB's understanding of the interrelation between GG and CC; the dual focus on GG and CC appears dissociated or disconnected in practice.⁵⁸ The OECD launched a green growth strategy in 2011 and provided a review of its track record in 2015.⁵⁹ The OECD recognised that pursuing GG is a work in progress and needs continual review and policy revision.

Inadequate system in place for classifying, and monitoring the Bank's projects that mainstream GG-CC for assessment and learning:

Completed projects funded by the Bank, included in IDEV's database compiled for this evaluation and selected for review, are not easily categorised as projects that mainstream GG-CC. The importance of classifying a project as a project that mainstreams GG-CC – in

full or with a component – means it can be singled out for assessment, or groups of projects can be assessed to learn from their implementation process or achievement of their outcomes and impacts. Properly categorised Bank projects provide the opportunity for monitoring and reporting on their anticipated outcomes, to learn from them, and to show impacts and benefits from the investment.

Lack of standardization of the Bank's measurement, reporting and verification system related to joint MDB climate finance reporting methods:

The MDB joint climate finance reporting methodology indicates the annual allocation of lending and grants to CC each fiscal year. The World Bank allocated 30% of its lending to CC in 2019; the EIB is at 25%, and the AfDB reported that 32% of its 2018 allocations went to climate finance. While the AfDB cooperates fully with this system, it also reports on the percentage of approved projects that are climate-informed at the project design stage - reporting 85% in 2018. Meanwhile, there is increasing pressure from various international fora for MDBs to standardise measurement, reporting and verification (MRV) systems. The AfDB may need to streamline and upgrade its reporting soon to new MRV standards. When it does, the current reporting system using internally defined criteria will need to change to comply with more rigorous and results-based (internally agreed, externally verified) reporting systems. While the Bank's safeguard systems and operations are well-established, it should be pointed out that active GG-CC mainstreaming is different from and has much more ambition than compliance with minimum environmental and social safeguards.

Success Factors

The following factors have been distilled through the evaluation process as key factors for the success and/or failure of mainstreaming GG-CC into the Bank's interventions:

More decentralised ownership of GG-CC mainstreaming achieves better results. While GG-CC expertise and specialist advice are needed to inform the Bank's operations, all units and individuals in the organisation benefit from being empowered and taking ownership of GG-CC mainstreaming in their own work and being delegated sufficient responsibility and resources to achieve targeted mainstreaming results. The Bank's decentralization of PEGG staff has had useful results so far in terms of RMC dialogue, CSP preparation, project development and occasionally project supervision.

Utilising the Bank's strategic sectoral advantage in each RMC context is a good basis for advancing policy and program interventions that mainstream GG-CC. Evaluation evidence is very clear that the Bank's most influential efforts have been most effective when its key sectoral strength in a country is also the primary sector for focusing its work on GG-CC. The Bank's aim is to become the 'go-to' partner of choice for RMCs on issues that pertain to GG-CC in sectors where the Bank has a high-level of engagement. In RMCs, such as Mozambique, the Bank has been able to play to its sectoral strengths and its strategic position in the agriculture and WSS sectors when working on new interventions that mainstream GG-CC. Continuing to engage on issues pertaining to GG-CC in key competency sectors through CSP cycles has been beneficial in deepening the Bank's GG-CC expertise and capacity within RMCs.

Learning from select RMCs about implementing their GG-CC vision enhances the Bank's capacity to strengthen policy and programs in other RMCs. Some RMCs like Rwanda are very forward-looking and innovative with respect to GG-CC. These RMCs provide the AfDB with a huge opportunity to

take on board lessons learned, and appropriately apply and replicate relevant tools, methods and approaches in other RMCs. While Bank partnerships with specialist GG-CC agencies have provided good opportunities for some RMCs, there is room for more Bank engagement with RMCs leading in mainstreaming GG-CC efforts. When Regional Offices have the opportunity to work with Country Office staff to strengthen policies and programs in an RMC, the use of lessons learned from leading RMCs is best done through peer-to-peer learning and building a community of practice.

Prioritizing GG-CC in CSPs and making strategic, concrete references to specific opportunities related to GG-CC in CSPs are extremely helpful to further interventions that mainstream GG-CC. GG-CC has become a Bank priority, but only recently in many countries, with evidence from the latest iteration of CSPs. It is growing as a strategic priority. While mainstreaming GG-CC means considering it in all operations/actions/decisions related to a given situation, it also means providing direction, defining tangible outcomes, and setting priorities. It will be increasingly important for GG-CC to be clearly referenced in the formulation of the CSP's key axis to avoid its relegation to the operational level. Where CC and GG references in CSPs are rhetorical, progress is hindered; where GG-CC references are strategic, concrete and specific they become sufficient to drive Bank interventions.

Climate-informed decision-making can become normalized in both project design and implementation. To date, the Bank's mainstreaming efforts have largely been focused on the project design phase and climate-screening proposals. This has impeded mainstreaming in a fuller way and the time is now right for the Bank to do more. When the Bank pays attention to the downstream, post-approval implementation of GG-CC outputs and outcomes, significantly more emphasis can be placed on attaining results. Also, more incremental GG-CC-informed implementation decisions can be made. Examples of these decisions include technology choices, procurement decisions, and project siting.

Guidelines and other requirements for green- and climate-informed implementation decisions enable Task Managers and implementing partners to be more proactive. Training on GG-CC at the local level on climate-informed decision-making increases the Country Office capacity to mainstream GG-CC during project implementation. The implementation that mainstreams GG-CC becomes normalized when CSPs and Bank projects include GG-CC targets, implementers have reporting requirements on GG-CC and monitoring of aspects related to GG-CC is consistent and prevalent.

Focusing on learning about GG-CC mainstreaming issues within the RMC context is imperative. There is evidence that lessons learned from the use of approaches and technologies in the GG-CC area, for example in the agricultural sector in Mozambique, are being leveraged to other projects within the same RMC. Sharing lessons and experience across projects and sharing among staff within a Bank-assisted Ministry or Department has the under-reported effect of lessons learned being adopted and applied.

Closer alignment of the Bank's green growth policies and strategy to the country context facilitates deeper understanding among Bank stakeholders in RMCs. There is strong evaluation evidence of inconsistent understanding of GG within the Bank and within RMCs, especially where RMCs lack a national Green Growth policy. This reality inhibits learning, inhibits the improvement of measures that pertain to GG-CC, and inhibits good decision-making.

Achieving inclusive Social and Environmental benefits through interventions that mainstream GG-CC maximizes effectiveness. Bank interventions are more effective if they more closely link social, economic, and environmental benefits for all stakeholders. Bank effectiveness increases when these links are clearly articulated in Bank project preparation/design documents, and explicitly used in implementation and reporting. Environmental and concerns related to GG-CC are closely linked

to effective growth and development and should be presented to gain traction from ministries, implementing agencies, project partners and final beneficiaries.

Lessons

The following key lessons have been highlighted for the Bank's future efforts of mainstreaming GG-CC into its interventions:

1. **Where specialized GG-CC units are located higher in an MDB's structure, GG-CC results are better achieved.** All MDBs have a specialist unit in charge of GG-CC, but its location in the organization hierarchy varies. The higher up in the organization the unit is located, the more effective it can be at seizing opportunities, influencing decisions and resource allocation, and increasing the effectiveness and efficiency of mainstreaming efforts.
2. **An increased role, capability and GG-CC expertise in Regional and Country Offices tends to enhance the performance of projects and non-lending interventions in the area of GG-CC.** Expert specialists who are well informed and up to date on programming matters that pertain to GG-CC have proven useful to build up the staff capacity of relevant Operational Units. Similarly, Country/Regional offices have benefitted considerably when PECG, the dedicated GG-CC unit, decentralized its staff to locations outside its physical HQ office. However, evaluation evidence shows that the knowledge and available resources on GG-CC within the Bank's Country Offices are insufficient. The demand for GG-CC expertise in the Bank remains high as the focus on GG-CC grows – with demand especially high at the regional and country level. Where GG-CC experts have been available, they have catalysed positive processes and results related to CSPs and project interventions. There is a strong recognition that the Bank's capacity must be sufficient and capable (at the Country and Regional Offices

level) to maximise the project results throughout implementation and reporting, and to work closely with RMC departments and agencies on implementing initiatives that mainstream GG-CC. Improved knowledge products from the Bank – tailored for active context-specific learning by Bank staff involved in project preparation, design, implementation and reporting – are urgently needed to complement augmented staff capacity in regional and country offices. Excellent monitoring and reporting capacity on indicators and targets that mainstream GG-CC is essential in regional and country offices if the Bank's mandate to PEEG is extended to include enhanced project implementation monitoring and reporting and enhanced RMC dialogue on GG-CC policy and programs.

3. Monitoring and measuring the Bank's achievement of GG-CC results is essential to ensuring that its intentions and its approved intervention designs that mainstream GG-CC are being implemented. While GG-CC screening is applied to AfDB projects during the design process, before approval, there are no formal mechanisms and structures to ensure considerations focusing on GG-CC are closely monitored during the implementation of projects. GHG mitigation measures are not sufficiently embraced during project implementation for expected emissions reductions to be achieved; CC adaptation measures are not sufficiently integrated into project implementation for adaptation and resilience outcomes to be adequately achieved. Results obtained in terms of GG-CC by government and Bank actions are both poorly monitored and measured. ■

Conclusion and Recommendations

Conclusion

This evaluation highlights lessons and recommendations to support the Bank to be increasingly effective at mainstreaming its own principles of GG and CC in its policies, strategies and operations. This evaluation also acknowledges the complexities in Africa about the multitude of contexts across its 54 RMCs as well as the difficulties of reconciling climate change targets amidst economic and political constraints.

The Bank did well in mainstreaming GG-CC in its policies, strategies and operations during design. Over the 10-year period, most notably from 2015 onward with the revisions to strategy, policy, and operations, there has been a clear progression within the Bank, increasing the mainstreaming of GG-CC across its operational departments and projects with RMCs. As strategies and frameworks – such as CSPs, RISPs, TYS, CCAP, and RMF – have been updated and revised periodically, there is a clear progression in acknowledging and explicitly mentioning GG-CC as one of the important cross-cutting issues to be addressed as Africa continues to rapidly evolve and develop. However, GG-CC references in CSPs, RISPs, Bank programs and sector policies have been implemented in a limited way, largely due to capacity constraints at country level.

Overall, the Bank has demonstrated its commitment and leadership in pushing the climate agenda forward across the region through a dedicated department whose mandate is to mainstream GG-CC at the operational level and there is a strong

proclivity from the Bank to be at the forefront of change across the region and present itself as a key actor for supporting CC policy and CC interventions. While there has been a shift in Bank strategies and policies to integrate GG-CC, project implementation ought to be further improved through the inclusion of clear expectations and measurable targets for suppliers and task managers. Clear expectations and measurable targets ought to be outlined as well in strategies at regional, country, sectoral, and Bank policy-level. Evidence of uptake and adoption of these measures would strengthen strategic thinking and the development of more 'actionable' products.

Nevertheless, the Bank can further strengthen its position and more effectively execute its strategies by devising clear pathways of change through a revision and update of the strategic-level theory of change with alignment to results indicators. Project implementation ought to be further improved through the inclusion of clear expectations and measurable targets for suppliers and task managers. Clear expectations and measurable targets ought to be outlined as well in strategies at regional, country, sectoral, and Bank policy-level. Evidence of uptake and adoption of these measures will be strengthened with further resources to execute strategic thinking and develop more 'actionable' products.

Targets for climate finance and climate screening have been integrated into project design phases, creating CC dialogue between operational staff and documenting and mitigating climate risks resulting from projects. Given the limited resources available to address such a complex issue, it is essential to

find the right balance between the development of ambitious policy objectives, while ensuring that the support is both internally coherent and externally complementary to the support of other donors. This also means potentially re-defining what a project which targets GG-CC means and creating specific standards that clearly articulate the principles of the Bank's strategies (e.g. GHG emission targets for projects). Among other donors and multilateral development banks with strong influence and interest in addressing the negative impacts of climate change, the Bank has a critical role in influencing policy and delivering discernible results in its RMCs. Over the 2008-2018 period, the Bank has presented itself as a key institutional actor in the region with the capacity to influence policy and engender transformative change. This proven ability and willingness to substantively engage with GG-CC mainstreaming over a decade have provided a solid platform from which the Bank can further integrate GG-CC within its policies, strategies and projects.

Recommendations

IDEV makes the following recommendations:

1. **Locate the department responsible for GG-CC appropriately in the Bank's hierarchy, so that it provides overall strategic oversight and guidance for all GG-CC activities, including responsibility for appropriate targets that are cascaded throughout the institution.** Priority actions include: i) engaging equally well with all operational complexes; ii) ensuring that the Bank's climate finance target is shared across complexes and regional delivery units; and iii) making GG-CC mainstreaming a mandatory process for project appraisal, similar to the E&SS disclosure requirement. This will enhance the unit's efforts to maximise upstream influence on strategic planning and decision-making, to increase the efficiency and effectiveness of GG-CC mainstreaming, and to support RMCs that are implementing NDC action plans and projects.
2. **Strengthen the technical and institutional capacities of the Bank's GG-CC specialised unit, PECO, to provide quality and timely hands-on support to the Bank's Regional and Country offices for effective GG-CC mainstreaming throughout the project cycle.**
3. **Establish a clear theory of change (in particular for GG, but also CC), and an integrated GG-CC results framework, with clear definitions that follow the recently strengthened and agreed GG-CC definitions of MDBs.** Despite the Bank having a definition of inclusive GG within its GG Framework, the meaning of the concept has not been mainstreamed across interventions and remains vague in GG-CC mainstreaming guidance notes. This creates inconsistencies in project design and implementation. Consistent concepts across all strategies and policy documents, with more 'actionable' items in accordance with country NDC targets, will help clarify what an 'inclusive green growth' compliant project is, and assist in improved monitoring and evaluation of GG and CC investments. A clearer understanding of GG and CC concepts, together with tools for users, knowledge products, learning processes and results indicators, will enable improved project implementation.
4. **Clarify focus areas for GG-CC interventions for the AfDB that appropriately consider the Bank's comparative advantage and the expertise across sectors.** This will help deliver dynamic support services to RMCs on issues pertaining to GG-CC, and its wider mandate related to the project cycle. Further consideration could be given to PECO establishing a special fund/facility that is resourced internally to support early-stage studies, technical assistance and/or business development for projects with the potential to attract external climate finance.
5. **Put in place adequate mechanisms to monitor and track GG-CC results throughout the project cycle, to (i) promote continued attention for GG-CC during project implementation,**

(ii) enable the Bank to address potential barriers to the uptake and effectiveness of GG-CC mainstreaming, and (iii) improve reporting on the results achieved. To this end, the Bank could consider establishing and maintain a database of Bank projects that mainstream GG-CC into their designs. Such a database, with a tracking system with measurable output, outcome, and impact indicators to track

climate change and green growth activities (at both the Bank and project-level), could be used as an evidence-base for the measurement and reporting of progress throughout the project cycle. This promotes project implementation in line with their GG-CC-mainstreamed designs and enables the Bank to course-correct to address potential challenges to GG-CC mainstreaming as necessary. ■



Annexes

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Technical Annexes

The Technical Annexes can be found on the following page:

<https://idev.afdb.org/en/document/evaluation-mainstreaming-green-growth-and-climate-change-afdb-interventions>

1. Methodological Notes
2. AfDB Green Growth and Climate Change Intervention Logic (Results Chain)
3. List of Green Growth and Climate Change Key Indicators
4. Simplified Evaluation Matrix
5. Project Scorecards and Scoring Approach
6. Summary Table of 20 PRAs and Key GG-CC Considerations
7. Timeline of AfDB GG-CC Activities

Endnotes

- 1 The project cluster evaluation is being distributed to the Board and published alongside this summary report, to support and complement it.
- 2 African Development Bank (2019) 'Africa Green Growth Readiness Assessment', (November).
- 3 Twerefou, D.Kwabena, Adjei-Mantey, K. & Strzepek, N.L. (2014) The Economic Impact of Climate Change on Road Infrastructure in Sub-Saharan Africa Countries: Evidence from Ghana. WIDER Working Paper 2014/032. Helsinki: UNU-WIDER.
- 4 Niang, I., Ruppel, O. C., Abdrabo, M. A., Dube, P., Leary, N., Schulte-Uebbing, L., Field, C., Dokken, D., Mach, K., Bilir, T., Chatterjee, M., Ebi, K., Estrada, Y., Genova, R., Girma, B., Kissel, E., & Levy, A. (n.d.). Katrien Descheemaeker (Netherlands), Houria Djoudi (Algeria), Kristie L. Ebi (USA), Papa Demba Fall (Senegal), Ricardo Fuentes (Mexico), Rebecca Garland (South Africa). In Aissa Toure Sarr. Pieter Pauw.
- 5 African Development Bank (2017) 'African Development Bank Group: Bank Group's Results Measurement Framework (RMF) 2016-2025', (April).
- 6 <https://www.afdb.org/en/news-and-events/cop24-progress-on-article-6-of-the-paris-agreement-18754>.
- 7 MCED 2005 - Final Summary (no date). Available at: <https://enb.iisd.org/crs/mced/sdvol106num1e.html> (Accessed: 8 May 2020).
- 8 Ibid.
- 9 <https://www.un.org/millenniumgoals>
- 10 Ibid.
- 11 UNDESA (2012) A guidebook to the Green Economy Issue 1L Green Economy, Green Growth, and Low-Carbon Development - history, definition s and a guide to recent publications. doi: 10.1017/CBO9781107415324.004.
- 12 African Development Bank (2015) 'Transitioning towards Green Growth. A Framework for the African Development Bank', p. 1.
- 13 Australian Academy of Sciences, <https://www.science.org.au/learning/general-audience/science-climate-change/1-what-is-climate-change>.
- 14 Our Strategy | African Development Bank - Building today, a better Africa tomorrow (no date). Available at: <https://www.afdb.org/en/topics-and-sectors/sectors/climate-change/our-strategy> (Accessed: 9 May 2020).
- 15 Rogers, P. J., & Weiss, C. H. (2007). Theory-based evaluation: Reflections ten years on: Theory-based evaluation: Past, present, and future. *New directions for evaluation*, 2007(114), 63-81. Mayne, J. (2015). Useful theory of change models. *Canadian J Program Eval*, 2, 119-42.
- 16 Country case studies took place in Rwanda, Senegal, Morocco, and Mozambique in September- October 2019. Following the validation workshop in December 2019 with the evaluation team and reference group, the CCS building block activities were extended to include a country in Central Africa (Cameroon) and this was integrated into previously submitted reports.
- 17 The project cluster evaluation is being distributed to the Board and published alongside this summary report, to support and complement it.
- 18 An additional case study country was added in February 2020 to include a country in Central Africa (Cameroon), as per the request/suggestion of a member of the evaluation reference group. IDEV management allocated additional resources to ensure that Central Africa Region could be integrated into the findings and synthesis of the evaluation.
- 19 PEGC's summary report on the 2011-2015 CCAP highlighted having raised awareness about climate risks in Bank operations and framing of the Bank's 10 Year Strategy; approval of 240 projects with climate relevant components estimated at USD 12 billion (76% GHG mitigation; 24% adaptation) and use of the MDB climate finance tracking methodology; screening of 70% of the Bank's projects and making inputs to their design for reduced impact and vulnerability, plus recommendations to improve their implementation and management; green bond investing in 14 projects to reduce GHG emissions by 7 million tons of CO₂; and development of partnerships to enable RMCs to meet CC challenges.
- 20 PEGC Annual Report, 2018.
- 21 PEGC has indicated that access to GEF and GCF are essential for enabling the Bank to deliver its mandate of supporting quality growth in Africa. Meanwhile the AfDB was accredited in 2016 to the GCF for access to funding of large projects, above USD 250 million. GCF documents indicate that the AfDB has been successful in obtaining GCF approval for 4 projects (1 in each of 4 RMCs), and a 5th – a multi-country project in West Africa-PIDACC, with a total value of US\$536.2 million (US\$300.0 for mitigation, USD235.5 for cross-cutting). See: www.greenclimate.fund/ae/afdb
- 22 Reported in PEGC's 2018 Annual Report, dated 2019.
- 23 PEGC also reported to the Bank's Board of Directors in Sept. 2019 that 80% of operations (128 projects) in ADF countries are informed by GG-CC considerations.
- 24 Suggestions from stakeholders included stronger definitions of and targets for green growth projects and non-lending activities in areas such as: biodiversity enhancement, desertification mitigation, housing, public sector management, human development and livelihoods, sustainable agriculture, sustainable forestry and forest management, sustainable fisheries sectors, sustainable mining, transportation including urban transportation, waste management, waste-to-energy, water and wastewater processing.
- 25 PEGC's summary report on the 2011-2015 CCAP highlighted having raised awareness about climate risks in Bank operations and framing of the Bank's 10 Year Strategy; approval of 240 projects with climate relevant components estimated at USD 12 billion (76% GHG mitigation; 24% adaptation) and use of the MDB climate finance tracking methodology; screening of 70% of the Bank's projects and making inputs to their design for reduced impact and vulnerability, plus recommendations to improve their implementation and management; green bond investing in 14 projects to reduce GHG emissions by 7 million tons of CO₂; and development of partnerships to enable RMCs to meet CC challenges.
- 26 PEGC Annual Report, 2018.

- 27 The 'Joint MDB Methodology' is a set of methodologies uniformly applied to the collection and reporting of data and statistics, developed jointly by the MDBs for their portfolios. MDBs, including the AfDB, report on climate finance, which is the tally of financial resources (own-account and MDB-managed external resources) committed by MDBs to development operations and components thereof which enable activities that mitigate climate change and support adaptation to climate change in developing and emerging economies.
- 28 The AfDB has reported through MDB joint reporting that it has allocated the following to climate finance: USD 1,639 billion (2011), USD 2,220 billion (2012), USD 1,205 billion (2013), USD 1,916 billion (2014), USD 1,359 billion (2015), USD 1,061 billion (2016), USD 2,347 billion (2017) and USD 3,272 billion (2018), with the Bank allocating 32% of approvals to climate finance in 2018.
- 29 The 2020 performance data will be available in 2021 or 2022.
- 30 Transitioning towards Green Growth: A Framework for the African Development Bank." (2014) and AfDB GGF Annex-Green_Growth_Sector_Guidance_Notes-09_2014.
- 31 See Slide 40 in PEGG presentation to the AfDB Board of Directors, Technical Board Seminar, Sept 13, 2019.
- 32 Green Procurement is defined as the purchasing of products that provide environmental and related socioeconomic benefits. Source: Comprehensive Review of the AfDB's Procurement Policies and Procedures, Summary of Literature on Sustainable/ Green Public Procurement, African Development Bank/ African Development Fund (2014).
- 33 Sustainable Procurement Buyers and Suppliers Guide for Corporate Procurement (no date). <https://www.afdb.org/en/about-us/corporate-procurement/forms-documents>.
- 34 Response from Bank-level stakeholders following Validation workshop, Dec 2019.
- 35 See: gggi.org
- 36 From interview with FONERWA during Rwanda case study mission.
- 37 Kenya, Mozambique, Namibia, Rwanda, Seychelles, South Africa, Uganda, and Zimbabwe.
- 38 African Development Bank. (2016). Mozambique: Country Case Study for the Comprehensive Evaluation of the Bank's Development Results 2004-2013, Summary Report.
- 39 Data from PEGG Department, during evaluation team's validation workshop conducted in December 2019.
- 40 Methodological note on the development of the Green growth and Climate change portfolio at the Bank" (IDEV, 2018).
- 41 Note that these numbers exclude multinational projects.
- 42 Projects at early stages of implementation or terminated during 2008-2018, were excluded from the evaluation team's sampling.
- 43 Financial sustainability refers to whether the future financing of a given activity was included in an exit strategy; whether the interventions planned to continue after the end of the project lifetime were financially sustained/self-sustaining or otherwise sustainability funded at the end of the project.
- 44 Institutional sustainability refers to the systems, institutions, policies and procedures at the local level that need to be in place and function after the end of the project to support the continued impact of the project. With institutional sustainability, end users, beneficiaries, authorities and service providers at the local/national level have clear roles, tasks and responsibilities, and are capable of fulfilling these roles effectively.
- 45 In Morocco, in the 10th drinking water project for example, it did not emerge from the project documents that women or youth were particularly consulted during the design and implementation of the project and the documents' reflection on how results could be considered to benefit women was ambiguous: "Improved access to drinking water and energy will help to enhance the integration of women into Morocco's economic and social development. --- Regular energy supply will make it possible for women to develop new lucrative economic activities. The expected indirect effect is that the social development study and local development plan will yield results that will also benefit women". The project could have generated more meaningful lessons by looking into effects on women and youth in more depth and detail
- 46 The sample of 20 PRA projects include projects where gender dimensions were thoroughly discussed in appraisal documents and project plans, but actual reporting on how gender targets were reached was less evident in completion reports (for example the CASL project in Senegal). The WSS project in Niassa, Mozambique, did not include a clear reporting system on gender, still gender dimensions were given systematic attention throughout implementation and were discussed in end reports. Yet other projects, such as the PACEBCo project in Cameroon, had built in strong gender inclusivity aspects in their project designs and developed gender specific indicators, but due to incomplete realisation of core project outcomes, the results in terms of e.g. new livelihood opportunities for women did not materialise as planned.
- 47 Exemplifying excerpt of the Massingir Dam Emergency Rehabilitation Project (Mozambique) PAR document: "Moreover, the following activities that benefit women both socially and economically would be affected as follows: (i) a total of 7,190 people live in villages close to the dam directly benefiting from water supplied from the dam, of which 55% are women; (ii) there are 550 fisher-folks, 167 of them women, who use the dam for fishing purposes; (iii) forty percent of the farmers involved in irrigation in the project's catchment area are women. About 3,000 women are located in the Xai-Xai area alone."
- 48 The cost of resettlement of the project affected persons (PAP), which was to be financed by the Government of Cameroon, estimated at UA 1.29 million, was a condition for the Bank to grant the loan to the Government. The loan conditions defined in the Project Implementation Report were not complied with: social and environmental safeguards were prerequisites for the receipt of disbursements, but according to the Report of the Ad-Hoc Advisory Audit of the Pre-established Compliance of the Ketta-Djoum Road Improvement Project - Phase 1 in Cameroon, issued in June 2019, disbursements were paid even though the conditions were not met.
- 49 The ISS was evaluated in 2019. See the Evaluation of the AfDB's Integrated Safeguard System (ISS) prepared by IDEV, September 2019 (<https://idev.afdb.org/en/document/evaluation-banks-integrated-safeguards-system>).
- 50 Ibid.
- 51 African Development Bank (2019) 'IDEV Synthesis report ISS Evaluation July 31'.

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- 52 ISS, 2019; CBFF, 2017; CIF, 2014; MTR of TYS, 2018.
- 53 'Evaluation of the Quality at Entry of the African Development Bank Group's Operations', (October 2018).
- 54 African Development Bank (2019) 'Independent Evaluation of the Implementation of the Development and Business Delivery Model of AfDB'.
- 55 'West Africa Regional Integration Strategy Paper Completion Report Validation Note' (2019).
- 56 Independent Development Evaluation (2016) 'Addressing Regional Integration Challenges in Central Africa: Evaluation of the Regional Integration Strategy and Operations of the African Development Bank, 2011-2016', p. 100.
- 57 Independent Development Evaluation (2017) 'Independent Evaluation of the African Development Bank's Regional Integration Strategy Paper for Eastern Africa', (February).
- 58 While the AfDB was among the first two MDBs to adopt a Climate Change Strategy (2011), it is the only MDB to give central importance to the concept of green growth.
- 59 Toward Green Growth? Tracking progress. See: https://read.oecd-ilibrary.org/environment/towards-green-growth_9789264234437-en#page4



IDEV

Independent Development Evaluation
African Development Bank



About this evaluation

This evaluation of mainstreaming Green Growth (GG) and Climate Change (CC) into the AfDB's interventions between 2008 and 2018 considered all types of intervention: policies, strategies, guidelines, tools, action plans, and lending and non-lending operations in both the public and private sectors. It covers a total portfolio of 873 projects worth UA 30.4 billion. The evaluation examined how well the Bank has mainstreamed GG-CC into its interventions, and how well Bank-funded projects that mainstream GG-CC have performed in terms of relevance, effectiveness, efficiency and sustainability.

The evaluation found that GG-CC mainstreaming efforts have become increasingly evident in recent years. The Bank does well in mainstreaming GG-CC in its interventions during design, but implementation remains limited. Attention to measures that consider GG-CC was found to dissipate during project implementation, mainly due to capacity constraints at the country level. Measurement of progress during implementation, as well as coordinated cross-sectoral action, could be improved.

While the relevance of the 20 projects selected for in-depth analysis was found satisfactory, their effectiveness, efficiency and sustainability were deemed unsatisfactory.

The evaluation recommended, among others, to strengthen the Bank's technical and institutional capacities, to establish a clear theory of change and results framework, and to put in place adequate mechanisms to monitor and track GG-CC results throughout the project cycle.



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