Funding Proposal

FP313: The Africa Sovereign Climate Facility (“ASCF”)

Angola, Benin, Cote d'Ivoire, Nigeria | Africa Finance Corporation (AFC) | Decision B.46/04

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Note to Accredited Entities on the use of the funding proposal template

- Accredited Entities should provide summary information in the proposal with cross-reference to annexes such as feasibility studies, gender action plan, term sheet, etc.
- Accredited Entities should ensure that annexes provided are consistent with the details provided in the funding proposal. Updates to the funding proposal and/or annexes must be reflected in all relevant documents.
- The total number of pages for the funding proposal (excluding annexes) **should not exceed 60**. Proposals exceeding the prescribed length will not be assessed within the usual service standard time.
- The recommended font is Arial, size 11.
- Under the GCF Information Disclosure Policy, project and programme funding proposals will be disclosed on the GCF website, simultaneous with the submission to the Board, subject to the redaction of any information that may not be disclosed pursuant to the IDP. Accredited Entities are asked to fill out information on disclosure in section G.4.

Please submit the completed proposal to:

fundingproposal@gcfund.org

Please use the following name convention for the file name:

"FP-[Accredited Entity Short Name]-[Country/Region]-[YYYY/MM/DD]"

A. PROJECT/PROGRAMME SUMMARY				
A.1. Project or programme	Programme	**A.2. Public or private sector**	Public	
A.3. Request for Proposals (RFP)	Not applicable			
A.4. Result area(s)			**GCF contribution**	**Co-financers' contribution[1]**
	Mitigation total		52.94%	41.9 %
	☒ Energy generation and access		52.94%	41.9%
	☐ Low-emission transport		0 %	0 %
	☐ Buildings, cities, industries and appliances		0 %	0 %
	☐ Forestry and land use		0 %	0 %
	Adaptation total		47.06 %	58.1 %
	☐ Most vulnerable people and communities		0 %	0 %
	☒ Health and well-being, and food and water security		20.81%	28.25%
	☒ Infrastructure and built environment		26.25 %	29.85%
	☐ Ecosystems and ecosystem services		0 %	0 %
A.5. Expected mitigation outcome *(Core indicator 1: GHG emissions reduced, avoided or removed / sequestered)*	3,415,433 tCO_2e over total lifespan of the Programme[2]	**A.6. Expected adaptation outcome** *(Core indicator 2: direct and indirect beneficiaries reached)*	Indicate total number of direct and indirect beneficiaries: 4,506,169	
			Number of direct beneficiaries: 1,882,307	Number of indirect beneficiaries: 2,623,862
			Percentage of direct beneficiaries vis-à-vis total population: 2.30%	Percentage of indirect beneficiaries vis-à-vis total population: 3.2%
A.7. Total financing (GCF + co-finance)	USD 270,000,000[3] EUR 361,570,247[4] (USD 420,000,000)	**A.9. Project size**	Large (Over USD 250 million)	
A.8. Total GCF funding requested	USD 140,000,000			

[1] Co-financer's contribution means the Accredited Entity and the Third-Party Lender's contribution to implement the programme described in the funding proposal.

[2] The total lifespan of the programme is defined as the maximum number of years over which the outcomes of the investment are expected to be effective. This is different from the programme implementation period.

[3] The current financing request assumes an initial facility size of USD 285m for CIV and USD 135m each for Angola Benin and Nigeria. However, the Program envisions a facility amount of up to USD 305m per country, which will be structured as an initial facility amount of USD 135m plus an accordion amount of USD170m per country (Noting the exception of CIV which will have an initial facility amount of USD 285m) – of which only an average of USD 10m per country is expected from the GCF. On this basis, the AE intends to return to a subsequent GCF board for approval, once a substantial portion of the initial facility is fully allocated, for the accordion amount of USD 40m, increasing the total programme size from USD 690m to USD 1,220m

[4] EUR/USD rate of 1.1616 as of December 2nd, 2025, sourced from Bloomberg

	EUR 120,523,416 (USD 140,000,000)		

A.10. Financial instrument(s) requested for the GCF funding	☒ Grant USD 10,000,000 + EUR 8,608,815 (USD 10,000,000) ☒ Loan USD 130,000,000 + EUR 111,914,601 (USD 130,000,000) ☐ Guarantee Not applicable		☐ Equity Not applicable ☐ Results-based payment Not applicable
A.11. Implementation period	4 years	**A.12. Total lifespan**	20 - 40 years
A.13. Expected date of AE internal approval	12/6/2026	**A.14. ESS category**	I-1
A.15. Has this FP been submitted as a CN before?	Yes ☒ No ☐	**A.16. Has Readiness or PPF support been used to prepare this FP?**	Yes ☐ No ☒
A.17. Is this FP included in the entity work programme?	Yes ☐ No ☒	**A.18. Is this FP included in the country programme?**	Yes ☐ No ☒
A.19. Complementarity and coherence	Yes ☒ No ☐		

A.20. Executing Entity information

AFC, the Accredited Entity, will also serve as the Executing Entity (EE) for the grant, Component 1 (climate mainstreaming and institutional strengthening), which will be used in implementing activities across all focus countries.

For Component 2, it is expected that the primary Executing Entities will be the respective Ministries of Finance for each of the focus countries under the Program – as the legal borrower under the financing agreements. However, given the nature of the underlying projects and the organizational structure of public sector institutions, the Ministries of Finance will work closely with the respective Ministries that are in charge of executing and overseeing the various projects. Under this structure, AFC will work with each Ministry of Finance (four in total) as the primary EE, with co-EEs for each project. For example, where the project falls under the purview of the Ministry of Agriculture or the Ministry of Power, the AE will work closely with the Ministries of Finance and Agriculture/ Power.

The following table outlines the primary EEs and possible Co-EEs per country:

Country	**Primary Executing Entity (EE)**	**Possible Co-Executing Entities[5]**
Angola	Ministry of Finance	• Ministry of Agriculture and Rural Development • Ministry of Energy and Water • Ministry of Public works
Benin	Ministry of Economy and Finance	• Ministry of Energy • Ministry of Agriculture, Livestock and Fisheries • Ministry of Infrastructure & Transport • Ministry of Water & Mines
CIV	Ministry of Finance and Budget	• Ministry of Agriculture, Rural Development and Food Production • Ministry of Water & Forests • Ministry of Construction, Housing & Urban Planning • Ministry of Mines, Petroleum & Energy
Nigeria	Federal Ministry of Finance	• Federal Ministry of Power • Federal Ministry of Water Resources • Federal Ministry of Agriculture & Food Security • Federal Ministry of Works

[5] The definitive names of Co-Executing Entities will depend on the final project list. The current table lists the possible Co-EE's per the indicative project list. All Co-EEs are, however, expected to either be government ministries or state-owned entities.

A.21. Executive summary

Africa is facing intensifying climate change challenges that significantly threaten its economic development and social resilience. While climate impacts vary by region, common issues such as rising temperatures, erratic rainfall, and more frequent extreme weather events are undermining livelihoods, deepening poverty, and reversing development gains. The urgency is particularly acute in climate-sensitive sectors such as agriculture, energy, and infrastructure. Given the continent's rapid population growth and urbanisation, climate change poses escalating risks to already stressed systems.

The Africa Sovereign Climate Facility (ASCF) Programme responds to this crisis by promoting transformative, country-led climate actions. Phase 1 (this Funding Proposal) targets four initial focus countries: Angola, Benin, Côte d'Ivoire, and Nigeria that have rising GHG emissions, a significant gap in infrastructure development, and high vulnerability to climate change, showing a strong opportunity to shift to low-carbon, climate-resilient infrastructure and practices. These four countries would likely be followed in a second phase of the ASCF Programme, currently under planning, which is expected to include the Democratic Republic of Congo (DRC), Cameroon, South Africa and Botswana. ASCF is a timely intervention providing an integrated package of technical assistance, capacity building, and large-scale blended finance to embed climate resilience and low-carbon development into national planning, with a view to accelerate the implementation of the countries' Nationally Determined Contributions (NDCs).

The ASCF Programme is crosscutting in nature – targeting one mitigation result area (MRA1: Energy generation and access) and 2 adaptation result areas (ARA2: Health and well-being, and food and water security, and ARA3: Infrastructure and built environment) as determined per the illustrative pipeline of projects from the target countries. This pipeline may continue to evolve; however, all projects funded under the Programme will remain subject to its eligibility criteria. The Programme consists of eight activities structured under two components:

Component 1: Climate Mainstreaming and Institutional Strengthening for Sovereign Investment Transformation

Activity 1.1.1: Climate Eligibility Alignment and Investment Pipeline Refinement. The Activity will support Ministries of Finance in participating governments to conduct sovereign-level assessments and prioritization of climate-relevant investments within national infrastructure pipelines, aligning them with climate objectives and climate finance eligibility criteria to enable access to concessional financing.

Activity 1.1.2: Strategic Investment Structuring. This will support the preparation of prioritized climate investments to full investment-ready projects by verifying alignment with programme eligibility criteria and financing comprehensive feasibility and structuring packages, including technical, financial, environmental, and social analyses, as well as innovative delivery models. This activity will ensure that sovereign climate projects are technically sound, financially viable, climate-aligned, de-risked, and compliant with applicable safeguard standards prior to AFC committing capital.

Activity 1.2.1: Sovereign Capacity Building and Climate Mainstreaming into Macroeconomic Frameworks. This Activity will support participating countries to institutionalize climate integration within sovereign systems by embedding climate risks and opportunities into macroeconomic and fiscal planning, strengthening national MRV and evaluation systems, and building institutional capacity to sustain climate mainstreaming within national investment frameworks. This activity will reinforce sovereign ownership and establish the foundation for long-term climate-responsive economic planning and predictable climate investment pipelines.

Component 2: Investment and Project Execution Activities

Activity 2.1.1: Finance the execution of efficient, reliable energy transmission, distribution and storage. The Programme will fund i) transmission and distribution infrastructure such as renewable energy evacuation lines, grid reinforcement to integrate renewables, loss reduction programme, smart grid infrastructure; and ii) energy storage such as battery storage (grid-scale, mini-grid, distributed), pumped hydro storage (no new large reservoirs), thermal storage, and managed EV charging and Vehicle-to-Grid (V2G) systems.

Activity 2.1.2: Finance the execution of reconfiguring food systems. Climate-resilient agriculture will be advanced through index-based agricultural insurance, climate-resilient crop systems, irrigation modernization, agroforestry and soil restoration, and agricultural value chain resilience.

Activity 2.1.3: Finance the integration of water management – protection from water-related disasters, preservation of water resources and enhanced resilient water supply and sanitation services. The Programme will fund flood management infrastructure, drought resilience systems, urban drainage and stormwater management, coastal protection and erosion control, and water governance and hydromet systems.

Activity 2.1.4: Finance access to modern renewable energy. The Programme will fund i) on-grid and off-grid renewable energy generation, including solar PV (utility-scale, C&I, rooftop, mini-grid, solar home systems), wind (onshore), small-scale hydropower (no large reservoir creation), geothermal, sustainable bioenergy (subject to safeguards); ii) demand-side energy efficiency and digitalization, including smart meters (with demand response programme), demand response systems, load management systems, energy management platforms for commercial, industrial or utility users; iii) methane capture and waste-to-energy, including landfill methane capture, agricultural waste methane capture, and waste biogas systems.

Activity 2.1.5: Finance the execution of climate-resilient Infrastructure. The Programme will fund projects in the areas of climate-resilient energy infrastructure, and climate-resilient industrial zones and public buildings (e.g. schools and hospitals).

With the implementation of these activities, the Programme is expected to achieve the following two climate-related outcomes:

Outcome 1: Substantive shift towards attaining the adaptation objectives of the Nationally Determined Contributions (NDCs) of multiple countries through strengthened adaptive capacity and reduced exposure to climate risks, improved management of agricultural areas contributing to emissions reduction, and the development of climate-indexed insurance markets and climate resilient agricultural practices.

Outcome 2: Substantive shift towards attaining the mitigation objectives of the NDCs of multiple countries through increased number of low-emission power suppliers while simultaneously decreasing high carbon activities.

With a total financing amount of USD 690 million, the ASCF Programme is anticipated to reduce GHG emissions by 3.4 million tCO_2eq over its lifespan of 20 years for Angola and Benin and 40 years for Côte d'Ivoire and Nigeria and reach 1.9 million direct beneficiaries and 2.6 million indirect beneficiaries in the four focus countries in Phase 1 of this Programme. Phase 2 of the ASCF Programme, currently planned to include four additional countries, could lead towards additional financing in climate mitigation and adaptation over the two phases and across the three target results areas (MRA1, ARA2, ARA3).

The ASCF Programme presents a scalable and replicable model for regional climate action. By aligning investment with institutional reform and capacity building, the Programme will enable transformative climate action that enhances climate resilience, low-carbon emissions and supports the delivery of national and international climate commitments.

The Programme's capacity to mobilise additional concessional and commercial capital is already demonstrated in practice through the first-phase co-financing arrangement developed for one of the four participating countries, CIV. For CIV, a contribution of USD 71.5 million from the GCF and USD 58.5 million from the AFC have, in combination, enabled the identification of a further USD 150 million in additional concessional co-financing from an additional climate finance fund — bringing total financing available to that country to USD 280 million. On this basis, each dollar of GCF concessional financing mobilised approximately USD 2.9 of additional capital, and the total facility value represents close to four times the GCF contribution alone. This test case illustrates, in a single country, the same scalability and mobilisation dynamic the Programme is designed to replicate across its remaining participants as country-level co-financing arrangements mature.

Country	No-objection letter	Estimated GCF funding allocation (USD)	Estimated GCF funding allocation	Estimated co-financing allocation (USD)	Estimated co-financing allocation
Angola	Yes	58,500,000	22.5%	71,500,000	17.4%
Benin	Yes	58,500,000	22.5%	71,500,000	17.4%
Cote d'Ivoire (CIV)	Yes	71,500,000	27.5%	208,500,000	50.9%
Nigeria	Yes	71,500,000	27.5%	58,500,000	14.3%

B. PROJECT/PROGRAMME INFORMATION

B.1. Climate context

Climate Change Problem: Africa faces a range of climate challenges that are exacerbating environmental, social, and economic vulnerabilities. While these challenges vary by region, they collectively contribute to significant threats to the continent's development and wellbeing, creating a complex web of issues that require integrated and comprehensive solutions. The four focus countries for Phase 1 of the ASCF Programme (Angola, Benin Côte d'Ivoire and Nigeria) present diverse geographic, economic, and social contexts, but share common challenges related to climate change. Being amongst the most vulnerable countries to climate change, the four focus countries face an urgent need for climate adaptation to protect vulnerable populations and ecosystems, alongside the pursuit of low-carbon development pathways to mitigate future emissions.[6,7] Rising temperatures, erratic rainfall, and frequent extreme weather events threaten livelihoods, exacerbate poverty, and erode development gains, particularly in sectors such as agriculture, energy, and infrastructure. A business-as-usual approach is no longer viable; these regions must accelerate economic growth while addressing the profound and far-reaching impacts of climate change.[8,9] Challenges are magnified by reliance on climate-sensitive sectors, limited adaptive capacity, and infrastructure deficits. Incremental actions are insufficient to meet the scale and urgency of this crisis. This call to action is further reinforced by Africa's demographic and urbanisation trends: the continent's population is projected to double by 2050, with over 60% under the age of 25, making it the youngest region globally.[10] Simultaneously, rapid urbanisation is accelerating, with more than half of Africa's population expected to live in cities by 2040.[11] These dynamics place additional pressure on already stressed infrastructure, natural resources, and public services, intensifying the impacts of climate change. However, they also offer a critical window of opportunity: by embedding climate resilience and low-carbon development into national planning now, African countries can shape a more sustainable and equitable future for the next generation. The Africa Sovereign Climate Facility (ASCF) Programme is designed to foster the transformative and systemic shifts that are needed to mitigate immediate climate risks while forging pathways for sustainable and inclusive growth.

Angola, Benin, Côte d'Ivoire and Nigeria were selected as the initial focus countries for the ASCF Programme (phase 1). In a second phase, the programme is expected to be expanded to include South Africa, Botswana, Cameroon and the Democratic Republic of Congo, thereby extending the reach and impact of these interventions to additional high-priority countries. All four countries selected for phase 1 have rising GHG emissions and a significant gap in infrastructure development as well as high climate vulnerability, showing a strong opportunity to shift to low-carbon, climate-resilient infrastructure and practices. Angola, Benin and Côte d'Ivoire have around a third of the population under national poverty levels, while Nigeria has even more elevated poverty levels. This underscores the urgent need for sustainable investment to support development and poverty alleviation. The focus countries have a moderate level of debt distress according to the World Bank with sovereign credit ratings ranging from BB to B- which are at the higher end of the non-investment grade range.[12] Debt to GDP ratios are below the 77% 'tipping point' threshold. Climate finance investments as a percentage of needs, (which is likely to be systematically underestimated) range from 6 to 85%, again underlining the urgent need for additional investment streams to support the countries.[13] Key risks and impacts of climate change on the ASCF initial focus countries include (please see Annex 2 for more details):

[6] African Union Climate Change and Resilient Development Strategy and Action Plan (2022-2032)- Available here.
[7] Schipper, E.L.F., A. Revi, B.L. Preston, E.R. Carr, S.H. Eriksen, L.R. Fernandez-Carril, B.C. Glavovic, N.J.M. Hilmi, D. Ley, R. Mukerji, M.S. Muylaert de Araujo, R. Perez, S.K. Rose, and P.K. Singh, 2022: Climate Resilient Development Pathways. In: *Climate Change 2022: Impacts, Adaptation and Vulnerability*. Contribution of Working Group II to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change. Available here.
[8] World Bank Group Country Climate and Development Reports (CCDRs)-Available here.
[9] Climate Change 2022: Impacts, Adaptation and Vulnerability. Contribution of Working Group II to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change- Available here.
[10] United Nations, 2024. World Population Prospects 2024: Summary of Results. Available here
[11] OECD et al., 2025. Africa's Urbanisation Dynamics 2025: Planning for Urban Expansion. Available here.
[12] Trading Economics. (2025). Credit rating by countries. Available here
[13] Climate policy initiative, WB. (2024). Landscape of Climate Finance in Africa 2024 : Interactive Data Tools. Available here

- **Angola's** economy faces significant risks from climate change, particularly in sectors vital for diversification and resilience, such as agriculture and fisheries.[14] Firewood continues to be one of the most used forms of energy in rural Angola for heating and cooking. The uncontrolled use of this resource has created problems of deforestation, which is unsustainable since the felled trees are not replaced, which further exposes Angola to climate impacts. Projected climate impacts include shorter rainy seasons, increased rainfall variability, and drier conditions in the south, which could severely affect food security and economic stability. Coastal cities such as Luanda, which is home to nearly one-third of the national population are increasingly exposed to climate-induced flooding, erosion, and saline intrusion, which threaten critical infrastructure, public health, and economic activity.[12,14,15,16] In response, Angola must adopt a strategic pivot towards climate resilience and economic diversification, highlighting the importance of sustainable growth and job creation. This need is further underscored by the country's heavy reliance on the oil and gas industry, which accounts for 31% of its GDP and is the primary source of revenue for the country.[17] Such dependence increases the country's exposure to both climate-related and economic shocks. Therefore, a successful transition to a diversified economy less dependent on oil is seen as critical for Angola's long-term development, with agriculture identified as a key sector for driving growth, diversification, and social inclusion.
- **Benin:** Despite its negligible contribution to global greenhouse gas emissions, Benin is disproportionately affected by climate change. The country grapples with challenges such as rising temperatures, increased weather variability, and severe weather events, leading to urban flooding, agricultural disruption, water scarcity, and exacerbated coastal erosion along the Gulf of Guinea.[18] The adverse effects of climate change are compounded by existing social vulnerabilities, including high levels of poverty and inequality, which leave much of Benin's population ill-equipped to cope with climate shifts and related disasters. Due to changing climate conditions, these vulnerabilities are expected to increase health risks, including the spread of diseases like malaria. While all sectors will have to become more resilient, this is especially urgent for agriculture and land use, urban and network infrastructure, and human development.[16,18]
- **Côte d'Ivoire (CIV)** is grappling with rising temperatures, increased weather variability, and extreme events projected to intensify by 2050, with potential temperature increases ranging from 1.5 to 3°C across different regions.[19] These changes threaten to aggravate droughts, floods, and sea-level rise, directly impacting the nation's agriculture, biodiversity, and urban infrastructure. Agriculture, the backbone of the economy, is highly vulnerable to climate variability, with significant portions of the land already degraded. Deforestation not only accelerates biodiversity loss but also undermines cocoa production, a key economic product in Côte d'Ivoire. As the world's largest cocoa producer, supplying approximately 40% of global exports, Côte d'Ivoire relies heavily on this sector, which provides income for about one-fifth of its population and contributes around 7% to the country's GDP through export revenue.[20] In addition, coastal and marine ecosystems, critical for the livelihoods of fishermen and coastal communities also face threats from sea level rise and ecosystem changes.
- **Nigeria** faces a variety of climate risks that are exacerbated by its geographic location and development patterns.[21] According to its National Adaptation Plan (NAP),[22] Nigeria will likely experience temperature increases of 0.04°C per year until 2046 and 0.08°C per year thereafter, increasing the risks of heatwaves and higher evaporation rates, impacting water availability and agricultural productivity. Different parts of the country experience varying rainfall patterns. In the

[14] World Bank Group- Angola Country Climate and Development Report 2022. Available here
[15] UN-Habitat. (2022). *Climate Resilience and Urban Planning in Angola*. United Nations Human Settlements Programme. Available here.
[16] The World Bank, 2022. Living on the water's edge. Flood risk and resilience of coastal cities in Sub-Saharan Africa. Available here.
[17] Republic of Angola, 2021. *Nationally Determined Contribution (NDC)*. United Nations Framework Convention on Climate Change (UNFCCC). Available here.
[18] World Bank Group- Benin Country Climate and Development Report 2023. Available here.
[19] World Bank Group- Côte d'Ivoire Country Climate and Development Report 2023. Available here.
[20] International Monetary Fund. African Dept. "Côte d'Ivoire: Second Reviews Under Extended Arrangement Under the Extended Fund Facility and Under the Arrangement Under the Extended Credit Facility, and Request for Modification of Quantitative Performance Criteria, and the First Review Under the Resilience and Sustainability Facility Arrangement-Press Release; and Staff Report", IMF Staff Country Reports 2024. Available here.

South, rainfall is projected to increase by an average of 15 cm annually, while it is expected to decrease annually by 7.5 cm in the North. Coastal regions like Lagos, Port Harcourt, and the Niger Delta are at risk from rising sea levels, which brings along erosion and storm surges that disrupt farming activities, particularly on the rain-fed agricultural systems that many rural Nigerians depend on. The northern regions are facing increasing desertification and drought conditions that compromise food production, exacerbate food insecurity, and push rural populations to migrate in search of more fertile land and water resources. While some areas of Nigeria face increased flooding risks, others face severe water scarcity from reduced rainfall and poor management of water resources.

Topography: The topographies of Angola, Benin, Côte d'Ivoire and Nigeria exhibit significant diversity, shaped by coastal plains, plateaus, mountains, and river systems. Angola features a narrow coastal plain along the Atlantic Ocean, transitioning into the Central Plateau, which rises between 1,000 and 1,500 meters, with notable highlands such as the Bié Plateau. The country is also marked by the Congo River basin in the north and arid desert conditions in the south. Benin, in contrast, is predominantly flat, with low-lying coastal areas in the south and gradually rising terrain toward the Atakora Mountains in the northwest. The country is traversed by major rivers like the Ouémé and the Niger, which contribute to the fertility of its central and northern regions. Côte d'Ivoire's landscape is similarly varied, with coastal lagoons and swamps in the south, rolling hills and plateaus in the central region, and the Montagnes Range in the west, where Mount Nimba, the country's highest peak, reaches 1,752 meters. Nigeria presents an even more complex topography, with low-lying coastal plains in the south, the elevated Jos Plateau and Adamawa Highlands in the centre, and the arid Sahelian plains in the north. Its highest point, Mount Chappal Waddi, rises to 2,419 meters in the northeast. The Niger and Benue Rivers, which merge to form the Niger Delta, are vital to the country's agriculture and water supply. Across these countries, the diverse topographies influence climate, agriculture, and settlement patterns, with river basins and fertile valleys supporting economic activities, while mountainous and arid regions pose challenges to development and infrastructure.

Mitigation Needs: Greenhouse gas emissions per capita across the four focus countries are 1.87 tCO_2e/person/year in Angola, 1.27 tCO_2e/person/year for Benin, 1.14 tCO_2e/person/year for Côte d'Ivoire, and 1.73 tCO_2e/person/year for Nigeria.[23] While such emissions are well below the global average of 6.59 tCO_2e/person/year, historical trends indicate that emissions are significantly rising across the region. Although historical trends indicate that emissions per capita have decreased by an average of 1.4% on an annual basis across the four focus countries during the last decade, total emissions continue to increase due to population growth, urbanization, and economic development. The key sectors contributing to the absolute growth in emissions across the four focus countries include energy (+54% between 1990 and 2021) and agriculture (+69%).[24] Excluding land use change and forestry-related emissions (LUCF), energy is the largest contributor to GHG emissions in the region (58.5% of the total),[23] and – with an average electricity access rate of only 59% across the four focus countries – 121 million people still lack access to basic energy needs in the region, with many still relying on biomass for cooking, which leads to further deforestation and indoor air pollution.[25,26] While climate resilience remains the key concern for agriculture, the sector represents the second largest source of GHG emissions in the focus countries (28.6 % of total emissions),[27] and provides opportunities to reduce emissions while addressing food security concerns.[24] **Given these challenges, the focus countries face an urgent need to finance effective interventions to support their transition towards a low-carbon economy and the use of cleaner energy sources. To this effect, the mitigation interventions under the ASCF Programme will focus on promoting renewable energy, enhancing energy efficiency, and implementing low-emissions and climate-resilient agricultural practices.**

[23] European Commission. (2024). GHG emissions of all world countries, 2024 report. Available here. Note that the reported figures exclude land use, land-use change, forestry and large scale biomass burning.
[24] Climate Watch, Historical GHG emissions by country and per capita, 2021 figures, available here
[25] EA, IRENA, UNSD, World Bank, WHO (2023). Tracking SDG 7: The Energy Progress Report. World Bank- Available here.
[26] Regulatory Indicators for Sustainable Energy (RISE), available here
[27] Excluding Land Use and Forestry (LUCF)

Programme-Level mitigation rationale and baseline: Responding to the identified mitigation needs, the ASCF Programme adopts a multi-sector mitigation strategy targeting the dominant and fastest-growing emission sources across participating countries. The programme's pipeline includes interventions in renewable electricity generation, distributed solar energy systems for industrial zones, efficiency improvements in transmission and distribution networks, each representing high-impact mitigation opportunities within national NDC priorities. At the programme level, the baseline scenario is characterised by continued reliance on fossil-fuel-based grid generation, high technical and commercial losses in power systems. In the absence of the Programme, emissions from these sectors are expected to grow in line with historical trends, driven by increasing electricity demand, industrialisation, population growth, and rising mobility needs.

Emission reductions under the Programme are quantified using a modular methodological approach that is consistent with GCF guidance and based on approved CDM methodologies. Renewable grid-connected electricity generation interventions apply the large-scale consolidated methodology ACM0002: Grid-connected electricity generation from renewable sources**.** Solar electricity supplied to industrial distribution networks is assessed using the large-scale methodology AM0019: Renewable energy projects replacing electricity from fossil fuel fired power plants**.** Transmission and distribution efficiency improvements utilise methodology AMS-II.A. , which covers projects that reduce technical losses in electricity networks through physical interventions such as transformer replacement, reconductoring, expansion of existing systems and voltage-upgrade measures. These methodologies are harmonised through a programme-level aggregation framework, ensuring consistency in baseline assumptions, emission factors, monitoring parameters, and reporting across diverse country contexts and project typologies. All detailed assumptions, calculation steps, emission factors, and procedures for aggregating mitigation results for current and future pipeline interventions are provided in ASCF Programme Mitigation Methodological Note (see Annex 22).

In view to effectively manage the Programme's programmatic mitigation approach, a Mitigation Activity Table (Table 12) has been prepared and included in the ASCF Programme Mitigation Methodological Note, providing an indicative overview of the types of mitigation activities expected to be supported across the participating countries and setting out, for each activity, the applicable methodologies or tools, baseline and additionality conditions, common-practice considerations, GHG boundaries, and indicative emission-reduction estimates. The table has been prepared using the illustrative and evolving pipeline, hence, is not intended to represent the final programme pipeline. Rather, it functions as a technical appraisal and screening instrument and will be updated as sub-projects are selected based on the eligibility criteria. All underlying assumptions, emission-factor selections, parameter definitions, calculation procedures, and programme-level aggregation rules are detailed in the ASCF Programme Mitigation Methodological Note, which will govern the quantification of mitigation impacts throughout the Programme cycle.

Adaptation Needs: All focus countries are highly exposed to climate hazards such as droughts, floods, heatwaves, and sea-level rise. These hazards exacerbate existing vulnerabilities, including food and water insecurity, health risks, and infrastructure fragility. The Notre Dame Global Adaptation Index (ND-GAIN Index) ranks Côte d'Ivoire, Nigeria, Benin, and Angola at the 134th, 152nd, 159th, and 160th places respectively amongst 187 countries in terms of their vulnerability to climate change in combination with their readiness to improve resilience.[28] Vulnerability is particularly high for all focus countries in terms of food production, food demand, nutrition, and rural population with the ND-GAIN food-related vulnerability rankings between the 139th and 173rd places worldwide. In terms of vulnerability of fresh water supplies to climate change, Benin, and Nigeria are particularly exposed (respectively ranking 137th, and 114th worldwide), with Angola and Cote d'Ivoire less so. In terms of vulnerability of public health, spread of communicable diseases and provision of health services, all focus countries are highly vulnerable, with rankings between the 130th and 179th places worldwide. With respect to vulnerability of coastal and energy infrastructure to climate change, primarily general preparedness to climate-related natural disasters, coastal hazards, and energy supply challenges, Benin and Angola are particularly at risk, while Côte d'Ivoire and Nigeria fare better. **One common feature of the four focus countries is their lack of readiness to leverage investments and convert them to adaptation actions. Hence, the ASCF Programme is designed to enable adaptation efforts in the focus countries by improving their adaptive capacity, prioritizing enhancing resilience in key sectors such as agriculture, water management, and related infrastructure.**

[28] Notre Dame Global Adaptation Initiative (ND-GAIN). Available here

Index / Rankings out of 187 countries	Angola	Benin	Côte d'Ivoire	Nigeria
ND-GAIN Index	160	159	134	152
ND-GAIN Vulnerability (Overall)	143	170	131	123
ND-GAIN Vulnerability (Food)	140	173	159	139
ND-GAIN Vulnerability (Water)	56	137	69	114
ND-GAIN Vulnerability (Health)	142	179	151	130
ND-GAIN Vulnerability (Infrastructure)	94	146	57	49
ND-GAIN Readiness (Overall)	172	135	145	180

To operationalise the adaptation needs identified above, the ASCF Programme applies a climate risk–based approach consistent with GCF guidance. The table below illustrates how each adaptation-relevant intervention in the proposed projects currently in the pipeline (Activities 2.1.2, 2.1.3, and 2.1.5) addresses specific climate hazards, exposure, and vulnerability contexts at the subnational level. It demonstrates the causal linkages between climate hazards, sectoral risks, and ASCF adaptation activities, highlighting how these interventions reduce climate risk, enhance resilience, and align with the GCF Adaptation Result Areas (ARA2 and ARA3). Each activity is tailored to subnational climate exposures and accounts for non-climatic compounding factors. More details and supporting references are provided in Annex 23.

Country	**Region / Sub-national Scale**	**Climate Hazard**	**Sectoral Risk / Impact (Hazard + Exposure + Vulnerability)**	**Non-Climatic Drivers**	**ASCF Adaptation Activity (ARA2 / ARA3)**	**Causal Linkage / Expected Outcome (Reduces Exposure and/or Vulnerability)**
Angola	Luanda – Corimba Coastal Zone	Sea level rise; storm surges; coastal flooding; extreme rainfall.[29]	Urban flooding, infrastructure damage, service disruption, health risks, livelihood loss.	Rapid coastal urbanisation; aging drainage/ sanitation; informal settlements.	Climate-resilient coastal infrastructure (e.g., Corimba Marginal Infrastructure upgrades) (ARA3).	Flood mitigation systems, drainage, and embankments reduce exposure to hazards and protect vulnerable urban populations and infrastructure, ensuring long-term adaptation outcomes.
Benin	Northern Benin (e.g., Atacora/ Borgou)	Increasing drought frequency; soil moisture loss; temperature rise.[30]	Declining soil fertility; reduced crop productivity; higher food insecurity; livelihood vulnerability.	Unsustainable farming, land degradation, limited extension services.	Regenerative agriculture carbon project (ARA2)	Soil restoration and carbon sequestration improve moisture retention, reduce vulnerability to drought, and enhance long-term agricultural resilience and livelihoods.
Benin	Lake Nokoué &	Coastal flooding, sea	Damage to infrastructure,	Urbanisation in flood-prone	Integrated water	Flood control and ecological

[29] Page 38, 39, 40 of Annex 23.
[30] Page 75 of Annex 23.

	Porto Novo Lagoon (Southern Coastal Region)	level rise, saline intrusion, extreme rainfall.30	water contamination, loss of fisheries, livelihood disruption.	zones; poor drainage; ecosystem degradation.	management, riverbank restoration, resilient WASH systems (ARA3).	restoration reduce exposure to water-related hazards; resilient WASH infrastructure secures water access and protects communities and livelihoods.
Côte d'Ivoire	Hambol (North-Central)	Increasing droughts; rainfall variability; heat stress.[31]	Smallholder farmers exposed to erratic rainfall; reduced rice yields; food insecurity; income instability.	Limited irrigation; low financial buffers; reliance on rain-fed agriculture.	Index-based agricultural insurance & capacity building (ARA2).	Insurance payouts tied to climate indices reduce livelihood vulnerability and improve coping capacity during climate shocks. Capacity building increases adaptive practices.
Côte d'Ivoire	Ton Valley (Western Region)	Extreme rainfall events and dry spells; flood–drought cycles.[32]	Crop losses, soil erosion, disrupted water supply, reduced productivity; livelihoods at risk.	Land degradation; inadequate water storage; weak farm infrastructure.	Hydro-agricultural development with efficient irrigation (ARA2).	Climate-resilient irrigation stabilises water availability, reduces exposure to rainfall variability, and increases yields, improving food security and income.

Baseline Scenario: The prevailing baseline scenario is business-as-usual, and the costs of climate inaction and the failure to build resilience are too high to ignore; on average, the continent is losing 2–5% of GDP annually due to climate related shocks, with many governments diverting up to 9% of their national budgets to respond to extreme weather events and climate-induced disasters.[33] Without immediate action, Africa's future costs related to climate change will far exceed the finance needed today – which are estimated to require 10% of the continent's gross domestic product (GDP) and expected to reach up to 20% of the continent's GDP by 2050 and from 64% to 80% by 2100.[34] Additionally, without intervention, climate change will continue to exacerbate existing vulnerabilities, leading to increased poverty, inequality, and conflict. Economic losses from climate impacts could reach 3% of GDP annually by 2030 in some African countries.[35] Energy access gaps will persist, perpetuating reliance on fossil fuels and non-renewable biomass. Infrastructure will remain vulnerable to extreme weather events, disrupting economic activities and increasing recovery costs.[36] Social inequities will deepen for marginalized groups that bear the brunt of climate impacts. The absence of targeted investments will also limit opportunities for green growth and job creation in emerging sectors like renewable energy and sustainable agriculture.[37]

Demographics: The combined population of the four focus countries of close to 300 million people, is characterized by significant youth demographics and rapidly increasing urbanization rates. National census data and development plans indicate that urban populations are expanding at annual rates exceeding 3% in

[31] Page 90 of Annex 23.
[32] Page 101,124,126 of Annex 23.
[33] World Meteorological Organization [WMO], 2022. Africa faces disproportionate burden from climate change and adaptation costs. Available here.
[34] CPI. 2024. Landscape of Climate Finance in Africa 2024- Available here.
[35] WMO State of the Climate in Africa 2023-Available here.
[36] OECD (2024), Infrastructure for a Climate-Resilient Future- Available here.
[37] Private Sector Financing for Climate Action and Green Growth In Africa |AfDB 2023-Available here.

some areas.[38] Despite this urban growth, poverty remains widespread. In Angola, approximately one-third of the population lives on less than $1.90 per day.[39] Similarly, in Nigeria, over 40% of the population lives below the poverty line, with 25 million people facing acute food insecurity, a figure projected to rise to 33 million by mid-2024.[40] About half of the population in these countries resides in rural areas, relying on climate-sensitive livelihoods such as agriculture, forestry, and fisheries. This dependence increases their vulnerability to climate change impacts, including extreme weather events, land degradation, and water scarcity.[40]

- **Angola**: As of 2022, Angola's population was approximately 35.6 million, with a high annual growth rate of 3.1%. The urban population constitutes about 44.1% of the total, growing at an average annual rate of 5.0% between 2010 and 2015.[41] The fertility rate remains high at 6.2 live births per woman, and life expectancy at birth is 53.2 years for females and 50.2 years for male.[42]
- **Benin:** Benin's population is approximately 14 million, with an urban population growth of 3.74% per year and still a 50% fraction of the population residing in rural areas and relying on agriculture for their livelihoods.[43]
- **Côte d'Ivoire**: The country's population is around 31 million, with rapid urbanization increasing at a rate of 3.09% per year, particularly in cities like Abidjan, and about 52.5% of the population living in urban areas.[44]
- **Nigeria:** According to the National Bureau of Statistics (NBS), Nigeria is Africa's most populous country, with an estimated population of 216.7 million as of 2022, 53.5% of which live in urban areas. The population growth rate is 2.4% annually, and the country has a significant youth demographic. Urbanization is progressing rapidly, with major cities like Lagos experiencing substantial growth.[45]

Economy: The economies of the focus countries are diverse, ranging from mineral and oil-dependent economies in Angola and Nigeria,[46] to agriculture-based economies in Benin and Côte d'Ivoire.[47, 48] Economic growth has been uneven across the focus countries, but many face challenges related to debt, unemployment, and inequality.

- **Angola:** In 2024, Angola's real GDP grew by 3.8%, significantly higher than the 1% growth seen in 2023 and marking the strongest expansion since 2015.[49] This growth was in part driven by better-than-expected oil production, which averaged over 1.1 million barrels per day. Indeed, Angola's economy is heavily reliant on the oil sector, which accounted for 31% of its GDP, 95% of its exports and 60.2% of revenue in 2024. The oil sector also indirectly impacts growth in other industries, which grew by 4.8% in the first three quarters of 2024, driven by mining, fisheries, and services. The public debt-to-GDP ratio declined to 62.4% by the end of 2024, from 71.4% in 2023, on the back of high nominal GDP growth and external debt repayments. Angola reported a fiscal deficit of 1% of GDP in 2024, despite a 20% increase in oil revenues, owing to the underperformance in non-oil revenues, overruns in capital spending, and a slower fuel subsidy reform. The current account surplus grew to 4.1% of GDP, with gross international reserves remaining above 7 months of imports at US$15.2 billion. To shift away from an economy driven by oil and gas extraction and toward a sustainable and diversified economy based on renewable natural capital, the World Bank's Country Climate and Development Report (CCDR) recommends investing in and building the resilience of key sectors, notably 1) water resources, 2) agriculture and fisheries, and 3) renewable energy.[50]

[38] CIA World Factbook (2022) – Urbanization rates for Benin and Côte d'Ivoire. Available here.
[39] World Bank (2022) – Poverty statistics for Angola. Available here.
[40] Reuters (2024) – Poverty and food insecurity statistics for Nigeria. Available here.
[41] Angola – Instituto Nacional de Estatística (INE). Available here.
[42] World Population Dashboard 2022-Angola. Available here.
[43] WHO Data, 2023- Benin. Available here
[44] WHO Data- Côte d'Ivoire. Available here.
[46] African Economic Outlook |AfDB 2012- Available here.
[47] FAO; ICRISAT; CIAT. 2018. Climate-Smart Agriculture in Benin. CSA Country Profiles for Africa Series. International Center for Tropical Agriculture (CIAT); International Crops Research Institute for the Semi-Arid Tropics (ICRISAT)- Available here.
[48] AFRICAN ECONOMIC OUTLOOK 2024 Driving Africa's Transformation The Reform of the Global Financial Architecture| AfDB- Available here.
[49] IMF Staff Review - March 2025- Republic of Angola. Available here
[50] Angola - Country Climate and Development Report, World Bank (2023). Available here.

- **Benin:** Benin's economy remained on a strong growth trajectory in 2024 with an estimated GDP growth of 6.5%, supported by key sectors such as industry and services (ICT and Tourism).[51] On the supply side, industrial production and agriculture played a significant role in driving economic expansion, while on the demand side both public and private investment contributed to sustained growth. Inflation declined to 1.5% in the first ten months of 2024, down from 2.8 percent in 2023 due to moderating energy prices and as prices of smuggled gasoline normalized following sharp fuel price adjustments by the new administration in Nigeria.[52] Public expenditure remained high in 2023 as the government prioritized infrastructure development, including roads, ports, urban sanitation, and energy. Public spending in H1 2024 stood at 19.0% of GDP, slightly lower than 19.3% in 2023. Meanwhile, public revenue increased from 14% of GDP in 2023 to 15.3% in the first half of 2024, contributing to a reduction in the fiscal deficit from 4.1% of GDP in 2023 to 3.7% in 2024. Public debt is projected to decrease slightly from 54.9% of GDP in 2023 to 54% of GDP in 2024, with debt distress classified as moderate by the International Monetary Fund. Additionally, the current account deficit is projected to narrow to 5.7% of GDP in 2024, reflective of a narrower trade deficit due to higher exports from the special economic zone and lower expected imports, reinforcing Benin's overall macroeconomic stability.[53] While Benin's economy demonstrated robust growth in 2024 alongside notable improvements in inflation and fiscal balance, persistent challenges such as poverty, inequality, and external vulnerabilities underscore the importance of deepening structural reforms. Continued investment in resilience-building initiatives will be essential to ensure sustainable and inclusive growth over the medium term.
- **Côte d'Ivoire:** Côte d'Ivoire's economic growth trajectory is expected to remain strong, with an estimated growth of 6.1% in 2024, compared to 6.2% in 2023. Inflation also decreased to 3.5% in 2024 from 4.4% in 2023, despite increased energy tariffs. This decline was attributed to tightened monetary policy and softening commodity and food prices.[54] Growth in 2024 is expected to be supported by high levels of public investment, resilience in private sector investment, mining and strong energy production thanks to the Baleine oil field coming onstream in August 2023. Agriculture remains the backbone of the economy, with cocoa production being a key contributor, making Côte d'Ivoire one of the world's leading producers. Efforts to enhance domestic revenue mobilization and improve fiscal management contributed to a reduction in the fiscal deficit, which declined from 5.2% of GDP in 2023 to 4.0% in 2024. The public debt ratio stabilized at 59.3% of GDP in 2024, compared to 58.1% in the previous year. However, the current account deficit tightened from 7.9% of GDP in 2023 to 5.1% in 2024, mainly due to stronger exports, particularly of cocoa as well as a decrease in import bills.[55] Côte d'Ivoire's economy thus demonstrated resilience in 2024, with solid growth and strengthened fiscal and external positions. However, sustaining this momentum will require targeted efforts to address underlying structural challenges, enhance social outcomes, and mitigate emerging risks. A shift toward productivity-led growth, underpinned by deeper structural reforms and workforce skills development, will be crucial for fostering inclusive and sustainable economic transformation.
- **Nigeria:** Nigeria's economy was expected to grow by 3.3% in 2024 from 2.9% in 2023 reflecting increased oil production and improved agriculture with better security. Despite being a diverse economy with significant contributions from oil and gas, agriculture, and services, persistent challenges such as high unemployment, inflation, and infrastructural deficits hinder progress. Inflation was projected to reach 24% in 2024, after a surge to 24.5% in 2023, following the government's enforcement of a food export ban and continuous monetary tightening. In 2024, the Nigerian naira experienced a significant depreciation, closing the year at ₦1,535 per US dollar, marking a 40.9% decline from ₦907.11 in 2023. This downturn occurred despite efforts to stabilize the currency, including policy reforms and increased foreign reserves. The fiscal deficit was expected to narrow slightly from 4.8% of GDP in 2023 to 4.7% in 2024 as government revenue improved but remained low.**Error! Bookmark not defined.** Public debt was expected to settle at 46.7% of GDP in 2024, though the

[51] As predicted by the IMF, December 2024, see reference 53.
[52] World Bank, 2025. *Macro Poverty Outlook: Benin*. International Development Association. Available here.
[53] IMF Staff Review - December 2024 - Republic of Benin. Available here.
[54] World Bank, 2025. *Macro Poverty Outlook: Côte d'Ivoire*. International Development Association. Available here.
[55] IMF Staff Review - April 2025 - Republic of Côte d'Ivoire. Available here.

federal government's interest payments-to-revenue ratio was high at 77.5%.**Error! Bookmark not defined.** Poverty remains widespread, with multidimensional poverty affecting 63% of the population and income poverty at 40%, emphasizing the need for structural reforms to ensure sustainable and inclusive growth. Macroeconomic instability, insecurity, and policy uncertainty also continue to pose major risks. In this context, both domestic and international investments can play a pivotal role in addressing Nigeria's environmental and socio-economic challenges.

Context: While the continent's vulnerability to climate change varies by country, commonalities such as economic fragility, social inequities, and the urgent need for resilient infrastructure unite the continent. Addressing these shared challenges presents an opportunity for a unified approach that combines regional collaboration with tailored national strategies, which the Africa Sovereign Climate Facility will contribute to enhance. In a phased approach, the fund aims to mobilize blended climate finance (phase 1 plus phase 2) to support sovereign, large-scale public investments that integrate mitigation and adaptation strategies. The first phase of this Programme (this Funding Proposal) aims at mobilizing a total of USD 690 million for the initial four focus countries. These investments will target energy generation and access, food and water security, and infrastructure and the built environment to catalyse climate action while fostering economic growth and social equity, leveraging public financing to unlock scalable, impactful interventions.

Related projects/interventions: Several ongoing initiatives are addressing climate change in the focus countries, but gaps remain in scaling up and integrating these efforts:

- **Global Environment Facility (GEF):** The GEF has funded projects in renewable energy, sustainable land management, and biodiversity conservation in the region. For example, in Nigeria, GEF supports the implementation of solar mini grids to improve energy access.[56] However, these projects are often small-scale and lack the resources to achieve transformative impact.
- **Adaptation Fund**: The Adaptation Fund has supported community-based adaptation projects in Benin, focusing on agriculture and water management.[57] While these projects have demonstrated success at the local level, they need scaling up to address systemic vulnerabilities.
- **Climate Investment Funds (CIF):** The CIF's Scaling Up Renewable Energy Program (SREP) has financed renewable energy projects in several African countries, including Angola. However, financing gaps persist, particularly for off-grid solutions and energy efficiency measures.
- **African Development Bank (AfDB):** The AfDB has invested in climate-resilient infrastructure and green energy projects across the continent. For example, Côte d'Ivoire benefits through the African Green Banks Initiative.[58] Despite these efforts, funding remains insufficient to meet the continent's vast needs.

Related projects/interventions – GCF complementarity: The proposed ASCF investments build on and complement several ongoing or completed GCF initiatives in participating countries by leveraging their enabling environments, institutional capacities, and lessons learned. However, implementation of ASCF interventions is not contingent upon the completion of any milestones or outcomes under these projects. ASCF has been designed as an independently executable programme, and the referenced initiatives serve solely as complementary foundations that help avoid duplication and enhance effectiveness. For example, in Angola, the Corimba Marginal Infrastructure Completion Project aligns with GCF readiness support under the AFOLU sectors, translating strategic planning into tangible, climate-resilient infrastructure.[59] In Benin, ASCF's solar farm initiative complements the Ouémé Basin Climate Resilience Project by addressing mitigation gaps through clean energy deployment.[60] Similarly, in Côte d'Ivoire, the proposed rice value chain strengthening and climate insurance programme aligns with adaptation initiatives

[56] National child project under the GEF Africa Mini-grids Program Nigeria 2021-Available here.
[57] Report of the Adaptation Fund Board to the COP | UNFCCC 2024- Available here.
[58] Benin, Côte d'Ivoire to premier African Development Bank's African Green Bank facilities | AfDB 2023- Available here.
[59] Enhancing Angola's Access to Climate Finance for Sustainable Transport and Sustainable Landscape (AFOLU) Sectors Readiness Proposal. Available here.
[60] GCF Funding Proposal 187 Ouémé Basin Climate-Resilience Initiative (OCRI) Benin. Available here.

like the PROMIRE project, expanding resilience from cash crops to staple foods.[61,62] In Nigeria, the ASCF's Transmission and Distribution project reinforces the financial and technical ecosystems supported by the GCF's Transforming Financial Systems for Climate (TFSC) project, enabling greater integration of renewable energy and access for underserved populations.[63] Collectively, these synergies ensure that ASCF interventions do not duplicate efforts but instead scale and deepen climate action through coordinated investment pathways.

Gaps and barriers:

- Financing Gaps: Existing projects are often underfunded and fragmented, limiting their ability to achieve scale and impact.
- Institutional Capacity: Many countries lack the institutional capacity to design and implement large-scale climate projects.
- Policy and knowledge barriers.
- Regulatory and Institutional Challenges.

Complementarity of the proposed Facility: the proposed facility will address the above-described gaps by mobilizing large-scale, blended finance to support transformative projects, and strengthening institutional capacity through technical assistance and knowledge sharing. Furthermore, integrating mitigation and adaptation efforts to maximize co-benefits, such as renewable energy projects that also enhance energy access and resilience, and the financing of cross-cutting projects whose mitigation and adaptation impacts will mutually reinforce one another. To this effect, the ASCF Programme includes a project screening and selection tool that requires identification of the project-specific climatic factors affecting the sector and locations targeted, and demonstration of the causal linkages between the changing climate situation and the need for local and sector-specific climate action (see Annex 21). By building on existing initiatives and addressing current gaps, the ASCF will catalyse climate action that is both impactful and sustainable, contributing to the achievement of national and global climate goals.

B.2 (a). Theory of change narrative and diagram

The Theory of Change (ToC) for the ASCF illustrates the causal pathways through which the Programme is expected to accelerate climate investment and support participating countries in advancing the implementation of their NDCs and NAPs. The ToC explains the relationships between the barriers that currently constrain climate investment, the activities implemented under the Facility, and the outcomes expected to emerge over time. It demonstrates how a combination of targeted interventions can generate systemic change in the way climate investments are prioritised, structured, and financed within sovereign public finance systems.

Causal Pathways and Assumptions: The Theory of Change therefore centres on two mutually reinforcing intervention pathways.

- **Pathway 1: Technical Assistance → Enhanced Capacity → Improved Project Design and Implementation → Knowledge Generation → Knowledge Sharing → Replication → Scaled Impact**
  - **Assumptions:**
    - Recipients of technical assistance are receptive to capacity-building efforts.
    - Enhanced capacity translates into improved project design and implementation practices.
    - There is sufficient institutional stability to retain and apply newly acquired knowledge and skills.
    - Lessons and best practices are effectively captured and disseminated.
    - There is sustained demand for knowledge products on low-emissions and climate-resilient infrastructure.
    - Other countries and institutions have the capacity to adapt and implement shared approaches.

[61] GCF SAP015 Promoting zero-deforestation cocoa production for reducing emissions in Côte d'Ivoire (PROMIRE). Available here.
[62] GCF Funding Proposal 247 Local Climate Adaptive Living Facility Plus (LoCAL+) – West Africa (Burkina Faso, Ivory Coast, Mali and Niger). Available here.
[63] GCF Funding Proposal FP095 Transforming Financial Systems for Climate. Available here.

- **Pathway 2: Concessional Financing → Climate Project Viability → Increased Investment**
  - **Assumptions:**
    - The concessionality provided is sufficient to incentivise prioritisation of low-emissions and climate-resilient projects.
    - There is an existing pipeline of potential low-emissions and climate-resilient projects in target countries.
    - Macroeconomic conditions remain sufficiently stable to support long-term infrastructure investment.

Barriers: Despite growing recognition of the need for climate action, many countries continue to face significant constraints, including high financing costs for climate investments, insufficient technical capacity, and limited integration of climate considerations within core economic planning systems. The key barriers include:

- **Financial constraints**: ASCF countries face substantial financing gaps in achieving their NDC and NAP targets due to the high cost of financing climate investments. Limited government revenues often resulting from narrow tax bases and heightened debt sustainability pressures that severely constrain fiscal space, leaving limited resources available to support climate action.
- **Insufficient technical capacity:** Many developing countries lack the technical expertise required to design, structure, and implement climate interventions, which limits the development of investment-ready project pipelines. Capacity gaps persist across project preparation, technical design, feasibility assessment, and implementation.
- **Macro-Fiscal and Institutional Challenges**: Climate considerations are barely incorporated into fiscal planning, public investment management, and budget prioritization processes. As a result, climate investments are often treated as isolated initiatives rather than embedded within national development and infrastructure planning, which constrains governments' ability to prioritize, sequence, and finance climate actions at scale.

Risks and Mitigation Strategies: the ToC acknowledges several potential risks that could affect the achievement of intended outcomes:

Risk	Description	Mitigation Strategy
Political and regulatory risks	Lack of political will and potential competition or misalignment across ministries in identifying and prioritizing climate investments. Delays or complexities in government approval processes may also affect programme implementation.	Anchoring the programme within Ministries of Finance will promote a whole-of-government approach to climate investment prioritization. Integrating climate risk assessments into macroeconomic and fiscal frameworks will support coordinated decision-making across ministries. Use of the Facility to structure climate investment framework aligning national investment priorities with climate objectives.
Capacity risks	Insufficient people capacity to support the execution of the Programme.	Implement targeted capacity-building activities and technical support to strengthen institutional capabilities. Ensure knowledge transfer to national institutions and ministries to support sustained programme

		implementation and long-term ownership.
Technical risks	Limited availability of well-prepared, investment-ready projects within national pipelines. Risk that technical design or operational arrangements may affect project sustainability over time.	Establish a structured selection and screening approach, supported by monitoring systems and performance indicators, to prioritize and track projects with the highest climate impact potential. Support project preparation through and investment structuring to strengthen the pipeline of eligible projects including feasibility studies, technical assessments.

These challenges create the risk of a vicious cycle where inadequate investment leads to deteriorating infrastructure, increased vulnerability to climate impacts, and higher GHG emissions. Breaking this cycle requires a transformative approach that addresses both the financing gaps and the technical capacity constraints in the focus countries:

Intervention Strategy: the ASCF Programme aims to catalyse a paradigm shift towards climate-resilient, low-emission infrastructure in the targeted countries. The Facility's intervention strategy is built on two interconnected pillars:

a. **Technical Assistance and Knowledge Management:** this encapsulates **Component 1** of the ASCF, which aims at building sovereign capacity concurrently with the investment process. This includes enabling policy development and enhanced monitoring and reporting capabilities. ASCF will equally provide a technical solutions facility for pre-investment support to generate or refine project pipelines by mobilising the necessary expertise to work in conjunction with the sovereigns. Finally, the Facility will systematically capture and disseminate lessons learned, best practices, and innovative approaches to promote replication and scaling of successful interventions.

b. **Concessional Financing: Component 2** of the ASCF invests in sovereign priority projects by providing USD 25 to 75 million in blended loans for small to large size climate projects. This financing will help bridge the viability gap (in the context of limited public sector resource allocation) for projects that incorporate climate mitigation and adaptation interventions, which often have greater long-term benefits but higher upfront costs.

Theory of Change Logic: the ASCF Programme is rooted in the recognition that unlocking Africa's climate action requires an innovative and holistic approach to climate financing. The facility's theory of change is built on the following linkages:

Activities: Component 1 focuses on three (3) activities under two (2) outputs with the aim of assessing the potential impact of projects, ensuring their smooth execution, and strengthening in-country skills and knowledge. In parallel with the 3 activities under component 1, the five activities under Component 2 consist of mobilising substantial financial resources, including GCF concessional debt to alleviate the high upfront costs of climate investments. This will be complemented by additional capital from the Africa Finance Corporation (AFC), and parallel financing from the sovereign's budget. In addition, financing of up to USD 150 million per country, from the interested climate fund, which AFC has been in discussions with, will support complementary investments. These may include scaling of climate-aligned interventions that fall outside the scope of the GCF-financed components. Hence, the funds will not finance the same activities, sub-projects, or expenditure categories supported by GCF or AFC within this Programme. All investments financed through the interested climate fund will therefore remain fully additional to the interventions financed by GCF and AFC under the ASCF Programme.

Through its blended and parallel financing architecture, the Africa Sovereign Climate Facility (ASCF) will advance mitigation and adaptation programmes, including expanding clean energy access, strengthening water security, and promoting climate-resilient agriculture and infrastructure. At the same time, the Facility will mobilize diversified climate capital, including bilateral funding aligned with nationally defined climate priorities. By anchoring investments within sovereign climate strategies, the Facility reinforces country leadership and ownership of the climate agenda. Finally, ASCF will support capacity building, knowledge exchange and institutional capacity building to ensure sustainable implementation and long-term sectoral transformation.

Outputs: ASCF will enhance the effectiveness of climate-focused national investment programmes in catalysing transformative action. The approach will further develop replicable models and climate transition roadmaps that can be scaled to expand successful interventions, ensuring alignment with national priorities while driving the transition toward a resilient, low-carbon, and sustainable development trajectory. The specific outputs of the Facility are as follows:

- **Output 1.1**: Prioritized and investment-ready climate-aligned sovereign pipelines.
- **Output 1.2**: Improved institutional frameworks with regards to climate risks and investing for measurable climate outcomes.
- **Output 2.1**: Increased climate investments to support the attainment of climate adaptation and mitigation goals.

Outcomes: the activities and outputs of the ASCF Programme will lead to the following outcomes:

- **Outcome 1**: Substantive shift towards attaining the adaptation NDC's of multiple countries through the strengthened adaptive capacity and reduced exposure to climate risks, improved management of agricultural areas and contributing to emissions reduction and the development of climate insurance markets and climate resilient agricultural practices.
- **Outcome 2**: Substantive shift towards attaining the NDCs of multiple countries through the increased number of low-emission power suppliers while simultaneously decreasing high carbon activities.

Co-benefits: the above-mentioned outcomes also result in the following co-benefits:

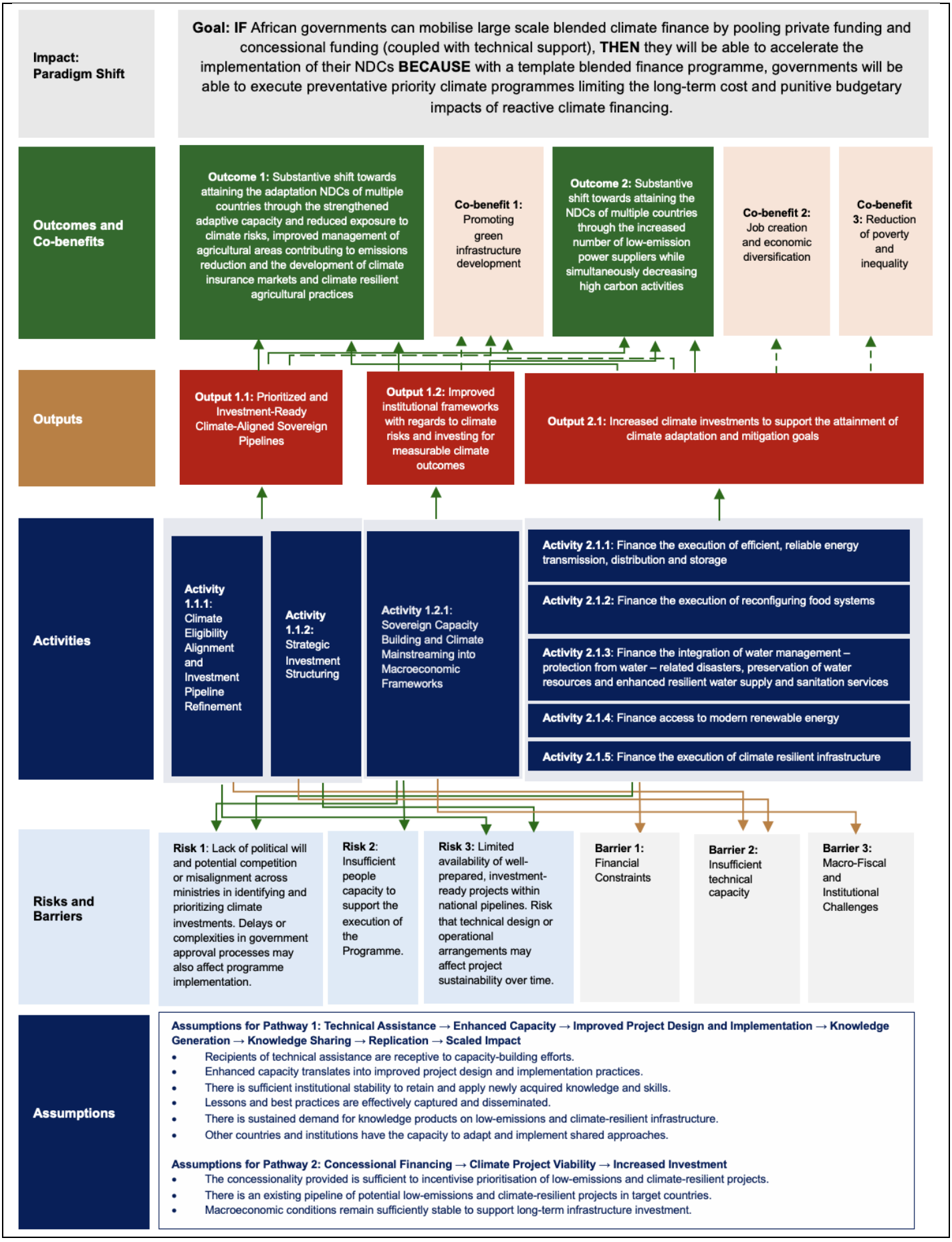
- Promoting green infrastructure development.
- Job creation and economic diversification.
- Reduction of poverty and inequality.

Goal statement: as indicated in the ToC diagram, the paradigm-shifting statement the ASCF Programme can be expressed in the 'IF... THEN... BECAUSE' format as follows:

IF African governments can mobilise large scale blended climate finance by pooling private funding and concessional funding (coupled with technical support),

THEN they will be able to accelerate the implementation of their NDCs,

BECAUSE with a template blended finance programme, governments will be able to execute preventative priority climate programs limiting the long-term cost and punitive budgetary impacts of reactive climate financing.


Impact: Paradigm Shift
Goal: IF African governments can mobilise large scale blended climate finance by pooling private funding and concessional funding (coupled with technical support), THEN they will be able to accelerate the implementation of their NDCs BECAUSE with a template blended finance programme, governments will be able to execute preventative priority climate programmes limiting the long-term cost and punitive budgetary impacts of reactive climate financing.
Outcomes and Co-benefits
Outcome 1: Substantive shift towards attaining the adaptation NDCs of multiple countries through the strengthened adaptive capacity and reduced exposure to climate risks, improved management of agricultural areas contributing to emissions reduction and the development of climate insurance markets and climate resilient agricultural practices
Co-benefit 1: Promoting green infrastructure development
Outcome 2: Substantive shift towards attaining the NDCs of multiple countries through the increased number of low-emission power suppliers while simultaneously decreasing high carbon activities
Co-benefit 2: Job creation and economic diversification
Co-benefit 3: Reduction of poverty and inequality
Outputs
Output 1.1: Prioritized and Investment-Ready Climate-Aligned Sovereign Pipelines
Output 1.2: Improved institutional frameworks with regards to climate risks and investing for measurable climate outcomes
Output 2.1: Increased climate investments to support the attainment of climate adaptation and mitigation goals
Activities
Activity 1.1.1: Climate Eligibility Alignment and Investment Pipeline Refinement
Activity 1.1.2: Strategic Investment Structuring
Activity 1.2.1: Sovereign Capacity Building and Climate Mainstreaming into Macroeconomic Frameworks
Activity 2.1.1: Finance the execution of efficient, reliable energy transmission, distribution and storage
Activity 2.1.2: Finance the execution of reconfiguring food systems
Activity 2.1.3: Finance the integration of water management – protection from water – related disasters, preservation of water resources and enhanced resilient water supply and sanitation services
Activity 2.1.4: Finance access to modern renewable energy
Activity 2.1.5: Finance the execution of climate resilient infrastructure
Risks and Barriers
Risk 1: Lack of political will and potential competition or misalignment across ministries in identifying and prioritizing climate investments. Delays or complexities in government approval processes may also affect programme implementation.
Risk 2: Insufficient people capacity to support the execution of the Programme.
Risk 3: Limited availability of well-prepared, investment-ready projects within national pipelines. Risk that technical design or operational arrangements may affect project sustainability over time.
Barrier 1: Financial Constraints
Barrier 2: Insufficient technical capacity
Barrier 3: Macro-Fiscal and Institutional Challenges
Assumptions
Assumptions for Pathway 1: Technical Assistance → Enhanced Capacity → Improved Project Design and Implementation → Knowledge Generation → Knowledge Sharing → Replication → Scaled Impact
• Recipients of technical assistance are receptive to capacity-building efforts.
• Enhanced capacity translates into improved project design and implementation practices.
• There is sufficient institutional stability to retain and apply newly acquired knowledge and skills.
• Lessons and best practices are effectively captured and disseminated.
• There is sustained demand for knowledge products on low-emissions and climate-resilient infrastructure.
• Other countries and institutions have the capacity to adapt and implement shared approaches.
Assumptions for Pathway 2: Concessional Financing → Climate Project Viability → Increased Investment
• The concessionality provided is sufficient to incentivise prioritisation of low-emissions and climate-resilient projects.
• There is an existing pipeline of potential low-emissions and climate-resilient projects in target countries.
• Macroeconomic conditions remain sufficiently stable to support long-term infrastructure investment.

B.2 (b). Outcome mapping to GCF results areas and co-benefit categorization

Outcome number	GCF Mitigation Results Area (MRA 1-4)				GCF Adaptation Results Area (ARA 1-4)			
	MRA 1 Energy generation and access	**MRA 2** Low-emission transport	**MRA 3** Building, cities, industries, appliances	**MRA 4** Forestry and land use	**ARA 1** Most vulnerable people and communities	**ARA 2** Health, well-being, food and water security	**ARA 3** Infrastructure and built environment	**ARA 4** Ecosystems and ecosystem services
Outcome 1	☒	☐	☐	☐	☐	☒	☒	☐
Outcome 2	☒	☐	☐	☐	☐	☒	☒	☐

Co-benefit number	Co-benefit					
	Environmental	**Social**	**Economic**	**Gender**	**Adaptation**	**Mitigation**
Co-benefit 1: Promoting Green Infrastructure Development	☒	☐	☒	☒	☒	☒
Co-benefit 2: Job Creation and Economic Diversification	☐	☒	☒	☒	☐	☐
Co-benefit 3: Reduction of Poverty and Inequality	☐	☒	☒	☒	☐	☐

B.3. Project/programme description

The ASCF Programme design encompasses two outcomes:

Outcome 1: Substantive shift towards attaining the adaptive NDCs of multiple countries through the strengthened adaptive capacity and reduced exposure to climate risks, improved management of agricultural areas and contributing to emissions reduction and the development of climate insurance markets and climate resilient agricultural practices.

Outcome 2: Substantive shift towards attaining the NDCs of multiple countries through the increased number of low-emission power suppliers while simultaneously decreasing high-carbon activities.

To achieve these outcomes, the Programme has two key components, which include projects that will be aligned to national priorities for climate-focused investments as outlined below:

<u>Component 1</u>: Climate Mainstreaming and Institutional Strengthening for Sovereign Investment Transformation

Component 1 is a foundational pillar of the ASCF. It aims to institutionalize climate considerations within sovereign macroeconomic planning, public investment systems (institutions and processes), and national infrastructure pipelines, thereby enabling participating countries to systematically translate climate ambition and commitments into structured, bankable, and investment-ready opportunities.

Despite increasing global capital availability for climate-smart infrastructure, many African countries face structural constraints in converting climate ambition into deployable investments. These constraints include insufficient project structuring capacity, feasibility gaps, and safeguard systems that do not yet meet international standards. As a result, climate initiatives frequently stall to attract investments.

Component 1 addresses this systemic bottleneck by establishing a structured sovereign pathway aligned with ASCF's investment strategy and eligibility criteria. Rather than functioning as a conventional readiness and project preparation facility, it strengthens the institutional, technical, and governance systems required to originate, structure, prioritize, and advance climate investments at scale. Furthermore, the component integrates a long-term capacity-building programme that tackles the root causes of the investment gap, including the limited integration of climate risks and opportunity analysis into macroeconomic and fiscal frameworks. By embedding climate considerations within sovereign planning and public investments, it enables long-term, system-wide transformation. Specifically, Component 1 will:

- Establish robust technical, financial as well as environmental and social safeguard frameworks to ensure high-impact, investment-ready climate projects.
- Strengthen institutional systems for climate investment governance, monitoring, reporting, verification and evaluation at both project and programme levels.
- Integrate climate risks and opportunity analysis into national macroeconomic and fiscal frameworks to inform public investment programming and infrastructure prioritization.
- Align sovereign infrastructure pipelines with mitigation and adaptation priorities articulated in Nationally Determined Contributions (NDCs) and National Adaptation Plans (NAPs).

Through this integrated approach, Component 1 converts sovereign climate ambition into structured investment pipelines and generates the portfolio of public priority investments required for sovereign-led climate transformation.

Output 1.1: Prioritized and Investment-Ready Climate-Aligned Sovereign Pipelines

Participating countries advance prioritized pipelines of investment-ready climate projects aligned with national strategies and ASCF eligibility criteria. The Facility will support the development and structuring of selected priority projects to ensure full technical, financial, climate, and ESS alignment with international standards as well as the GCF investment criteria.

Activity 1.1.1: Climate Eligibility Alignment and Investment Pipeline Refinement

Under the supervision of AFC, the Facility will support participating governments, through their Ministries of Finance, to undertake sovereign-level alignment and prioritization of climate-relevant investments within national infrastructure pipelines. This activity operates at the strategic sovereign level, strengthening the Ministry of Finance's ability to coordinate a whole-of-government process to identify, screen, and prioritize climate-aligned investments across sectoral portfolios. Through this process, governments will:

- Conduct sovereign-level assessments to identify climate-relevant investments within national infrastructure pipelines.
- Prioritize investments based on transformational impact, scalability, and cost-effectiveness.

This support will enable sovereigns to leverage the climate eligibility framework which has been developed for ASCF, to screen and assess national climate strategies, programmes, projects and other priorities with major climate finance providers' requirements including the GCF investment criteria, thereby confirming their eligibility for concessional financing. While the activity will contribute to the development of a pipeline of investment-ready projects that may subsequently be financed under Component 2 of the ASCF Programme, it is not exclusively limited to projects that will receive financing under the Programme. Instead, the activity aims to strengthen sovereign pipeline development and generate a broader pool of climate-aligned investments that can mobilize financing from multiple sources.

The completion of Activity 1.1.1 is not a prerequisite for the commencement of Component 2 investments. Given that the projects in the indicative pipeline have already undergone preliminary identification and screening, Component 2 investments may proceed in parallel with the activities under Component 1. Activity 1.1.1 will also support the preparation of additional projects in the event that any of the indicative pipeline projects need to be replaced during programme implementation. Activity 1.1.1 will therefore operate as a continuous pipeline enhancement mechanism throughout programme implementation, ensuring that additional projects are progressively screened, refined, and prepared to meet the Programme's eligibility criteria. By operating at the level of the Ministry of Finance, this activity introduces a whole-of-government approach to climate investment prioritization, ensuring that national investment pipelines are systematically aligned with climate objectives, fiscal planning frameworks, and international climate finance opportunities.

The proposed climate eligibility framework to screen and select projects under Activity 1.1.1, covering both mitigation and adaptation interventions, is presented in section B.4 (implementation arrangements / Project screening and selection process (see figure on p. 36), and Annex 21a. The framework has been developed collaboratively, incorporating input from an additional climate finance partner engaged in co-financing discussions under the Programme, ensuring that the eligibility and screening methodology is aligned with, and can support, financing decisions across multiple concessional capital providers. As shown in the Figure of Section B.4, the screening and selection framework is organized into two sequential stages and nine steps, with a series of pass/fail criteria and climate-based vetos to ensure that – in the case projects in the current illustrative pipeline are modified or replaced – the climate impact of the ASCF Programme can still be guaranteed. First, only projects that match a positive list of eligible activities can be selected (see Annex 21a for a detailed description of the positive lists). Second, only projects that meet the GCF/ASCF investment and additionality criteria can pass the second stage (steps 2-9), which includes a review of each project vis-à-vis their impact potential, paradigm shift potential, sustainable development potential, needs of the recipient, country ownership, and efficiency and effectiveness (i.e. the 6 GCF investment criteria), a demonstration of each project's additionality, and a climate impact-based veto process to ensure that any new or modified project will deliver at least 60-80% of the climate outputs (per USD invested) targeted for the corresponding type of illustrative project in the current pipeline[64].

Activity 1.1.2: Strategic investment structuring

To ensure that the programme delivers the highest level of climate ambition and investment quality, AFC will verify full alignment of proposed investments with the programme's eligibility criteria prior to any financing commitment, which includes the GCF proceeds and AFC co-financing. Where gaps or suboptimal elements are identified, the Facility will finance and oversee the preparation of comprehensive feasibility and structuring packages for prioritized projects in order to bring them to full investment readiness. This activity will ensure that proposed investments are technically sound, financially viable, and fully aligned with the programme's climate objectives before capital is deployed. The feasibility and structuring packages will include, as applicable:

- Feasibility studies, sectoral and market diagnostics, climate risk assessments, technical options analysis, engineering design, and other data-driven analyses supporting investments with high climate impact.

[64] The GCF Secretariat will be involved in the process to ensure the sign-off on all projects selected (please see Annex 21a for details).

- Project-specific delivery models exploring innovative financial instruments capable of mobilizing resources at scale for climate investments.
- Financial and economic analysis, including assessment of additionality and demonstration of the appropriate use of concessionality.
- Integration of climate considerations within the project sustainability framework, including environmental and social screening and, where required, full Environmental and Social Impact Assessments (ESIA) and Environmental and Social Management Plans (ESMP).

Through this process, projects will be fully de-risked, climate-justified, and compliant with applicable safeguard standards prior to AFC committing capital.

Output 1.2: Improved institutional frameworks with regards to climate risks and investing for measurable climate outcomes.

The Facility will focus on developing and promoting practical, replicable templates and operational tools to support the design, preparation, and execution of climate investments, including mechanisms to facilitate access to climate finance. These tools are intended to standardize key processes and support the gradual integration of low-emissions and climate resilience considerations into national investment planning and prioritization. By demonstrating practical models for structuring climate investments and achieving investment readiness, the Facility will support improved institutional practices and provide reference approaches for governments to strengthen their climate investment processes over time.

Activity 1.2.1: Sovereign capacity building and climate mainstreaming into macroeconomic frameworks.

Activity 1.2.1 aims to institutionalize climate integration within sovereign systems beyond individual projects. The Facility will support participating countries to (1) embed climate risk and opportunity considerations into macroeconomic modelling and fiscal planning, (2) strengthen national monitoring, reporting, and verification (MRV) and evaluation systems, and (3) capacity building to enable systemic reform and sustain climate mainstreaming into their national investment framework.

Through Activity 1.2.1, ASCF reinforces sovereign ownership, strengthens institutional durability, and establishes the foundation for long-term climate-responsive economic planning.

In short, Component 1 shifts climate finance from ad hoc project preparation to sovereign-level systems reform by embedding climate considerations into macroeconomic planning, institutional governance, and investment structuring processes, the ASCF creates long-term capacity, predictable investment pipelines, and scalable mechanisms for climate transformation across participating countries.

<u>Component 2</u>: Investment and project execution activities.

This workstream will focus on financing the execution and implementation of the priority investment projects of the participating countries that meet the eligibility criteria and are ready for financing. This Component is expected to deliver increased climate investment in line with country climate priorities.

Output 2.1: Increased climate investments to support the attainment of climate adaptation and mitigation goals.

The Facility will deploy financing to support priority projects in the target countries. The investments will be tailored to address the unique challenges of climate actions that effectively leverage concessional funds to achieve national climate targets. Output 2.1 focuses on delivering high climate impacts sovereign investments.

Activity 2.1.1: Finance the execution of efficient, reliable energy transmission, distribution and storage.

This activity will principally provide support for electricity distribution companies to substantially improve the reliability of their transmission and distribution grids, with the aim of reducing reliance on the diesel-fuelled generators that are commonly used during distribution grid blackouts. This activity will also include investments in advanced transmission and distribution technologies, as well as in the implementation of smart grid solutions that allow for better management of energy flows, real-time monitoring, reduced power losses, and increased ability to transmit and distribute variable renewable energy. Additionally, activities will be implemented to install or improve energy storage facilities (including managed EV charging and Vehicle-to-Grid (V2G) systems), ensuring that excess variable renewable energy generated during peak periods can be stored and distributed when demand is high or during times of grid instability. By reducing transmission and distribution losses and enhancing grid stability, the activity aims to decrease the frequent outages and the need for costly and environmentally damaging diesel generators, as well as increasing the ability to transmit and distribute larger amounts of renewable energy.

Activity 2.1.2: Finance the execution of reconfiguring food systems.

Reconfiguring food systems is a critical strategy for addressing climate change while ensuring food security in the focus countries. This activity focuses on financing the transition toward more resilient and sustainable food systems, with an emphasis on reducing the climate impact of food production and distribution. This activity will include funding the implementation of an index-based agricultural insurance and capacity building mechanism, particularly targeting the rice value chain in the relevant regions of the focus countries and to offer a comprehensive and sustainable strategy to enhance the resilience of the sector. This activity will improve farmers' financial stability by tying payouts to specific climate indices (such as rainfall levels or temperature thresholds) and enable farmers to receive timely financial support when adverse weather events threaten their crops. This investment is expected to lead to greater food security (supporting local rice production while reducing dependency on imported rice), improved livelihoods, and long-term socio-economic development in the focus countries. The investment will solely fund the implementation of the index-based insurance mechanism and will not cover the payment of insurance premiums. Activity 2.1.2 will also include hydro-agricultural development projects in the regions of the focus countries where rainfall is seasonal and often unpredictable, including through the financing of solar-based irrigation pumps to reduce the reliance on petrol and diesel pumps. These projects will focus on the implementation of efficient irrigation infrastructure to ensure that crops receive adequate water throughout the year, leading to increased crop yields, especially for water-intensive crops like rice, vegetables, and certain fruits. Hydro-agricultural projects will also help stabilize agricultural output and mitigate the risk of droughts and floods through climate-resilient crop systems, as well as permit farmers to see an increase in their income as a result of higher productivity and the ability to grow high-value crops. Finally, activity 2.1.2 will also target regenerative agriculture carbon projects to combat food insecurity by implementing sustainable agricultural practices to improve carbon storage in arable land.

Activity 2.1.3: Finance the integration of water management – protection from water–related disasters, preservation of water resources and enhanced resilient water supply and sanitation services.

This activity will fund flood management infrastructure, including urban drainage and stormwater management systems, and finance hydromet, drought resilience and water governance systems, as well as coastal protection and erosion control – addressing the challenges posed by climate change in ensuring the long-term sustainability of water resources. This activity will seek to finance initiatives that protect vulnerable communities from water-related disasters, preserve vital water resources, and enhance the resilience of water supply and sanitation services. Investing in water infrastructure resilience project will aim at improving the supply of water systems and displacing diesel back-up generators. In addition, the activity will include the development of riverbanks and shallows of selected water bodies, promoting fishing as well as tourism and ecological industries. Ultimately, these efforts will ensure that communities are better equipped to adapt to a changing climate and continue to thrive in a water-constrained world.

Activity 2.1.4: Finance access to modern renewable energy.

This activity will include the financing and construction of renewable energy generation plants (both on-grid and off-grid), combined with energy storage stations in selected priority regions of the focus countries, but

particularly aiming at ensuring the energy autonomy of industrial zones to sustain economic growth. The activity may include solar- and wind-based generation, small scale hydropower (with no large reservoir creation), geothermal energy, and sustainable bioenergy (subject to safeguards). The activity may also include demand-side energy efficiency and digitalization, including smart meters (with demand response programme), demand response systems, load management systems, energy management platforms for commercial, industrial or utility users, methane capture and waste-to-energy (including landfill methane capture), agricultural waste methane capture, and waste biogas systems. By harnessing the abundant renewable energy resources of the region, this activity will provide clean, reliable, and sustainable energy sources that will minimize reliance on conventional fossil fuel-based power generation, thereby significantly reducing greenhouse gas emissions compared to traditional energy sources, and avoiding the locking-in of high-carbon asserts.

Activity 2.1.5: Finance the execution of climate resilient infrastructure.

This activity will support the financing and development of climate-resilient infrastructure in priority economic zones, including in relation to climate-resilient transport, and the construction of energy and public buildings infrastructure (e.g. schools and hospitals) using resilience standards. The priority zones will be strategically identified and developed to host a range of resilient infrastructure investments, aimed at supporting enhanced climate adaptation capacity. By proactively integrating resilience considerations such as flood protection, sustainable drainage, and durable construction standards into the planning and execution of infrastructure, this activity will reduce vulnerability to climate risks and contribute to long-term national climate resilience goals. It will also enable the creation of safe, productive land in response to rising sea levels and land scarcity.

Selection criteria of the projects under the Programme.

The eligibility framework described above was developed in consultation with the participating countries. It has been shared with them and applied to the initial set of investments submitted by the countries under the programme.

The screening process enabled the identification of an initial pipeline of projects across all participating countries. This exercise not only tested the relevance and robustness of the framework but also familiarized countries with the screening methodology and its practical application. Importantly, it also helped participating governments understand the criteria used to determine eligibility and the reasons why certain investments may not qualify under the ASCF programme.

The results of this exercise are presented below, including the initial pipeline of projects selected from the countries' pool of climate projects, followed by the results from the application of the eligibility framework to selected projects.

Country	Projects	Result Areas	Description and climate relevance
Angola	Chicomba Water Dam	MRA 1: Energy generation and access	A multi-purpose water infrastructure project designed to support renewable energy generation and strengthen energy security. The project integrates climate-resilient water storage infrastructure with potential hydropower generation, efficient irrigation systems, watershed restoration to protect reservoir capacity, and climate information services to optimize water management under drought and flood conditions.
	Corimba Marginal Infrastructure Completion Project	ARA 3: Infrastructure and built environment	A climate-resilient coastal protection and low-carbon urban transformation corridor. The intervention consists of coastal protection works (breakwaters and revetments), elevated road infrastructure and upgraded drainage channels

Benin	100MW solar farm for GDIZ	MRA 1: Energy generation and access	100 MW Solar power installations with 40 MW storage to supply renewable electricity to the Glo-Djigbé Industrial Zone (GDIZ)[65]
	Lake Nokoué and Porto Novo Lagoon Project	ARA 3: Infrastructure and built environment	An integrated climate-resilience programme for the Lake Nokoué–Porto-Novo Lagoon system in Benin, designed to reduce vulnerability to flooding, ecosystem degradation, and climate-related livelihood risks. By doing so, the project will enhance climate-resilient transportation and mobility across the lagoon system.
	Regenerative Agriculture Carbon Project	ARA 2: Health and well-being, and food and water security	A national climate adaptation programme anchored in soil restoration and landscape resilience.
Côte d'Ivoire	Index-based Agricultural Insurance	ARA 2: Health and well-being, and food and water security	A climate risk financing initiative designed to protect smallholder farmers in the rice value chain against climate shocks (primarily drought and irregular rainfall) using index-based insurance mechanisms.
	Hydro-Agricultural Development	ARA 2: Health and well-being, and food and water security	A climate-resilient water control and agricultural stabilization in the Bandama River basin under increasing rainfall variability.
Nigeria	Northern Nigeria Distribution Line Upgrade	MRA 1: Energy generation and access	A grid modernization to enable large-scale renewable integration and reduce fossil backup dependence.
	Lafia Solar PV Power Plant	MRA 1: Energy generation and access	A utility-scale solar project in Lafia, Nasarawa State.

The section below presents the application of the ASCF methodological climate screening and selection framework to three illustrative projects within the Phase I pipeline (one per targeted result area): Côte d'Ivoire (rice index insurance under ARA2), Benin (GDIZ solar PV and storage under MRA1), and Angola (Corimba Marginal infrastructure under ARA3). The objective is to demonstrate how the structured screening architecture described in Section B.4 and Annex 21a translates into concrete eligibility, impact assessment and climate integrity outcomes across mitigation and adaptation result areas (please also see Annex 2 for supporting data and information for each project).

Illustrative project: Côte d'Ivoire – Index-based Agricultural Insurance (Adaptation, ARA2): *The Côte d'Ivoire Rice Index Insurance project was assessed under the adaptation screening framework for Health and well-being, and food and water security (ARA2). At the adaptation relevance stage, the project demonstrates a clear hazard–risk–intervention pathway. Climate hazards include increasing temperatures, consecutive dry days and extreme rainfall events, as evidenced by downscaled CMIP6 projections. Exposure is concentrated in 182,000 hectares of predominantly rainfed rice systems. Vulnerability is high, with smallholder farmers facing low yields (approximately 0.8 t/ha under rainfed systems), limited access to credit and high-income volatility. The intervention consists of a parametric drought and flood insurance scheme combined with governance strengthening. The vulnerability chain is structured as follows: climate shock → yield loss → income shock → liquidity constraint → reduced resilience. The index-based insurance mechanism is designed to stabilize income following extreme events, thereby preventing distress sales and strengthening adaptive capacity. In terms of impact assessment, the project targets approximately 30,000 direct beneficiaries. Rice is a daily staple in Côte d'Ivoire, and its consumption has increased significantly with*

[65] AFC holds an indirect shareholding in this project through its 28.6% equity interest in Arise Integrated Industrial Platforms ("Arise IIP"), which holds a 65% interest in the Glo-Djigbé Industrial Zone. This shareholding is publicly disclosed and predates AFC's engagement in the ASCF Programme. The Glo-Djigbé Industrial Zone is a strategic national priority of the Government of Benin, which is itself a shareholder in the project and is the basis of the Government of Benin's selection of this project. AFC applies its standard conflict-of-interest and fiduciary policies to this investment, and the matter has been reviewed by the GCF Secretariat's compliance and risk functions, which did not identify concerns regarding a perceived conflict of interest.

urbanization and population growth. Total national demand is close to 3 million tons annually.[66] However, domestic production is only around 1.5–1.6 million tons, meaning the country must import roughly 50% of its rice needs each year, making it the second-largest rice importer in Africa. The high demand for rice and significant import bill, reinforces the macroeconomic relevance of the intervention. Additionality is supported by the nascent nature of the agricultural insurance market, high basis risk and data costs, low farmer ability to pay and limited actuarial capacity. Concessional finance is therefore required to develop, test and scale the insurance mechanism and to crowd in private insurers. Overall, the project satisfies the adaptation positive list criteria, demonstrates a clear causal chain, aligns with internal portfolio benchmarks and exhibits strong paradigm shift potential through national replicability and institutional strengthening.

Project classification

Result area	Food security
Project typology (primary)	Index-based agricultural insurance
Intervention types	✓ Financial instrument ✓ Institutional & capacity building ✓ Agricultural practices
Spatial scale	Landscape / National (10 rice hubs, 182,000 ha)
Beneficiaries	Farmers (52,000)

Adaptation relevance

Climate hazards identified?	✓ Yes	Heat (>35ºC), consecutive dry days, extreme rainfall (CMIP6 SSP5-8.5, 2050).
Climate-sensitive outcomes identified?	✓ Yes	Yield losses (5 to 15% per +1ºC, 20 to 30% drought losses at flowering, income volatility.
Plausible causal link to risk reduction?	✓ Yes	Index-triggered payouts → liquidity stabilization → avoideded distress sales / reduced vulenrability.
Robust methodology and M&E?	✓ Yes	• Scenario-informed hazard screening; • Index calibration; • Monitoring of insured farmers, payouts and income/yield indicators.

➪ Project qualifies as adaptation under ASCF framework.

Selection filter – Positive list and impact

1. Positive list compliance
- ✓ *Listed activity: Index-based agricultural insurance (Food security).*
- ✓ *Clear evidence-based hazard-risk-vulnerability causal chain.*
- ✓ *Methodology proposed for impact quantification (insured hectares, beneficiaries, production under protection).*

2. Adaptation impact potential
- ✓ *Hazard: increasing heat, drought vulnerability, extreme rainfall.*
- ✓ *Exposure: 182,000 ha rainfed rice (approx 145,600 t/year under protection proxy).*
- ✓ *Vulnerability: smallholders, low yields (0.8 t/ha), limited access to credit.*
- ✓ *Intervention: parametric drought and flood insurance, governance strengthening.*
- ✓ *Outcome: stabilized income → improved food security → enhanced adaptive capacity.*
- ✓ *Direct beneficiaries: 52,000 farmers.*

3. Why rice?
- ✓ *Most consumed staple, fastest-growing demand.*
- ✓ *Among top global rice importers (around 50% import dependence → macro vulnerability).*
- ✓ *95% rainfed production → highly climate-sensitive.*
- ✓ *Large adaptation dividend: productivity gap (0.8 t/ha rainfed vs 3.5t/ha irrigated).*
- ✓ *Strong country ownership: SNDR 2021-2030, NDC adaptation priorities.*

➪ ***High climate sensitivity, high food security relevance, national priority → Maximum adaptation leverage per USD.***

Additionality and concessionality

Without GCF: *nascent index insurance market, high basis risk and data costs, low farmer ability to pay, limited actuarial and regulatory capacity, fragmented value chain (no scale).*
With GCF: *development and back-testing of indices, premium de-risking, institutional strengthening, market creation and private insurer crowd-in.*

Paradigm shift potential

Scale: *52,000 farmers; 10 hubs; replicable nationally.* **Replicability**: *model transferable to other crops.*
Sustainability: *institutionalization of climate services and insurance market development.*
Enabling environment: *strengthens Core Indicators 5, 6 and 8.*

Illustrative project: Benin – GDIZ Solar PV and Storage (Mitigation, MRA1): *The Benin project was assessed under the mitigation screening framework for Energy Generation and Access (MRA1). At the eligibility stage, the project qualifies under the ASCF positive list as a renewable energy generation investment. The proposed mitigation methodology (CDM methodology AM0019) is aligned with well-established approaches for renewable energy displacing fossil-fuel generation. The baseline scenario consists of continued reliance on the GDIZ dual-fuel thermal plant and grid electricity imports. The project is expected to install 100 MW of rooftop solar capacity and 40 MW of storage, replacing fossil-based electricity supply within the industrial zone. Lifetime avoided emissions are estimated at 397,984 tCO_2e. The core portfolio metric, cost per emissions reduced, amounts to 99 USD/tCO_2e. From a strategic perspective, the project contributes to industrial decarbonization in a country with limited renewable penetration and high electricity import dependence. It supports long-term structural transformation of the energy mix and is aligned with Benin's NDC targets and renewable energy expansion plans. Financial additionality is supported by high upfront capital expenditure, storage costs, foreign exchange exposure and limited availability of long-tenor financing. The project demonstrates market creation potential for behind-the-meter solar in industrial zones and contributes to enabling environment indicators related to technology deployment and regulatory strengthening. Overall, the project satisfies the mitigation screening criteria and presents strong structural decarbonization features within the ASCF framework.*

Project classification

Result area	Energy Generation and Access (MRA2)
Project typology (primary)	✓ Energy infrastructure - Solar PV (100MW rooftop) + Battery storage (40MW)
Intervention types	✓ Hard infrastructure ✓ Technology deployment ✓ (potential) Institutional capacity building
Spatial scale	Site / Industrial zone (GDIZ, near Cotonou; Tori-Bossito / Atlantique Dept.)
Beneficiaries	Industrial zone users + workforce (direct / indirect) – TBD formal quantification.

Screening gate (eligibility)

Positive list of eligible mitigation activities	✓ Yes	Renewable energy generation (solar PV) + enabling storage / grid integration.
Mitigation methodology proposed	✓ Yes	CDM AM0019 (renewables displacing output of a single fossil-fuel plant). • Impact boundary: GDIZ internal network (behind-the-meter) replacing electricity from identified thermal plant / grid supply. • Baseline scenario: Continued operation of 143 MW dual-fuel thermal plant + supplementary grid electricity. • Project emissions / leakage: PE = 0; LE = 0 (operational). • Monitoring concept: generation (MWh), storage operation, baseline EF approach, metering/SCADA.

Selection filter

1. Impact potential and indicators
- ✓ *Installed RE capacity: 100 MW rooftop solar*
- ✓ *Installed storage capacity: 40 MW*
- ✓ *Avoided emissions (provided): ~435,835 tCO_2*
- ✓ *The project achieves an emissions reduction intensity of 10,057.7 tCO_2e per USD invested.*

Additionality

1. Overall additionality claim: plausible.
2. Baseline and alternatives:
- ✓ *Strong baseline (thermal plant expansion / grid reliance); needs explicit counterfactual wording (e.g., "continued diesel/gas generation").*

3. Barriers:
- ✓ *Financial: high upfront capex + storage cost, FX risk, tenor constraints, off-taker/PPA bankability.*
- ✓ *Non-financial: permitting/grid integration complexity, institutional capacity for O&M / regulation.*

4. Market transformation:
- ✓ *Strong -- industrial-zone renewable model in a low-RE country context.*

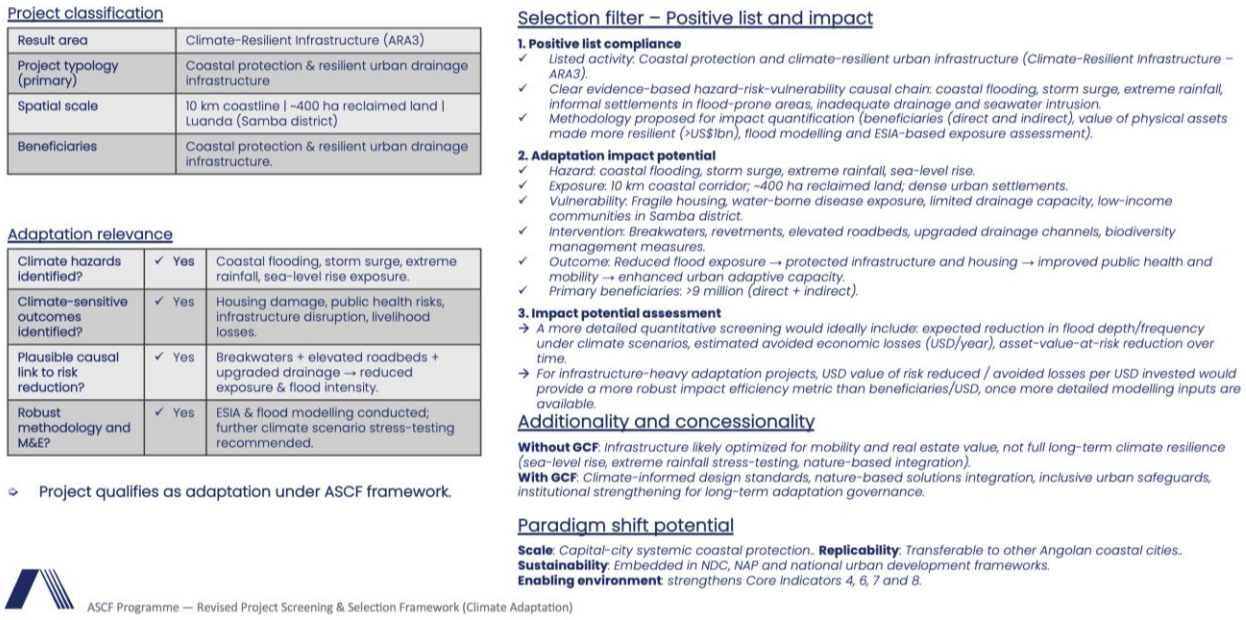
5. Concessionality: ⚠ *TBD*

Paradigm shift potential

Scale: *flagship energy backbone for GDIZ expansion (industrial demand growth).* **Replicability**: *replicable across Benin SEZs / ECOWAS industrial zones.*
Sustainability: *contingent on long-term O&M financing + governance + performance monitoring.*
Enabling environment contribution: *strengthens Core Indicators 5, 6 and 8.*

66 Source Link

Illustrative project: Angola – Corimba Marginal Infrastructure (Adaptation, ARA3): *The Corimba project was assessed under the adaptation screening framework for Climate-Resilient Infrastructure (ARA3). The adaptation relevance test confirms a clear climate rationale. Luanda is exposed to recurrent coastal flooding, storm surge and extreme rainfall, compounded by inadequate drainage and rapid urbanization. Vulnerability is particularly high in informal settlements along the Samba coastline, where housing fragility and public health risks are documented. The intervention consists of coastal protection works (breakwaters and revetments), elevated road infrastructure and upgraded drainage channels. The expected outcome pathway is the reduction of flood exposure for urban populations and assets, resulting in improved safety, mobility and long-term resilience. The project is estimated to benefit nearly 10,000 direct and more than 250,000 indirect beneficiaries and to make over US$1 billion in physical assets more resilient. The project demonstrates strong alignment with Angola's NDC and urban development strategies and presents systemic resilience benefits at capital-city scale. Additionality lies in ensuring that long-term climate stress-testing, nature-based integration and resilience standards are embedded in design and implementation. Overall, the project satisfies the adaptation positive list and demonstrates high systemic resilience value. Further quantitative modelling will be used to strengthen the precision of impact efficiency assessment.*



Project classification

Result area	Climate-Resilient Infrastructure (ARA3)
Project typology (primary)	Coastal protection & resilient urban drainage infrastructure
Spatial scale	10 km coastline | ~400 ha reclaimed land | Luanda (Samba district)
Beneficiaries	Coastal protection & resilient urban drainage infrastructure.

Adaptation relevance

Climate hazards identified?	✓ Yes	Coastal flooding, storm surge, extreme rainfall, sea-level rise exposure.
Climate-sensitive outcomes identified?	✓ Yes	Housing damage, public health risks, infrastructure disruption, livelihood losses.
Plausible causal link to risk reduction?	✓ Yes	Breakwaters + elevated roadbeds + upgraded drainage → reduced exposure & flood intensity.
Robust methodology and M&E?	✓ Yes	ESIA & flood modelling conducted; further climate scenario stress-testing recommended.

➪ Project qualifies as adaptation under ASCF framework.

Selection filter – Positive list and impact

1. Positive list compliance
- ✓ *Listed activity: Coastal protection and climate-resilient urban infrastructure (Climate-Resilient Infrastructure – ARA3).*
- ✓ *Clear evidence-based hazard-risk-vulnerability causal chain: coastal flooding, storm surge, extreme rainfall, informal settlements in flood-prone areas, inadequate drainage and seawater intrusion.*
- ✓ *Methodology proposed for impact quantification (beneficiaries (direct and indirect), value of physical assets made more resilient (>US$1bn), flood modelling and ESIA-based exposure assessment).*

2. Adaptation impact potential
- ✓ *Hazard: coastal flooding, storm surge, extreme rainfall, sea-level rise.*
- ✓ *Exposure: 10 km coastal corridor; ~400 ha reclaimed land; dense urban settlements.*
- ✓ *Vulnerability: Fragile housing, water-borne disease exposure, limited drainage capacity, low-income communities in Samba district.*
- ✓ *Intervention: Breakwaters, revetments, elevated roadbeds, upgraded drainage channels, biodiversity management measures.*
- ✓ *Outcome: Reduced flood exposure → protected infrastructure and housing → improved public health and mobility → enhanced urban adaptive capacity.*
- ✓ *Primary beneficiaries: >9 million (direct + indirect).*

3. Impact potential assessment
- → *A more detailed quantitative screening would ideally include: expected reduction in flood depth/frequency under climate scenarios, estimated avoided economic losses (USD/year), asset-value-at-risk reduction over time.*
- → *For infrastructure-heavy adaptation projects, USD value of risk reduced / avoided losses per USD invested would provide a more robust impact efficiency metric than beneficiaries/USD, once more detailed modelling inputs are available.*

Additionality and concessionality

Without GCF: *Infrastructure likely optimized for mobility and real estate value, not full long-term climate resilience (sea-level rise, extreme rainfall stress-testing, nature-based integration).*
With GCF: *Climate-informed design standards, nature-based solutions integration, inclusive urban safeguards, institutional strengthening for long-term adaptation governance.*

Paradigm shift potential

Scale: *Capital-city systemic coastal protection..* **Replicability**: *Transferable to other Angolan coastal cities..*
Sustainability: *Embedded in NDC, NAP and national urban development frameworks.*
Enabling environment: *strengthens Core Indicators 4, 6, 7 and 8.*

ASCF Programme — Revised Project Screening & Selection Framework (Climate Adaptation)

An indicative funding allocation of USD 25–75 million per project will be made available under the ASCF. Until each participating country has fully allocated its designated funding to eligible projects, which is expected to support between a minimum of two and a maximum of five investments per country, each Ministry of Finance may continue to submit projects it considers suitable for financing under the Facility. For each project submitted, AFC will assess its compliance with the programme's screening and eligibility criteria. Where multiple projects meet the eligibility requirements, prioritization will be based on the level of project readiness and the applicable Environmental and Social Safeguards (ESS) category. AFC has extensive experience working with sovereign governments and financing infrastructure projects across Africa through a range of financial instruments. In the context of ASCF-supported projects, AFC will ensure the efficient and effective management and utilization of GCF proceeds. Where appropriate, and on a case-by-case and best-efforts basis, AFC will also explore complementary structuring options to enhance access to blended/climate finance, while ensuring that the supported investments do not exacerbate debt sustainability risks for participating countries.

B.4. Implementation arrangements

Accredited Entity (AE): Africa Finance Corporation (AFC): AFC is a multilateral financial institution with its headquarters in Lagos, Nigeria, established by African sovereign states to address Africa's infrastructure deficit and challenging operating environment. To date, AFC has disbursed over USD 15.6 billion to support transformative sustainable infrastructure projects in 36 African countries. AFC is focused on innovative homegrown solutions to Africa's development and climate change challenges related to infrastructure. AFC has extensive experience in sovereign financing and maintains an investment portfolio of over USD 15 billion with several African states. AFC maintains an S&P credit rating of A with a positive outlook and a Moody's A3 credit rating with a stable outlook, placing it among the highest-rated African financial institutions. As a

Regional Direct Access Accredited Entity of the GCF, AFC will oversee the overall framework implementation of the ASCF Programme and report to the GCF per the terms of the Accreditation Master Agreement (AMA) and the Funded Activity Agreement (FAA). AFC will also serve as an Executing Entity for this Programme.

Optional Advisory Support:

AFC houses both Investment and Financial Advisory capabilities within the same legal entity. However, the Financial Advisory Department operates as a distinct and functionally independent business line within AFC, with separate management oversight, revenue accountability, and internal governance processes. The Financial Advisory team operates behind formal internal information barriers and is subject to AFC's conflict-of-interest, confidentiality, and restricted information protocols. These measures ensure that advisory mandates are executed independently of AFC's investment decision-making processes. The Financial Advisory team acts solely in the interests of its advisory clients, which include Sovereigns, state-owned entities, and private sponsors. In the discharge of its mandates, the Advisory team owes duties exclusively to its client and does not represent or advance AFC's Investment interests.

AFC's advisory track record includes nine completed mandates, spanning 2017 to 2026 across Nigeria, Rwanda and Angola/DRC, with an aggregate transaction value of approximately US$7.0 billion, in which AFC acted solely as financial or co-financial adviser and AFC's Investments Division did not participate as a debt or equity financier. These transactions — including the New Bugesera International Airport, the Lobito Corridor Railway financing, and multiple facilities for NNPC and Sahara Group — were financed instead by third parties including Afreximbank, DFC, DBSA, Deutsche Bank and a range of commercial banks and institutional investors. This record demonstrates that AFC Advisory mandates are awarded and executed on their own merits, independent of any AFC financing participation.

In practice, the Financial Advisory Department frequently represents clients in transactions where AFC's Investment team may be a potential source of financing. In such circumstances:

- The Advisory team acts on behalf of the client in structuring and negotiating financing terms;
- AFC Investments Division participates on a strictly arm's-length basis, alongside other financiers;
- The Advisory team may negotiate directly with AFC Investments Division in the same manner as with third-party lenders;
- No client-confidential information is shared with AFC Investments Division without the express consent of the client.

This internal separation framework has been implemented successfully across numerous transactions and reflects established governance standards among similar institutions that maintain both advisory and investment functions within a single corporate structure.

In the context of the ASCF, any advisory engagement with participating Sovereigns would:

- Be entered into at the Sovereign's sole election, and would be subject to the Sovereign's own procurement or selection process for the appointment of an advisor, rather than automatic appointment of AFC;
- Be governed by a separate advisory mandate agreement;
- Be subject to AFC's internal conflict-management and information-barrier protocols;
- Be conducted independently of AFC's investment appraisal and funding decisions;
- Will be in support of work that the Sovereign has identified may be needed in relation to the effective implementation of the programme only after the Facility Agreement has been signed with the Investments Division.

Accordingly, the provision of advisory services by AFC Financial Advisory would not create a conflict of interest with AFC's Investment function but rather would support project preparation while preserving functional independence and arm's-length governance. If appointed by the respective Sovereigns, AFC's Financial Advisory fees will be paid against defined milestones/deliverables, representing a ceiling on potential advisory fees rather than a guaranteed revenue commitment to AFC.

Primary Executing Entities: For the purpose of the ASCF Programme the primary Executing Entities are different for Component 1 and Component 2:

- **Component 1:** AFC, in addition to its role as the Accredited Entity, will also be the Executing Entity (EE) for the grant component of the Programme across all focus countries. Through this role, AFC will be responsible for the effective deployment of grant funding to implement Activities 1.1.1, 1.1.2 and 1.2.1. AFC will lead the procurement of consultancy services required for these activities, either directly utilising AFC's established procurement policies and procedures or indirectly, by working through the line ministries in the target countries as named in the table below, where appropriate. AFC however remains the sole EE for Component 1. This approach ensures flexibility, promotes national ownership, and enables the efficient delivery of preparatory support necessary to advance project readiness and investment implementation.
- **Component 2**: for investments and project execution activities (Component 2), the Primary Executing Entity (EE) of each country will be their Ministry of Finance (MOF). For the purpose of Component 2, the MOF in each country will oversee the execution of the pipeline of eligible national projects as per the ASCF climate eligibility criteria and ensure that they are implemented in accordance with the Facility Agreement's terms and conditions. The projects funded by ASCF through the Facility Agreement are to be provided by each respective Executing Entity in collaboration with other relevant ministries and national agencies. Each project is expected to be aligned with the focus countries' NDCs and to be listed as priority projects in their respective National Plans and including upcoming budgets. It is expected that the Ministries of Finance for each of the countries under the Programme will be the Borrower of record under the financing agreements, thereby responsible for the execution and repayment of the Facility.

Co-Executing Entities: due to the nature of the underlying projects and the organisational structure of public sector institutions, the Ministries of Finance will work closely with the respective Ministries in charge of executing and overseeing the various projects. Under this structure, the AE will work with each Ministry of Finance (four in total) as the primary EE, with co-EEs for each project. For example, where the project falls under the purview of the Ministry of Agriculture or the Ministry of Power, the AE will work closely with the Ministries of Finance and Agriculture / Power. The following table shows the primary EEs and possible co-EEs (line ministries) for each country:

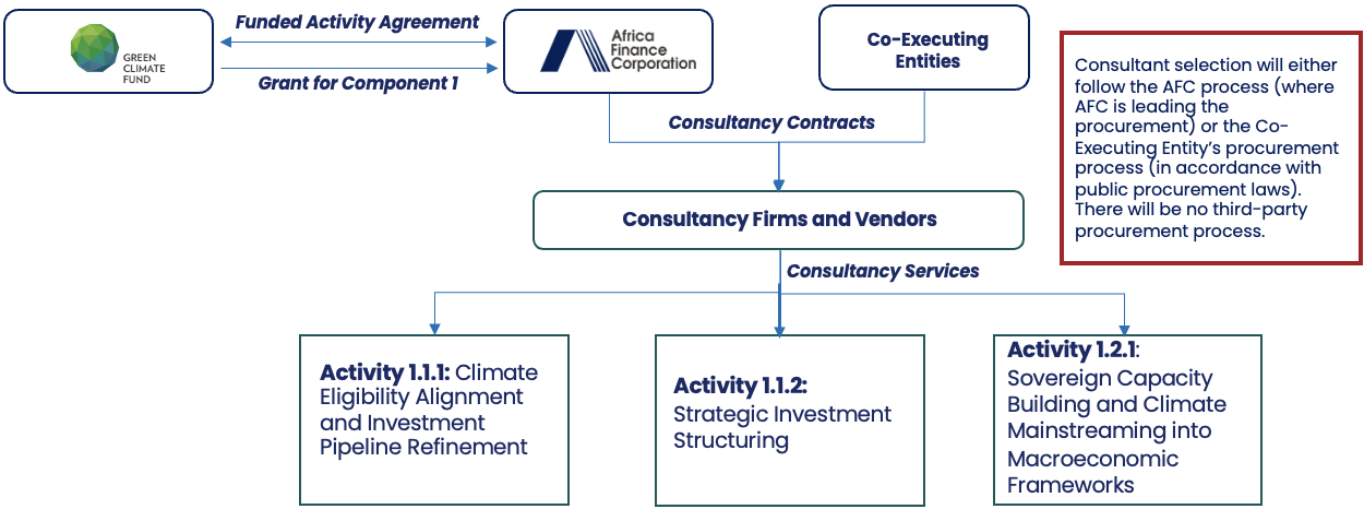
Country	Primary Executing Entity	Possible Co-Executing Entities
Angola	Ministry of Finance	Ministry of: • Agriculture and Rural Development • Energy and Water • Public Works
Benin	Ministry of Economy and Finance	Ministry of: • Agriculture, Livestock and Fisheries • Ministry of Energy • Infrastructure and Transport • Water & Mines
CIV	Ministry of Finance and Budget	Ministry of: • Agriculture, Rural Development and Food Production • Water & Forests • Construction, Housing & Urban Planning • Mines, Petroleum & Energy
Nigeria	Federal Ministry of Finance	Federal Ministry of: • Power • Water Resources • Agriculture & Food Security • Works

ASCF Contractual Setup and Flow of Funds: The ASCF Programme will enable the development of essential climate-resilient, low-emission infrastructure in the focus countries by providing financial resources to the public entities and ensure that efficient project preparation, development, and monitoring processes are in place.

Following approval of the Programme by the GCF Board, AFC and GCF, based on the AMA, will enter into a programme-specific FAA for the implementation of the Programme. The FAA will outline the sectoral and geographical scope as well as the eligibility criteria of the projects under the Programme. The agreed funding will be placed in the GCF account as per the terms and conditions of the AMA and the FAA. AFC will be solely responsible for the administration of the GCF resources and will carry out such administration in accordance with the AMA, the FAA, its own policies and procedures and with the same degree of care as it uses in the administration of its own funds. In relation to individual projects under the Programme, AFC will apply its own standards, policies, and procedures relating to countering fraud, corruption, money laundering, and the financing of terrorism and other sanctionable practices.

The FAA will consist of a combination of non-reimbursable grants and concessional debt to support the financing of the projects under the Programme.

Grant component: this component is designed to provide approximately USD 4.5 million for each focus country (USD 18 million across the 4 countries) to enhance sovereign institutional capacity and create a supportive environment for project development, while the remainder of the grant financing (USD 2 million) is allocated to programme monitoring. The USD 18 million grant includes support in sovereign capacity building and climate mainstreaming into macroeconomic frameworks, as well as financing strategic investment structuring to support the project's low-emission and climate-resilience objectives. The grant may also cover the deployment of technical experts to work directly with the relevant public institutions. The institutional arrangements and the flow of funds mechanism for the grant component is indicated in the figure below:

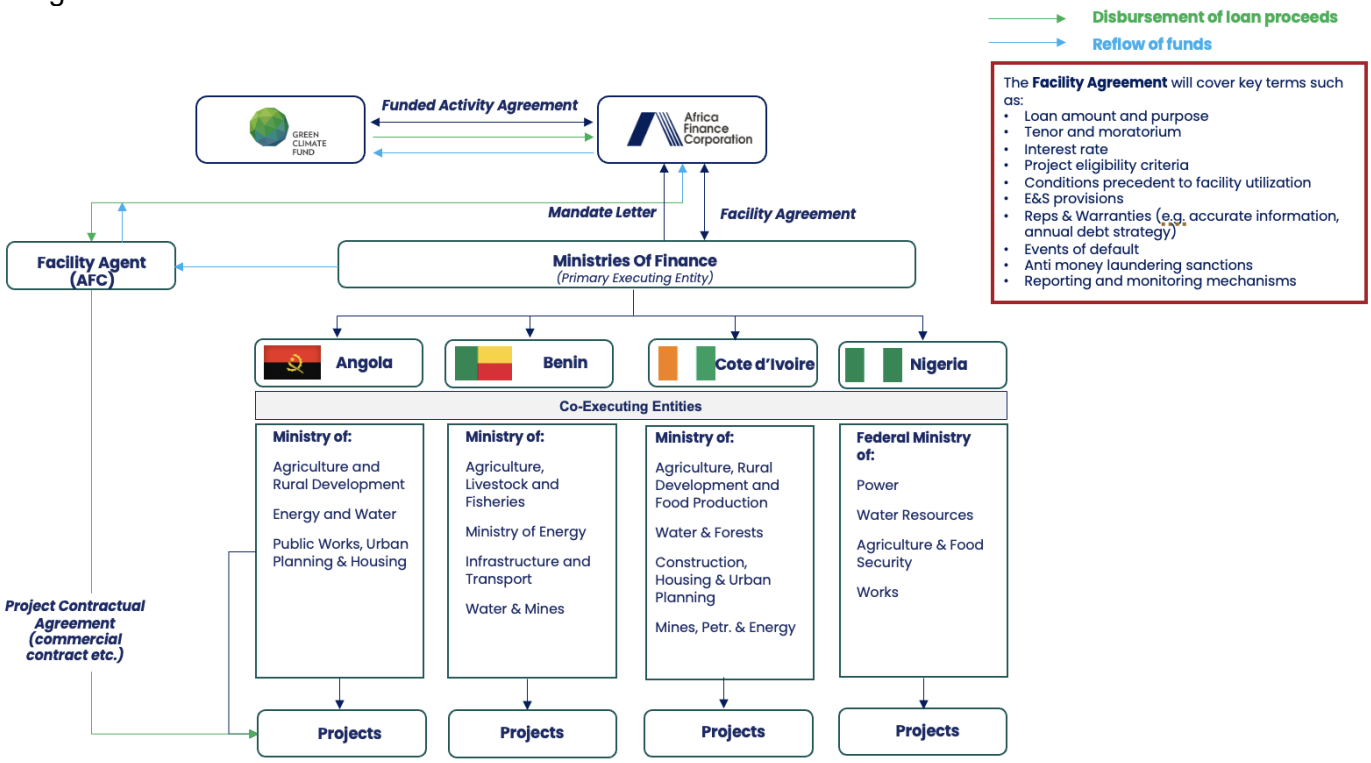


The agreed grant funding for Component 1 of the Programme will be disbursed to AFC as per the terms and conditions of the FAA. To enable implementation of the activities under Component 1, AFC will enter into consultancy contracts either directly using AFC processes or through the line ministries. The consultant selection will either follow the AFC process (where AFC is leading the procurement) or the sovereign's procurement process (in accordance with public procurement laws). There will be no third-party procurement process. Once contracted, consultancy firms deliver Consultancy Services towards the two outputs and related activities under Component 1 as follows:

- **Output 1.1:** Prioritized and investment-ready climate-aligned sovereign pipelines
  - **Activity 1.1.1:** Climate eligibility alignment and investment pipeline refinement.
  - **Activity 1.1.2:** Strategic investment structuring

- **Output 1.2:** Improved institutional frameworks with regards to climate risks and investing for measurable climate outcomes
    - **Activity 1.2.1**: Sovereign capacity building and climate mainstreaming into Macroeconomic Frameworks

Concessional facility component: this component provides between USD 25 and USD 75 million per project in loans to finance the projects selected under the Programme. This instrument offers long-term, blended financing, enabling sovereign entities to undertake priority climate-focused investments. The institutional arrangements and flow of funds diagram for this component of the Programme are indicated in the figure below:



Based on the arrangements described in the above diagram, following the signing of the FAA between the GCF and AFC, the GCF will disburse the agreed loan proceeds for Component 2 of the Programme to AFC as per the terms and conditions of the FAA. AFC will enter into Facility Agreements with the respective primary Executing Entities (Ministry of Finance), of each focus country. Under these Facility Agreements, ASCF financial resources provided by both GCF, AFC and the Third-Party Financier will be mobilized and disbursed through the Facility Agent to finance eligible projects. In line with AFC's policy, and per the terms and conditions of the FAA, funds will be disbursed directly to the relevant entity contracted to implement each sub-project, either to a contractor account or to a dedicated project account. This construct ensures that proceeds of the programme are ring-fenced exclusively to fund the sub-projects and not for any form of budgetary support. This serves as a way to mitigate the risk of fund diversion. The facility agent will request that disbursements be made by the lenders upon the receipt of verifiable invoices from the project contractor. AFC will sign individual mandate letters with the respective Ministries of Finance. The mandate letter provides the written authorisation from the Ministries of Finance to AFC to raise blended financing on their behalf. All mandate letters include accordion options for up to USD 170 million to raise an additional USD 150 million of concessional financing from a third party and USD 20 million of blended financing from the AFC and the GCF. We note that, specifically for CIV, discussions are advanced and the Third-Party Financier is expected to sign the Facility Agreement alongside the AFC and GCF as opposed to coming into the Facility Agreement via an accordion (accession to the already agreed finance documents).

The Facility Agreements will cover key terms such as:

- Loan amount and purpose;
- Tenor and moratorium;
- Interest rate;
- Project eligibility criteria;
- Conditions precedent to facility utilization;
- E&S provisions;
- Representations and warranties (e.g., accurate information, annual debt strategy);
- Events of default;
- Anti money laundering sanctions;
- Reporting and monitoring mechanisms.

AFC, through its operations department, will act as Facility Agent on behalf of the lenders (GCF, AFC and the Third Party Financier) in connection with the administration, management, and enforcement of the Facility, including without limitation: coordinating communications between the borrowers and the lenders, receiving and distributing payments made by the borrower, maintaining records of the loans and disbursements, monitoring compliance by the borrowers with their obligations under the financing agreements, and performing any other duties expressly set out in the agreement.

Each participating country including Angola, Benin, Côte d'Ivoire and Nigeria will execute its projects through designated co-Executing Entities, typically sector-specific ministries. As shown earlier, these ministries span across sectors, including:

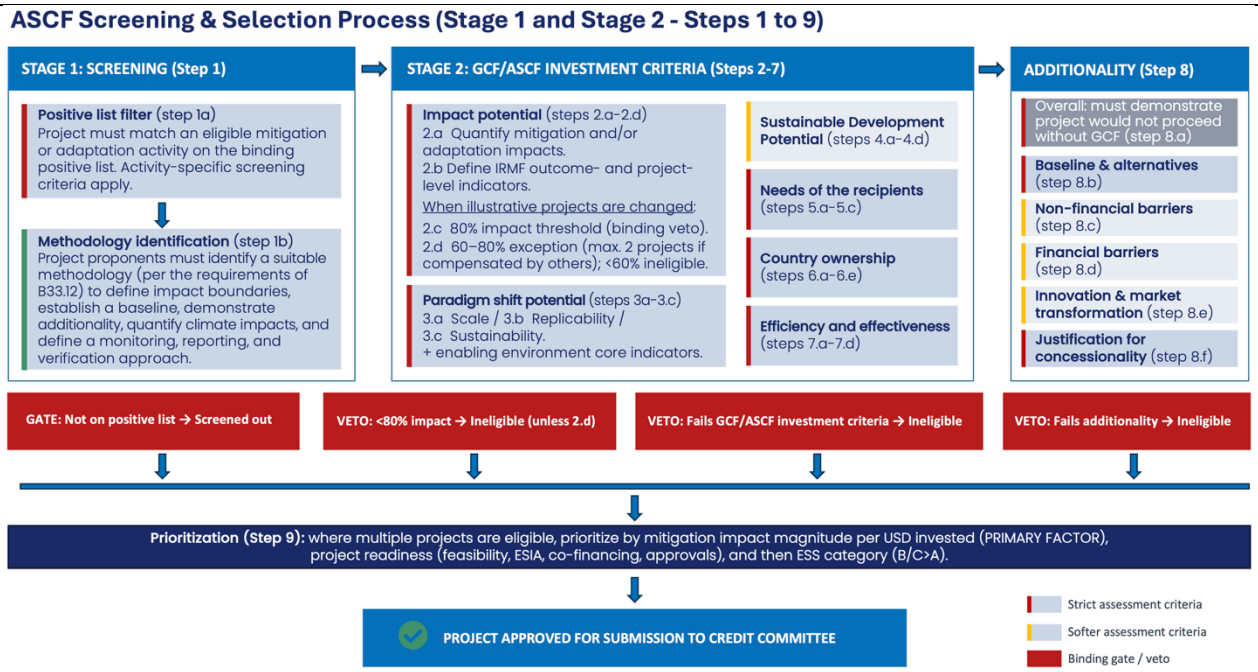
- Agriculture, rural development, livestock and fisheries and food production.
- Mines, energy, and water resources.
- Transport and infrastructure.
- Public works and urban planning.

These co-Executing Entities will be responsible for identifying, implementing, and overseeing the projects within their jurisdictions. Once projects are approved and ready for implementation, the responsible ministries enter into Project Contractual Agreements (i.e., commercial contracts) with service providers or contractors.

During implementation of the Programme, AFC will follow the Facilities' oversight and reporting requirements as provided for under the FAA and the respective Facility Agreements that will be signed with each country. Funds to the respective contractors (Component 2) will be repaid from each sovereign's budgetary allocations.

Project screening and selection process:

The project screening and selection process is described in detail in Annex 21a. Screening and selection is organized into two sequential stages and nine steps, with a series of pass/fail criteria and climate-based vetoes, as shown in the figure below:



Stage 1 begins with a review of the project documentation and proposed climate impact quantification methodology submitted by the project proponents. Projects must pass the positive list of eligible activities (see Annex 21a) and satisfy general eligibility conditions (Step 1.a) before identifying a suitable methodology (in line with GCF Board Decision B.33/12)[67] to define impact boundaries, establish baselines, demonstrate additionality, quantify climate impacts, and define monitoring, reporting, and verification (Step 1.b). Upon review and approval of the proposed methodology by the ASCF Investment Committee, the project proponents prepare a Stage 1 Investment Memorandum documenting the screening outcomes, which serves as the basis for the Stage 2 eligibility assessment. At this stage, input parameters do not need to be quantified — they must only be fully identified, so that they can be quantified as part of the feasibility study (if not yet complete at Stage 1) and applied in the calculation of climate impacts and outcome- and project-specific indicators during Stage 2.

Stage 2 (steps 2-9) assesses each project against the ASCF investment criteria (which mirror both the GCF and the Third-Party Financiers investment criteria), covering: impact potential (step 2), paradigm shift potential (step 3), sustainable development potential (step 4), needs of the recipients (step 5), country ownership (step 6), financial efficiency and effectiveness (step 7), and the demonstration of additionality to show that the project would not have occurred (or would not occur at the same scale) in the absence of GCF concessional funding (step 8). When multiple projects compete for limited funding, prioritization (step 9) considers: (i) climate impact magnitude (tCO_2e per $ invested for mitigation; beneficiaries reached for adaptation), (ii) readiness (feasibility studies, ESIAs, co-financing, regulatory approvals), and (iii) ESS category (lower-impact projects prioritized). Climate impact is the primary ranking factor. In the case an illustrative project (as described in Annex 2) is changed or replaced by another, the new project may be eligible if it can be demonstrated that the new project will deliver at least 60-80% of the climate outputs per dollar invested (tCO_2e by dollar invested for mitigation projects, or number of beneficiaries per dollar invested, dollar value of physical assets made more resilient per dollar invested, or dollar value of expected losses due to climate events reduced per dollar invested for adaptation projects – see Annex 21a for additional details).

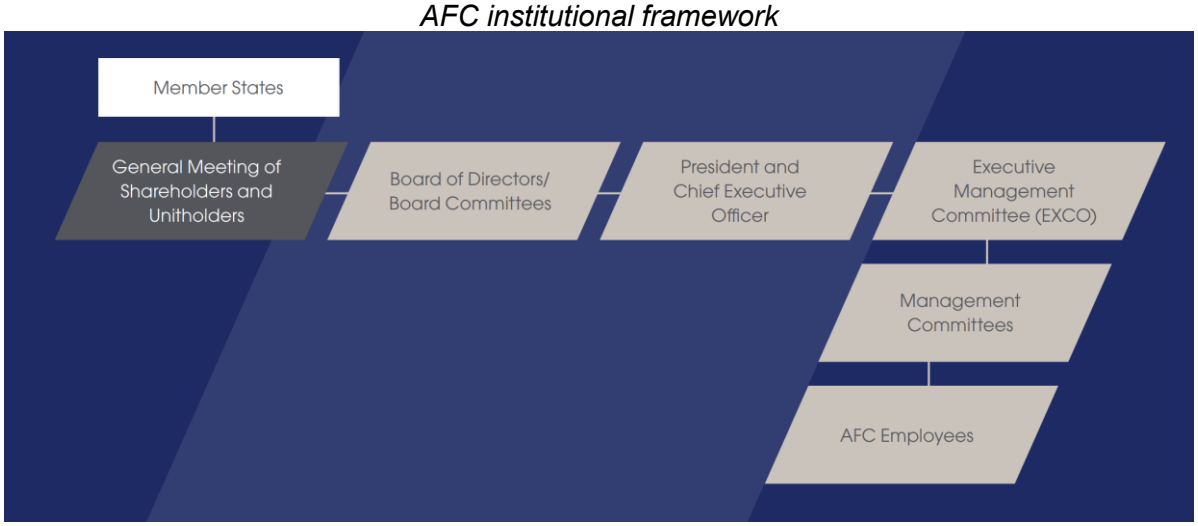
Projects with identified gaps may be flagged for revision and resubmission. Projects meeting investment criteria (Steps 1–8) and prioritized under Step 9 advance to a Stage 2 Investment Memorandum for financing and implementation. All decisions will follow the established guidelines of the Operations Manual (Annex 21a), require Investment Committee approval, and comply with the Accreditation Master Agreement and Funded Activity Agreement.

[67] GCF Board Decision B.33/12: Steps to enhance climate rationale

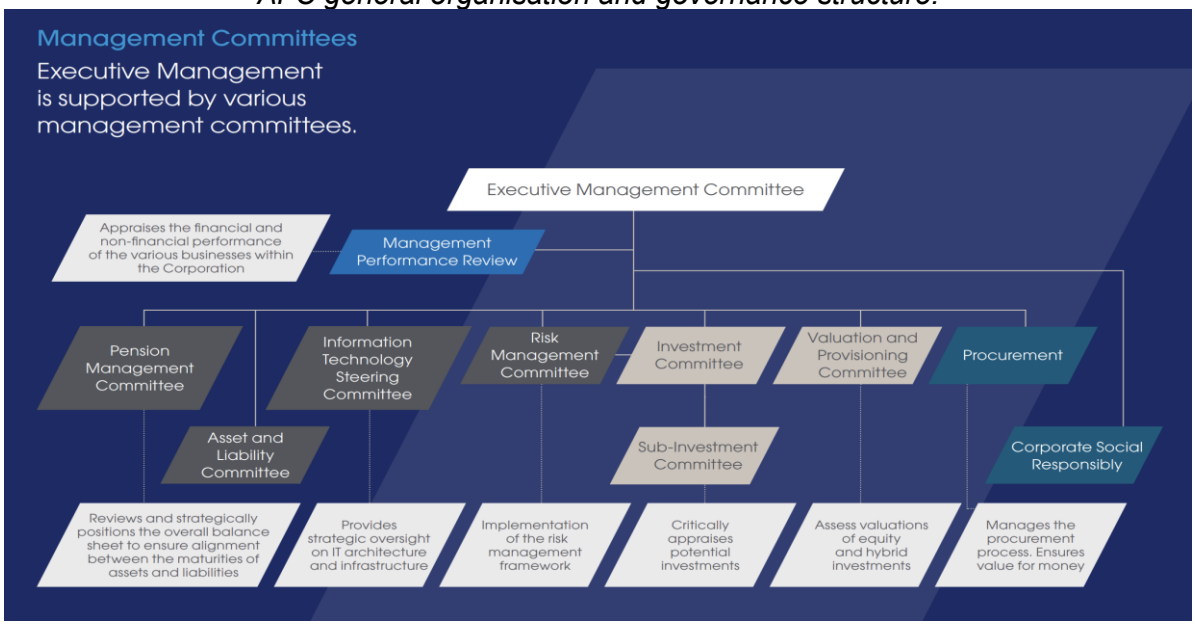
Governance: ***AFC's Role and Responsibilities*:** AFC will be responsible for the overall oversight of the ASCF Programme, including supervision of the implementation of the framework and will report to GCF in accordance with the terms of the FAA. To support the implementation of ASCF, AFC will leverage its institutional capabilities and experience in financing infrastructure projects across Africa. It will apply its established policies and control frameworks. In its capacity as an Executing Entity, AFC will also undertake the implementation of activities under Component 1 of this Programme.

Governance and Institutional Framework*:* established in 2007 by African sovereign states as a multilateral development financial institution, AFC operates under a robust governance framework outlined in its Establishment Agreement and Charter. These documents define the roles and responsibilities of shareholders, the Board of Directors, and executive management, ensuring alignment with international best practices. See the figures below for AFC's institutional framework and general organization and governance structure respectively:

AFC institutional framework



AFC general organisation and governance structure:



Key elements of AFC's governance structure include:

- **Board of Directors**: Responsible for overseeing the Corporation's strategic direction, operations, and risk management.
- **Executive Management:** This is supported by the various management committees as follows:
  - **Pension Management Committee**: Reviews and strategically positions the overall balance sheet to ensure alignment between maturities and assets and liabilities.
  - **Information Technology Steering Committee**: Provides strategic oversight on IT architecture and infrastructure.
  - **Risk Management Committee**: Implementation of the risk management framework.
  - **Investment Committee**: Critically appraises potential investments.
  - **Valuation and Provisioning Committee**: Assess valuations of equity and hybrid investments.
  - **Procurement**: Manages the procurement process and ensures value for money.

B.5. Justification for GCF funding request

The effects of climate change are disproportionate across the world, with Africa being the most vulnerable continent despite its low contribution to greenhouse gas emissions. Notwithstanding, several African countries outlined in their NDCs their ambitions of building climate resilient and low-carbon economies. The most ambitious commitments, however, are conditional upon receiving adequate financing.

Africa's needs for climate finance between 2020 and 2030 are estimated at USD 250 billion annually, and the financing gap is significant.[68] Indeed, African countries have a combined GDP of USD 2.4 trillion,[69] and adequately addressing climate change across the continent would imply that 10% of Africa's current annual GDP should be mobilised above and beyond current flows. The table below summarises the annual climate finance requirements and the public debt levels of each country as a percentage of GDP, showing that the focus countries already face high debt levels that make additional borrowing for climate related projects difficult.[70] Current levels of funding, including from fiscal budgets, are inadequate to meet basic operating and maintenance costs, resulting in significant underinvestment in much-needed climate-focused national priority projects.

Country	Annual climate finance requirements (billion USD)[68]	GDP (2024) (billion USD)[70]	Climate finance requirements as % of GDP	Public debt as % of GDP (2024)[70]	FX debt as a % of GDP	FX Reserves (USD Bn) / months of imports
Angola	9.2	113.3	8%	62.4%	50%	15.2 / 7.3
Benin	0.5	21.5	2%	54.0%	43%	n.a.[71]
CIV	4.4	87.0	5%	59.3%	36%	n.a.[71]
Nigeria	17.7	253.0	7%	46.7%	23%	33.3 / 5.7

While public funding alone will not be sufficient to cover the gap, it remains a reality that public funding is urgently required to address the most pressing needs, and that implementation of climate actions is dependent on scarce public and concessional financing. Currently at around USD 20 billion annually, nearly 90% of climate financing in Africa originates from public actors.[72] At the same time, weak enabling conditions at the country level, including technical and operational inefficiencies, the slow pace of reforms to policies, institutions, and regulations, the absence of supportive governance arrangements, and high transaction

[68] https://www.climatepolicyinitiative.org/wp-content/uploads/2022/06/Climate-Finance-Needs-of-African-Countries-1.pdf
[69] World Bank, 2021
[70] IMF Staff Review Reports (2024 proj.)
[71] Benin and CIV are part WAEMU where reserves are pulled at regional level
[72] CPI 2021

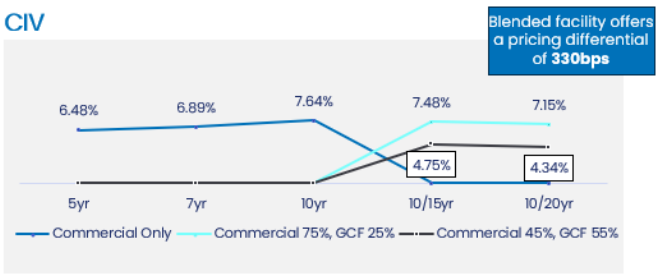
costs have traditionally discouraged investment in climate projects in Africa. Thus, GCF financing is required to help remove these systemic barriers, including through providing technical support:

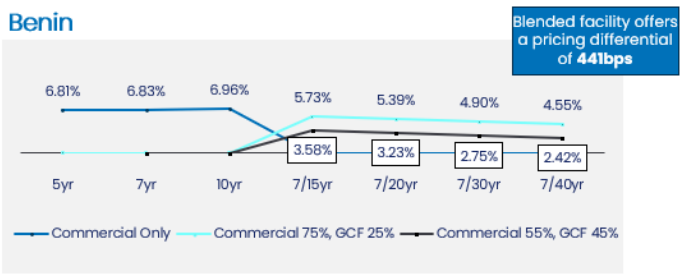
- **Removing systemic barriers**: Several barriers may constrain the viability of climate investments. These include, inter alia, perceived risks associated with such investments, weaknesses in the enabling environment, and poor project preparation and/or market sounding. Creating a supportive enabling environment through GCF investment will be critical to driving more climate-related investments. A particular challenge for funding these projects is that many of the benefits may be hard to monetize, for example for protective infrastructure such as flood defences. GCF concessional funding is therefore crucial to ensuring the viability of suitable projects. This determination is typically undertaken at the outset of the project, during the project conceptualization and design phase, and will therefore be supported through GCF financing of the necessary technical support.
- **Technical support**: through grant financing, the Facility will enable capacity building alongside technical and financial assistance to the sovereigns. GCF support in this area is particularly important given the additional complexity of considering climate impacts and benefits in projects' financing.

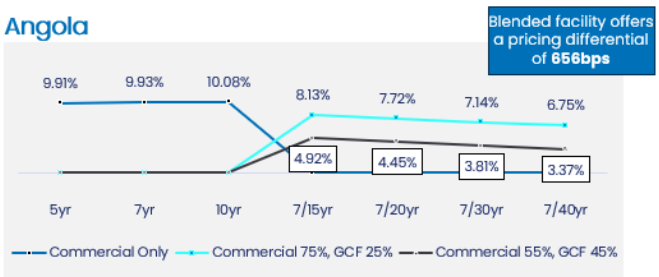
All focus countries under the ASCF Programme have limited fiscal resources and pressing climate investment needs that require a focus on providing adequate financial instruments. Existing financing mechanisms in the focus countries are often limited in scope, present high transactional costs, and do not always address diverse beneficiary needs, particularly to finance assets that require long-term financing as is often the case for climate-related investments. With the support of the GCF, the ASCF will provide financing under conditions that will enable the countries to progress towards their NDCs' and NAPs' ambitions.

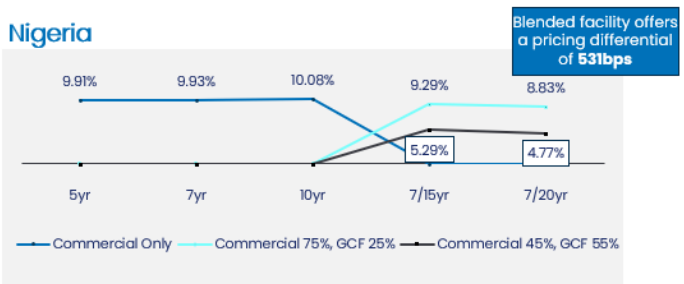
Following discussions with the Ministries of Finance in all four countries, AFC has a thorough understanding of the level at which each country is willing to borrow, and, based on the above-mentioned reasons, AFC is proposing a financing structure whereby commercial financing from AFC will be blended with concessional financing from the GCF to bridge this financing gap by removing current market barriers that limit a greater flow of capital to climate-resilient projects in the focus countries. This blended facility will enable the sovereigns to borrow at more sustainable rates of 3-4%, whereas the focus counties would typically borrow at an average margin of 8.82% all in.

As shown in the sample charts below, blending commercial financing from AFC with long-term, low-cost concessional financing from the GCF, will allow the sovereigns to invest in much needed climate related projects without overburdening their budgets and debt profiles.









Rationale for Grant Financing: as discussed in section B.3, Component 1 of the Programme will include non-reimbursable grant financing for climate mainstreaming and institutional strengthening for sovereign investment transformation. Grant financing will include:

- **Sovereign pipeline refinement and investment prioritization**, including technical support to select and screen climate-aligned investments within national infrastructure pipelines.
- **Strategic investment structuring and feasibility preparation**, including the development or enhancement of feasibility studies and associated technical, financial, climate, and environmental and social analyses required to bring prioritized projects to investment-ready state.
- **Institutional capacity strengthening**, including support to improve climate investment governance, monitoring and reporting systems, and the integration of climate considerations into macroeconomic and fiscal planning frameworks.

Through these interventions, grant financing enables the Programme to develop high-quality climate investment pipelines while strengthening the institutional systems required to sustain climate-responsive public investment.

B.6. Exit strategy

AFC employs a robust monitoring framework to ensure the long-term sustainability of its investments. Portfolio managers actively engage with project teams and borrowers, providing regular performance reports that track progress across economic, environmental, social, climate, and governance metrics. This framework will be further strengthened by GCF's grant tranche, which supports borrowers in building capacity for impact monitoring and reporting. This approach aligns with the principles of country-driven and locally led climate interventions and forms a critical component of the Africa Sovereign Climate Facility. Through continuous monitoring, the project will capture key performance indicators (KPIs), assess risks, and evaluate progress on goals. The monitoring process ensures that lessons learned from project implementation are integrated into future activities, closing gaps and enhancing the program's resilience and effectiveness.

Long-term ownership and exit strategy: The project's exit strategy is designed to ensure a smooth transition of responsibilities to sovereign borrowers while safeguarding long-term outcomes. Key components include:

- **Phased technical assistance**: Capacity building programs will be a core component of the technical assistance approach, aimed at strengthening the ability of national institutions, particularly the primary Executing Entities (the ministries of finance) and their co-Executing Entities (line ministries) to independently manage project monitoring, reporting, and adaptive management. To support this process, a portion of the grant will be allocated to engage a lender's consultant, who will provide independent oversight and technical input throughout the life of the facility, ensuring that reporting standards and adaptive management practices are upheld, and knowledge transferred. However, the lender's consultant shall not be presumed to take on any of AFC's roles as the AE.
- **Institutionalisation of frameworks:** As part of the exit strategy, the monitoring framework, including environmental, social, and climate-related metrics will be integrated into existing institutional arrangements within the relevant line ministries responsible for project implementation. The grant facility will support sustainability by financing targeted capacity building efforts, including training and, where necessary, the time-bound recruitment of consultants to strengthen institutional capabilities during the implementation and reporting period. This approach ensures continuity of monitoring and adaptive management functions beyond the life of the facility, while aligning with national systems and policy frameworks.
- **Budgetary safeguards**: The Facility Agreement's conditions precedent will ensure that repayment obligations are embedded in national budgets. GCF's up to 40-year concessional financing aligns with sovereign debt sustainability goals, minimizing fiscal strain.

- **Operations, maintenance, and financial sustainability; Asset management:** Upon completion of the project, responsibility for the operations, maintenance, and long-term management of physical assets will rest with the designated asset owners (typically the line ministries or public institutions that implement the projects). To support sustainability, the grant facility will finance targeted capacity building, including training and technical assistance to ensure that asset owners are equipped to effectively manage and maintain the assets. Where necessary, the recruitment of consultants will be supported during the life of the facility to build institutional capacity in this regard.
- **Performance-linked financing**: Post-2030, access to additional GCF or multilateral climate funds will be contingent on meeting KPIs (e.g., emissions reduction, climate adaptation indicators), incentivizing sustained accountability.
- **Budgetary allocations:** The ASCF combines grant and term-loan financing to support low-carbon and climate-resilient projects. The proposed structure is for AFC to provide commercial financing for tenors of seven and ten years, while the GCF provides long-term concessional financing tenors of 20 and 40 years. Given that the Facility will be provided to sovereigns, it is expected that budgetary allocations will serve as the primary source of repayment.

Paradigm shift and scalability: The ASCF will catalyse systemic change through:

- **Policy integration:** Partner countries will adopt climate budget tagging and gender-responsive climate planning, institutionalizing the Facility's principles into national development strategies.
- **Regional replication:** AFC and GCF will disseminate lessons learned via south-south knowledge platforms, targeting high-risk countries through regional blocs.
- **Private sector mobilization:** De-risking sovereign investments through GCF concessional finance will attract private capital into blended climate projects, leveraging AFC's pipeline and ensuring the scalability of the Programme.

Additional actions for sustainability:

- **Civil society engagement:** The facility will encourage the involvement of local civil society organizations (CSOs) and NGOs in supporting inclusive and transparent implementation processes. Where feasible, local NGOs will be engaged to contribute to the development of community-based climate plans and provide input into participatory monitoring approaches, including social audits. Capacity building support will be offered, where necessary, to strengthen CSO contributions in alignment with national systems and the roles of project implementing ministries.
- **Public sector commitments:** Governments will formalise climate-responsive procurement policies, prioritising green infrastructure and locally-led adaptation technologies.
- **Research partnerships:** Universities and think tanks will conduct longitudinal studies on climate impact, informing iterative policy improvements and global best practices.

Monitoring and adaptive governance:

- **Digital platforms**: To enhance transparency and responsiveness during implementation, the grant facility, where necessary, will support the development of digital tools such as project level dashboards to monitor key performance indicators (e.g., carbon sequestration, livelihood outcomes). These tools will be managed under the Programme during the implementation period, with access provided to key stakeholders, including implementing ministries and partners. The use of such platforms will be piloted in selected components and will serve as a demonstration of best practices in adaptive management. Where necessary, capacity building support will be provided to enable national institutions to interpret and use the data for decision making.
- **Independent reviews**: Biennial evaluations conducted by third-party experts as reflected in the logical framework and as a key Means of Verification (MOVs) will validate impact claims, assess the appropriateness of targets based on the actual portfolio of funded projects, and provide

recommendations for adaptive adjustments to ensure continued relevance, effectiveness and sustainability of results.

Through this structured exit strategy, the Africa Sovereign Climate Facility will ensure that investments remain viable beyond the GCF intervention, maintaining the momentum of climate action and fostering a paradigm shift towards long-term climate resilience and low-carbon development.

C. FINANCING INFORMATION

C.1. Total financing

(i) **Requested GCF funding (i + ii + iii + iv + v + vi + vii)**	**Total amount**		**Currency**	
	USD 140.0 EUR 120.5 (USD 140.0)		million USD ($) million EUR (€)	
GCF financial instrument	**Amount**	**Tenor**	**Grace period**	**Pricing**
(i) Senior loans[73]	USD 130.0 million EUR 111.9 million (USD 130 million)	Angola: 40 years Benin: 40 years CIV: 20 years Nigeria: 20 years	Angola: 10 years Benin: 10 years CIV: 5 years Nigeria: 5 years	Angola: 0.00% Benin: 0.00% CIV: 0.75% Nigeria: 0.75%
(ii) Subordinated Loans				
(iii) Equity				
(iv) Guarantees				
(v) Reimbursable grants				
(vi) Grants	USD 10.0 million + EUR 8.6 million (USD 10.0 million)			
(vii) Results-based payments				
(b) Co-financing information	**Total amount**		**Currency**	
	USD 130.0 EUR 241.1 (USD 280.0)		million USD ($) million EUR (€)	

[73] Benin and CIV will each receive the EUR equivalent of US$130 million and will make repayments on the facility in EUR

Name of institution	Financial instrument	Amount	Currency	Tenor & grace	Pricing	Seniority
AFC	Senior Loans	USD 130 million EUR 111.9 million (USD 130.0 million)	million USD ($) and million EUR	Grace: 2 years Tenor: 7 & 10[74] years	**Benin** - 6M EURIBOR + 4.69% **CIV** - 6M EURIBOR + 5.50% **Angola** – 6M SOFR + 5.85% **Nigeria** – 6M SOFR+ 5.85%	senior
Third-Party Financier	Senior Loans	EUR 129.1 million (USD 150.0 million)	million EUR($)	Grace: [10] years Tenor: [25] years	**CIV** - 6M EURIBOR + [0.4%]	senior
(c) Total financing **(c) = (a)+(b)**	**Amount**			**Currency**		
	USD 270.0 million EUR 361.6 million (USD 420.0 million)			million USD ($) million EUR (€)		
(d) Other financing arrangements and contributions	**<u>Parallel Financing:</u>** **a. Up to USD 600M from another Climate Fund** AFC is currently in early-stage discussions with a climate fund to secure up to USD 150 million per ASCF focus country in parallel financing, representing a total of up to USD 600 million in additional concessional capital to be deployed. As of the date of submission, the Third-Party Financier is advancing its approvals to provide USD150 million to CIV as a test case, which could be replicated for the other three countries. GCF's investment serves as a mechanism required to unlock the climate fund's commitment. In this context, GCF capital performs a catalytic function that goes beyond proportional parallel financing: it activates an additional up to USD 600 million in sovereign-aligned climate financing that would not otherwise be mobilized. GCF resources are not only financing climate projects, but they are also unlocking an expanded pool of concessional capital, accelerating sovereign climate investment pipelines across four countries. This dynamic substantially strengthens the efficiency profile of the programme. The GCF investment does not operate in isolation; it functions as the trigger for a coordinated public finance coalition. For every dollar committed by GCF, more than two dollars in concessional parallel financing is unlocked from the climate fund. This represents a leverage effect exceeding 2x before accounting for AFC's own capital deployment.					

[74] CIV Facility from AFC is expected to have a tenor of 10 years while the facilities to other countries will mature in 7 years.

b. Government Budget

In addition to the blended finance loans provided through the ASCF to support priority climate projects, the Programme may be complemented by parallel financing in the four focus countries. Specifically, where the financing needs of selected projects exceed the allocations available under the ASCF, national governments have committed or will commit to covering the balance through their own budgets.

This parallel financing stream, while not counted within the total programme size, are instrumental in amplifying the Programme's reach and ensuring alignment with national development agenda. They signal country ownership and deepen the impact of GCF investments.

C.2. Financing by component

Component	Output	Indicative cost Options	GCF financing		Co-financing		
			Amount Options	Financial Instrument	Amount Options	Financial Instrument	Name of Institutions
Component 1: Climate mainstreaming and institutional strengthening for sovereign investment transformation - Angola - Benin - CIV - Nigeria	All	USD 9.0 million EUR 7.75 million	USD 9.0 million EUR 7.75 million	Grants	0	Grants	Not applicable
Component 2: Investment and Project Execution Activities - Angola	All	USD126.95 million[75]	USD 57.375 million	Senior Loans	USD 69.575 million	Senior Loans	AFC
Component 2: Investment and Project Execution	All	EUR 109.29 million[75]	EUR 49.39 million	Senior Loans	EUR 59.90 million	Senior Loans	AFC

[75] Note: AFC will execute Facility Agreements with the Ministries of Finance for a total amount of USD 150M for each country, which is reflective of an initial facility amount of USD130M and an accordion of up to USD20M, Once the first country fully utilizes its initial facility amount, AFC intends to the GCF board to request an additional USD 10M per country, i.e. a total of USD40M from the GCF plus a matching amount from the AE..

Activities - Benin							
Component 2: Investment and Project Execution Activities - CIV	All	EUR237.52[75]	EUR 60.37 million	Senior Loans	EUR 177.15 million	Senior Loans	AFC and Third-Party Financier
Component 2: Investment and Project Execution Activities - Nigeria	All	USD127.05 million[75]	USD70.125 million	Senior Loans	USD56.925 million	Senior Loans	AFC
Monitoring and Evaluation		USD 2.00 million EUR 2.71 million	USD 1.00 million EUR 0.86 million	Grant	USD 1.00 million EUR 1.85 million	Senior Loans	AFC and Third-Party Financier
Programme Management Cost		USD 5.00 million EUR 4.30 million	USD 2.50 million EUR 2.15 million	Senior Loans	USD 2.50 million EUR 2.15 million	Senior Loans	AFC
Indicative total cost (million USD)		USD 270.0 million EUR361.6 million	USD 140.0 million EUR 120.5 million		USD 130.0 million EUR 241.0 million		

C.3 Capacity building and technology development/transfer

C.3.1 Does GCF funding finance capacity building activities?	Yes ☒ No ☐
C.3.2. Does GCF funding finance technology development/transfer?	Yes ☒ No ☐

The ASCF Programme is designed to foster technology transfer by integrating advanced climate technologies into its funded projects across the different sectors, including energy, agriculture, and water and infrastructure. Through its comprehensive framework, the ASCF will support the adoption and dissemination of technological innovations in several ways, particularly through the financing of the deployment of renewable energy technologies, smart grids, climate resilient agriculture, as well as advanced water systems. Furthermore, the Programme provides capacity building and sharing of knowledge to ensure that local institutions and stakeholders are capable of using and maintaining the technologies.

D. EXPECTED PERFORMANCE AGAINST INVESTMENT CRITERIA

D.1. Impact potential

As a cross-cutting Programme, the ASCF will contribute to both low-emission and climate-resilient sustainable development pathways. In the Mitigation Result Area (MRA), the Facility is expected to reduce emissions by an anticipated 3.4 million tCO_2eq over the Programme's lifespan through implementation of projects targeting MRA1 (energy generation and access). In regards to MRA1, the Facility is targeting two paradigm shifting pathways: 1) low emission power generation with the financing of renewable energy projects to displace fossil-fuel based power generation, and 2) efficient, reliable energy transmission, distribution, and storage to improve the reliability of electricity grids, increase their ability to transmit and distribute variable renewable energy, and reduce the reliance of diesel fuelled generators during blackouts. The Facility will also finance cross-cutting projects that will rely on the generation of renewable energy to improve the resilience of water infrastructure and to foster food security through the use of solar irrigation pumps in the agriculture sector to reduce reliance on petrol and diesel pumps during the dry seasons.

The GHG emission reductions and adaptation impacts under the ASCF Programme follows transparent and conservative methodologies detailed in Annex 22. Emission reductions are calculated using a project-based accounting approach comparing a "without-project" baseline scenario to a "with-project" intervention scenario, in line with well-established methodologies. The avoided emissions are calculated net of any construction or manufacturing-related emissions amortized over the asset's life. Grid emission factors are sourced from international recognised methodologies, ensuring consistency with combined margin practices. For adaptation projects, direct and indirect beneficiaries are estimated using project-level feasibility studies, population data, household proxies, and scaling coefficients validated by adaptation finance literature (e.g., FS-UNEP Centre, 2020). Attribution to ASCF is made in proportion to its financial investment.

Across all mitigation projects, the anticipated average cost of mitigation is 68.51 USD/tCO_2eq reduced over the lifespan of the projects.

On the adaptation side, the Programme is designed to reduce the vulnerability and increase the resilience of 1.8 million direct beneficiaries and 2.6 million indirect beneficiaries through Adaptation Result Area 2 (ARA2, health and well-being, and food and water security) and Adaptation Result Area 3 (ARA 3, Infrastructure and built environment). Adaptation impacts will operate across five paradigm shifting pathways: 1) reconfiguring food systems, 2) promoting resilient agroecology, 3) enhancing water conservation, water efficiency, and water re-use, 4) protection from water-related disasters and increased resilience of water infrastructure, and 5) climate-resilient infrastructure (energy, industrial zones, public buildings).

In regard to reconfiguring food systems, the Programme aims to enhance food security by promoting index-based agricultural insurance, particularly in the rice value chain to improve farmers' financial stability and tying payouts to specific climate indices (such as rainfall levels or temperature thresholds); this insurance mechanism will enable farmers to receive timely financial support when adverse weather events threaten their crops. These investments will lead to reduced vulnerability and greater food security (supporting local rice production while reducing dependency on imported rice), improved livelihoods (producing higher-value products), and long-term socio-economic development in the focus countries. The Programme will also promote regenerative agriculture and help maximize joint adaptation-mitigation synergies by implementing sustainable agricultural practices to improve carbon storage in arable land while contributing to improve food security. Further, ASCF investments in effective and efficient hydro-agricultural projects will lead to increased crop yields – especially for water-intensive crops such as rice, vegetables, and fruits. Hydro-agricultural projects will also help stabilize agricultural output and mitigate the risk of droughts and floods as well as permitting farmers to see an increase in their income as a result of higher productivity and the ability to grow high-value crops. All in all, cumulated interventions of projects financed under the second Adaptation Result Area of the GCF (ARA2) are anticipated to impact nearly 54 thousand direct beneficiaries and 291 hundred thousand indirect beneficiaries.

In regard to the infrastructure and built environment adaptation result area (ARA3), the ASCF Programme will target projects that will enhance adaptive capacity to climate-related risks, preserve and enhance riverbanks and shallows, strengthen coastal resilience, and promote sustainable fishing as well as tourism and ecological industries. Such interventions will be designed to protect people and assets from water-related disasters and to increase the resilience of the water infrastructure. In particular, the ASCF Programme will target projects designed to map climate hazards, improve drought and flood modelling, strengthen integrated water resource management, enhance water supply or sanitation services and grey-green infrastructure, foster sustainable land use management and riverbanks and coastal resilience, and improve the long-term resilience of critical urban systems exposed to rising sea levels and extreme weather events. All in all, cumulated interventions of projects financed under the third Adaptation Result Area of the GCF (ARA3) are anticipated to impact over 1.8 million direct beneficiaries and 2.5 million indirect beneficiaries.

Overall, the projects to be selected under the ASCF Programme will help align local economic resilience with national and international climate targets, driving a sustainable and inclusive transition. This comprehensive approach will help create the enabling environments that are required to adapt to climate change while developing a low-carbon economy in the focus countries.

D.2. Paradigm shift potential

The Africa Sovereign Climate Facility (ASCF) catalyses paradigm shift by transforming how sovereign governments plan, finance, and institutionalise climate investments within national public finance systems. Rather than supporting isolated projects, the Facility embeds climate considerations directly into sovereign macro-fiscal decision-making. In doing so, it shifts climate action from fragmented interventions toward systemic integration within national development strategies and public investment planning. ASCF drives this transformation through four mutually reinforcing mechanisms. First, it reorients sovereign capital allocation incentives toward climate-aligned investments by reducing the effective cost of financing climate infrastructure through concessional blended finance. Second, it institutionalises climate screening and appraisal processes within Ministries of Finance, ensuring that climate risks and opportunities are systematically incorporated into public investment decisions. Third, it capacitates sovereigns to integrate climate considerations into macroeconomic planning, public investment programming, and sovereign debt management frameworks, embedding climate priorities within national fiscal architecture. Finally, ASCF establishes a replicable sovereign blended finance platform capable of mobilising multiple sources of capital in support of national climate investment programmes. Through these mechanisms, ASCF delivers systemic change consistent with the GCF Investment Framework's paradigm shift criteria, including innovation, alignment with low-emission and climate-resilient development pathways, scalability, replicability, and institutional learning.

Innovation

ASCF introduces both financial and institutional innovations that reshape how sovereign climate finance is mobilised and managed. On the financial side, ASCF establishes a programmatic sovereign climate blended finance platform structured as a multi-country financing architecture. The Facility combines concessional capital from the Green Climate Fund with sovereign budget resources, the sovereign lending capacity of the Africa Finance Corporation (AFC) – including resources mobilised from international capital markets – and targeted technical assistance. This structure addresses long-standing barriers to sovereign climate investment, including high borrowing costs, debt sustainability pressures, large upfront capital requirements for climate infrastructure, and the persistent shortage of bankable climate projects. Unlike conventional sovereign lending, which often prioritises traditional infrastructure investments, ASCF links concessional financing to clearly defined climate eligibility and performance criteria. Only projects that meet rigorous climate screening and appraisal standards qualify for financing under the Facility. By lowering the effective cost of capital and extending financing tenors aligned with infrastructure lifecycles, ASCF improves the financial viability of climate investments and enables governments to prioritise climate-compatible infrastructure within sovereign investment portfolios. Institutionally, ASCF anchors climate finance within Ministries of Finance acting as co-Executing Entities, embedding climate considerations within core public finance functions such as public investment planning, budget allocation, sovereign debt management, and

macro-economic frameworks. This approach represents a structural shift from sector-driven project development toward macro-fiscal climate governance.

Alignment with climate-resilient development pathways

All investments supported under ASCF are aligned with Nationally Determined Contributions (NDCs) and national adaptation strategies. Climate risk assessments are integrated into project design to ensure that investments address systemic climate risks and vulnerabilities while supporting long-term low-emission and climate-resilient development trajectories. By embedding climate eligibility criteria within sovereign investment processes, ASCF influences infrastructure development at the portfolio level and aligns national capital expenditure with global climate objectives.

Scaling, replicability, and sustainability

ASCF is designed as a programmatic platform capable of scaling within and across countries. The combination of technical assistance and sovereign financing supports the continuous generation of climate-aligned investment pipelines, standardised appraisal methodologies, and increasing volumes of climate investment.

Because ASCF operates entirely through sovereign institutions, climate screening tools, monitoring systems, and institutional capacities will be embedded within national systems. This ensures that climate integration within public finance systems continues beyond the programme's lifetime, enabling durable institutional transformation in how governments finance climate-resilient development.

The Facility also catalyses broader climate capital flows. By structuring a credible sovereign climate investment pipeline, ASCF attracts additional concessional and commercial capital. This catalytic effect is already evidenced in the first-phase co-financing arrangement developed for one of the four participating countries: a GCF contribution of USD 71.5 million and an AFC commitment of USD 58.5 million have, in combination, enabled the identification of a further USD 150 million in parallel concessional financing from an additional climate finance partner, mobilising approximately USD 2.9 of additional capital for every GCF dollar invested in that country. This co-financing is expected to come in alongside the AFC and the GCF on day one for CIV. However, it is expected that additional mobilisation of up to USD 150 million per country could come in as an accession to the Facility via the Programme's existing accordion structure as the partner's approval process concludes, illustrating in a live test case the same catalytic dynamic the Programme is designed to replicate as further country-level arrangements mature.

D.3. Sustainable development

Climate finance and sustainable development objectives must be designed hand-in-hand to intrinsically promote low-carbon and climate-resilient economic growth together with environmental and social co-benefits. To this effect, the ASCF is designed to promote investments that are aligned to both the focus countries' NDCs and their wider sustainable development objectives. The ASCF will promote sustainability based on close stakeholders' engagement, rigorous due diligence, and capital discipline. While the ASCF will principally contribute to the direct realization of Sustainable Development Goal 13 (SDG 13) on climate action, the Facility will also contribute to SDG 2 to help end hunger, achieve food security and improved nutrition, and promote sustainable agriculture, SDG 6 to ensure availability and sustainable management of water and sanitation for all, SDG 7 to ensure access to affordable, reliable, sustainable and modern energy for all, and SDG 11 to make cities and human settlements inclusive, safe, resilient and sustainable. Thus, in addition to the core mitigation and adaptation results that are expected from its implementation, the ASCF will also provide the following economic, social and environmental co-benefits:

- **Economic co-benefits:** The ASCF will provide a substantial contribution to the economic development and sustainable growth of the focus countries. Economic growth is highly dependent on the quality, quantity, and accessibility of the priority projects and related services. As such, inadequate climate infrastructure is an obstacle to job creation and achieving poverty reduction. By promoting climate-resilient infrastructure, the ASCF will provide clarity on long-term climate-resilient development strategies to avoid the lock-in of risky fragile infrastructure and stranded assets, and a sustainable path to avoiding significant economic losses in the face of climate hazards. Particularly,

the promotion of index-based agricultural insurance will allow farmers the peace of mind to invest more as well as increasing access to financing. It will also help to structure the rice value chain enhancing the market development. Also, the execution of efficient and reliable energy transmission, distribution and storage is anticipated to result in increased GDP through more reliable electricity, which will improve the productivity of many small and medium size businesses. The construction of climate-resilient infrastructure also has economic co-benefits in creating jobs during construction. Based on the implementation of regenerative agriculture processes, the focus countries can also expect economic co-benefits from enhanced yield productivity. In short, the ASCF underlying projects will create jobs, stimulate local communities, and help diversify economic activities.

- **Social co-benefits**: Climate change disproportionately affects the poor, who are often the most vulnerable, particularly in traditional sectors such as agriculture and fishing. Financing the proposed ASCF adaptation and mitigation projects will directly reduce poverty by increasing agricultural productivity, improve access to clean energy and water, and provide other climate-resilient social amenities. Specifically, the execution of efficient and reliable energy enhances living standards by improving access to electricity and reducing power interruptions. These will in turn result in improving wellbeing and help raise the quality of life of the focus countries' population. Critically, the ASCF interventions will also help prevent the collapse of existing infrastructure and the avoidance of disruptions for the local population.
- **Environmental co-benefits**: One of the primary benefits of the ASCF Programme is the ability to finance green infrastructure projects such as renewable energy and improved water and food security, which are critical for sustainable development and that will generate positive environmental returns. For example, the Programme is expected to result in increased quality of soil due to regenerative agriculture processes, which will also stimulate green-growth patterns, including the implementation of circular economy principles. To this effect, the ASCF will encourage project sponsors to systematically promote positive environmental externalities.

The ASCF represents a forward-looking and integrated response to the interconnected challenges of climate change and sustainable development. By aligning climate finance with national priorities and sustainability goals, the Facility will not only deliver essential mitigation and adaptation outcomes but also catalyse wider economic, social, and environmental progress across all focus countries. This alignment not only increases the effectiveness of the investments but also strengthens their long-term impacts.

D.4. Needs of recipient

Vulnerability of the countries and beneficiary groups: as summarized in section B.1 of this Funding Proposal and detailed in Annex 2, all focus countries face severe and escalating climate risks. In Angola, prolonged droughts such as the 2024 crisis leaving 1.2 million people with acute water shortages threaten hydropower, fisheries (projected 64% decline by 2100), and agricultural productivity, with losses potentially rising sevenfold by 2100.[76] Recurrent floods and erratic rainfall exacerbate food insecurity, while climate impacts could reduce Angola's GDP by 3-6% by 2050.[76] Benin, where 98% of land could face extreme temperatures by 2070 under a 2.7°C warming scenario, confronts agricultural yield losses of up to 16% by 2050 and coastal erosion, risking 19% GDP losses without adaptation.[77] Similarly, Côte d'Ivoire's critical cocoa sector faces a 15% output decline by 2050 due to heat stress, compounding risks for a nation where 85% of employment is informal and poverty reduction hinges on targeted adaptation.[78] In 2022, floods in Nigeria displaced 2 million people and affected over 4.4 million, while coastal cities like Lagos with 16 million residents in informal settlements face mounting threats from sea level rise. Agriculture, employing 35% of the population, is increasingly at risk from erratic rainfall, jeopardizing food security in a country where 38.5% of children under five are stunted.[79] Across all countries, systemic vulnerabilities are amplified by poverty, infrastructure gaps (e.g., Angola's USD 8 billion funding gap for water/energy systems), and limited access

[76] World Bank Group. 2022. Angola Country Climate and Development Report. CCDR Series. http://hdl.handle.net/10986/38361 License: CC BY-NC-ND.
[77] World Bank Group. 2023. Benin Country Climate and Development Report. CCDR Series. http://hdl.handle.net/10986/40688 License: CC BY-NC-ND 3.0 IGO.
[78] World Bank Group. (2023). Côte d'Ivoire Country Climate and Development Report. http://hdl.handle.net/10986/40560 License: CC BY-NC-ND 3.0 IGO.
[79] Climate Policy Initiative. (2024) *Landscape of Climate Finance in Nigeria*, Link.

to basic services.[80] Rural communities, smallholder farmers, and marginalized groups – particularly women who shoulder agricultural labour yet face exclusion from decision making – bear disproportionate impacts.[81] In Benin and Côte d'Ivoire, informality (85% of employment) and biomass reliance (65% of households) deepen exposure, while Nigeria's USD 3 trillion infrastructure gap underscores urgent financing needs.[79] Without urgent investment in climate resilience, these countries will struggle to adapt to escalating climate risks.

Economic and social development levels: the focus countries exhibit varying levels of economic development but all face fundamental structural economic and social challenges. Nigeria, the third largest economy in Africa with a GDP of $253 billion, grapples with widespread poverty over 40% of the population, energy access deficits, and economic inequality.[82] Angola with a GDP of US$113.3 billion, remains heavily dependent on fossil fuel revenues, exposing its economy to price volatility. Fiscal constraints are severe due to a 73.7% debt-to-GDP ratio and a B- credit rating, limiting climate investments.[76,83] Benin and Côte d'Ivoire, both lower-middle income economies, rely heavily on agriculture, a sector particularly threatened by climate change. Côte d'Ivoire, as a key exporter of cocoa and other cash crops, faces heightened risks from changing precipitation patterns.[84] Benin, a lower middle-income economy with a GDP of $21.5 billion, has reduced poverty from 47% to 38.5% in a decade but struggles with infrastructure gaps, 10.3% undernourishment, 36.1% child stunting, and the country's rural economy depends on subsistence farming, leaving many communities exposed to climate-induced shocks as over 50% of national climate finance needs remain unmet, hampering resilience efforts.[77] On the other hand, Côte d'Ivoire with its lower middle-income economy and a GDP of $87 billion, relies on climate-sensitive agriculture, including cocoa exports. Despite its BB credit rating , 39% of CIV's population lives in poverty, and $22 billion in climate investments by 2030 are critical to mitigate risks from shifting precipitation patterns.[78] The low Human Development Index (HDI) rankings of these countries highlight the need for targeted climate interventions to enhance resilience and sustainable development.[85]

Absence of alternative sources of financing: as shown earlier and detailed out in the Feasibility Studies for the ASCF Programme, the fiscal constraints, high debt burdens, and limited access to long-term capital markets restrict the focus countries' ability to finance climate adaptation and mitigation efforts at scale.[86] In all focus countries, governments face severely limited revenues often due to low tax bases and high debt levels that curtail their capacity to allocate resources for climate action. Debt sustainability remains a critical challenge: a significant portion of government budgets is diverted to servicing external debt, leaving minimal fiscal space for climate investments. For instance, despite their resource wealth, Nigeria and Angola experience economic instability due to fluctuating oil prices, which limits their ability to allocate sufficient resources toward climate action.[87] Benin and Côte d'Ivoire, with smaller economies and shallower financial markets, face challenges in attracting private investment for climate-resilient infrastructure.[88] The scarcity of concessional finance, coupled with high borrowing costs, makes it difficult for all focus countries to fund large-scale climate projects without external support.[89] Unlocking blended finance and mobilizing private sector participation is therefore essential to bridging the climate finance gap and ensuring the implementation of ambitious climate strategies.

Need for strengthening institutions and implementation capacity: institutional weaknesses, fragmented policy frameworks, and limited technical expertise hinder effective climate action in all focus countries.[90] While Côte d'Ivoire and Benin have made progress in integrating climate considerations into national development plans, gaps in institutional coordination and capacity remain significant barriers to effective

[80] Maftei, A, 2024. Rural women and financial inclusion – FAO Technical Guidance Note. Available here.
[81] FAO and ARC, 2021. Women's leadership and gender equality in climate action and disaster risk reduction in Africa – A call for action. Available here.
[82] IMF, 2024. Nigeria Article IV Consultation-Press Release; Staff Statement; and Statement by the Executive Director for Nigeria. Available here.
[83] World Bank, 2022. Country climate and development report: Angola 2022. Available here.
[84] World Bank, 2023. Côte d'Ivoire Background notes- Country Climate and Development Report. Available here.
[85] United Nations Development Programme (UNDP), 2024. Human Development Report 2023/2024- Breaking the gridlock Reimagining cooperation in a polarized world. Available here.
[86] OECD, 2025. Scaling up finance and investment for climate change adaptation. Available here.
[87] IMF, 2023. Navigating Fiscal Challenges in Sub-Saharan Africa: Resilient Strategies and Credible Anchors in Turbulent Waters Available here.
[88] AUC/OECD, 2023. *Africa's Development Dynamics 2023: Investing in Sustainable Development*. Available here.
[89] Deepali Gautam, Ekaterina Gratcheva, Fabio M Natalucci, and Ananthakrishnan Prasad. "Unlocking Adaptation Finance in Emerging Market and Developing Economies", *Staff Climate Notes* 2024. Available here.
[90] Global Center on Adaptation, 2022. State and Trends in Adaptation Reports 2021 and 2022: Executive Summaries and Syntheses. Available here.

implementation.[91,92] Angola requires strengthened institutional mechanisms to facilitate climate finance mobilization and deployment, while Nigeria faces challenges in ensuring policy coherence across different levels of government.[92] Thus, improving governance structures, enhancing financial institutions' capacity to manage climate investments, and developing robust monitoring and evaluation frameworks are critical to ensuring long-term climate resilience.[93] Building technical expertise in climate finance and project execution will further support the successful implementation of large-scale climate initiatives.

Alignment with the ASCF Programme: climate change is intensifying pressure on national budgets across Africa, exacerbating fiscal constraints already strained by rising debt vulnerabilities. As loan repayment obligations consume larger shares of public revenue, countries struggle to allocate resources toward addressing climate risks deepening both environmental and economic crises. To counter this, Phase 1 of the ASCF Programme directly addresses the above-mentioned challenges by mobilizing USD 690 million in blended finance to support sovereign climate investments in energy access, infrastructure and food and water security. By leveraging concessional finance, the ASCF will mitigate financial constraints, enhance institutional capacity, and accelerate the implementation of national climate strategies. The programme's targeted approach will strengthen the focus countries' ability to meet their Nationally Determined Contributions (NDCs) while promoting inclusive and sustainable economic growth. Without urgent action, Africa's climate-related costs could escalate to 20% of GDP by 2050 and 64–80% by 2100 a projection that excludes cascading social impacts such as food insecurity, climate-related mortality, biodiversity loss, and climate-driven migration.[94] The ASCF's interventions thus represent a critical opportunity to avert these compounding risks.

D.5. Country ownership

Alignment with existing national climate strategies, including relevance to and alignment with existing policies: the ASCF has been designed in close consultation with the respective Ministries of Finance of the Facility's focus countries. Stakeholder consultations were aimed at creating awareness about the Programme, providing an opportunity for the various actors to provide their views and clarify the roles of key stakeholders in its development and implementation, and ensuring country-driven support.

All focus countries have demonstrated strong ownership and commitment to the Programme, which is closely aligned to their national policy objectives and international climate change commitments. The projects to be funded through the Programme have been provided by each of the respective Ministries of Finance in collaboration with their respective co-Executing Entities. As communicated by each country, each of the projects in the pipeline are not only in alignment with their NDC's but are also listed as priority projects in their respective National (climate and other) Plans, including their budgets. In relation to the ASCF Programme, the participating countries have outlined in their Nationally Determined Contributions, at a high level, the following objectives:

- **Angola** plans to reduce GHG emissions by up to 14% unconditionally by 2025 with a further 10% reduction conditional on international financial support. Angola has also prioritised agriculture, fisheries, coastal zone, and water resources management (among others) as part of the adaptation measures of its NDC.[95] The Programme supports Angola's NDC, which emphasises the country's need to address climate-induced challenges such as droughts and water scarcity.
- **Benin** aims to cut cumulative GHG emissions by 20.2% between 2021 and 2030, targeting crucial economic sectors. The country emphasises gender and social inclusion in its adaptation goals, addressing critical areas such as agriculture, water, forestry, energy, tourism, coastal zones, health, settlements, and infrastructure to enhance its climate resilience.[96] Benin has multiple sectors well positioned for scaled investment. Indeed, the energy sector is transitioning toward solar and grid

[91] United Nations Development Programme, 2020. Engaging private sector in NDC implementation - Assessment of private sector investment potential in the energy sector - Côte d'Ivoire. Available here.
[92] OECD,2023. Driving Policy Coherence for Sustainable Development: Accelerating Progress on the SDGs. Available here.
[93] Noltze, Martin; Köngeter, Alexandra; Römling, Cornelia and Dirk Hoffmann ,2021. "Monitoring, evaluation and learning for climate risk management", OECD Development Cooperation Working Paper No 92. Available here.
[94] CPI. (2024). Landscape of Climate Finance in Africa (Quoting estimates from Christian Aid 2022 and Burke et al., 2015).
95 https://unfccc.int/sites/default/files/NDC/2022-06/NDC%20Angola.pdf
96 https://unfccc.int/sites/default/files/NDC/2022-06/CDN_ACTUALISEE_BENIN2021.pdf

expansion, with efforts underway to crowd in private investment. In agriculture, the national strategy support climate-smart techniques, mechanization, and irrigation.

- **Côte d'Ivoire** has committed to a 30.41% reduction in greenhouse gas emissions by 2030 with international support. Adaptation efforts focus on reducing vulnerabilities and enhancing resilience in priority sectors such as agriculture, food, land use, and water and coastal zones management.[97] Several sectors show readiness for climate-aligned investment. In agriculture, the Programme supports climate-smart practice.
- **Nigeria** has adopted an unconditional economy-wide target to reduce emissions by 20% by 2030, with a conditional target of 47%. On the adaptation side, Nigeria has prioritised, among other sectors, agriculture and food security, water management, and resilience of the energy sector.[98] One of the key priorities for the country is to modernize its transmission and distribution infrastructure and to improve the operational efficiency of the power sector. To this effect, the ASCF Programme will help finance the President's Power Initiative (PPI) to unlock greater integration of renewable energy sources into the national grid and improve system resilience through a country-driven effort to fundamentally reform the power sector in a way that supports both economic growth and long-term climate objectives.

The objectives and activities of the ASCF Programme are in line with the NDC objectives of all focus countries and will enhance their ability to finance climate-related projects, bringing them closer to achieving the above-mentioned goals. The projects proposed across the focus countries will be executed through national ministries with established mandates, experience, and institutional capacity in the relevant sectors. Each executing entity has a demonstrated history of managing large-scale development projects, including those with international financing, and is equipped or will be supplemented with adequate technical, administrative, and policy-making capacity to ensure successful implementation.

AFC will continue to engage with the NDAs of the target countries to enable them to understand the structure of the ASCF Programme, the benefits of a blended facility, and confirm that all potential projects are in alignment with their NDCs and national development plans. AFC has developed a comprehensive country engagement strategy that goes well beyond the issuing of non-objection letters from targeted NDAs and will launch a stakeholders' engagement consultation process as part of the implementation strategy to target a wide spectrum of stakeholders in each country.

Virtual engagements as part of the programme development: AFC has conducted several virtual conferences with the focus countries to present the ASCF and integrate their feedback into the design of the Programme. The discussions focused on the ASCF Concept Note and the understanding of how ASCF will deploy blended finance to each respective country. The discussions also included negotiations of key terms of the Mandate Letter (of which 3 of the 4 countries are in advanced stages).

In-country visits and missions: AFC engaged in country missions with all four countries in 2024 and 2025 to meet with the Ministries of Finance and in certain cases the NDA and other national stakeholders.

Engagement with NDAs: AFC has received No-Objection Letters (NOLs) from all four countries, indicating significant interest in the ASCF Programme.

D.6. Efficiency and effectiveness

As a public sector sovereign financing facility designed to support government-led climate investments, the ASCF focuses on sovereign lending to national governments to finance priority climate infrastructure and resilience investments identified in national climate strategies. The Facility therefore operates within the domain of public sector financing, supporting governments to access affordable capital for the implementation of their conditional Nationally Determined Contributions (NDCs) and National Adaptation Plans (NAPs).

97 https://unfccc.int/sites/default/files/NDC/2022-06/CDN_CIV_2022.pdf
98 https://unfccc.int/sites/default/files/NDC/2022-06/NDC_File%20Amended%20_11222.pdf

A comprehensive financial model was developed to assess the cost impact of the ASCF Programme on each participating country, based on the initially proposed facility size (scenario 1) and on the assumption that the accordion of US$40M is approved at a subsequent GCF board meeting (scenario 2). The objective of the analysis was to evaluate the efficiency and impact of the proposed concessional finance from the GCF once blended with the commercial facility from the AFC.

Key Assumptions:

- **Financing Structure:** In the base case,
  - a 45:55 co-financing split between the GCF and AFC for Angola and Benin.
  - a 55:45 co-financing split between the GCF and AFC for Nigeria.
  - a 25:21:54 co-financing split between the GCF, AFC and Third-Party Financier for CIV.
- **Loan Tenors and Grace Periods:**
  - GCF: 20 - 40-year tenors with 5 – 10-year grace periods.
  - AFC: 7-year tenor[99] with a 2-year grace period.
  - Third-Party Financier: [25] years with a 10 year grace period
- **Pricing Assumptions:** Standalone AFC pricing was derived using AFC's internal pricing model as of May 2025. The table below summarizes the 7-year all-in commercial pricing for each country:

Country	**Currency**	**7-year all-in pricing**[100]
Angola	USD	9.93%
Benin	EUR	6.83%
CIV	EUR	7.64%
Nigeria	USD	9.93%

- **GCF Pricing:** The concessional GCF loan facility is priced at a fixed rate of 0.00%[101] - 0.75%.
- **Third-Party Financier Pricing**: The semi-concessional loan facility is priced at the base rate + [0.4]%
- **Grants:** Efficiency is further strengthened through grant-funded project pipeline development and institutional capacity support, with approximately USD 4.5 million allocated per participating country. These resources support ministries and public implementing agencies in preparing bankable climate infrastructure projects, strengthening feasibility studies, procurement planning, and financial structuring. Early-stage preparation support improves implementation readiness, accelerates the development of investment-ready pipelines, and reduces the risk of project delays or cost overruns.
- **Fees:** All associated fees were incorporated into the all-in cost calculation for each sovereign.
- **Project Disbursement:** Drawdown schedules were estimated for both the loan and grant portions based on available project details. Benin is the only country that has presented a full pipeline aligned with the allocated facility size.

Utilization and sectoral allocation: The programme also demonstrates strong catalytic leverage of concessional climate finance. The facility mobilizes USD 670 million in blended sovereign financing. The programme's indicative investment portfolio further demonstrates strong efficiency through its focus on sectors where sovereign investment is essential, and climate impact is substantial. The initial pipeline allocates 45% of investments to energy access and generation, 34% to health, food and water security, and 21% to climate-resilient infrastructure and the built environment. These sectors correspond directly to priority

[99] For the CIV, it will be a 10 yr. tenor per their request

[100] Includes the reference floating rate (6M EURIBOR / SOFR as of May 2025)

[101] 0.00% for Angola and Benin which the GCF considers as Least Developed Countries

public investments identified in participating countries' conditional Nationally Determined Contributions and National Adaptation Plans.

Blended Cost Outcomes: by combining concessional financing from GCF with AFC's commercial resources, the programme delivers substantial cost reductions for sovereigns, enabling them to invest in climate-resilient infrastructure without exacerbating fiscal or debt burdens. The table below shows the effective all-in cost per country based on current project allocations:

Country	Currency	All-in Cost for the Programme
Angola	USD	3.30%
Benin	EUR	2.40%
CIV	EUR	3.62%
Nigeria	USD	4.82%

The above results underscore the transformative potential of blended finance.

Additional / Parallel Financing:

a. USD 600M from another climate fund

AFC is in early-stage discussions with a climate fund to secure up to USD 150 million per ASCF focus country in financing, or up to USD 600 million in additional concessional capital. As of submission, the Third-Party Financier is advancing approvals for USD 150 million to CIV as a test case, which could be replicated in the other three countries. GCF's investment is required to unlock this commitment. GCF capital therefore plays a catalytic role beyond proportional parallel financing: it mobilises up to USD 600 million in sovereign-aligned climate finance that would not otherwise materialise, accelerating sovereign climate investment pipelines across four countries. This strengthens the programme's efficiency profile. Each GCF dollar unlocks more than two dollars of concessional parallel financing from the climate fund, a leverage effect exceeding 2x before AFC's own capital deployment.

b. Government Budget

In addition to the blended finance loans provided through the ASCF to support priority climate projects, the Programme may be complemented by parallel financing in the four focus countries. Specifically, where the financing needs of selected projects exceed the allocations available under the ASCF, national governments have committed or will commit to covering the balance through their own budgets.

This parallel financing stream, while not counted within the total programme size, are instrumental in amplifying the Programme's reach and ensuring alignment with national development agenda. They signal country ownership and deepen the impact of GCF investments.

Assessment of Alternate Finance Structuring and Funding Sources for the ASCF Programme

AFC examined alternative finance structuring and funding sources based on i) technical merit, ii) cost implications, iii) impact on sovereign risk pricing, and iv) relevance to ASCF objectives. The assessment was undertaken to determine whether alternative structuring options could support climate financing needs without worsening the debt sustainability of target countries. Based on this analysis, concessional loans and grants were identified as the most appropriate instruments, as they provide affordable financing while supporting climate investment and maintaining fiscal sustainability for recipient governments.

The types of alternate financing instruments included:

- Green/climate-labelled sovereign instruments;
- FX hedging facility;
- Performance-linked or results-based sovereign instruments;

- Bundled private NDC platform with public risk mitigation;
- Binding policy or regulatory reform as financing conditions.

Green or climate-labelled sovereign instruments, such as green bonds aligned with ICMA standards, can support capital market development and broaden the ESG investor base. However, in many emerging and frontier markets the potential pricing benefit ("greenium") is limited, while the additional requirements related to issuance frameworks, reporting, and external verification introduce additional costs and complexity. Sovereign borrowing costs in these markets remain primarily driven by macro-fiscal fundamentals rather than the thematic label of the instrument. As such, while complementary to broader climate finance efforts, these instruments are unlikely to materially reduce financing costs or directly support the structural fiscal reforms targeted by the ASCF.

Foreign exchange hedging facilities can mitigate exchange-rate volatility by converting uncertain currency depreciation into a fixed premium, thereby reducing short-term fiscal volatility. However, hedging costs in many African markets typically range from 3-6 percent annually and may be unavailable or economically inefficient for long tenors. This can significantly increase the effective cost of borrowing and potentially erode the concessional advantage of GCF's concessional financing. While hedging can reduce volatility, it does not lower the expected long-term cost of borrowing and therefore offers limited alignment with the ASCF's objective of reducing sovereign financing barriers for climate investment.

Performance-linked or results-based sovereign instruments can strengthen accountability by tying financing terms to climate performance indicators. However, these structures generally involve higher transaction costs, more complex monitoring arrangements, and longer structuring timelines. In emerging sovereign markets, the potential pricing benefit of such instruments remains limited. Moreover, the ASCF framework already incorporates climate eligibility and screening requirements within its investment approach, reducing the additional value that performance-linked sovereign instruments would provide relative to their implementation complexity.

A bundled private NDC investment platform supported by public risk-mitigation instruments could help mobilize private investment for climate-related projects. However, such platforms typically require mature PPP ecosystems, well-developed capital markets, and strong project pipelines to be effective. In many ASCF focus countries, institutional and market conditions are still developing. Additionally, risk-sharing mechanisms may shift rather than eliminate sovereign exposure through contingent liabilities. For these reasons, this approach is considered complementary in later stages of market development but not a substitute for the public finance reforms targeted by the ASCF.

Based on the analysis above, AFC believes that, in the context of the ASCF and focus countries, the alternate instruments are suboptimal with regards to the needs of the recipients.

This analysis clearly demonstrates the strategic value of the blended financing structure. By leveraging GCF concessional resources alongside AFC commercial capital and concessional co-financing from another climate fund, coupled with parallel financing, the ASCF Programme will unlock critical climate investments while maintaining fiscal sustainability for partner governments.

E. LOGICAL FRAMEWORK

E.1. Project/Programme Focus

☒ Reduced emissions (mitigation)

☒ Increased resilience (adaptation)

E.2. GCF Impact level: Paradigm shift potential

Assessment Dimension	Current state (baseline)		Potential target scenario	How the project/programme will contribute
	Description	Rating	(Description)	(Description)
Scale	The focus countries have obtained grants and loans from development partners and donor countries to execute climate change initiatives. However, these initiatives have not achieved the necessary scale for NDCs' implementation because of disjointed efforts and inconsistent funding. Additionally, gaps in local capacity, knowledge, and resources impede access to climate finance for key NDC sectors.	Low	Design and implement at least 9 priority climate projects across four countries with the use of concessional financing: The Programme will establish two key components: 1. **Project preparation and support activities:** Component 1 will provide systematic advisory support, addressing key barriers such as financial constraints and inadequate capacity. The Programme will include a grant facility to support development work and conduct feasibility studies as required for selected projects. This financing will help bridge the viability gap for projects that incorporate climate mitigation and resilience measures, which often	The Programme's two components, working in parallel to enable the development of a pipeline of priority climate projects, will contribute to scaling impacts for the MRA1 (Energy generation and access), ARA2 (Health and well-being, and food and water security) and ARA3 (infrastructure and the built environment).

			have greater long-term benefits but higher upfront costs. 2. **Investment and project execution activities:** Component 2 will provide USD130 million in blended finance loans for Angola, Bening, and Nigeria, and USD285 million for CIV to support priority climate projects. Also, the successful implementation of this Programme is expected to crowd-in private financing, which will enhance funding in national priority climate projects.	
Replicability	Climate change interventions in the focus countries are currently limited to project experience and there is limited evidence of intervention models that are replicated across multiple geographical or sectoral settings due to the following limitations: 1. Limited capacity to structure and implement climate change interventions. 2. Knowledge sharing and technology transfer between	Low	The Programme is designed to ensure replication of successful climate project models across different communities, municipalities, regions, and countries. The project preparation and support Activities of Component 1 will: 1. Systematically capture and disseminate lessons learned, best practices, and innovative approaches between projects, sectors, and countries. 2. Create replicable models for project structuring and financing. 3. Catalysing policy reforms with the use of its structured approach to climate finance to serve as a	The activities related to climate mainstreaming and institutional strengthening for sovereign transformation (Component 1) will contribute to replicate intervention models across the four focus countries by promoting interventions with replicable structural elements across the Programme's three result areas: MRA1 (Energy generation and access), ARA2 (Health and well-being, and food and water security), and ARA3 (Infrastructure and the built environment.

	projects and countries is limited. 3. Incomplete policy frameworks.		valuable template for future projects and influence how the target countries design future climate finance mechanisms. The Africa Sovereign Climate Finance Facility will demonstrate successful finance models that can be replicated in other countries and regions.	
Sustainability	The sovereigns have constrained revenue resources to allocate to its plethora of public infrastructure priorities, and access to domestic or international sources of substantial climate finance are often extremely difficult to access or just not available in the focus countries (both public and private).	Low	ASCF aims to address financial and non-financial barriers that are encountered by the sovereigns, thus cementing the Programme's impacts beyond the implementation period as follows: 1. The ASCF will employ a robust monitoring framework to ensure the long-term sustainability of its investments, which (where necessary) will be supported by grant funding to cover the long-term resource cost of the monitoring requirements.	The Programme's Exit Strategy, as described in section B.6, will contribute to long- term sustainability by embedding good practices within the sovereigns to maintain the Programme's outcomes across all targeted results areas: (MRA1: Energy generation and access, ARA2: Health and well-being, and food and water security) and ARA3: infrastructure and the built environment.

E.3. GCF Outcome level[102]: Reduced emissions and increased resilience (IRMF core indicators 1-4, quantitative indicators)						
GCF Result Area	**IRMF Indicator**	**Means of Verification (MoVs)**	**Baseline**	**Target**		**Assumptions / Note**
				Mid-term	**Final[103]**	
All mitigation result areas (Core 1 indicator)	Core 1: GHG emissions reduced, avoided or removed/sequestered	Annual Performance Reports (disaggregated by country)[104] ; Biennial evaluations	0	25,084 tCO_2eq Disaggregated by country: Angola: 0 tCO_2eq Benin: 25,084 tCO_2eq Nigeria: 0 tCO_2eq	**Y4**: 104,474 tCO_2eq Disaggregated by country: Angola: 0 tCO_2eq Benin: 71,196 tCO_2eq Nigeria: 33,277 tCO_2eq **Project lifespan:** 3,415,433 tCO_2eq Disaggregated by country: Angola: 2,300,081 tCO_2eq Benin: 397,984 tCO_2eq Nigeria: 717,368 tCO_2eq	Sum of all avoided emissions over 2 years (midterm), 4 years (final term 1), and 20-40 years (final term 2), attributed to ASCF, across the indicative pipeline. Calculations are scaled up at programme level based on the result area mix (see programme-level results).

[102] This does not include estimates for the two TBC projects for the CIV – P3 and P4

[103] The final target means the target at the end of project/programme implementation period. However, for core indicator 1 (GHG emission reduction), please also provide the target value at the end of the total lifespan period which is defined as the maximum number of years over which the impacts of the investment are expected to be effective.

[104] The means of verification for the mitigation projects will be based on the project-type-specific methodologies that are used in the Feasibility Study for estimating baseline and project emissions. Please see Annex 1 for details.

MRA1 Energy generation and access	Core 1: GHG emissions reduced, avoided or removed/sequestered	Annual Performance Reports (disaggregated by country)[104]; Biennial evaluations	0	Angola: 0 tCO_2eq Benin: 25,084 tCO_2eq Nigeria: 0 tCO_2eq	**Y4:** Angola: 0 tCO_2eq Benin: 71,196 tCO_2eq Nigeria: 33,277 tCO_2eq **Project lifespan:** 3,415,433 tCO_2eq Disaggregated by country: Angola: 2,300,081 tCO_2eq Benin: 397,984 tCO_2eq Nigeria: 717,368 tCO_2eq	95% of portfolio mitigation impact comes from Angola, Benin, and Nigeria energy projects.
MRA1 Energy generation and access	Supplementary 1.2: Installed energy storage capacity	Annual Performance Reports (disaggregated by country); Biennial evaluations	0	Benin: 40 MW	Benin: 40 MW	Installed battery energy storage capacity for the Benin solar farm project.
MRA1 Energy generation and access	Supplementary 1.3: Installed renewable energy capacity	Annual Performance Reports (disaggregated by	0	Benin: 140 MW Angola: 50 MW Nigeria: 350 MW	Benin: 140 MW Angola: 50 MW Nigeria: 350 MW	140MW power capacity from the Benin solar farm project, 350MW for

		country); Biennial evaluations				the Lafia project in Nigeria, and 50MW from the Angola hydroelectricity project (assumed as there is not sufficient information to estimate the installed energy capacity for this project).
MRA1 Energy generation and access	Supplementary 1.4: Renewable energy generated	Annual Performance Reports (disaggregated by country); Biennial evaluations	0	Angola: 0 MWh Benin: 183,960 MWh Nigeria: 0 MWh	**Y4:** Angola: 0 MWh Benin: 551,880 MWh Nigeria: 653,128 MWh **Project lifespan** Angola: 4,555,200 MWh Benin: 5,334,840 MWh Nigeria: 14,368,816 MWh	See Feasibility Study for detailed computations
All adaptation result areas (Core 2 indicator)	Core 2: Direct and indirect beneficiaries reached	Beneficiary Impact Surveys (disaggregated by country); Biennial evaluations	0	Direct: 94,115 Indirect: 131,193 Disaggregated by country: Angola Direct: 472 Indirect: 13,418	**Y4:** Direct: 376,461 Indirect: 524,772 Disaggregated by country: Angola Direct: 1,889	Includes adaptation projects in agriculture (Côte d'Ivoire Index Insurance, Benin Regenerative Agriculture for cashew farmers, and Côte d'Ivoire Ton Valley irrigation) and

				Benin Direct: 92,118 Indirect : 109,538 Côte d'Ivoire Direct : 1,525 Indirect : 8,237	Indirect: 53,673 Benin Direct: 368,471 Indirect: 438,151 Côte d'Ivoire Direct: 6,102 Indirect: 32,949 **Project lifespan:** Direct: 1,882,307 Indirect: 2,623,862 Disaggregated by country: Angola Direct: 9,445 Indirect: 268,363 Benin Direct: 1,842,353 Indirect : 2,190,753 Côte d'Ivoire Direct : 30,509 Indirect : 164,746	built environment (Corimba project in Angola and Benin Lake Development). Figures are based on ASCF-attributed totals. Midterm (2 years) and Final term 1 (4 years) are estimated respectively at 5% and 20% of the total beneficiary figure, while Final term 2 (20-40 years) reflects the full lifetime totals.
ARA2 Health, well-being, food and water security	Core 2: Direct and indirect beneficiaries reached	Beneficiary Impact Surveys (disaggregated by	0	Direct: 2,697 Indirect: 14,562	**Y4:** Direct: 10,787 Indirect: 58,249	This includes the Rice farmers from Côte d'Ivoire Index Insurance project;

		country); Biennial evaluations		Disaggregated by country: Benin Direct : 1,171 Indirect : 6,325 Côte d'Ivoire Direct : 1,525 Indirect : 8,237	Disaggregated by country: Benin Direct : 4,685 Indirect : 25,300 Côte d'Ivoire Direct: 6,102 Indirect: 32,949 **Project lifespan:** Direct: 53,935 Indirect: 291,247 Disaggregated by country: Benin Direct : 23,426 Indirect : 126,501 Côte d'Ivoire Direct : 30,509 Indirect : 164,746	and the Cashew farmers from Benin benefitting from the Regen Agriculture Project and the community in the Ton Valley, Cote d'Ivoire benefitting from the irrigation systems for agriculture. Numbers based on ASCF-attributed totals.
ARA2 Health, well-being, food and water security	Supplementary 2.2: Beneficiaries (female/male) with improved food security	Beneficiary Impact Surveys (disaggregated by country); Biennial evaluations	0	Female: 1,338 individuals Male: 1,359 individuals	**Y4:** Female: 5,352 individuals Male: 5,435 individuals	This includes direct beneficiaries from the rice farmers in Côte d'Ivoire under the Index-based Insurance project, the cashew farmers

				Disaggregated by country: Benin Female: 584 individuals Male: 587 individuals Cote d'Ivoire Female: 754 individuals Male: 772 individuals	Disaggregated by country: Benin Female: 2,338 individuals Male: 2,347 individuals Cote d'Ivoire Female: 3,014 individuals Male: 3,087 individuals **Project lifespan** Female: 26,761 individuals Male: 27,174 individuals Disaggregated by country: Benin Female: 11,690 individuals Male: 11,737 individuals Cote d'Ivoire Female: 15,071 individuals	in Benin benefitting from the Regenerative Agriculture Project, and the community in the Ton Valley, Côte d'Ivoire benefitting from irrigation systems for agriculture. It is assumed that approximately 5% of this population would be reached by Year 2, 20% by Year 4, and the remainder progressively over the 20-40-year implementation period of the Facility. Gender disaggregation was based on national gender ratios from the World Bank, with women representing 49.9% in Benin and 49.4% in Côte d'Ivoire.

					Male: 15,437 individuals	
ARA2 Health, well-being, food and water security	Supplementary 2.3: Beneficiaries (female/male) with more climate-resilient water security	Beneficiary Impact Surveys (disaggregated by country); Biennial evaluations	0	Female: 97 individuals Male: 100 individuals (all in Côte d'Ivoire)	**Y4:** Female: 389 individuals Male: 398 individuals (all in Côte d'Ivoire) **Project lifespan:** Female: 1,944 individuals Male: 1,991 individuals (all in Côte d'Ivoire)	This includes the community in the Ton Valley, Côte d'Ivoire benefitting from the irrigation systems for agriculture. It is assumed that approximately 5% of this population would be reached by Year 2, 20% by Year 4, and the remainder progressively over the 20-40-year implementation period of the Facility. Gender disaggregation was based on national gender ratios from the World Bank, with women representing 49.4% in CIV.
ARA3 Infrastructure and built environment	Core 3: Value of physical assets made more resilient to the effects of climate	Annual Performance Reports (disaggregated by	0	Angola: 0	Angola: US$230 million	See Feasibility Study. Based on estimates from China Roads and Bridge Corp.

	change and/or more able to reduce GHG emissions	country); Biennial evaluations				

E.4. GCF Outcome level: Enabling environment (IRMF core indicators 5-8 as applicable)					
Core Indicator	**Baseline context (description)**	**Rating for current state (baseline)**	**Target scenario (description)**	**How the project will contribute**	**Coverage**
Core Indicator 5: Degree to which GCF investments contribute to strengthening institutional and regulatory frameworks for low emission climate-resilient development pathways in a country-driven manner	Institutional frameworks in target countries provide limited integration of climate considerations into macroeconomic, fiscal, and sovereign investment planning processes.	low	Institutional frameworks are strengthened to systematically integrate climate risks and opportunities into macroeconomic, fiscal, and sovereign investment planning. National MRV and evaluation systems are enhanced and institutional capacities strengthened, enabling governments to sustain climate mainstreaming within national investment frameworks.	The Programme will support participating countries to institutionalize climate integration within sovereign systems by embedding climate risks and opportunities into macroeconomic and fiscal planning, strengthening national MRV and evaluation systems, and building institutional capacity to sustain climate mainstreaming within national investment frameworks.	Multiple sub-national areas within a country
Core Indicator 6: Degree to which GCF investments contribute	Deployment and dissemination of climate technologies	medium	Climate technologies are increasingly deployed and	The Programme will enable the deployment and	Multiple sub-national areas within a country

to technology deployment, dissemination, development or transfer and innovation	remain limited due to financing constraints, weak technical capacity, and insufficient mechanisms for technology transfer and innovation.		integrated across key sectors, per the ASCF targeted Result Areas. Through strengthened climate investment pipelines, participating countries accelerate adoption of low-emission and climate-resilient technologies aligned with national climate priorities.	adaptation of climate technologies by supporting the preparation of comprehensive feasibility and structuring packages for prioritized projects and financing of investment-ready projects across targeted Result Areas.	
Core indicator 7: Degree to which GCF Investments contribute to market development/transformation at the sectoral, local, or national level	Climate-related investments are not systematically integrated into national infrastructure pipelines. As a result, climate investments are often pursued on an ad hoc basis, constraining the development of consistent pipelines of bankable projects and limiting the ability to mobilize broader investment in climate-resilient and low-emission sectors.	low	Participating countries establish more structured and coordinated processes to identify, screen, and prioritize climate-aligned investments within national infrastructure pipelines.	The Programme will support participating governments, through their Ministries of Finance, in aligning and prioritizing climate-relevant investments within national infrastructure pipelines. This will operate at the strategic sovereign level, strengthening the Ministry of Finance's ability to coordinate a whole-of-government process to identify, screen, and prioritize climate-aligned investments	Multiple sub-national areas within a country

				across sectoral portfolios.	
Core indicator 8: Degree to which GCF investments contribute to effective knowledge generation and learning processes, and use of good practices, methodologies and standards	Lack of systematic approaches to capturing, disseminating, and applying knowledge related to climate-resilient infrastructure development, hindering the replication and scaling of effective climate adaptation and mitigation strategies.	low	Establishment of robust mechanisms for knowledge generation and dissemination, leading to the widespread adoption of good practices, methodologies, and standards in climate-resilient infrastructure projects across targeted countries.	The Programme will contribute to knowledge generation and learning by developing practical templates, methodologies, and operational tools for the preparation, structuring, and implementation of climate investments. Through feasibility studies, investment structuring, monitoring frameworks, and capacity-building activities, the Programme will capture lessons learned and good practices from climate investments which will be shared with participating governments and relevant stakeholders, strengthening institutional learning and supporting the	Multiple sub-national areas within a country

				replication and scaling of climate investment approaches.	

E.5. Project/programme specific indicators (project outcomes and outputs)

Project/programme results (outcomes/ outputs)	Project/programme specific Indicator	Means of Verification (MoV)	Baseline	Target		Assumptions / Note
				Mid-term	Final	
Output 1.1: Prioritized and investment-ready climate-aligned sovereign pipelines	Number of feasibility and structuring packages completed as part of activity 2.1.1.(efficient, reliable energy transmission, distribution and storage) and Activity 2.1.4. (access to modern renewable energy)	Annual Performance Reports (disaggregated by country); Biennial evaluations	0	2	4	Targets are minimum targets (the total number of projects under the Programme will depend on the ticket size of each project)
	Number of feasibility and structuring packages completed as part of activity 2.1.2 (reconfiguring food systems) and 2.1.3	Annual Performance Reports (disaggregated by country); Biennial evaluations	0	2	4	Targets are minimum targets (the total number of projects under the Programme will depend on the ticket size of each project)

	(integration of water management)					
	Number of feasibility and structuring packages completed as part of activity 2.1.5 (finance the execution of climate resilient infrastructure)	Annual Performance Reports (disaggregated by country); Biennial evaluations	0	1	2	Targets are minimum targets (the total number of projects under the Programme will depend on the ticket size of each project)
Output 1.2: Improved institutional frameworks with regards to climate risks and investing for measurable climate outcomes	Number of improved frameworks and systems related to integrating climate risks and opportunities into macroeconomic planning and fiscal frameworks related to activity 2.1.1.(efficient, reliable energy transmission, distribution and storage) and Activity 2.1.4. (access to modern renewable energy)	Annual Performance Reports (disaggregated by country); Biennial evaluations	0	1	2	Targets are minimum targets (the total number of projects under the Programme will depend on the ticket size of each project)

	Number of improved frameworks and systems related to integrating climate risks and opportunities into macroeconomic planning and fiscal frameworks related to activity 2.1.2 (reconfiguring food systems) and 2.1.3 (integration of water management)	Annual Performance Reports (disaggregated by country); Biennial evaluations	0	1	2	Targets are minimum targets (the total number of projects under the Programme will depend on the ticket size of each project)
	Number of improved frameworks and systems related to integrating climate risks and opportunities into macroeconomic planning and fiscal frameworks related to activity 2.1.5 (finance the execution of climate resilient infrastructure)	Annual Performance Reports (disaggregated by country); Biennial evaluations	0	1	2	Targets are minimum targets (the total number of projects under the Programme will depend on the ticket size of each project)

Output 2.1: Increased climate investments to support the attainment of climate adaptation and mitigation goals	Number of climate investments related to activity 2.1.1.(efficient, reliable energy transmission, distribution and storage) and Activity 2.1.4. (access to modern renewable energy)	Annual Performance Reports (disaggregated by country); Biennial evaluations	0	2	4	Targets are minimum targets (the total number of investments under the Programme will depend on the ticket size of each investment)
	Number of climate investments related to activity 2.1.2 (reconfiguring food systems) and 2.1.3 (integration of water management)	Annual Performance Reports (disaggregated by country); Biennial evaluations	0	2	4	Targets are minimum targets (the total number of investments under the Programme will depend on the ticket size of each investment)
	Number of climate investments related to activity 2.1.5 (finance the execution of climate resilient infrastructure)	Annual Performance Reports (disaggregated by country); Biennial evaluations	0	2	4	Targets are minimum targets (the total number of investments under the Programme will depend on the ticket size of each investment)
Outcome 1: Substantive shift towards attaining the adaptive NDC's of multiple countries through the	Percentage of farmers having access to index-based agricultural insurance	Annual Performance Reports (disaggregated by country); Biennial evaluations	2%	4%	4%	For the baseline, 44,158 rice producers insured across 246 cooperatives (Source: ARC Ltd). Rice production represents

strengthened adaptive capacity and reduced exposure to climate risks, improved management of agricultural areas and contributing to emissions reduction and the development of climate insurance markets and climate resilient agricultural practices.						8% of the population (Source: FAO), with a population of 31 million (Source: World Bank). This means there are 2,480,000 rice producers in Cote d'Ivoire, the insured representing 2% of the rice producers (more than double). The project will insure approximately 30,000 additional rice producers.
	Number of solar pumps installed for irrigation purposes	Annual Performance Reports (disaggregated by country); Biennial evaluations	0	TBD	TBD	The specific investment in solar pumps will be determined during the feasibility study for this project to provide a robust estimate. The values will be determined during the detailed feasibility study of the sub-project.[105]
	Number of efficient irrigation systems installed	Annual Performance Reports (disaggregated by country); Biennial evaluations	0	4000	4,000	The targeted zones of the Benin Regenerative Agriculture project will contribute to the

[105] The disaggregation will be done per country.

						installation of 4,000 solar irrigation kits.
Outcome 2: Substantive shift towards attaining the NDCs of multiple countries through the increased number of low-emission power suppliers while simultaneously decreasing carbon-intensive activities.	Increase in number of low emissions power suppliers through the Programme	Annual Performance Reports (disaggregated by country); Biennial evaluations	0	1	1	Targets are minimum targets (the total number of low emissions power suppliers under the Programme will depend on the ticket size of each project)
	Km of distribution grids with improved reliability	Annual Performance Reports (disaggregated by country); Biennial evaluations	0	136 km	543 km	The PPI Lot 3 illustrative project will allow the improvement of the following grids: Section 1 – construction of new overhead distribution lines (830.8 km) and reconductoring of existing distribution lines (1,886 km); Section 2 – reconductoring of existing distribution lines (2,912 km); Section 3 – construction of new overhead distribution lines (4,708.2 km). It is assumed that only Section 1 is invested in under the Facility, with

						approximately 5% of the total benefit reached by Year 2, 20% by Year 4, and the remainder progressively over the 20–40-year implementation period.
	Km of transmission grids with improved reliability	Annual Performance Reports (disaggregated by country); Biennial evaluations	0	TBD	TBD	The PPI Lot 3 illustrative project is only focused on distribution lines. The values will be determined during the detailed feasibility study of the sub-project
	Percentage of increase in ability to transmit variable renewable energy through the grid	Annual Performance Reports (disaggregated by country); Biennial evaluations	0	20 - 40%	20 - 40%	This reflects the typical percentage increase in electricity delivery capacity for variable renewable energy resulting from reconductoring and distribution line upgrades - the core focus of the PPI intervention under Lot 3.
	Annual energy savings realized through improved transmission or	Annual Performance Reports (disaggregated by country); Biennial evaluations	0	41%	41%	According to the Feasibility Study on PPI Phase 1, Aggregate Technical,

	distribution efficiency measured in terms of percentage of decrease in losses.					Commercial and Collection (ATC&C) losses for Distribution Companies peaked at 52.93% in 2022. This figure represents the baseline level prior to intervention. The target ATC&C loss rate for DisCOs is 11.78% by 2026, as per the PPI Phase 1 Feasibility Study. The expected reduction from 52.93% in 2022 to 11.78% in 2026 results in an estimated 41% decrease in losses. Hence, 41% is entered here as the projected improvement.
	Number of physical assets made more resilient to climate change	Annual Performance Reports (disaggregated by country); Biennial evaluations	0	TBD	TBD	The values will be determined during the detailed feasibility study of the sub-project.
Project/programme co-benefit indicators						
Co-benefit 1: Promoting green infrastructure development	Number of interventions dedicated to promote green	Annual Performance Reports (disaggregated by country); Biennial evaluations	0	1	2	Targets are minimum targets (the total number of projects under the Programme

	infrastructure development					will depend on the ticket size of each project)
Co-benefit 2: Job creation and economic diversification	Number of permanent jobs created through the Programmes	Annual Performance Reports (disaggregated by country); Biennial evaluations	0	4,558 to 5,585	9,115 to 11,170	This figure represents the estimated range of permanent jobs created across the eight core projects for Phase 1, based on project-specific assumptions. Figures are fully accounted for at final term (Year 4) as most projects are expected to reach implementation or operational maturity by that time, and accounted for at 50% by Y2: • Angola – Chicomba Dam: 30–50 permanent jobs for operations and maintenance • Benin – Solar Park: 35–70 permanent jobs for solar plant operation and grid integration • Côte d'Ivoire – Index Insurance: 100

						permanent jobs estimated (plus several hundred seasonal roles not included here) • Nigeria – PPI (Lot 3): 300–600 permanent jobs from upgrading 10,000 km of distribution lines • Benin – Lagoon Development: 200–350 permanent jobs in environmental infrastructure and water management • Côte d'Ivoire – Ton Valley Hydro-Agriculture: 1,500 direct permanent jobs • Benin – Regenerative Agriculture Carbon Project: 1,100–2,100 permanent jobs across implementation areas • Corimba project: 850 - 1400 permanent jobs Total estimated range: 115 to 11,770 permanent jobs.

Co-benefit 3: Reduction of poverty and inequality	Number of people (disaggregated by sex) reporting an increase in revenues or clean energy due to the Programme	Annual Performance Reports (disaggregated by country); Biennial evaluations	0	5 million people	10 million people	This estimate reflects the total number of people expected to benefit across the eight core projects for Phase 1. Figures are fully accounted for at final term (Year 4) as most projects are expected to reach implementation or operational maturity by that time, and accounted for at 50% by Y2: Beneficiaries (Population-Level Impacts): • Angola – Huila Province (Chicomba Dam): ~1.5 million people benefiting from improved food and water security • Benin – GDIZ Solar Farm: ~300,000 people benefiting through lower-cost electricity access for business activity • Côte d'Ivoire – Index Insurance: ~52,000 farmers directly covered by climate risk insurance • Nigeria – PPI Phase 1: ~4.11 million people benefiting from improved grid access • Benin – Lake Nokoué and Porto-Novo Lagoon Development:

						~3.5 million residents in the catchment area • Côte d'Ivoire – Ton Valley Hydro-Agriculture: ~7,000 people benefiting from rural development, irrigation and productivity gains • Benin – Regenerative Agriculture Carbon Project: ~200,000 farmers engaged in carbon-positive land use practices • Angola – Corimba Marginal Infrastructure: ~ 270,000 people benefiting from urban and coastal infrastructure improvements (cf. Program Level tab, corresponding to direct and indirect beneficiaries of the project)

E.6. Project/programme activities and deliverables			
Activities	**Description**	**Sub-activities**	**Deliverables**
Component 1: Climate mainstreaming and institutional strengthening for sovereign investment transformation			
Activity 1.1.1: Climate eligibility alignment and investment pipeline refinement	This activity will provide targeted pre-investment support to develop and refine sovereign climate investment pipelines in collaboration with participating governments. For each participating country, assessments will be conducted to identify gaps in existing infrastructure pipelines and screen potential projects against the Programme's climate eligibility criteria across the targeted result areas. The activity will support Ministries of Finance in coordinating a whole-of-government process to identify, screen, and prioritize climate-aligned investments across sectoral portfolios. Sovereign-level analyses will identify climate-relevant projects within national infrastructure plans and prioritize them based on transformational impact, scalability, and cost-effectiveness.	1. Prioritise climate actions and refine the project pipeline, ensuring alignment with national strategies. 2. Establish technical teams and appoint consultants to oversee project pipeline development.	1. Eligibility screening report for each country 2. Prioritised Project Pipeline Report detailing ranked projects with rationale for alignment with national strategies for each country.

	Based on these assessments, the eligibility of projects for GCF concessional financing will be confirmed and key milestones will be defined to ensure measurable climate outcomes. The resulting pipeline will prioritize investments aligned with national priorities and capable of delivering the most effective mitigation and adaptation impacts		
Activity 1.1.2: Strategic investment structuring	This activity involves conducting targeted feasibility studies to evaluate the technical, financial, economic, environmental, and social viability of the projects to be implemented under the Programme. The studies will include the development of project-specific Theories of Change, define project objectives, timelines, and deliverables, and establish robust baselines, as well as impact targets. In addition, the studies will validate alignment with the ASCF Programme and the GCF investment criteria, including additionality and the need for concessional financing. Where required, project-specific logical frameworks will be developed to ensure that each project is	1. Undertake feasibility studies where requested, including technical, financial, climate rationale, and safeguards assessments. 2. Conduct detailed financial and economic analysis including with/without GCF comparisons. 3. Assess GHG mitigation potential and/or adaptation benefits, using well-established methodologies. 4. Complete environmental and social impact screening and confirm alignment with Programme's selection criteria.	1. Project-specific feasibility study Reports (including climate rationale, safeguards, and financial analysis). 2. Project Financial Additionality and Economic Justification Reports. 3. GHG Impact Assessment Reports, quantifying mitigation potential using relevant methodologies. 4. Environmental and Social Impact Screening Report.

	positioned to deliver measurable, transformative outcomes.	5. Complete project-specific Environmental and Social Impact Assessment (ESIA) and Environmental and Social Management Plan (ESMP) for projects categorized as high or medium ESS risk (Categories A and B).	5. Environmental and Social Impact Assessment (ESIA) and Environmental and Social Management Plan (ESMP).
Activity 1.2.1: Sovereign capacity building and climate mainstreaming into macroeconomic frameworks	The Facility aims to strengthen sovereign capacity by embedding policy support, institutional development, and long-term monitoring and reporting capabilities that extend beyond the life of the GCF investment. This activity will equip governments and key institutions with the tools, systems, and frameworks necessary to sustain climate investments, accelerate sectoral transformation, and ensure transparent, measurable outcomes. Through targeted capacity building and technical assistance, the Programme will reinforce implementation capabilities. Sovereigns will be supported to embed climate risk and opportunity considerations into macroeconomic modelling and fiscal planning, strengthen national	1. Develop and implement training programs for government institutions and stakeholders on climate integration in macro-economic frameworks and project prioritisation. 2. Establish knowledge-sharing platforms and best-practice exchange forums. 3. Enhance monitoring and reporting capabilities for long-term climate investment sustainability, ensuring robust evaluation mechanisms. 4. Organise regional workshops and policy dialogues to strengthen institutional frameworks and governance structures.	1. Training manual developed and translated to English, French, Portuguese per result area and post training reports. 2. A Knowledge-Sharing Platform Framework which outlines structure, user access, and best-practice repositories. 3. Monitoring and Reporting Framework with clear indicators, data collection tools, and reporting schedules, with a special detailing how the national institutions have been supported to adopt MRV systems or climate data tools. 4. Post Workshop and Policy Dialogue Report and Action Plans, summarising outcomes and agreed reforms.

	monitoring, reporting, and verification (MRV) and evaluation systems, sustain climate mainstreaming into their national investment framework. In addition, ASCF will establish knowledge-sharing platforms and facilitate the exchange of best practices across participating countries, promoting a harmonised yet context-specific approach to climate resilience and low-emission development at scale.		
Component 2: Investment and project execution activities			
Activity 2.1.1: ***Finance the execution of efficient, reliable energy transmission, distribution and storage***	This activity will finance investments that enhance the reliability, efficiency, and climate resilience of national transmission and distribution systems. It will focus on strengthening electricity distribution networks to reduce reliance on diesel-fuelled generators during blackouts and power instability. Targeted support will include upgrading legacy infrastructure, deploying advanced transmission and distribution technologies, and integrating smart grid solutions to enable real-time monitoring, efficient load management, and loss reduction.	1. Through targeted feasibility studies, support electricity distribution companies to improve grid reliability and reduce blackouts. 2. Invest in smart grid technologies and energy storage solutions, including battery storage and demand side management. 3. Design projects to upgrade and modernize transmission and distribution infrastructure.	1. Grid Infrastructure Modernization and Resilience Feasibility Report which includes asset mapping, resilience metrics, blackout risk scoring, and investment plan. 2. Smart Grid Deployment and Storage Report with technical specifications, cost-benefit analysis, and timelines. 3. Infrastructure upgrade and procurement plans.

	Furthermore, the activity will support the development and installation of energy storage systems, enabling the capture and redistribution of surplus renewable energy during peak generation periods. These investments will facilitate the large-scale integration of variable renewable energy into national grids, reduce grid outages, and enhance energy security while displacing high-emission backup power sources.	4. Establish monitoring and reporting mechanisms	4. Project-specific monitoring reports
Activity 2.1.2: ***Finance the execution of reconfiguring food systems***	This activity will finance a transformative shift toward resilient, low-carbon, and climate-smart food systems. The intervention will prioritize the deployment of index-based agricultural insurance schemes and targeted capacity building, particularly within climate-vulnerable value chains such as rice to safeguard livelihoods and stabilize income for smallholder farmers in the event of adverse weather conditions. Additionally, the activity will finance hydro-agricultural development, including the adoption of solar-powered irrigation infrastructure to reduce reliance on diesel generators, and	1. Implement index-based agricultural insurance for climate risk mitigation, ensuring affordability and accessibility for farmers. 2. Finance solar-based irrigation systems to enhance agricultural resilience and reduce reliance on fossil fuel-based pumps.	1. Insurance Scheme Operational Manual, detailing eligibility, payouts, and risk thresholds. 2. Solar Irrigation Installation Report with locations, beneficiary lists, and water savings.

	improve water-use efficiency. Investments will also support regenerative agriculture carbon projects that enhance soil health and carbon sequestration, strengthening climate mitigation and adaptation outcomes.		
Activity 2.1.3: ***Finance the integration of water management – protection from water-related disasters, preservation of water resources and enhanced resilient water supply and sanitation services***	This activity will finance integrated water resource management interventions to enhance the resilience of communities and ecosystems to climate induced water stress and disasters. Investments will target the development of climate-resilient water infrastructure, including water supply systems and sanitation networks, with a focus on displacing diesel-based pumping systems and improving access in vulnerable regions. The activity will also include the rehabilitation and ecological restoration of riverbanks and shallows, with co-benefits for biodiversity, sustainable fishing, and nature-based tourism.	1. Conduct feasibility studies and develop resilient water supply and sanitation infrastructure to mitigate climate vulnerabilities. 2. Promote sustainable water resource management to mitigate climate change risks and enhance water conservation. 3. Promote the rehabilitation and ecological restoration of riverbanks and shallows.	1. Climate-Resilient Water and Sanitation Infrastructure Feasibility Report. 2. Integrated Climate Responsive Water Management Report, consolidated to capture water risk assessments, sustainable management action plans, stakeholder capacity-building, policy reviews, M&E frameworks, and case studies, demonstrating climate-resilient water conservation outcomes. 3. Ecological Restoration Report with maps of restored areas, biodiversity impacts and community livelihood linkages.

Activity 2.1.4: ***Finance access to modern renewable energy***	This activity will support the financing, construction, and operationalisation of renewable energy production facilities paired with energy storage systems in high-priority regions. These installations will be strategically sited to enhance the energy autonomy of industrial zones and critical infrastructure, thereby reducing operational vulnerability to fossil fuel volatility and supply disruptions. By leveraging the abundant renewable resources potential of the focus countries, the activity will displace emissions-intensive power generation, support energy access goals, and catalyse low-carbon industrialization. This intervention will contribute to the countries' Nationally Determined Contributions (NDCs) and broader development priorities by enabling a just energy transition, reducing emissions, and expanding reliable, clean energy to power economic growth.	1. Construct renewable energy production facilities and energy storage stations in priority regions, particularly targeting industrial zones.	1. Renewable energy facility implementation report.
Activity 2.1.5: ***Finance the execution of climate resilient infrastructure***	This activity will support the financing and development of climate-resilient infrastructure in priority economic zones. These	1. Conduct updated feasibility and climate risk assessments for infrastructure, integrating	1. Integrated Climate Risk and Feasibility Report including technical, environmental, and socio-

	priority zones will be strategically identified and developed to host a range of resilient infrastructure investments, aimed at supporting enhanced climate adaptation capacity. By proactively integrating resilience considerations such as flood protection, sustainable drainage, and durable construction standards into the planning and execution of infrastructure, this activity will reduce vulnerability to climate risks and contribute to long-term national climate resilience goals. It will also enable the creation of safe, productive land in response to rising sea levels and land scarcity.	hydrological modelling, drought/flood forecasting, and infrastructure stress testing. 2. Develop detailed engineering designs and safeguard frameworks, including procurement plans for climate-resilient infrastructure. 3. Finalize the construction of climate-resilient infrastructure including drainage, embankments, sanitation upgrades, and flood mitigation systems in vulnerable urban zones. 4. Establish community engagement frameworks, operations protocols, and sustainability plans for adaptive governance and maintenance.	economic viability analysis, including updated hydrological baselines, climate projections, and infrastructure resilience recommendations. 2. Climate-Resilient Infrastructure Design and Safeguard Package including finalised engineering blueprints, Environmental and Social Impact Assessment/ Environmental and Social Management Plan procurement strategy, and compliance documentation. 3. Resilience Infrastructure Completion Report detailing asset inventory, flood risk reduction metrics, service coverage improvements, and compliance with urban climate adaptation standards. 4. Infrastructure Sustainability and Community Management Plan: Operations and Maintenance protocols water user association

			guidelines, gender-responsive training modules, adaptive maintenance KPIs, and monitoring systems.

E.7. Monitoring, reporting and evaluation arrangements

E.7. Monitoring, reporting and evaluation arrangements

The ASCF Programme's monitoring and evaluation (M&E) plan follows a participatory approach to ensure active stakeholder engagement throughout the process. The M&E plan will ensure meaningful consultations with all stakeholders, including beneficiaries, during planning, implementation, activities' monitoring, and results' evaluation. By fostering inclusive participation, this approach will enhance stakeholders' understanding, ownership, and adoption of the Programme's objectives, strategies, and expected outcomes.

M&E Plan – Structure and responsibilities: The monitoring and evaluation arrangements for the ASCF Programme will adhere to the GCF Integrated Results Management Framework (IRMF) and Evaluation Policy as well as AFC's established procedures to ensure robust oversight and timely assessment of the Programme's progress and impacts. The primary Executing Entities (the ministries of finance in each focus country) will be responsible for ensuring that the co-Executing Entities that implement specific projects (the ministries of agriculture, energy, infrastructure, etc., depending on the type of project) effectively monitor and evaluate project-specific indicators in compliance with the ASCF Programme's logical framework. The monitoring and evaluation of project-specific indicators may be done directly by the co-Executing Entity or through implementing partners. In the latter case, contracts with each implementing partner will specify their responsibility with respect to the monitoring and evaluation of their activities. Each co-Executing Entity will provide the primary Executing Entity with annual progress reports for each project financed under the Programme. Project-specific indicators will then be rolled up at the national level by the primary Executing Entities, which will then evaluate Programme-level indicators for their country and submit annual M&E reports to AFC. As the Accredited Entity, AFC will then roll up all M&E reports at the overall Programme level and review progress once a year, with a view to identify possible implementation and compliance risks. The annual M&E reports submitted by the Executing Entities, combined with the results of monitoring and evaluation missions conducted during the year (see below), will serve as the basis for AFC to draft the Programme's Annual Performance Report (APR) that will be submitted to the GCF every year.

Survey methods: In year one, AFC will commission a baseline survey to be performed by an independent third party, against which subsequent changes and impacts will be measured. To measure changes attributable to the Programme, the evaluations will draw on mixed-methods, using qualitative methods (e.g., participatory rural appraisals, focus group discussions, key informant interviews, etc.) in combination with counterfactual analyses (e.g., quasi-experimental methods depending on the existence of reliable control group data from the Programme's baseline and completion of subsequent surveys, which will be confirmed during the inception phase of the Programme). All surveys and impact assessments will be sex-

disaggregated and key gender-sensitive indicators will be captured in the initial and subsequent surveys and findings, as outlined in the Gender Action Plan. In addition, all impact evaluations will be conducted by external third parties to ensure independence.

Monitoring and evaluation missions: In addition to the semi-annual reviews of the M&E reports provided by each primary Executing Entity, AFC will conduct annual supervision missions to assess progress and identify issues possibly affecting the completion of the activities in each of the focus countries, perform quality assurance and quality control (QA/QC) checks of the monitoring and evaluation processes, and verify the reports submitted by the Executing Entities. As part of these missions, measures may be devised by AFC in collaboration with the Executing Entities to enhance Programme performance, and, as necessary, flags may be raised to the GCF for issues that might trigger the need for implementing Adaptive Management measures. Annual supervision missions will result in the production of reports with updated Programme indicators. Annual supervision missions will be followed by implementation support missions that will provide an opportunity to follow up on key recommendations made in the annual supervision reports.

Annual Performance Reports: Building on the quantitative and qualitative data gathered through the semi-annual M&E reports provided by the primary Executing Entities as well as periodic evaluation missions, AFC will provide Annual Performance Reports (APRs) to the GCF, providing an assessment of the project/programme's performance during the previous year. In line with the GCF's monitoring and reporting requirements, AFC will systematically assess and report on the Programme's finances, results, management, workplans, activities, environmental and social safeguards, gender action plans, and all IRMF-related data and requirements. The APRs will present the Programme's overall progress against its intended objectives, and highlight any challenges, good practices and/or lessons learned. Additionally, the APRs will review and report on the contribution of the Programme to paradigm shift, the IRMF mitigation and adaptation core and supplementary indicators, enabling environment indicators, and project-specific indicators. Actual (not projected) data will be provided against each indicator, including the date on which data was collected. The APRs will also include data from each preceding year.

Mid-term evaluation and report: At the mid-point of the Programme implementation phase, AFC will undertake surveys to assess performance and hold participatory workshops as necessary to draw important lessons learned and incorporate stakeholders' feedback into AFC's Mid-Term Performance Report. The mid-term report will serve as a critical assessment of the Programme's progress, effectiveness, efficiency, and alignment with its intended objectives. The evaluation will provide valuable insights that inform decision-making for the remainder of the implementation period. This evaluation will play a pivotal role in identifying strengths, challenges, and emerging risks that may impact the Programme's outcomes. By analysing key performance indicators, stakeholder engagement, resource allocation, and implementation strategies, the mid-term evaluation will generate operational and strategic recommendations to enhance the Programme's effectiveness. Furthermore, the evaluation will verify whether the established targets remain appropriate given the characteristics and outcomes of the projects funded.

Final evaluation and completion report: At the end of the implementation phase, AFC will undertake another set of surveys and participatory workshops to assess the performance of the interventions prior to drafting the Programme's Completion Report. The final evaluation will assess the relevance of the interventions, the sustainability and scalability of the results, and lessons learned. The evaluation will also evaluate the extent to which the interventions have contributed to the GCF's goal of achieving a paradigm shift and confirm or revise the projected emissions reductions and number of beneficiaries anticipated to be reached over the lifespan of the Programme. The Completion Report will evaluate alignment with ex

ante expectations, identify and explain discrepancies due to external conditions, implementation challenges, or overly ambitious assumptions. The co-benefits of the Programme will also be documented to highlight the Programme's holistic value. Finally, lessons learned will be extracted to provide actionable recommendations for scaling successful interventions, overcoming barriers, and improving future project design and management.

Learning and knowledge management: AFC will synthesize in the Annual Performance Reports, Mid-Terms Report, and Completion Report provided to the GCF the lessons learned during Programme implementation, including on innovations and mainstreaming gender. As part of additional periodic communication activities, AFC will share their experience with the NDAs and relevant stakeholders to incorporate lessons learned in the strategies and plans being developed at national levels. Finally, AFC will capitalize on their in-house experience to undertake the development of knowledge products, including policy briefs for decision makers to incorporate lessons learned into national policies and strategies, an integral part of paradigm shift.

Communication: All the interventions, data and results generated by the Programme will be effectively communicated and disseminated to the different stakeholders at the national and local levels, and, as appropriate, to wider audiences during the life of the Programme. Specialized services will be contracted to implement gender-sensitive communications campaigns that will include the use of knowledge-sharing platforms and social media networks to promote participation, awareness raising and to strengthen the Programme´s partnerships.

F. RISK ASSESSMENT AND MANAGEMENT

F.1. Risk factors and mitigations measures

Selected Risk Factor 1

Category	Probability	Impact
Credit	Medium	Medium

Description

Sovereign states becoming unwilling or unable to meet their loan obligations under the Facility.

Mitigation Measure(s)

- The primary repayment source will be government's budgetary allocations.
- The IMF's most recent analysis assessed the Programme countries' debt distress as moderate and confirmed that the countries' debt is sustainable in the medium term.
- The blend of commercial funding from AFC and concessional funding from the GCF will make the financing less burdensome on the sovereigns.
- AFC has existing facilities with 3 of the 4 focus countries, which are performing well. It is also currently negotiating terms for facilities with Benin, implying that each of the sovereigns macro-economic and credit strength has been assessed, and AFC is comfortable with providing financing to said sovereigns.

Selected Risk Factor 2

Category	Probability	Impact
Governance	Low	Medium

Description

The risk that a shift in political landscapes through election cycles and the implementation of unpopular policies could lead to social unrest and instability.

Mitigation Measure(s)

- In the run up to Nigeria's 2027 presidential elections, there is a clear imperative on the government to hold free, fair and transparent elections. Critical reforms to insulate the Independent National Electoral Commission (INEC) from political influence and enhance transparency and credibility of the electoral process are necessary. The national assembly is currently reviewing reforms covering issues such as result transmission, voting access, and accountability.
- In CIV, the macro-economic and political environment has remained stable since the re-election of President Ouattara in October 2025. The president will continue to encourage investment inflows in order to fulfil his promises of sustained high levels of economic growth through the 2026-30 National Development Plan.
- In Angola, the MPLA government, under President João Lourenço, continues to push for economic liberalization and diversification, emphasizing the importance of renewable energy development to address electricity access and financial pressures. Despite the potential for increased social discontent due to economic reforms, Angola's strategic relationships with key global players like the US and China provide a stable base for external financing and support for its infrastructure projects.
- Fitch highlights that Benin has maintained a relatively free and open democracy for the last few decades, characterized by minimal electoral irregularities and smooth power transitions. This political stability contributes positively to the country's governance and social cohesion.

Selected Risk Factor 3		
Category	**Probability**	**Impact**
Forex	Medium	Medium
Description		
Inability to exchange local currency for foreign currency, without affecting the Sovereign's ability to service the facility.		
Mitigation Measure(s)		
▪ CIV and Benin are members of WAEMU with CFA as the national currency which is pegged to the Euro. This peg protects against currency induced instability and the country's inability to source FX to meet its loan obligations. ▪ The government of Angola is legally permitted to access up to 10% of the previous year's revenue from the central bank's reserves, which stood at an estimated USD 15.2 billion in 2024 representing 7.3 months of imports. While this provision must be reimbursed by the end of the year, it could provide slightly over USD 2 billion to the government to meet its debt payments if necessary. ▪ Nigeria recently implemented reforms to its foreign exchange (FX) policy to unify its multiple exchange rate windows into a single, market-driven rate. The reform aims to enhance transparency and efficiency in the foreign exchange markets, allowing the Naira's value to be determined by market forces, and increase investor confidence. In 2024, the FX reserves represented 5.7 months of import cover (USD 33.3 billion).		
Selected Risk Factor 4		
Category	**Probability**	**Impact**
Technical and operational	Low	Medium
Description		
Technical and operation risks associated with implementation of the proposed mitigation and adaptation solutions.		
Mitigation Measure(s)		
▪ The ASCF Programme will not involve implementing technologies that have not already been proven in the focus countries or in countries with similar profiles. ▪ AFC has extensive experience in implementing energy, food and water security, and large-scale infrastructure projects similar to the projects proposed under the ASCF Programme.		
Selected Risk Factor 5		
Category	Probability	Impact
Financial / Compliance	Likely	Low
Description		

The inherent risk for the Investment Programme is assessed as “Moderate” (3/5). When AFC’s AML/CFT/ABC controls and compliance framework are applied, the residual risk is rated “Very Low” (1/5) with ongoing monitoring in place.
Mitigation Measure(s)
▪ Application of AFC’s AML/CFT/ABC controls and compliance framework; ongoing monitoring.

G. GCF POLICIES AND STANDARDS

G.1. Environmental and social risk assessment

Environmental and social risk category and rationale: the Africa Sovereign Climate Facility (ASCF) is assigned an overall Environmental and Social (E&S) risk category of Category I-1. The ASCF will finance projects under the energy generation and access mitigation result area (MRA1), the health and well-being, and food and water security adaptation result area (ARA2), and the infrastructure and built environment adaptation result area (ARA3). These projects are anticipated to be predominantly Category A or B, potentially leading to significant, diverse, and possibly irreversible adverse E&S impacts. This categorisation reflects the potential for impacts on ecologically sensitive areas, biodiversity, land use, community livelihoods, cultural heritage, and the need to manage issues such as labour conditions, Sexual Exploitation, Abuse, and Harassment (SEAH).

Environmental and social assessment and management instruments: the primary E&S instrument for the ASCF is its Environmental and Social Management System (ESMS). This ESMS is aligned with IFC Performance Standards, Equator Principles, AfDB Integrated Safeguards, and GCF E&S Policy.

Key ESMS components and annexed frameworks include:

- Resettlement Framework (addressing land acquisition and involuntary resettlement).
- Indigenous Peoples Management Framework (ensuring Free, Prior and Informed Consent - FPIC).
- Biodiversity Management Framework.
- Procedures for SEAH risk assessment and management.

Individual sub-projects will develop specific E&S instruments based on their risks; these will include:

- Environmental and Social Impact Assessments (ESIAs).
- Environmental and Social Management Plans (ESMPs).
- Resettlement Action Plans (RAPs) and Indigenous Peoples Plans (IPPs), where applicable.
- Specific management plans (e.g., for waste, OHS, community health and safety, GBV).

These tools ensure a systematic approach to identifying, assessing, managing, and monitoring E&S risks and impacts, integrating safeguards for vulnerable groups and promoting sustainable outcomes.

Key environmental and social risks, impacts, and mitigation measures: ASCF-supported infrastructure projects present risks across their lifecycle:

- **Preparation**: Risks include inadequate site selection, insufficient stakeholder engagement, and flawed design. Mitigation involves comprehensive ESIAs, robust consultations (including FPIC), alternatives analysis, and integrating E&S aspects into design, including SEAH risk assessments.
- **Implementation (construction):** Common risks include pollution (air, water, soil), habitat loss, noise, traffic disruption, waste, OHS incidents, migrant labour influx, SEAH, impacts on cultural heritage, involuntary resettlement, and community health and safety. Mitigation includes implementing detailed ESMPs, RAPs/IPPs, chance finds procedures, worker codes of conduct (prohibiting SEAH), OHS protocols, and community safety measures.
- **Operation**: Risks involve emissions, effluents, resource consumption, ongoing OHS concerns, and community safety. Mitigation includes adherence to operational ESMPs, pollution controls, emergency response plans, and ongoing community engagement.
- **Decommissioning**: Risks include waste, contamination, and ecosystem impacts. Mitigation involves a Decommissioning Plan covering site remediation and stakeholder consultation.

The mitigation hierarchy (avoid, minimize, mitigate, compensate/offset) underpins all interventions. SEAH risks are specifically addressed through risk assessments, GBV Action Plans where necessary, SEAH-sensitive grievance mechanisms, and codes of conduct, consistent with GCF requirements.

Financial intermediation: due diligence, management, and oversight: AFC, as the AE, will finance via the ASCF to Executing Entities (EEs – project sponsors).

EE Due Diligence & Management: EEs are responsible for conducting sub-project specific E&S due diligence (e.g., ESIAs) and developing/implementing ESMPs, RAPs, and IPPs as per the ASCF ESMS and relevant standards.

AE Oversight (AFC): AFC will screen all sub-projects, review and approve EE's E&S documentation, and integrate E&S and SEAH covenants into legal agreements. AFC will monitor EE compliance via regular reporting (e.g., Client Annual E&S Monitoring Reports), ESAP updates, and risk-based site visits. External consultants may support due diligence and monitoring for Category A projects.

EE capacity, compliance monitoring, supervision, and reporting: EEs on the continent historically have limited capacity. This E&S capacity will be assessed during AFC's due diligence; support and capacity building (via ESAPs) will be provided where needed. AFC's E&S Risk Officer (ESRO) and E&S Manager (Chief Risk Officer) oversee compliance. The grant component of the requested facility is specifically programmed to bolster local E&S capacity, aligning with the Global Centre on Adaptation's (GCA) principles for locally led adaptation and fostering sustainable in-country expertise.

Project/Programme-level Grievance Redress Mechanism (GRM): ASCF-supported projects will feature a multi-tiered GRM:

- Project-Level: Accessible, culturally appropriate, and gender-sensitive for affected stakeholders, addressing concerns including SEAH (with confidentiality and survivor support pathways).
- AE-Level (AFC): For unresolved grievances or issues concerning AFC.
- GCF-Level (IRM): For matters related to GCF-funded activities.

Information on GRMs will be widely disseminated.

Multi-stakeholder consultations and continued engagement: AFC is committed to inclusive multi-stakeholder participatory processes. EEs will conduct and document extensive consultations for sub-projects during E&S assessment and throughout implementation, targeting all affected groups, especially vulnerable populations and Indigenous Peoples. AFC will ensure these standards are met and will continue engaging its own stakeholders (investors, NGOs, etc.).

Disclosure of Environmental and Social Safeguard (ESS) Reports: key ESS documents (ESIAs, ESMPs, RAPs, IPPs, ESMS summaries) will be disclosed on AFC and GCF websites and locally in accessible formats and relevant languages, within the deadlines prescribed by the GCF's ESS policy. Monitoring reports will be disclosed during implementation, also adhering to GCF's policies.

Potential impacts on Indigenous Peoples (IPs): should ASCF projects potentially affect IPs, AFC will ensure adherence to its Indigenous Peoples Management Framework, IFC PS7, and the GCF IP Policy. This includes screening, meaningful consultations leading to FPIC, and development of culturally appropriate IPPs in full participation with affected IP communities, and accessible grievance mechanisms.

Annexes: The ASCF ESMS and its key annexed frameworks (Resettlement, IP, Biodiversity) will be attached as Annex 6. Sub-project ESIAs/ESMPs will be provided as relevant.

G.2. Gender assessment and action plan

The ASCF is a climate finance mechanism developed by the AFC to support eligible member countries in accelerating investments in climate-resilient, low-carbon infrastructure. The ASCF targets strategic sectors critical to both adaptation and mitigation: resilient infrastructure, modern renewable energy, sustainable and regenerative agriculture, and integrated water resource management. In line with the GCF's Gender Policy, the ASCF will mainstream gender considerations to ensure that climate finance contributes meaningfully to gender equality and women's empowerment.

The gender assessment of the ASCF identified a range of gender-differentiated vulnerabilities and barriers in target sectors. These include limited access by women to productive resources, climate-resilient infrastructure, clean energy, and climate finance; underrepresentation in green jobs and infrastructure governance; and heightened exposure to gender-based violence (GBV) during large-scale infrastructure development. The assessment also highlighted women's central role as agents of change in local adaptation, sustainable resource management, and clean energy uptake.

To address these challenges, the ASCF has developed a Gender Action Plan (GAP) that integrates gender-responsive activities across all programme outputs. The GAP is built on four strategic pillars:

1. **Inclusive access to climate-resilient services:** ASCF-financed projects will ensure equitable access for women to climate-smart services—particularly in energy, agriculture, and water. This includes gender-responsive design (e.g., WASH and energy infrastructure), consultation processes that amplify women's voices, and infrastructure solutions that reduce the unpaid labour burden of women and girls.
2. **Women's economic empowerment and employment:** The ASCF seeks to create enabling conditions for women's participation in green value chains by supporting women-led enterprises in renewable energy, regenerative agriculture, and climate-resilient water systems. The programme incorporates technical training initiatives targeting women in sectors historically dominated by men, such as energy transmission.
3. **Gender Based Violence (GBV) risk mitigation and safeguards:** In recognition of the increased risks of GBV during infrastructure development, the ASCF will adopt proactive measures to prevent and respond to such risks. This includes implementing GBV-sensitive grievance redress mechanisms, community awareness campaigns, and capacity-building in line with AFC's safeguard and gender policies.
4. **Gender-responsive monitoring, learning and accountability:** The ASCF will institutionalize the collection of sex-disaggregated data, monitor gender-specific impacts, and adjust programming in real time. The Facility will also contribute to a growing body of knowledge on gender and climate finance by documenting best practices, challenges, and lessons learned from implementation.

By embedding gender equity into its climate finance architecture, the ASCF aims to not only advance national climate goals but also support the empowerment of African women as climate leaders, innovators, and entrepreneurs—thus ensuring a more just and resilient climate future for all.

G.3. Financial management and procurement

Due diligence: AFC will be responsible for the financial management of all funds of the ASCF. As a lender to projects under the facility, the AFC will conduct a due diligence assessment to cover financial and credit aspects, but also other non-financial issues such as technical, environmental, and social matters, prior to their approval.

Disbursement: AFC will follow its standard procedures to ensure that conditions of disbursement have been met prior to disbursing the funds. All disbursements will be consistent with a pre-agreed mechanism to be set out in the financing agreements. These will be subject to the fulfilment of all conditions precedent

as agreed by AFC and the respective Ministries of Finance. AFC will also act as the Mandated Lead Arranger (MLA) for the entire Facility (for the GCF concessional funds and AFC commercial funds), and, as such, will coordinate with all borrowers regarding disbursement as well as supervision and monitoring after disbursement.

Procurement: Procurement activities under Component 1 will either follow the AFC process (where AFC is leading the procurement) or the Co-Executing Entity's procurement process (in accordance public procurement laws). In the procurement of goods and services for Component 2, AFC will not impose its procurement policies and procedures. AFC's implementing partners are to carry out their own selection and procurement in accordance with their relevant procurement policies and regulations and in consideration of various factors, including project viability, cost, risk allocation, expertise, available funding sources, and policy objectives, to determine the most suitable approach for delivering services. AFC may, as part of its services, assess the legal framework (including applicable procurement regulations), provide advice on the structuring and implementation of the procurement process, and develop the relevant documentation and strategy to be consistent with the principles of transparency, objectivity, and competition. Occasionally, AFC may recommend changes to the legal procurement framework, as required to ensure the implementation of a successful transaction that will maximize the benefits for the sovereigns.

Audit: The framework will be subject to AFC's audit policies and will be audited by external auditors on an annual basis. AFC's internal audit team monitor transaction activities relating to disbursements of funds for each investment as well as repayments following best international standards.

G.4. Disclosure of funding proposal

☐ No confidential information: The accredited entity confirms that the funding proposal, including its annexes, may be disclosed in full by the GCF, as no information is being provided in confidence.

☒ With confidential information: The accredited entity declares that the funding proposal, including its annexes, may not be disclosed in full by the GCF, as certain information is being provided in confidence. Accordingly, the accredited entity is providing to the Secretariat the following two copies of the funding proposal, including all annexes:

- full copy for internal use of the GCF in which the confidential portions are marked accordingly, together with an explanatory note regarding the said portions and the corresponding reason for confidentiality under the accredited entity's disclosure policy, and
- redacted copy for disclosure on the GCF website.

The funding proposal can only be processed upon receipt of the two copies above, if containing confidential information.

H. ANNEXES		
H.1. Mandatory annexes		
☒	Annex 1	NDA no-objection letter(s) **(template provided)**
☒	Annex 2	Feasibility study - and a market study, if applicable
☒	Annex 3	Economic and/or financial analyses in spreadsheet format
☒	Annex 4	Detailed budget plan **(template provided)**
☒	Annex 5	Implementation timetable including key project/programme milestones **(template provided)**
☒	Annex 6	E&S document corresponding to the E&S category (A, B or C; or I1, I2 or I3): **(ESS disclosure form provided)** ☐ Environmental and Social Impact Assessment (ESIA) or ☐ Environmental and Social Management Plan (ESMP) or ☒ Environmental and Social Management System (ESMS) ☐ Others (please specify – e.g. Resettlement Action Plan, Resettlement Policy Framework, Indigenous People's Plan, Land Acquisition Plan, etc.)
☒	Annex 7	Summary of consultations and stakeholder engagement plan
☒	Annex 8	Gender assessment and project/programme-level action plan **(template provided)**
☒	Annex 9	Legal due diligence (regulation, taxation and insurance)
☒	Annex 10	Procurement plan **(template provided)**
☒	Annex 11	Monitoring and evaluation plan **(template provided)**
☒	Annex 12	AE fee request **(template provided)**
☒	Annex 13	Co-financing commitment letter, if applicable **(template provided)**
☒	Annex 14	Term sheet including a detailed disbursement schedule and, if applicable, repayment schedule
H.2. Other annexes as applicable		
☒	Annex 15	Evidence of internal approval **(template provided)**
☒	Annex 16	Map(s) indicating the location of proposed interventions

☒	Annex 17	Multi-country project/programme information **(template provided)**
☐	Annex 18	Appraisal, due diligence or evaluation report for proposals based on up-scaling or replicating a pilot project
☒	Annex 19	Procedures for controlling procurement by third parties or executing entities undertaking projects financed by the entity
☒	Annex 20	First level AML/CFT (KYC) assessment
☒	Annex 21	Operations manual (Operations and maintenance)
☒	Annex 22	Assessment of GHG emission reductions and their monitoring and reporting (for mitigation and cross cutting-projects)[106]

[106] Annex 22 is mandatory for mitigation and cross-cutting projects.