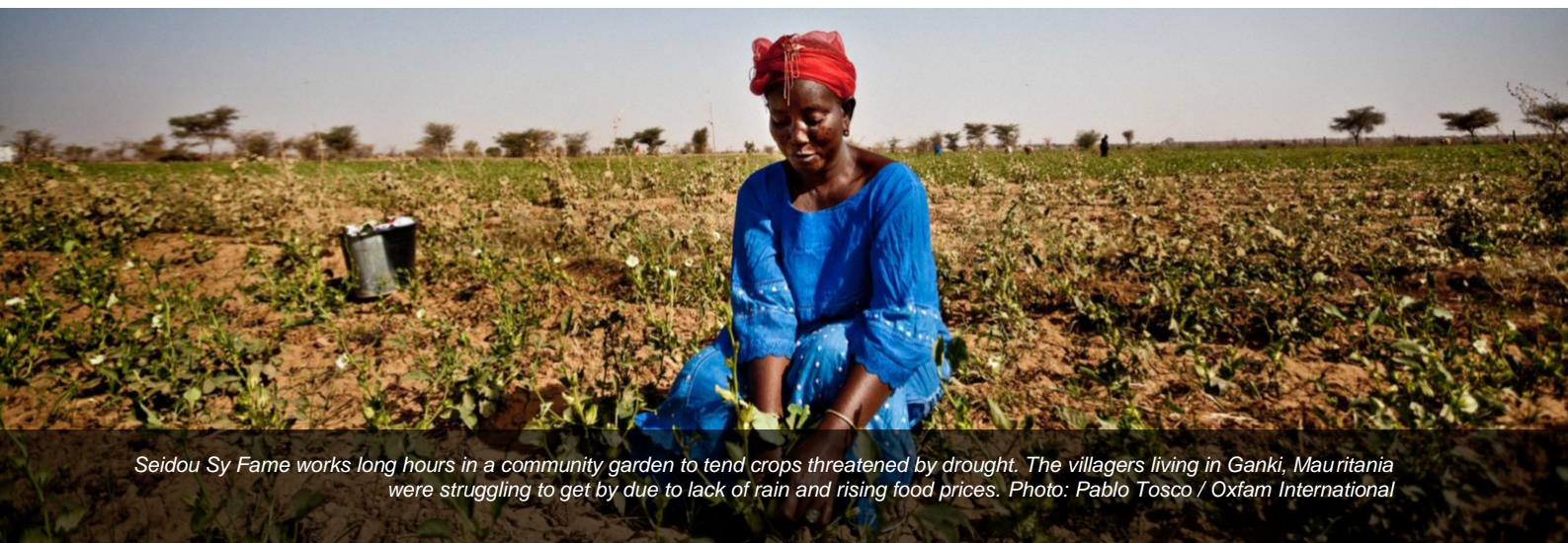


# THEMATIC BRIEF

## INVESTING IN GREAT GREEN WALL COUNTRIES



*Seidou Sy Fame works long hours in a community garden to tend crops threatened by drought. The villagers living in Ganki, Mauritania were struggling to get by due to lack of rain and rising food prices. Photo: Pablo Tosco / Oxfam International*

## The context

The Sahel region is particularly vulnerable to climate change. Temperatures rising 1.5 times faster than the rest of the world are causing more intense droughts and floods consequently threatening the agropastoral livelihoods of most of the population. In 2007, the African Union launched the Great Green Wall (GGW) initiative to restore 100 million hectares of the continent's degraded landscapes, combat desertification, and help people in the Sahel mitigate and adapt to climate change.

More than a decade in, with roughly 15 per cent of the GGW initiative underway, over USD 8 billion has been raised from various partners for this African-led initiative. The Green Climate Fund (GCF) shares the GGW initiative's ambition to restore Africa's degraded land. This gargantuan project spanning 8,000km across the continent is needed to address the climate and biodiversity crises, support a green, resilient recovery from the COVID-19 pandemic by strengthening food security and creating jobs, and foster peace and security in the Sahel.

## GCF's unique role

As the world's largest climate fund and as an operating entity of the Financial Mechanism of the UNFCCC, GCF is mandated to foster a paradigm shift towards low emission, climate-resilient development to help developing countries achieve the goals of the Paris Agreement. The transition to low emission, climate-resilient development requires significant innovations in policy, culture, institutions, sciences, technology, management, and finance. Due to this, developing countries often have a hard time making the transition because of the barriers to investments in innovative climate solutions.

GCF is committed to bringing climate finance across the GGW countries to promote climate-resilient agriculture, ecosystems restoration, an active bioeconomy, and climate-resilient infrastructure, particularly access to renewable energy. To date, GCF has 59 projects totalling USD 2 billion in GCF finance, and USD 3.9 billion in co-finance, in the Sahel.

Under IGREENFIN I (see FP183 on the next page), GCF's financing of a **Regional Support Programme** will facilitate the coordination, coherence, and knowledge sharing of all of GCF's transformational projects in the Sahel. Through this programme, GCF will also work with partners such as the Global Environment Facility to build complementarity and coherence for efficient and effective climate action.

GCF's investments in the Sahel region endeavour to:

- **Establish enabling environments for novel climate solutions** - GCF provides grant-based technical assistance to support policymakers in identifying and implementing the right mix of public policy instruments;
- **Catalyse innovation** - By acting as an anchor investor and provider of patient capital, GCF supports the emergence of new climate technologies and business models;
- **De-risk and mobilise finance at scale** - GCF mobilises finance by de-risking market-creating projects through concessional financing or co-financing. It establishes a commercial track record and unlocks private finance; and
- **Strengthen national financial institutions to drive the adoption of novel climate solutions** - GCF helps align finance with sustainable development. It enhances the capacity of domestic financial institutions to originate and appraise climate investments.

# Example of GCF projects in the Sahel



## Building the climate resilience of smallholder farmers in the Sahel

Predominantly subsistence-based and reliant on rainwater, the agricultural sector in the Sahel region is highly vulnerable to climate change. The region is considered one of the most degraded in the world due to unsustainable farming practices. Together with IFAD, GCF aims to address this through the Africa Integrated Climate Risk Management Programme. It includes access to agricultural insurance and better climate information services to help smallholder farmers in seven Sahelian countries transition to climate-resilient agricultural practices. GCF's grant investment is critical to unlocking the agricultural insurance market and to complementing ongoing climate adaptation efforts.

- **FP162 Total project value:** USD 143.3m
- **GCF financing:** USD 82.8m
- **Tonnes of emissions avoided:** 21.4m



## Promoting climate-smart hydro-agricultural development in Niger

Climate change has adversely affected Niger's agriculture – the country's main income source and livelihood for most of the population. In partnership with BOAD, GCF will support climate change adaptation and mitigation efforts among agrarian communities in the five most vulnerable regions of Niger. The aim is to promote a paradigm shift to climate-resilient agricultural production through cross-cutting measures such as improving irrigation systems and access to finance, and strengthening the capacity of farmers and other stakeholders, including the private sector, on climate-smart agriculture. GCF's blended finance makes the project bankable and reduces Niger's debt burden.

- **FP176 Total project value:** USD 47.8m
- **GCF financing:** USD 31.7m
- **Tonnes of emissions avoided:** 227.6k



## Powering clean energy in the Group of Five for the Sahel countries (G5 Sahel)

Burkina Faso, Chad, Mali, Mauritania, and Niger have some of the highest solar energy generation potential in the world, yet they cannot benefit from it due to a lack of investments in the clean energy sector. The Desert to Power G5 Sahel Facility aims to tap into the solar energy potential of the Sahel region and bring cheap, reliable, and low-emission electricity. It will address institutional and financial barriers and create an enabling environment to facilitate private sector funding for solar technological innovations and ensure the sustainability of the sector. GCF's support leverages financing from AfDB and the private sector for large-scale solar generation investments.

- **FP178 Total project value:** USD 966.7m
- **GCF financing:** USD 150m
- **Tonnes of emissions avoided:** 14.4m



## Greening the financial sector in the Great Green Wall countries

Countries covered by the Great Green Wall (GGW) initiative to reverse land degradation in Africa are among the world's poorest and most climate vulnerable. GCF's Inclusive Green Financing Initiative (IGREENFIN I) with IFAD will enhance access to credit and technical assistance for farmers and farmers' organisations, including women's groups, and MSMEs to help them adopt the best climate change adaptation and mitigation solutions. It will also build the capacity of local banks to support green businesses. A major aim of the initiative, which covers 11 GGW countries in addition to Côte d'Ivoire and Ghana, is to build greater complementarity and coherence of climate action in Africa.

- **FP183 Total project value:** USD 186.4m
- **GCF financing:** USD 109.7m
- **Tonnes of emissions avoided:** 5.6m