



## TERMS OF REFERENCE (TORS)

### ABSTRACT

To sustain its commitment to addressing the challenges of climate change and achieving the Paris Agreement, the Association of African Development Finance Institutions (AADFI) has set up a Working Group (WG) on Climate Change

**Olympus Manthata**  
WG Coordinator

## **Proposed Terms of Reference for the AADFI (Association of African Development Finance Institutions) Working Group on Climate Change**

### **1. Mandate**

- 1.1 To give effect to the establishment of the AADFI Working Group on Climate Change, following the decision by the Joint CEO Forum of November 2023 in Abuja, Nigeria. For consideration by the member institutions at the inaugural virtual meeting on November 28, 2023.

### **2. Objectives**

*The objectives of the Working Group are :*

- 2.1 To promote increased access to climate and environmental finance by member institutions from various sources, with the focus being UNFCCC-based climate and environmental finance mechanisms.
- 2.2 Enhance capacity development for member institutions regarding climate and environment finance through lessons sharing (Tools, systems, and processes).
- 2.3 Sustainability capacity building partnership with academia and other partners.
- 2.4 Developing monitoring and reporting frameworks that are Paris-aligned.
- 2.5 Developing a pipeline of climate and environmental investment projects and programs that can attract funding from various climate finance sources.
- 2.6 Sharing knowledge regarding developing climate and environmental policy frameworks that promote the transition to a greener investment portfolio.
- 2.7 Co-investing in climate and environmental projects in infrastructure, biodiversity, and the broader “nature-based” space.

### **3. Functions**

*The functions of the Working Group will include:*

- 3.1 Providing a forum for dialogue and coordination between member institutions through both virtual and in-person workshops, with a view to –
  - i) Create learning platforms for member institutions to share lessons learned regarding access to climate finance.
  - ii) Invite relevant institutions such as the GCF to present accreditation processes to members and clarify requirements and expectations.
  - iii) Co-development and enhancement of relevant policy frameworks required for accreditation purposes.
  - iv) Sharing lessons around the design of climate project pipelines in line with climate finance mechanisms to accelerate access.
- 3.2 Learning by doing exercises by member institutions.
  - i) Co-creating and designing projects/programs that address common challenges member institutions face.
  - ii) Co-financing projects to build capacity and to transfer between members as part of project implementation.
  - iii) Accredited members to help build a track record of members still in the accreditation process.
- 3.3 Exchange programs among member institutions
  - i) Consider exchange programs where staff can spend time in another member institution to accelerate skills transfer among members.
  - ii) Secondments of staff members to other partner organizations to facilitate learning and exposure.
- 3.4 Information sharing
  - i) Climate project pipeline sharing.

- ii) Sharing tools and process approach for Paris alignment, including monitoring and reporting frameworks, climate and environmental policy frameworks that promote the transition to a greener investment portfolio.

#### **4. Membership, Composition and Term of Office**

- 4.1 The Working Group will comprise representatives nominated by Member Institutions of the DFIs that have indicated interest in becoming members of the group. Additional members will be added as more institutions elect to join.
- 4.2 The Working Group will be chaired by the DBSA CEO as decided by AADFI. Each member institution will be represented by one person and an alternate.
  - i. The Chairs will serve for two (2) years, and
  - ii. In normal circumstances, the Chair should not serve more than two consecutive terms of two (2) years.
- 4.3 Should the need arise, the Working Group may establish sub-groups or task teams to work on aspects of its work program. All sub-groups or task teams must have defined deliverables and delivery milestones and are established with a fixed duration.
- 4.4 The Working Group will liaise, as required, with partner entities such as AfDB and UNDP that support the working group's work through various interventions.

#### **5. Reporting Procedure**

- 5.1 The Working Group will report to the AADFI Board of Directors through the Secretary-General (SG). Quarterly updates on the group's work will be provided to the AADFI Board at its quarterly and annual meetings and at the AADFI CEO Forum. This will include preparing written reports regarding the status of work program implementation.

#### **6. Frequency of Meeting**

- 6.1 The Working Group will operate virtually (virtual meetings will be quarterly) and meet in person during the annual AADFI forum meetings.

#### **7. Governance**

- 7.1 The AADFI Board will review and evaluate the work of the Working Group from time to time. The Secretary-General may propose to the AADFI Board the revision of the terms of reference based on the accomplishments of the Working Group and any new work program that AADFI would like the Working Group to address.

#### **8. Secretariat**

- 8.1 The Chair representative will assist the AADFI SG in coordination with the Working Group. This will include management and coordination when necessary and the undertaking of internal and external communication on behalf of the Working Group.
- 8.2 The Chair, through his/her representative, will coordinate, monitor, and report to the AADFI on the activities of any sub-group or task teams.
- 8.3 In co-operation with the SG, the representative of the Chair will coordinate and assist with the organization and preparation of the agenda for the meetings of the Working Group, issue notices, and any other support activities deemed necessary.

#### **9. Duration of the Working Group**

- 9.1 The Working Group will continue to exist until the AADFI Board of Directors decides to disband the Working Group.