

Climate finance in MENA region

Some thoughts



CENTER for **MEDITERRANEAN**
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مركز التكامل المتوسطي

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Outline

- Background : CMI and WB
- WB priorities after COP 21
- Messages for MENA
- MENA WB projects
- Other funds
- Support to regional efforts

Background : CMI



- The Center for Mediterranean integration is a multi-donors platform (WB, EIB, AFD, GIZ – with 8 countries) based in Marseille, playing a role of political dialogue, experience sharing and Knowledge dissemination
- Managed by WB under the authority of the Vice President for MENA
- I'm in charge of a green growth programme, in which climate is becoming a major issue
- We have focused in the past on the vulnerability of coastal cities (Alexandria, Tunis, Algiers and Casablanca) and have helped disseminate reports such as Turn Down the Heat (Medcop21)

WB climate priorities

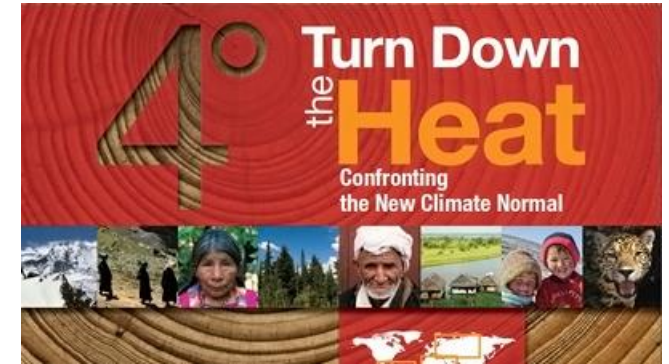
- Support for climate action has started 10 years ago, a new action plan in preparation to increase support to climate (from 21 % of funds to 28 % in 5 years)
- President Jim Young Kim of WB has given priorities for climate:
 - **cities** : resilient and low carbon (transport and building)
 - climate smart **agriculture** (better yield, resilience, carbon sequestration)
 - **energy** : renewable and accelerate energy efficiency
 - **carbon pricing** and removal of fossil fuel subsidies
- INDC of importance

WB climate tools

- Many tools : climate change public expenditure reviews, support policies (DPL), technical assistance, concessional loans for projects, support local banks (resilience trust fund for municipalities)
- Climate innovation centers (ex Morocco, India, Ghana) for technology transfer
- IFC : supports private sector
- MIGA (Multilateral Investment Guarantee Agency) provides guarantees to projects
- IBRD and IFC issue green bonds to support low-carbon projects

- The WB works through partnerships, including [Climate Investment Funds](#) and the [15 carbon finance initiatives](#) for which the World Bank serves as trustee.
- Implementing agency of the [Global Environment Facility](#)
- Through the [Global Partnership for Disaster Reduction and Recovery](#), it helps developing countries reduce their vulnerability to natural hazards

Messages of the World bank for MENA



- MENA will be a very affected : (Turn Down the Heat)
- Heat waves (long ones), water scarcity, land degradation and food security, extreme events (floodings, droughts)
- Possible high human displacements

Message of new global report “Shock Waves :managing the impacts of climate change on Poverty” valid for MENA

Climate change represents a significant obstacle to the sustained eradication of poverty, policy choices must consider this dimension

CLIMATE SMART development
could **PREVENT 100 MILLION**
additional people living in **POVERTY**
by **2030**



Download the [#Shockwaves](#) report



Messages for MENA : new strategy

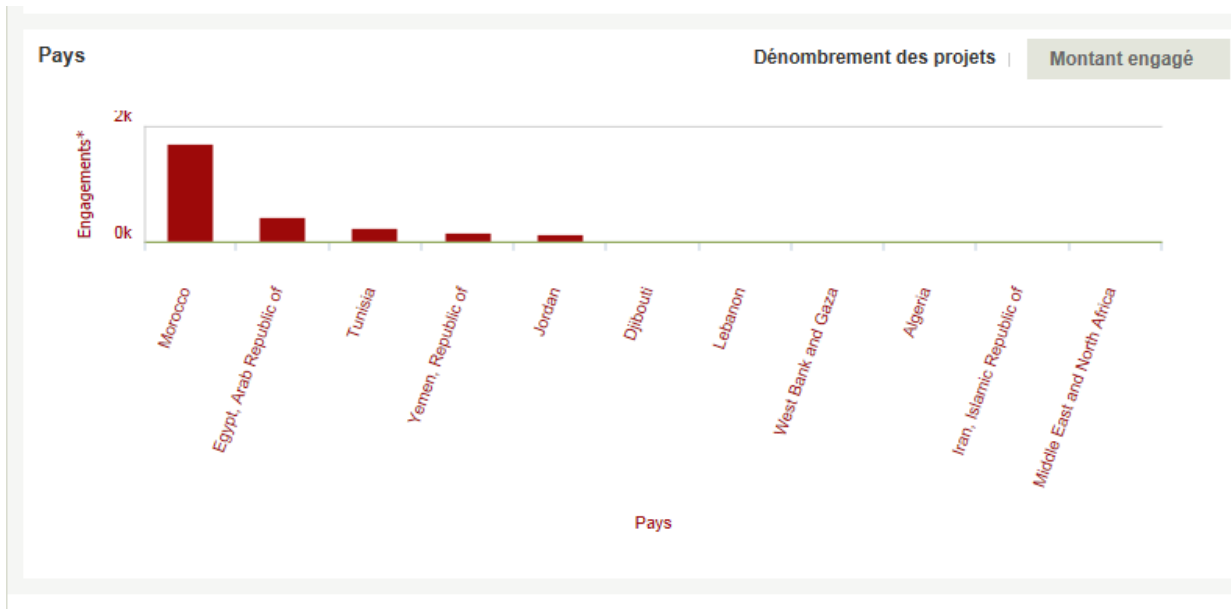
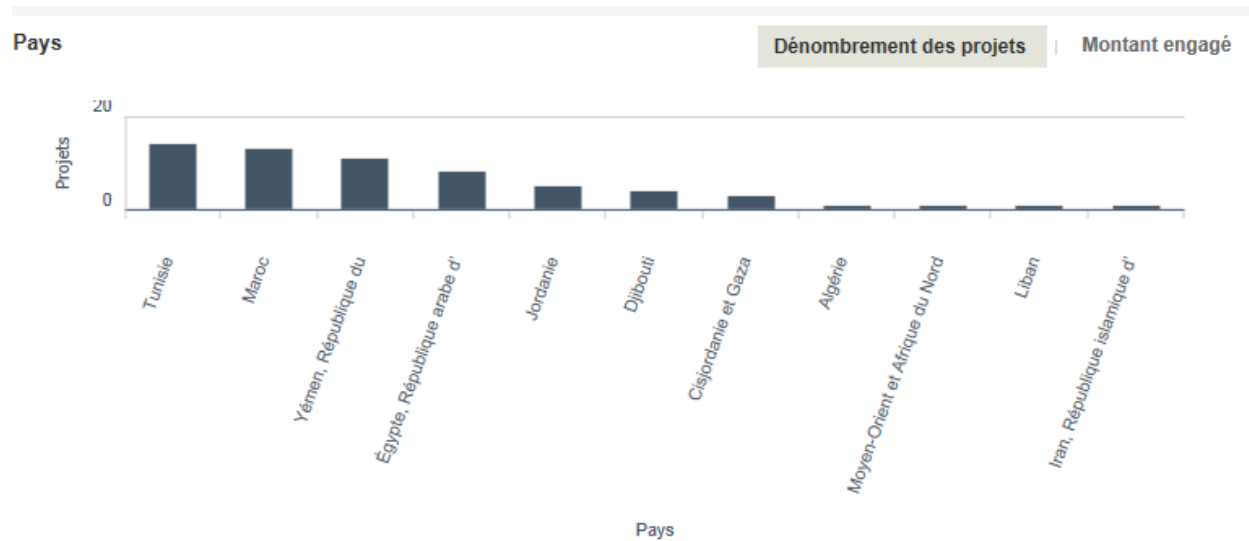
- Since last year due to the huge tensions of the region the regional strategy has changed with focus on:
 - Reconstruction of Syria and Libya (through MENA bonds in preparation)
 - Refugees with preparation support for Lebanon and Jordan
 - Renewing the social contract : employment,youth
 - Some regional issues : Education, Energy / Water as priorities

Energy and water as climate priorities

- On energy the idea is to support development of sub regional energy markets, continue climate mitigation efforts, and continue progress on systematic energy subsidy reform across the region
 - Energy efficiency is a problem
 - High potential for renewable
- Water security is central issue : through better urban water management and agricultural water productivity : a large regional initiative is in preparation

WB projects in MENA

- **When we look at the WB data base of climate projects by region :** Latin America comes first 202, Africa 200, Europe and central Asia 167 , South Asia 102, MENA 62



TUNISIA FOREST INVESTMENT PLAN PREPARATION PROJECT	Tunisie	0.25	2016
Strengthen capacity for an inclusive design of groundwater mangement contract for green growth.	Maroc	0.75	2015
MA-Deuxième prêt à l'appui des politiques de développement axées sur la croissance verte inclusive -- P149747	Maroc	300.00	2015
MA-Partenariat pour le développement des marchés du carbone -- P128654	Maroc	3.00	2015
MA-Projet d'énergie propre et efficace -- P143689	Maroc	125.00	2015
GZ Emergency Response Second Municipal Development Project AF	Cisjordanie et Gaza	3.00	2014
MA- Noor Ouarzazate Concentrated Solar Power Project	Maroc	400.00	2014
MA-Inclusive Green Growth DPL	Maroc	300.00	2013
Municipal Solid Waste Carbon Financing Program	Maroc	70.00	2013
GZ-Second Municipal Development Project	Cisjordanie et Gaza	10.00	2013
MENA- Desert Ecosystems and Livelihoods Knowledge Sharing and Coordination Project	Moyen-Orient et Afrique du Nord	1.00	2013
Maroc : Projet d'électricité solaire concentrée d'Ouarzazate	Maroc	200.00	2011
Intégration du changement climatique dans la mise en œuvre du Plan Maroc Vert	Maroc	4.35	2011

Example : concentrated solar in Morocco

- Noor-Ouarzazate concentrated solar plant (CSP) 160 MW first phase (500 future)
- Largest in the world of this type
- 522,000 metric tons of CO₂eq. emissions avoided annually
- With many partners KfW (700 m\$), AfDB (200), EIB (200), AFD (120)
- WB IBRC loan 400 m\$ and design with WB experts
- PPP Independent Power Producer (ACWA Power A Saudi arabia private company)
- A strong Moroccan implication 30 % of the components locally produced : jobs creation

Other climate funds

- We did a desk analysis based on ODI and Heinrich Boll Stiftung Foundation data (www.climatefundsupdate.org) (the funds presented yesterday)
- Out of **2075 projects** worldwide only **71 in the Med** (3% only) but 6 % of the total amount with concentration for 2 countries Morocco and Egypt (22 projects with a mean size of 52 m\$ mainly energy)
- Adaptation projects not very developed (2%) but are better distributed to all countries with small projects (mean 5 m\$)
- Reasons ? : capacity, Arab spring, economic slowdown, small size of projects
- How can we help ?
- Information must be developed

Getting help

We explored several existing platforms

More than 200 internet based exist (there are list on the Climate Initiatives Platform), we looked at 20

We selected some of them :

- WB Climate Finance Options (CFO)
<http://www.climatefinanceoptions.org/cfo/>
- IRENA Project Navigator <https://navigator.irena.org/>
- OECD Toolkit To Enhance Access To Adaptation Finance

Conclusion

- We welcome the UfM/Clima South initiative for a regional Climate Finance Partnership
- Other regions in the World have developed such initiatives (Asian Pacific adaptation Network APAN , Caribbean Planning for adaptation to CC) with some success
- Roles : Sharing experience, Create larger markets, Develop local capacities, bring private investors on board, better identify the demand (through INDC, NAMAs, national strategies)

Thanks for your attention