



PRELIMINARY OVERVIEW OF CLIMATE FINANCE SITUATION IN THE MENA REGION AND LOOKING FORWARD

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Sustainable Futures

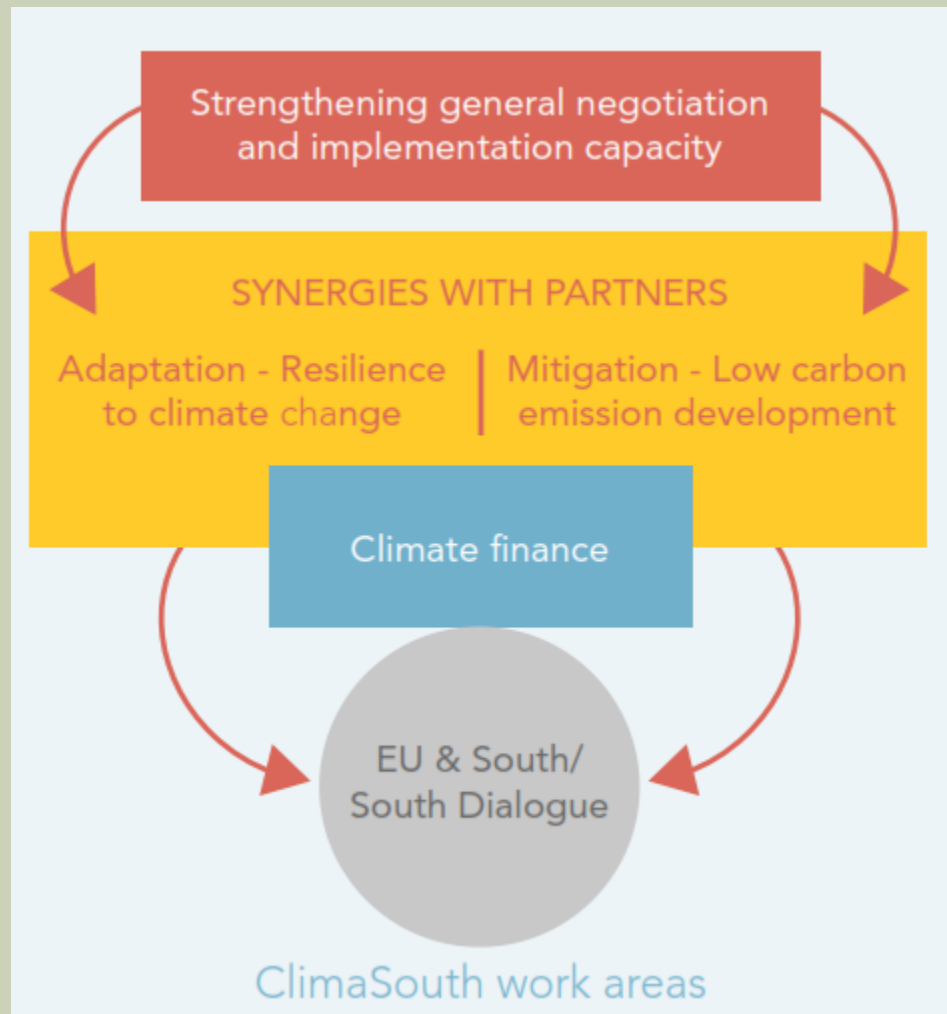


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CLIMASOUTH OBJECTIVES

- Increase awareness on financial issues
- Institutional strengthening
- Improve the quality of the regional dialogue
- Exchange of views and share knowledge
- Create a better regional overview on on-going **climate change finance** issues



CLIMASOUTH

CLIMATE FINANCE COMPONENTS

- Production of climate finance fact sheet for each country
- Regional workshop(s)
 - Build capacity/CF training/content & app process
 - Survey
 - Review factsheets
- Further analysis and support
 - Interviews / discussions
 - Support with pilot CF applications
- Annual update

CONTENTS

CLIMATE CHANGE FINANCE SESSION

- **PRELIMINARY OVERVIEW:** Climate finance situation in the region (30 minutes)
- **FORWARD LOOKING:** SWOT analysis (60 minutes)
- **SWOT ANALYSIS:** Reporting, Synthesis and next steps (45 minutes)

PRELIMINARY OVERVIEW: THE CLIMATE FINANCE SITUATION IN THE REGION



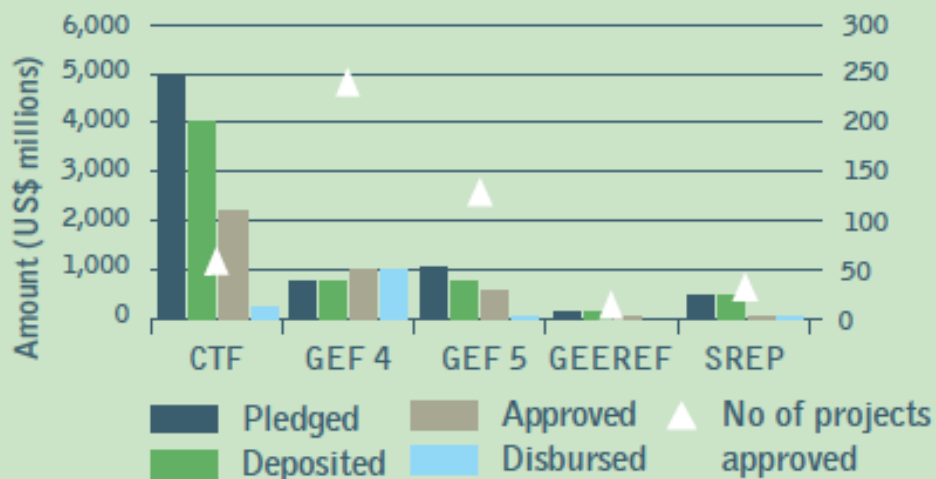
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CLIMATE FINANCE

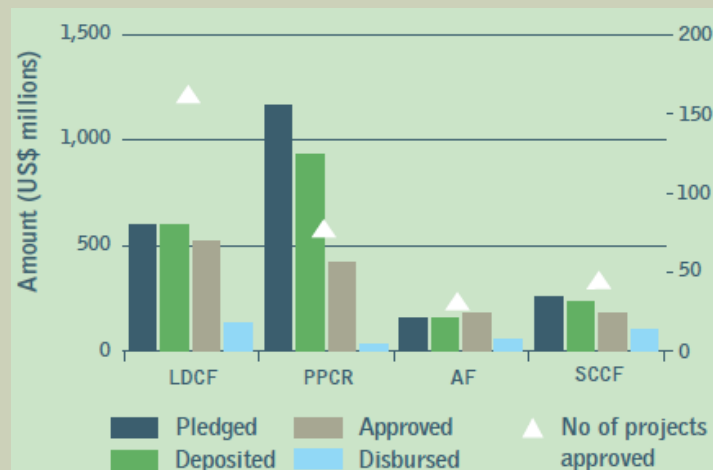
NUMEROUS SOURCES

Funds primarily supporting mitigation



CIF, GEF, bilateral support (GIZ and EU) and the Adaptation Fund are the key financial and technical partners in the Region.

Funds primarily supporting adaptation



Source: Climate Funds Update
(as of Oct 2013)

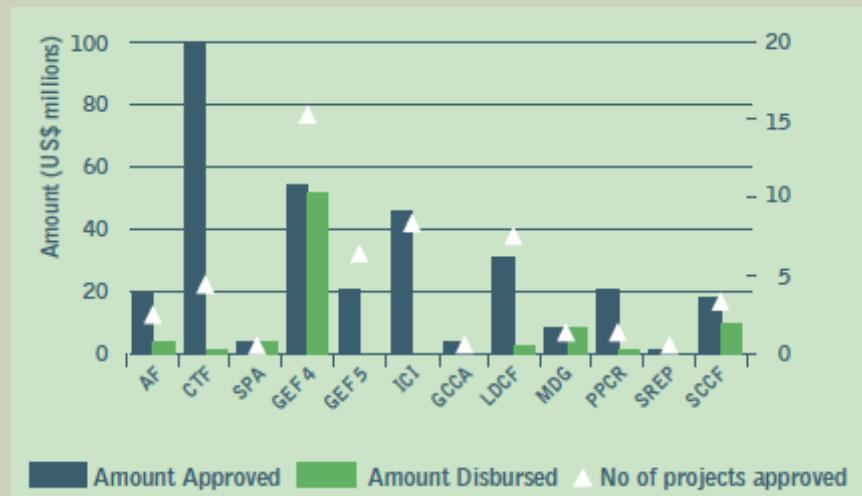
PRELIMINARY REGIONAL OVERVIEW

- **Algeria and Jordan:** Limited GEF and bilateral funding dedicated to climate change.
- **Egypt and Lebanon:** Adaptation Fund in addition to large GEF portfolio.
- **Morocco and Tunisia:** Important GEF & bilateral portfolio
- **Israel:** Funding under EU regional programmes and some other bilateral initiatives.
- **CDM projects in Jordan, Egypt, Morocco and Lebanon as well as some NAMAs**

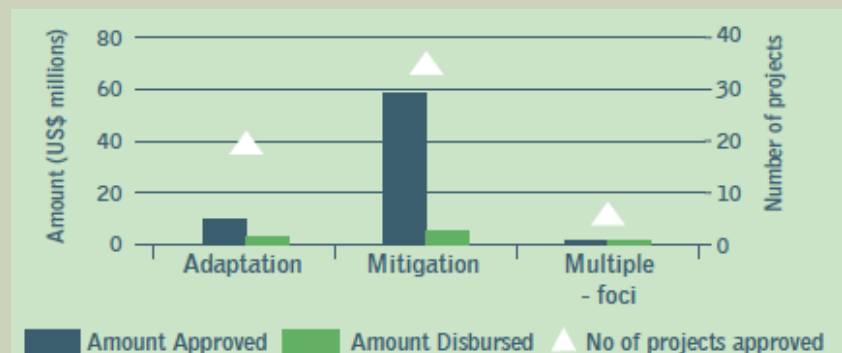
PRELIMINARY REGIONAL OVERVIEW

- Great potential for renewables (Wind, Solar)
- Egypt and Morocco leading
 - 80% of total approved climate finance in the region
- \$750 million from the Clean Technology Fund (CTF)
 - Egypt, Jordan, Morocco, and Tunisia
 - Largely concentrated - a few large projects
 - Concessional loans
- Support for adaptation
 - Underfunded
 - pressing needs for water and agriculture
 - Adaptation projects emerging

Funds supporting MENA region



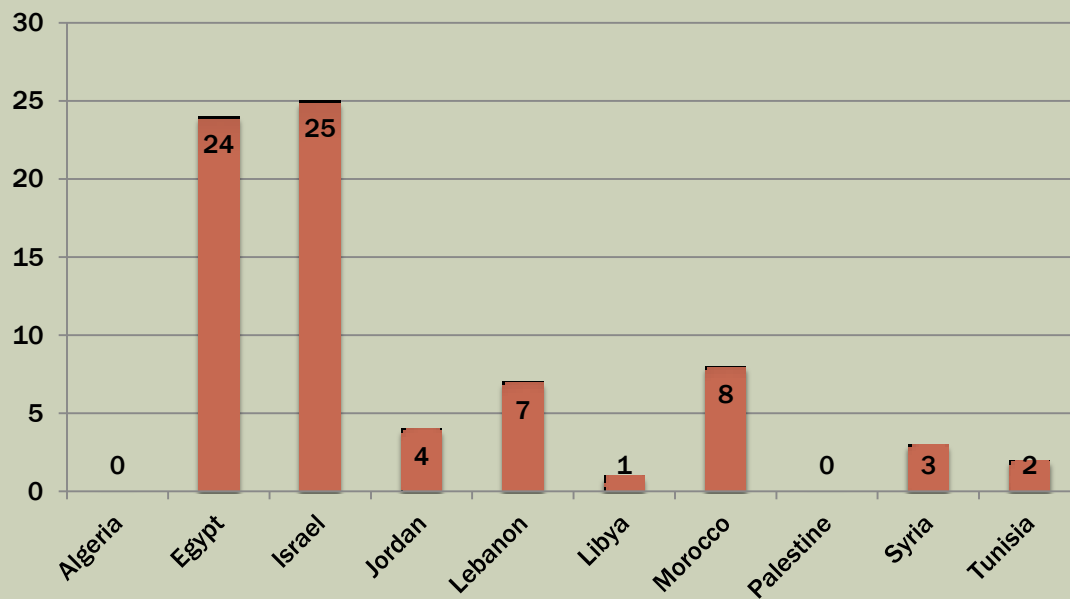
What has been funded?



Source: Climate Funds Update, Nov 2013

PRELIMINARY REGIONAL OVERVIEW

Registered CDM projects



Country	NAMA submission
Algeria	Yes / Not concrete
Egypt	No
Israel	Yes, specific
Jordan	Yes, specific
Lebanon	No
Libya	No
Morocco	Yes, specific
Palestine	No
Syria	No
Tunisia	Yes, specific

COUNTRY SNAPSHOT

ALGERIA

- No CDM projects
 - 20 PIN in energy, industry and waste sectors ~ 1 MtCO₂eq/yr
- NAMAs at a high level identified
- 5 GEF projects – CC Focal area
- Except partners, lack of awareness about adaptation
- Not taking advantage of climate adaptation financing opportunities – No NIE
 - Existing sectoral vulnerability identification good basis to start work
- Regional/ national training needed

Project	Status	Agency
Integrated environmental management including CC	On-going	GIZ
CDM JI Initiative including Morocco, Tunisia, Algeria and Egypt (Capacity building in Mitigation)	On-going	GIZ/BMU
Solar Water Heater Development Programme	On-going	UNEP
Support Programme to transport sector	On-going	EU
Capacity building in energy efficiency indicators	On-going	ADEME / FR
Development of a CSP of 50 MW in Hassy Rmel	On-going	Spain

National Projects	Status	Agency
Adaptation of forest policy to CC in 6 MENA countries including Algeria	Ongoing	GIZ
African Adaptation Program (AAP) in 20 African countries including Algeria	Closed	Japan/UNDP
Arab Climate Resilience Initiative – ACRI	Ongoing	UNDP
Integrated environmental management including CC	Ongoing	GIZ
EU funded Regional Projects	Status	Agency
CIRCE: Climate Change and Impact Research: the Mediterranean Environment	Ongoing	EU

COUNTRY SNAPSHOT

EGYPT

- Tapping US\$300 million - Clean Technology Fund (CTF)
- Egypt's investment plan hopes to mobilize an additional US\$1.82 billion
- CDM pipeline
 - 24 registered/ 8 ongoing
 - 4 MtCO₂eq/yr
 - One of the leading countries in the Region
- NAMAs support from GIZ, EU/UNDP funded project (LECBP), AfDB, Japan
- 12 GEF projects – CC Focal area
- Adaptation to Climate Change in the Nile Delta Through Integrated Coastal Zone Management in Egypt; Special Climate Change Fund (SCCF)
- Adaptation Fund (AF) project “Building Resilient Food Security System’
- Except MinSEaf/EEAA, little awareness about adaptation



COUNTRY SNAPSHOT

ISRAEL

- CDM pipeline
 - High number of CDM projects (30 in total)
- Stakeholders are informed about potential options at national level
- Adaptation projects have been identified/implemented and others are under development
- Financial mechanisms and private sector engagement PPPs

Bilateral Projects	Status	Agency
Israel-U.S. Binational Industrial Research and Development joint renewable energy development	ongoing	U.S Department of Energy, MNI & BIRD Foundation
Horizon 2020 – Solid Wastes Landfill Mining and Reclamation	ongoing	EU/ MeHSIP PPIF
Desalinisation Plant	ongoing	EU/ EIB
Establishment of an "Energy Efficiency Centre" in Israel Sector: Environmental research	ongoing	EU

COUNTRY SNAPSHOT

JORDAN

- CDM pipeline
 - 2 registered, 4 in validation and 8 in pipeline
- Aside partners from MinEnv - lack of awareness on adaptation
- 8 GEF projects CC focal area
- Irrigation Technology Pilot Project to face Climate Change Impact in Jordan; Special Climate Change Fund (SCCF)
- Interesting ideas of adaptation projects
 - require further development
- Information and national, regional/sub-regional training workshops

ClimaSouth: Recent
Solar Water Pump
Work Jordan Valley =>
Pilot + Nama

COUNTRY SNAPSHOT

MOROCCO

- Morocco investment plan US\$150 million from CTF
 - Renewable energy
 - Mobilize an additional US\$2.5 bn.
 - CTF co-financed projects - 33.8 MtCO₂e
- CDM pipeline
 - 61 : 5 registered, 5 approved PDD, 14 approved PIN, and 27 under development.
- 7 NAMAs – 3 Energy, 3 agriculture, 1 Solid Waste Management
- 12 GEF projects – CC focal area
- GEF project just approved on climate resilient ports – EBRD/Special Climate Change Fund
- Information and national, regional/sub-regional training workshops



COUNTRY SNAPSHOT

LEBANON

- CDM pipeline
 - 7 registered, 1 requesting registration; 5 PIN level
- Some adaptation activity
 - Climate Smart Agriculture: Enhancing Adaptive Capacity of the Rural Communities in Lebanon (AgriCAL) (\$7.9m) – run by IFAD
 - No NIE
- 5 GEF projects – CC Focal area
- More information on financing sources
- Regional and /or national target group capacity building



COUNTRY SNAPSHOT

PALESTINE

- No access to CDM or adaptation finance due the legal situation UNFCCC
- High need for capacity building
- Mainstreaming of CC in National Plans, Policies and Strategies
- Priority to adaptation targeting water/wastewater management and reuse.

BILATERAL TECHNICAL AND FINANCIAL PARTNERS	
TITLE	TECHNICAL AND FINANCIAL PARTNERS
<i>Enhancing the capacities of the PA in mainstreaming environment and climate change in Palestine</i>	Belgium Cooperation/UNDP (2013)
<i>Climate Change Resilient and Low Carbon Development Programme in the West Bank and Gaza Strip</i>	Multi-donors (framework concept under formulation) – UNDP (draft)
MENA Network on Low Carbon Development for Inclusive Growth (Regional)	World Bank Institute – Ongoing
Arab Climate Resilience Initiative. (Regional)	UNDP/ League of Arab States

COUNTRY SNAPSHOT

TUNISIA

- CDM pipeline
 - 36 (21 approved, 10 PDD under dev, 3 validation, 2 registered)
 - 3.3 MtCO₂eq/yr
- 2 NAMAs: RE&EE and Waste –
 - 1.5MtCO₂eq/yr ~ 4% emissions
- 9 GEF projects
- No ongoing adaptation funding – No NIE
- Interesting adaptation projects require further development
 - One proposed to AF not accepted
- To benefit from information and national, regional/sub-regional training workshops



Image: World Bank Website

CLIMATE FINANCE

NUMEROUS SOURCES

- Adaptation Fund
- Adaptation for Smallholder Agriculture Program - IFAD
- Clean Technology Fund - WB
- Forest Carbon Partnership Facility - WB
- Forest Investment Program - WB
- GEF Trust Fund climate change focal point
- Global Climate Change Alliance - EC
- Global Energy Efficiency and Renewable Energy Fund - EC
- Green Climate Fund
- UK's International Climate Fund
- Germany's International Climate Initiative
- Australia's International Forest Carbon Initiative
- Japan's Fast Start Finance
- Least Developed Countries Fund - GEF
- MDG Achievement Fund - UNDP
- Norway's International Climate and Forest Initiative
- Pilot Program for Climate Resilience - WB
- Scaling-Up Renewable Energy Program - WB
- Special Climate Change Fund - GEF
- Strategic Climate Fund - WB
- Strategic Priority on Adaptation - GEF
- UN-REDD Programme - UNDP

NEXT STEPS

- **SWOT Analysis – Basis for a ClimaSouth climate finance plan of action:**
 - ‘Climate finance factsheet’ for each country
 - Regional workshops/surveys
 - Inputs from experts, focal points, major banks
 - Analysis of potential finance sources / options
 - Promoting the region’s needs

LOOKING FORWARD: SWOT ANALYSIS



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CLIMATE FINANCE ESSENTIAL INGREDIENTS

- Broader strategic context
- Align national development goals
- Coherent national institutional climate finance architecture
- Transparent processes and accountability
- Operational know-how
- Mainstreaming



Source: GIZ's approach for building capacities for climate finance

SWOT ANALYSIS OBJECTIVES

- SWOT Analysis: strengths, weaknesses, opportunities and threats
- Collection and sharing of different ideas, issues and perspectives on climate finance
- Share regional knowledge and understanding
- Explore synergies and opportunities for collaboration
- Create a common ground for future planning
- Identify opportunities for ClimaSouth to support countries

SWOT ANALYSIS PROCESS

- Break in groups
- Choose 4-5 most important SWOTs for your country
 - Templates to work with will be provided
- Choose a rapporteur for your sub group
- Each sub group rapporteur presents the findings on each issue: Strengths, Weaknesses , Opportunities and Threats.
- Discussion synthesis and approval
- Outline the various proposals in each group.

SWOT ANALYSIS OVERVIEW

Internal capabilities

(e.g. national circumstances)

Strengths

- What means, assets, capacities, institutional arrangements currently are available at national level to facilitate climate finance?

EXAMPLES

- Strong national buy-in and commitment
- Strong implementation procedures
- Transparent investment friendly national policy frameworks and processes
- Proven track record in climate finance
- Strong MRVs in place

Weaknesses

- What are the gaps / constraints / lack of capacity faced at national level hindering the provision and facilitation of climate finance?

EXAMPLES

- Lack of financial management and accountability systems
- Lack of awareness
- Lack of incentives
- Capacity constraints and skills shortages (development, sourcing, evaluation)

External environment

(e.g. international circumstances)

Opportunities

- What are the opportunities that would promote demand and effective use of existing and future climate finance sources?
- What can be the contribution of your institution to enhance opportunities?

EXAMPLES

- Opportunity to lead on regional transformational policies in sector X
- Opportunities for regional synergies in projects and lower costs
- Opportunity to host regional center of excellence on sector X adaptation/mitigation

Threats

- Which threats are likely to reduce the interest and the effective flow of climate finance in the country?
- Which threats are likely to reduce the interest and the effective flow of climate finance in the country?

EXAMPLES

- Increased risk - regional or local due to economic, political, social and other issues
- Climate negotiations come to a standstill

SWOT ANALYSIS: REPORTING, SYNTHESIS, NEXT STEPS



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SWOT ANALYSIS

ALGERIA

**Internal
situation**

(e.g. national
circumstances)

Strengths

- xxx

Weaknesses

- xxx

**External
environment**

(e.g.
international
circumstances)

Opportunities

- xxx

Threats

- xxx

SWOT ANALYSIS

EGYPT

**Internal
situation**

(e.g. national
circumstances)

Strengths

- xxx

Weaknesses

- xxx

**External
environment**

(e.g.
international
circumstances)

Opportunities

- xxx

Threats

- xxx

SWOT ANALYSIS

ISRAEL

**Internal
situation**

(e.g. national
circumstances)

Strengths

- xxx

Weaknesses

- xxx

**External
environment**

(e.g.
international
circumstances)

Opportunities

- xxx

Threats

- xxx

SWOT ANALYSIS

LEBANON

**Internal
situation**

(e.g. national
circumstances)

Strengths

- xxx

Weaknesses

- xxx

**External
environment**

(e.g.
international
circumstances)

Opportunities

- xxx

Threats

- xxx

SWOT ANALYSIS

JORDAN

**Internal
situation**

(e.g. national
circumstances)

Strengths

- xxx

Weaknesses

- xxx

**External
environment**

(e.g.
international
circumstances)

Opportunities

- xxx

Threats

- xxx

SWOT ANALYSIS

MOROCCO

**Internal
situation**

(e.g. national
circumstances)

Strengths

- xxx

Weaknesses

- xxx

**External
environment**

(e.g.
international
circumstances)

Opportunities

- xxx

Threats

- xxx

SWOT ANALYSIS

PALESTINE

**Internal
situation**

(e.g. national
circumstances)

Strengths

- xxx

Weaknesses

- xxx

**External
environment**

(e.g.
international
circumstances)

Opportunities

- xxx

Threats

- xxx

SWOT ANALYSIS

TUNISIA

**Internal
situation**

(e.g. national
circumstances)

Strengths

- xxx

Weaknesses

- xxx

**External
environment**

(e.g.
international
circumstances)

Opportunities

- xxx

Threats

- xxx

SWOT ANALYSIS

REGIONAL SYNTHESIS

- Joint themes
- Key regional messages
- Synergies
- Collaboration opportunities
- X
- X
- X

SWOT ANALYSIS

NEXT STEPS AND WORK PLAN

- Country factsheets by end of November
- Regional workshops, survey and training
 - Where? When?

Suggestions:

- Workshop 1 - French speaking MENA region
- Workshop 2 – English speaking country in an EU country easily accessible by all