Technical Workshop on Needs-Based Climate Finance for East Africa
19-20 February 2020
Zanzibar, United Republic of Tanzania

Executive Summary

Hosted by Revolutionary Government of Zanzibar and convened by the **East African Community (EAC)** secretariat, Ministry of Finance and environment experts and partner institutions from six East African countries (Kenya, Rwanda, Burundi, Tanzania, Uganda and South Sudan) the **Technical Workshop on Needs Based Finance for East Africa** took place from 19 to 20 February 2020 in Zanzibar, Tanzania. The workshop laid the ground for the development of an "Eastern African Climate Finance Access and Mobilization Strategy" ("the Strategy"), which will include a pipeline of priority investments, programmes, and projects, and how to mobilize support.

At the twenty-third session of the Conference of the Parties (COP) in 2017, in its decision pertaining to long-term climate finance, the UNFCCC secretariat was requested in collaboration with the operating entities of the Financial Mechanism, United Nations agencies and bilateral, regional or multilateral channels, to explore ways and means to assist developing country Parties in assessing their climate finance needs and priorities, in a country-driven manner, including technological and capacity-building needs, and to translate these climate finance needs into action (6/CP.23, para 10). The secretariat was also requested in previous CMP decisions, to support the CDM Executive Board in the facilitation of financing of projects[1].

Collectively these mandates form a secretariat-wide initiative called the **Needs-Based Finance (NBF) project**, which aims to facilitate the access and mobilization of climate finance and investment, in supporting the needs identified by developing countries for the implementation of their priority projects and programmes as outlined in their nationally determined contributions (NDCs), national adaptation plans (NAPs) and other relevant national policies and or strategies..

The workshop was opened by the Hon. Mohamed Aboud Mohamed, Minister of State, Zanzibar and Hon. Christophe Bazivamo, Deputy Secretary General of the EAC, who both confirmed the need for "measures related to climate change planning to support EAC Partner States in reducing vulnerability and building resilience to the impacts of climate change, including through ecosystem-based solutions" and called for additional financial resources to implement urgent climate change activities proposed in the EAC Climate Change Master Plan. The workshop was attended by around 45 experts from ministries of finance and environment from all EAC partner states (Burundi, Kenya, Rwanda, Tanzania and Uganda), except South Sudan who unfortunately could not attend, as well as stakeholders from national, regional, bilateral, multilateral, finance institutions, UN agencies, international organizations, alliances and civil society organizations.

In the context of the EAC Climate Change Strategy and Master Plan, participants discussed the need for inter alia a regional climate finance strategy, a platform, and regional fund, as well as capacity-building, to enable and make better use of financial instruments (carbon finance, climate finance, private sector finance, etc.) and build on existing and new policies and institutions to:

- *Increase access to international climate finance*
- *Increase mobilization of private sector climate projects*
- *Increase domestic investment in climate projects*
- *Ensure sustainability of climate finance projects - involve communities*
- *Focus on transboundary opportunities – projects*
- *Focus on nature-based solutions*
- *Consider carbon pricing/markets/finance*
- *Consider gender aspects of finance*
- *Consider the roles of reserve banks*

Participants also outlined several priority needs, which included:

- *Priority sectors: energy, agriculture, water, health, landscapes/natural resources*

[1] 1.Under decisions 3/CMP.1, Annex, para B 4(d); 3/CMP.1, Annex, para C 5(i); 6/CMP.11, para 8; 12/CMA.1.

- *Priority actions in NDCs (not implemented due to lack of funding, capacity, technology, etc.)*
- *Implementation of existing national climate policies and strategies*
- *Community-level finance, such as improving access for vulnerable communities*

The workshop was supported by UNFCCC secretariat, its nominated consultants and the UNFCCC Regional Collaboration Centre for Eastern and Southern Africa (RCC) in Kampala.

WORKSHOP PROCEEDINGS

OPENING SESSION

The workshop began with an opening session by Mr. Grant Kirkman from the UNFCCC secretariat who welcomed all participants and gave an overview of the programme for the two days.

Opening remarks were given by Honorable Christophe Bazivamo, Deputy Secretary General of the EAC secretariat, who thanked the United Republic of Tanzania for hosting the meeting. He stressed that the region is already experiencing real challenges and the negative impacts from climate change, including but not limited to floods, droughts and other extreme weather events. Honorable Bazivamo also pointed out that the countries in East Africa are not currently well prepared to face these challenges and as such they need to work together and move forward as a community in addressing the climate change challenges. Furthermore, he noted that the memorandum of understanding between EAC and UNFCCC for the implementation of this project will ensure that all EAC member states are working together as a region to face the climate change challenge, especially when it comes to financing climate action. He emphasized the importance of actions on the ground and the urgency of such actions given that climate change is already impacting the region’s citizens. He further noted that whereas the EAC already has the Climate Change Policy and Master Plan, the main challenge is at the implementation level and that one of the solutions is sustainable financing to enable adequate measures for climate change mitigation and adaptation. He also noted the timeliness of the discussion on climate finance, and the need to come up with solutions as accessing climate finance has been a challenge in the region. The importance of sustainability in climate projects and programmes, as well as involving all stakeholders especially local communities to enhance ownership and resilience was also highlighted. The Deputy Secretary General advocated for nature-based solution to the climate challenge citing work done by the EAC on a proposed fund, stressed an inclusive approach, even if it implies higher up-front costs.

The keynote address was made by Honorable Mr. Mohamed Aboud Mohamed, Minister of State, Second Vice President’s Office, Revolutionary Government of Zanzibar who welcomed all to Zanzibar, United Republic of Tanzania (URT). He expressed gratitude to the organizers of the workshop and reiterated his hope that the workshop will help the region increase resilience to the impacts of climate change through increased financial resources. He stated that communities in the region are facing climate change induced challenges such as increased temperatures, crop failure, food shortages, soil degradation, sea level rise, ocean acidification and other extreme weather events. Poverty reduction is meaningless if decision makers do not put climate change at the center as a cross-cutting issue that is undermining the region’s ability for sustainable development. The Minister of State encouraged countries to take the opportunity to assess their plans and targets in order to minimize impacts and maximize opportunities arising from addressing the implications of climate change. He stressed the importance of mobilizing climate finance from all sources and the need to collectively engage in the process of defining what the region needs in terms of climate finance. Investments should be made to strengthen economies and reduce vulnerability to climate change. While the urgency of climate crisis requires involvement of all stakeholders, the governments must show leadership in mobilizing climate finance and ensure it is tracked, monitored and used effectively. In concluding the Minister of State declared the workshop officially open and encouraged participants to visit Zanzibar after a successful event.

Finally, Mr. Abdallah H. Mitawi, Principal Secretary from the Second Vice President's office of the Revolutionary Government of Zanzibar offered words of thanks and support. The opening session was concluded with a group photo.

PRESENTATION BY CRDB BANK

In the interest of time, the CRDB Bank of Tanzania was given the floor to share their experience as the first entity in the region to be accredited to the Green Climate Fund (GCF), as provided by Mr. Abdulmajid M. Nsekela, Group

CEO and Managing Director. As one bank is one of the biggest commercial banks in URT (also operating in Burundi) it provides services throughout the country. It is 80% government owned and initially funded making it quasi a state run development bank. It has been in operation for 24 years, is listed in the Dar Es Salaam stock exchange (DSE) and has more than three million customers. CRDB has been a close partner to government projects, engaging in infrastructure development, energy, water management and agriculture projects. The Bank has also been engaged in climate change projects with their own funds, but mainly for short-term projects such as renewable mini grid rural electrification, hydro power and climate smart agriculture. Mr. Nsekela thanked the government of URT for nominating CRDB for accreditation to GCF. He narrated that the process begun in mid-2017 as one of the institution's top priorities. The Group CEO highlighted the good coordination and communication between the Bank, the government and the GCF in what was a long and laborious accreditation process. The approval for accreditation was received in November 2019. Currently, the Institution is working with GCF legal team to formalize the accreditation master agreement (AMA) which will enable CRDB to support projects of up to 250 million USD. It is engaged with government and private sector to identify suitable projects for GCF funding, in which case the high-level support from the government of URT has been important. Mr. Nsekela noted the GCF accreditation merits, identifying, nevertheless, key challenges to access the respective finance including awareness and understanding of GCF's opportunities, as well as inadequate capacity to develop bankable projects. The presenter wished for a fruitful workshop and concluded that stakeholder collaboration is a key factor to successfully address climate challenges.

SESSION 1: – PART I: COUNTRY EXPERIENCES IN CLIMATE FINANCE (NEEDS & PRIORITIES)

To unpack the priorities and climate financing needs of countries, Session 1 provided an opportunity for country representatives to express and showcase their priorities, plans and strategies at the national level, and indicate how and what is required to mobilize climate finance. The country presentations concentrated on the following topics:

- Country experiences and challenges in accessing climate finance;
- Country priority needs in financing climate actions;
- Country experiences in strengthening national institutions that have mobilized and accessed climate finance to date;
- National, regional investment plans, programmes, policies, and strategies for climate finance in place or underway;
- Proposed priority investments underway or still needed; and
- Proposals on how national needs could be addressed as a region or in a regional plan;

Burundi

Mr. Augustin Ngenzirabona, Director General of the Geographic Institute of Burundi and National UNFCCC Focal Point stated that climate change is a reality in Burundi, and the impacts already witnessed should serve as lessons. The country intends to meet its commitments under UNFCCC, has made efforts through various projects and programmes to respond to climate change, and continues to strengthen those efforts. Burundi is committed to dedicate 2,9% of its national budget to address climate change. The Government Official pointed out the importance of mobilizing additional funds beyond national budget to support concrete climate change actions. The main challenges mentioned were lack of monitoring & evaluation of projects and programs, limited access to climate finance with complex procedures which differ depending on the sources and limited national experience. Due to limited access to funding, priority actions defined in the Nationally Determined Contribution (NDC) and National Adaptation Plan (NAP) have not been implemented.

Mr. Ngenzirabona informed that Burundi has appointed focal points for various mechanisms of climate finance, such as the Global Environment Facility (GEF), GCF and the Adaptation Fund (AF). The country put in place several national plans, policies and strategies related to climate change, e.g. in agriculture, forestry, water, energy, land use and biodiversity protection. He identified priority sectors needing EAC intervention and efforts to support tangible actions in agriculture, resilience to extreme weather events, environmental rehabilitation, human capacity building related to resilience, disaster risk reduction and technology transfer in climate resilience. He recommended the need to strengthen regional and sub-regional cooperation, operationalize EAC Secretariat climate change fund established in 2012, develop regional projects, promote sharing of expertise on climate change and renewable energy, promote technology transfer, and have the EAC initiate the accreditation process for funds such as GCF and GEF to enhance resource mobilization.

Kenya

Ms. Dolphine Magero from the National Treasury of Kenya presented the situation in Kenya. Regarding the national climate finance context, a Climate Change Fund was included under the Climate Change Act of 2016 with the national treasury having set aside USD500 million to operationalize the fund. In addition, the fund has also been devolved to the 47 counties, and as a result five counties have established county climate change funds, to ensure resources reach the local level where they are most needed. These funds are aligned with county development priorities and plans with the intention of building community resilience. The Government Official presented important achievements from these funds including 100 community investments across five counties and enhanced involvement of local institutions in climate resilience. Moreover, a specific Climate Finance Policy was developed in Kenya to promote and mobilize climate finance flows in the country. These activities are managed under the National Treasury, within a specialized Climate Finance and Green Economy Unit, aimed at creating linkages between climate finance mechanisms and other state and non-state actors.

Ms. Dolphine Magero identified key challenges in implementing climate action as namely; lack of community participation, long-term project sustainability post-implementation, disconnect between government and community planning, lack of local capacity to develop bankable projects aligned with government requirements, and lack of community oversight in procurement.

Ms. Magero stated that Kenya has already developed a National Integrated Monitoring and Evaluation System (NIMES) to help track finance, which has been mainstreamed to the various counties. In addition, a climate expenditure budget code has been put in place to ensure climate finance tagging and accountability, but some challenges at the level of monitoring and reporting has been experienced due to lack of global adaptation indicators, acknowledged Kenya's representative. The fact that there is no globally agreed definition of climate finance contributes to the issue.

Kenya has been able to mobilize resources from various funds such as GEF, AF, and GCF but some important challenges remain. These include lack of technical and institutional capacity to develop bankable project proposals, complex international funding processes, lack of experience and climate finance knowledge in national banks, and lack of investment in research and development. Ms. Magero further highlighted the positive initial work of Kenya regarding green bonds. Beyond the first green bond that has been issued in the country, the goal is to tap the private sector through this instrument.

Rwanda

Mr. Faustin Munyazikwiye, Deputy Director General of the Rwanda Environment Management Authority explained how Rwanda has been experiencing increased temperatures in some regions, suffering from intense rainfall and floods and other regions facing droughts as consequence of a changing climate. To mobilize climate finance, the Rwanda Green Fund (FONERWA) was established under the 1st Green Growth and Climate Resilience Strategy in 2011. Now it has committed investments for 35 projects, having raised in total more than 130 million USD for strategic climate resilience investments including a recent project of 32 million USD funding from GCF. Currently the fund is being revisited on how to integrate a green bank and an incubator and accelerator program to facilitate the development of bankable projects from entrepreneurs. Additionally, green bonds are being looked at as an option.

The Ministry of Economic Planning and Finance is the overall coordinator of all public resources mobilization, who make sure that all plans in all sectors have integrated climate change. Sector spending on climate change is tracked. The Ministry of Environment is accredited to the AF and GCF, Nationally Designated Authority (NDA) for GCF is Rwanda Environment Management Authority (REMA), which is also CDM Designated National Authority (CDM DNA). Rwanda development bank is in the process of GCF accreditation. Mr. Munyazikwiye expects the GCF accreditation to facilitate tapping into private sector funding and mobilizing significant additional resources. He further informed the workshop participants that Rwanda has projects funded from various funds including GEF (now preparing proposal for GEF7) and regional level LVBC (Lake Victoria based Commission).

Regarding accessing climate finance, Rwanda stated that there is limited awareness among the private sector, civil society, and government agencies of existing climate funds and finance available, limited capacity to develop bankable projects and comply with the requirements of climate funds, and there is limited capacity of private sector to invest in building resilience - "potential benefits of most projects are long-term and indirect". The Deputy Director General recognized the challenge of bringing private sector finance to long-term investments lacking short-term gains. More technology transfer, limited options and tools to access various climate finance sources beyond grants such as green bonds and loans are some of the major challenges. Mr. Munyazikwiye also presented the priority needs for Rwanda which included increased energy security and low carbon energy supply that supports sustainable development of industry and services, sustainable land use and water resource management resulting in food security, urban development, biodiversity protection, social protection & health, and disaster risk reduction to reduce vulnerability.

United Republic of Tanzania (URT)

Mr. Joseph Sulle, Principal Environmental Officer from the Vice President's Office of the United Republic of Tanzania confirmed that the impacts of climate change are already felt in the URT and projected a further increase in intensity and severity with potential adverse socio-economic and financial implications. URT has experience in accessing various different sources of climate finance, such as multilateral (GCF, GEF, AF, Least Developed Country Fund (LDCF)), bilateral (several e.g. REDD+ projects funded by the Norwegian government), national (government budget allocation in several sectors, e.g. renewable energy and agriculture), special funds (Tanzania Forest Fund) and private sector (mini-hydro, waste to energy, alternative charcoal). Mr. Sulle referred that challenges in accessing climate finance have been inadequate amounts of available funds compared to needs, significant dependence on donor climate finance, cumbersome procedures in accessing international climate finance including the GCF, and lack of institutional and stakeholder expertise to develop bankable proposals.

Regarding national strategies and institutions, there is a proposal to establish an environmental unit within the Ministry of Finance and Planning to handle climate change issues. The government is in the process of facilitating accreditation of government entities to enhance access to the GCF. The government is also supporting CRDB Bank to develop bankable projects and is encouraging NGOs to implement climate change projects. Initial steps have been taken to establish a climate finance mechanism in Zanzibar and another has been proposed for Tanzania mainland.

Mr. Sulle pointed the country's priority investment including rainwater harvesting solutions, integrated landscape management, resilient agriculture and agroforestry. Additionally, the country has proposed for the regional climate finance access strategy to include regional climate finance mechanisms to coordinate and enhance resource mobilization, mainstreaming climate change in the development of policy and planning processes by considering climate change in economic analysis and budgeting, and to have a strengthened regional climate change alliance.

Uganda

Mr. Muhammad Semambo, Senior Climate Change Officer-Adaptation from the Climate Change Department of Ministry of Water and Environment explained that in Uganda there is no specific climate change budget coding, nor a fund to effectively monitor, report and verify climate finance inflows and outflows. A domestic public climate budget tagging exercise has been done with the support of the World Bank (WB). Mr. Semambo stated that Uganda has mobilized climate finance from various sources, including multilateral sources such as GEF, LDCF, African Development Bank (AfDB), WB, GCF and Climate Investment Funds (CIFs), with bilateral funding being the largest source. Challenges in accessing funds include lack of relevant climate finance mechanisms, limited institutional capacity (especially robust monitoring, reporting and verification (MRV) lacking), lack of incentives for private sector, lack of bankable projects. The Ministry of Water and Environment is the national implementing entity for GCF and AF, and there are plans underway to have more national institutions accredited, such as the Uganda Development Bank and Kampala Capital City Authority. Under the NDC Partnership there is a plan to develop procedures and institutional arrangements for carbon financing. Climate Finance is provided under the national Climate Change Bill once it is gazetted.

Priority investments for Uganda include the Scaling up Renewable Energy Programme investment plan, costing of the Strategic Programme for Climate Resilience, and pipeline proposal development. The Senior Climate Change Officer stated that overall, Uganda's priorities have been worded in several policies and strategies, but mostly these are unimplemented due to lack of funding. In adaptation, priorities include agriculture, water, roads and energy infrastructure, forests, wetlands, hydro meteorological services, development and implementation of NAP process. In mitigation, priorities include energy (number one priority, access and demand need to be addressed), agriculture, waste, transport, wetlands & forests, and implementation of mitigation actions from the NDC and Nationally Appropriate Mitigation Actions (NAMAs). Uganda's needs include increased bankable proposal submission, enhancement of greenhouse gas (GHG) inventory systems including sector-specific GHG inventories, long-term strategy for climate action development, national MRV developed and operationalized. Regarding a regional strategy, Uganda considers it important to align the strategy to national strategies and plans and NDCs. Further, the Ugandan representative stated that energy (access, efficiency), agriculture, and water must be priority areas and that the strategy should enable funding for regional, transboundary programs (e.g. landscapes).

South Sudan

This section reflects information shared in absentia by Mr. John Payai Manyok, Deputy Director of Climate Change & UNFCCC National Focal Point for South Sudan, Ministry of Environment and Forestry.
Country experiences and challenges in accessing climate finance include

- No prioritisation of adaptation interventions within national budget process;
- Lack of awareness about types of instruments that exist, about new instruments continuously being piloted and rolled out, and how to access them;
- Lack of capacity to match priority interventions with appropriate instruments and instrument mix;
- Low level of capacity to develop pipeline and implement projects;
- Limited availability of climate information; and
- Lack of coherent policies, legal and regulatory frameworks.

Country priority needs in financing climate action include the need to

- Identify most relevant climate finance sources and channels considering the country's priorities, needs and capacities;
- Enhance organisations' institutional capacities to understand the modalities of climate funds and to access and use climate finance;
- Enhance political awareness and technical capacities to prepare project and programme proposals for funding;
- Develop robust and predictable regulatory frameworks and well-designed economic incentives to attract public and private international climate finance;
- Strengthen the capability of entities to monitor and evaluate adaptation in order to share lessons learned for scaling up future finance inflows, and to meet applicable reporting requirements; and
- Make use of NAP process to identify national adaptation needs and priorities (including financial needs) and communicate them to funding sources.

Actions the country has taken in strengthening national institutions that have mobilized and accessed climate finance to date include

- Establishment of a strong coordination mechanism;
- Conducting technical capacity building;
- Establishment of a strong national reporting system within institutions; and
- Development of a legal framework.

There are several national climate change related policies, strategies and plans in place and underway, such as the National Environment Protection and Sustainable Development Policy 2014-2024, National Environmental Policy 2013, National Adaptation Programmes of Action (NAPA), National Capacity Needs Self-Assessment (NCSA), NDC.

Proposed priority investments underway or still needed:

- Finalization of NDC;
- Finalization of South Sudan NAP;
- Development of Climate change investment plan and Strategy;
- Development of low carbon development Strategy;
- Realignment of Public and private sector to implement climate actions.

Presentation from Uganda Energy Credit Capitalization Company (UECCC)

Following the country presentations, Mrs. Specioza Kimera Ndagire, Managing Director of UECCC shared with the workshop participants UECCC's experience in renewable energy financing as providers of financing instruments. UECCC was established after a power sector reform and privatization to introduce private sector participation in the industry which was hampered by several barriers to investment such as lack of finance/long-term debt, lack of equity, lack of technical capacity in local finance institutions, and lack of transaction advisory services. UECCC was set up to provide an institutional framework to facilitate private sector inclusion in financing of renewable energy projects using public funding to leverage private capital. UECCC provides innovative financing through business principles and technical assistance. They work with partners, mainly financial institutions, to provide different financial mechanisms, such as credit enhancement instruments.

UECCC has facilitated 14 local financial institutions to adopt energy lending (commercial banks, microfinance institutions). Other examples of their work include the solar end-user financing program, which addresses the need for support both on supply and demand side (affordability barrier). Over 10,000 solar home systems have been installed under the program. They have also facilitated solar working capital and guarantee facilities for solar companies to access through financial institutions (FIs). The Connection Loan Program addresses the affordability barrier of getting connected to the grid, with nearly 600 connections installed. In addition, UECCC provides technical assistance support for the local project developers with the aim of unlocking projects, to get them to the level where they can attract funding from FIs or development partners.

Some financing needs identified by UECCC include innovative financing schemes for clean cooking technologies for both demand and supply sides, solar home systems, household biogas systems, supporting the growth of women as promoters, suppliers and leaders of clean cooking, fiscal incentives for the clean cooking sector, and training opportunities for financial institutions on green financing. Their recommendation is to create a policy initiative through central banks, a regulatory requirement for FIs to take on energy/climate lending as part of their portfolios.

Questions/discussion:

Mr. John Ssemulema Kasiita, Technical Expert- Climate Finance Readiness, Uganda Energy Programme, GIZ clarified that a Climate Finance strategy exists in Uganda (financed by GIZ), which has not yet been approved by the government, however recommendations in the strategy are being followed.

Mr. Joseph Sulle, Principal Environmental Officer from the Vice President's Office of the United Republic of Tanzania inquired from Kenya and Rwanda's operating Climate Change Funds on the source of capital and whether diminishing or growing.

Mr. Abbas Kitogo, Programme Specialist from UNDP Tanzania further proposed Rwanda to share their experiences with FONERWA as they have been successful in setting up a climate fund and mobilizing resources, as UNDP is supporting the government of URT in setting up a climate finance mechanism.

Ms. Magero from the National Treasury of Kenya explained that Kenya's Climate Fund is partly funded from national budget, while the five counties' climate change funds are supported by the county budget (e.g. 1-2 % of county budget). In addition, Kenya is looking into other partner organizations, e.g. development partners to feed into the national climate funds. Discussions have been ongoing with the World Bank to support local climate actions for up to USD 300 million. Sustainability of the funds is ensured by stable funding through the national budget.

Mr. Munyazikwiye, from Rwanda Environment Management Authority explained the sources of funds for FONERWA, are derived from fees collected in forestry, mining, water management, and topped up by fines paid towards environmental law infringements. Funds also come from national budget allocations, international funding sources such as bilateral development agencies and banks (Department for International Development (DFID), Kreditanstalt für Wiederaufbau (KfW)), and international climate funds (GCF). Currently FONERWA is also targeting other sources such as green bonds and is in the process of forming a green bank. He reiterated it is important to have varied sources of funding. Mr. Munyazikwiye advised building on existing national mechanisms where possible, rather than starting from scratch. He further noted that the institutional setup and governance of a fund matters a lot, and it should be placed strategically to capitalize resources.

Regarding a follow up question from URT regarding allocation of funds, Mr. Munyazikwiye clarified that FONERWA issues calls for proposals for the government, private sector and civil society organizations, using various project document templates, as well as processes and criteria for evaluation of proposals.

INTRODUCTION, OVERVIEW AND EXPECTATIONS

This session gave a brief introduction and overview of the needs-based finance (NBF) project, and the expectations moving forward.

Mr. Ladislaus Kyaruzi, Principle Environment and Natural Resources Officer from the EAC secretariat gave an overview of the NBF project, which will run through February-December 2020 and culminate in the adoption of an *East African Climate Finance Access and Mobilization Strategy* ("the Strategy") and a pipeline of priority investment projects ("the Pipeline"). He emphasized the need to come up with one integrated approach for the Strategy improving resilience while reducing emissions. The Strategy will be part of the implementation of EAC's Climate Change Policy, Strategy, Master Plan and Climate Change fund. He pointed out the importance of involving a wide range of stakeholders in the implementation, including government, private sector, and Civil Society both at national and regional level. He mentioned the need to link the NBF project with other instruments and partners working on climate change and concluded by stressing the importance of ensuring no one is left behind in the growing EAC.

Mr. Grant Kirkman described the role of the UNFCCC secretariat as facilitators of the NBF project in a country-driven process, highlighting its global reach into 8 regions covering over 70 countries each at a different stage of completion. He described the NBF mandate, the process and some next steps after the workshop.

Questions/Discussion

A representative from Rwanda inquired what will be the linkage between outcomes of this project and the review and update of NDCs. He noted that NDCs include the countries' needs, questioning the difference between the two processes. It was clarified that needs in NDCs, BURs, NAPAs, LEDS etc. should all be reflected in the NBF work and assessment by countries. In distinction to the NDCs, the NBF project focuses on transboundary needs, informing the development of a regional strategy.

SESSION 2: OVERVIEW OF CLIMATE FINANCE NEEDS, REGIONAL PLANS AND STRATEGIES IN EASTERN AFRICA

In this session, Dr. Richard Muyungi, NBF Consultant, provided a regionally consolidated overview of needs as articulated by EAC countries in the national reports to the Convention secretariat such as NDCs, national communications, biennial update reports and technology needs assessments (TNAs). Existing regional and sub-regional climate change and resource mobilization strategies, including progress made and challenges encountered to date were also presented.

Dr. Muyungi gave the workshop participants an overview of the EAC countries' needs as described in their NDCs. Adaptation is a priority in the NDCs, however not all countries have created quantifiable targets or planned concrete actions to address adaptation. In comparison, all countries have articulated their quantifiable needs regarding mitigation. Priority adaptation needs have been identified under 11 sectors: water resources, agriculture, energy, infrastructure, forestry, biodiversity and tourism, human settlements, coastal marine environment and fisheries, human health, risk management and transport. Kenya has identified very specific areas in terms of adaptation, e.g. in science, technology & innovation and human resource development. Priority mitigation needs have been identified under seven sectors: energy, industry, LULUCF, agriculture, transport, waste management, wetlands (Uganda only). Quantitative needs vary a lot between countries, generally more funding is requested for mitigation than adaptation (half of all adaptation funding is requested by South Sudan). This points out the interesting fact that even if adaptation is considered important in the region, much more climate finance is requested for mitigation. It is evident that there remains a significant climate finance gap in the Eastern Africa Region. Some needs mentioned by Uganda, Rwanda and Kenya under the NDC partnership programme are pipeline development of project proposals and peer-to-peer learning with other developing countries, e.g. Costa Rica.

Various climate finance sources were presented, including climate/green funds, MDBs, and bilateral funds. Mr. Muyungi stressed the importance to not only focus on UNFCCC funds but also investigate the many other sources of climate finance. He explained that accessing the funds is often not complicated but the respective access procedures need to be understood. Some common barriers faced in most developing countries in accessing climate finance have been lack of institutional capacity to drive the climate finance agenda in the country, lack of dedicated resources to prepare proposals and access finance, insufficient coordination and communication within the government, lack of enabling policies to create a stable investment environment, lack of technical capacity, complexity in accessing funding and lengthy processes, low levels of predicted adaptation funding (underestimation of need of financing), lack of tools to assess bankability of project concepts, lack of catalytic capital that can bear high risks & low return, underlying market barriers such as in the national banking sector, perceived high risks in adaptation projects, and inadequate capacity to take part in carbon markets.

Dr. Muyungi stated that the investment opportunity is huge when implementing Paris Agreement commitments, but countries need to put enabling systems in place for both mitigation and adaptation. He reiterated that existing EAC policies and strategies on climate change are important for informing the NBF strategy, including EAC climate fund and the TMEA (Trade Mark East Africa) climate change strategy.

Questions/discussion:

The representative from Tanzania commented on the balance between mitigation actions compared to adaptation. Countries have not had time to quantify adaptation needs but are perhaps doing more than they are reporting. He agreed with previous speakers on the importance of mobilizing private sector investment. An innovative approach could be to formulate adaptation actions in such a way that they generate revenue, e.g. households paying a fee for waste management.

SESSION 3: OVERVIEW OF CLIMATE FINANCE FLOWS IN EASTERN AFRICA

In this session, Mr. Mário Marques, NBF Consultant, provided an overview of climate finance flows (sources including OECD Development Assistance Committee (OECD DAC), Bloomberg New Energy Finance (BNEF), etc.), looking at who are the main contributors of climate finance, which sectors and types of projects are primarily being financed, and the types of financial instruments used.

Main economic risks in the region are related to agricultural vulnerability to climate change, as in most countries this sector is a significant contributor to the economy. The sectors of land use, land use change and forestry (LULUCF) and energy account for 91 % of regional greenhouse gas emissions.

There are three main clusters of climate finance: 1) international public climate finance (reported to the OECD) 2) international private climate finance (partly tracked by Bloomberg New Energy Finance), and 3) domestically sourced public and private climate finance (government expenditure, green bonds and funds). Mr. Marques went on to present international public climate finance flows (as figures for private climate finance are not complete, neither for domestic public climate finance). Climate finance flows to the EAC region are on average 2,4 billion USD per year, which is 5 % of climate finance going to developing countries globally. Major recipients between 2013-2017 were Kenya (40% of climate funds to the region), Tanzania (22%) and Rwanda (13%). Most climate finance has been mobilized through bilateral agencies (42%), followed by multilateral funding sources. Main bilateral contributors in 2013-2017 were EU, UK, Japan, Germany, France, while the main multilateral contributors were WB and AfDB. The main funds channeling climate finance into the region were International Fund for Agricultural Development (IFAD), GEF, and CIF.

Instruments through which climate finance was mobilized globally during 2010-2017 were debt (63%) and grants (33%). In the EAC region the split between grants (51%) and debt (48%) was more even. Within the EAC countries, Burundi, South Sudan and Uganda have mostly accessed grants. Kenya as a more developed country has much higher intake of climate finance flows in the form of debt instruments. The first green bond issued in EAC was issued in Kenya, over USD41 million for green and environmentally friendly student buildings in Nairobi (2019). Main sectors receiving climate finance have been agriculture (24%), energy generation & renewables (20%), water supply (14%), and energy distribution. These four sectors account for 70% of climate finance inflows. The most significant gaps in policy frameworks are in smart grid and energy efficiency, carbon taxes, emission trading. Compared to the global split between funding for mitigation (59%) and adaptation (27%), in EAC the split is more even with mitigation activities receiving 44% of climate finance flows and adaptation 46%.

Questions/discussion:

A representative from Rwanda asked for figures of funding committed to technical assistance and capacity building. He noted that it is not always easy to differentiate adaptation initiatives from others aimed at poverty reduction, e.g. diversification of income generation outside of agriculture could be interpreted as building resilience. In responding, the NBF team attested that these are also tracked by OECD and will be included in the final technical annex.

Mr. Augustin Ngenzirabona from Burundi pointed out that many mitigation activities have been carried out in Burundi, also recognizing the big differences in climate finance flows between EAC countries and called for more equality.

Dr. Muyungi stressed the importance of learning from countries which have been able to access more climate finance, describing the NBF project as an opportunity for peer-to-peer learning.

Rafael Moser, Programme Office from UNCDF asked if there is any credible data on financial flows at subnational level. The NBF consultants were not aware of this information being available.

A representative from Uganda commented that the government is trying to monitor climate finance flows but encountering challenges in the process, such as lack of transparency of climate finance going through non-state actors.

Kenya confirmed the climate finance figures presented for the country. They echoed Uganda in the difficulty of tracking finance.

SESSION 4: THEMATIC AND SECTORAL ASSESSMENT OF NEEDS AND PRIORITIES

A presentation was given by Mr. John Ssemulema Kasiita, Technical Expert- Climate Finance Readiness, Uganda Energy Programme, GIZ, on the GIZ Climate Finance Readiness program which supports capacities of developing countries to effectively mobilize and use climate finance. GIZ defines climate finance readiness as countries' capacities to plan, access, to effectively utilize and monitor and report expenses. The approach used starts with a dialogue of development partner with wide range of stakeholders, to look at the whole environment of climate finance. There are five aspects/phases in the approach: 1) strategic planning & policy development, 2) preparing the national public finance system (analyzing institutional setup, e.g. integrating climate finance to public finance system), 3) strengthening institutions for accessing international climate finance, 4) strengthening implementation capacities (e.g. does proper project risk management framework exist, proper M&E system), 5) promoting private sector participation/engagement. He emphasized the need to work together as development partner and country to analyze needs for climate finance.

SESSION 5: OVERVIEW OF SOURCES OF CLIMATE FINANCE

This session aimed at presenting the different sources of climate finance, bilateral, multilateral and regional, adaptation and mitigation both public and private.

Dr. Olufunso Somorin, AfDB Regional Principal Officer, reiterated that the Paris Agreement and NDCs come with significant investment opportunities and that green investment opportunities could be up to three billion USD by 2030. He presented AfDB's Climate Change Action Plan II for the years 2016-2020 explaining that the Bank does not think of separate climate change projects but rather integrated climate change to all their projects. He clarified that the bank considers the UNFCCC definition for climate finance: *Climate finance refers to local, national, or transnational financing -drawn from public, private, or alternative sources of financing that seeks to support mitigation or adaptation actions that will address climate change.* Furthermore, he presented AfDB's investment platform with its several instruments. Climate finance has been increasing in recent years within AfDB total financing approvals, from 1,6 billion USD in 2011 to 3,5 billion in 2019. On average 20-30% of the Bank's total financing, with increasing trend from 2011 to 2019. In 2011, 70% of climate finance was directed to mitigation and 30% to adaptation but the share of adaptation has been growing and in 2019 it was already 47% of total climate finance. Overall, AfDB has an interest to look at a more programmatic approach to climate finance. AfDB manages the Africa Climate Change Fund, which has calls for proposals every year, including small grant support for projects targeted at implementation of NDCs. The funding is available for different types of project developers.

Mr. Abbas Kitogo, Programme Specialist from UNDP Tanzania presented an overview of climate finance sources and their role in it. Even though between 2010-2018 there was an increase in climate finance, it has since been declining and the future is uncertain. He echoed the previous speakers in adaptation being a priority of the EAC countries, although accessing funding for adaptation is more challenging compared to mitigation. As an example, he mentioned energy sector projects, for which the climate case is relatively easy to make, whereas creating a business case for adaptation is difficult. He also highlighted the complexity of climate finance with many sources of funding, but also competitors such as other accredited entities nationally. It is also difficult for countries to set aside funding to develop projects. Currently out of GCF funding, 1/3 has been for Africa with 24 projects under implementation. UNDP is an accredited entity to AF and GCF and is a key service provider of climate change adaptation and mitigation in the UN system, it has supported 23 countries to access more than 790 mill USD from GCF.

Mr. Oswald Leo, the Director of Fund mobilization of the Tanzanian TIB Development Bank, provided a presentation on the bank's experience in climate finance. Key TIB interventions in climate finance are in the energy sector. Their focus is driven by the need to diversify energy sources and reduce over-dependence on non-commercial energy sources as currently there is high reliance on biomass from firewood, charcoal, agricultural and animal residues. Currently biomass accounts for 90% of energy consumption in Tanzania, contributing to deforestation. TIB is increasing support to generation and supply of electricity from alternative sources. TIB has been acting as agent for a Rural Electrification Agency Fund and as agency administering SNV funds for rural solar energy penetration. In addition, TIB has been financing wind and hydro energy projects, as well as gas projects. From their experience needs for scaling up public and private finance for priority projects are: ensuring prioritization of climate finance at country policy and strategy development stage, enhancing technical support for project preparation, support operationalization of GCF in the country and identify few projects for start, make available guarantees for project developers, blended financing to attract private sector, innovation/incentives to use renewable energy.

Questions/discussion:

To a question on exploration of hydrogen as an energy source, Mr. Leo elaborated that TIB has been concentrating on more traditional technologies in the energy sector, but hydrogen could be a market they could develop in case there is demand.

SESSION 6: FINANCIAL INSTRUMENTS

To identify possible areas of collaboration between public and private sector entities in the mobilization and delivery of climate finance, this session introduced suitable financial instruments available and or deployed at the country and sub-regional level that can help to mobilize climate finance, and the types of activities they are supporting, as well as gave an introduction to the newly established Eastern African Alliance on Carbon Markets and Climate Finance, and shared experiences from a similar Alliance in the West African region.

Mr. Rafael Moser, Programme Officer, UNCDF, introduced UNCDF's LoCAL-Financing local climate change adaptation program, which is a country-based financing mechanism supporting subnational adaptation activities using performance-based grants. Local governments in developing countries are in a unique position to identify and implement the responses that best meet local needs. However, they often face a major issue of no access to finance, and especially no regular streams of finance for adaptation. In many countries there is no regular grant allocation to local level. To address adaptation needs at local level, UNCDF has been supporting local governments to access regular streams of finance, supporting budgeting systems at local level and ensuring investments are addressing local adaptation needs. LoCAL is using project finance to boost municipal finance for climate change action. It is a results-based mechanism, which means it is easy to track adaptation expenditures at local level. It is performance-based, in order to access the finance local government needs to comply to set indicators, e.g. how well they manage funds, if they apply procurement rules etc. In addition, there is another group of indicators related to adaptation measures, gender, etc. An M&E mechanism was developed in partnership with World Resources Institute. At the end of every fiscal year participating governments go through a review. Decision on adaptation measures to be used is informed by a climate risk assessment at local level. LoCAL activities can be easily aligned with NDCs and other national plans. It has been implemented in 14 countries with a potential to be scaled-up. Four of them have nominated a national entity for accreditation to GCF, engaging with Local.

Ms. Bianca Gichangi, Coordinator of the Eastern Africa Alliance On Carbon Markets and Climate Finance gave an introduction to the Alliance. The Alliance has six member countries of Ethiopia, Burundi, Kenya, Rwanda and Uganda and its main aim is to support the long-term participation of its member countries in carbon markets. Objectives are to enhance Article 6 readiness in the region, manage the transition from CDM in Kyoto Protocol to Paris Agreement, support active and well-coordinated participation of countries in UNFCCC negotiations, promote regional exchange of experiences, and facilitate mobilization of climate finance to the Eastern Africa region. The Alliance was established in 2019, and has since conducted e.g. pre-negotiations training for COP25, and carried out country needs assessments which was fed into the Alliance workplan. So far, carbon markets are not so commonly used in the partner countries, however, Article 6 of the Paris Agreement can be used as a tool for NDC implementation and achievement. Even if not all rules for Article 6 are decided yet, the countries can get ready to hit the ground running by e.g. having institutional setup ready and a pipeline of projects. There is a need to own the process and build own capacity, e.g. by establishing regional designated operational entities. The private sector needs to get involved, too. To tackle the adaptation challenge in the region there is an opportunity to explore innovative models, e.g. by investing in non-market approaches under Article 6 such as the adaptation benefit mechanism. The NDCs will be updated this year and it is critical that they capture Article 6 activities and the EAC Climate Finance strategy. She presented the CDM project activities and programs of activities in the region, showing that there exists a wealth of experience to be utilized in order to move forward and improve.

Mr. Ousmane Fall Sarr, Coordinator of the West African Alliance on Carbon Market and Climate Finance, continued by sharing from the experience of the West African Alliance. He shared the same view as the previous speaker noticing that Africa and their region has not taken advantage in carbon markets, which is why they need to get ready for Article 6. The West African Alliance was created in 2016 in COP22 in Marrakech, it has 16 member countries with a total population of 400 million, and the advantage of having a common market and economic zone and integrated electricity system. The Alliance is an additional opportunity to strengthen collaboration between the member countries to participate in carbon markets and climate finance. The Alliance has four thematic groups: carbon market & pricing, transparency, climate finance, technology transfer. The Alliance has been active in negotiations on Article 6 in order to be active in the operationalizing of Paris Agreement and Article 6 to make the rules, modalities and guideline work for the member countries. The Alliance organizes regular technical capacity buildings for negotiators so that they are ready and prepared to negotiate on technical issues. There is also a readiness program for Article 6, under which the Alliance has been supporting Togo and Nigeria to put in place institutional setup suitable for operationalization. Awareness is an issue, e.g. among private sector when it comes to carbon markets. They need to be informed and trained. For example, in Senegal the Alliance launched a national carbon markets and climate finance platform, organized a workshop to build awareness and got good feedback from private sector. With support from WB the Alliance was involved in developing standardized crediting framework in Senegal, which is a streamlined CDM at local level taking advantage of recent reform of the CDM. To have robust systems in place such as the standardized crediting framework is crucial for operationalization of Article 6. The Alliance has also been involved in pilot ITMO transactions between Senegal and the Swiss Klik Foundation. Mr. Sarr concluded his presentation by emphasizing the importance of a long-term strategy and a common vision at a regional level.

Mr. Steven Wambura from the East African Development Bank (EADB) presented the Bank's approach to climate finance and carbon neutrality. EADB is a regional financial institution established in 1984 with the aim to promote sustainable socio-economic development in the region by providing finance, support and advisory services. Its member states are Kenya, Tanzania, Uganda and Rwanda. The bank's focus areas are skills development, food security, infrastructure, regional integration and climate change. EADB is committed to support programs or projects that promote green growth and contribute to low carbon economy. The bank has a biodiversity fund supported by KfW, which provides funding for biodiversity friendly projects in the region. Funding is provided directly to projects, but also through lines of credits to banks. The fund addresses the interconnection between biodiversity and climate change. Since 2013 EADB has been in partnership with UNFCCC for hosting the UNFCCC Regional Collaboration Center for Eastern and Southern Africa. Other examples of past climate projects financed by the bank include green homes in Tanzania and the Lake Turkana wind power project in Kenya. In addition, EADB has integrated climate action in their operations and appraisal processes, and for every investment climate change aspects are assessed. EADB committed to carbon neutrality in 2018 and offset their carbon footprint through buying certified emission reductions from CDM projects in the region.

Questions/discussion:

Mr. Sarr clarified that MRV systems for GHG emissions are more general than for Article 6 and cover all the sectors as recommended by IPCC, whereas for Article 6 it needs to link with the country's commitments in the NDC and the targets. When doing ITMO transactions with another country, it needs to cover how the corresponding adjustments will be made (depending on Article 6 rules) as a national tracking system for all carbon transactions (vs. with CDM when only permission from NDA was needed). With Article 6 the MRV system needs to take into consideration what is included in the NDC (sectors etc.), and whether emission reduction targets are conditional/unconditional etc. On assets: The Alliance is preparing to do a mapping of carbon assets at country level for carbon markets, to collect more information on the potential carbon revenue that can be expected from carbon markets.

Mr. Kyaruzi from EAC Secretariat inquired if the Eastern Africa Alliance for Carbon Markets and Climate Finance could contribute to mobilizing finance and preparing projects for GCF.

Ms. Gichangi, the Alliance Coordinator replied that the Alliance took note of the suggestion of detailed preparation of projects for GCF and commented that there is need for proposals across the climate finance provider spectrum, not only for GCF.

Dr Somorin from AfDB commented that the scale of finance needed to implement NDCs in EAC countries is a lot higher than the relatively small projects that are generally proposed. There is a need to expand and rethink climate finance and look for innovative sources as well as a need to monitor progress. A need to have a register in the country where the different climate actors can report their actions to enable country-wide analysis on progress.

Ms. Rebecca Muna, Executive Director of the Tanzanian Civil Society Forum on Climate Change asked Ms. Gichangi how the Alliance is ensuring that regional sectors/stakeholders are participating in the article 6 discussion and preparing them for potential outcomes. Ms. Gichangi clarified that the Africa Group of Negotiators has been very coordinated in this area, trying to get countries to think about all different items of Article 6. They have held practical negotiation trainings so that all have aligned positions. However, to have a sustainable impact the negotiators' work needs to be consistent.

A representative from Uganda commented that issues which have been repeated in the workshop presentations such as agriculture and forestry are common in NDCs, but the low-hanging fruit is energy sector. He also expressed the need to look at the regional challenges. Secondly, he questioned the definition of capacity building and stressed the importance of continuity also in case of changes in staff. Finally, regarding MRVs, he recommended that countries look at many aspects, to be holistic, not only GHG emissions but mitigation, adaptation, and finance.

Ms. Magero from Kenya asked EADB if there are initiatives that the bank has designed for the whole region and how they have worked out.

Mr. Wambura from EADB explained that the Biodiversity Fund is regional, and has been operational in Uganda, and Kenya, next year starting in Tanzania. It is addressing the challenge of getting longer tenor loans. It also provides credit lines to banks to capacitate them to provide longer tenor and concessional loans to farmers. EADB is also working closely with UNFCCC having the operations of RCC Kampala in their premises.

Mr. Ssemulema Kasiita from GIZ emphasized the country ownership in the Eastern and West African Alliances for Carbon Markets and Climate Finance and welcomed any partners interested in contributing to these.

SESSION 7: SUMMARY OF INPUTS DAY 1

In this session, Dr. Muyungi provided a summary of the discussions up to this point of the workshop. Broad objectives for the regional climate finance strategy that came up in the discussions include increasing access to international climate finance, mobilization of private sector climate projects and domestic investment in climate projects, ensuring sustainability of climate projects by e.g. involving communities, focusing on nature-based solutions and transboundary projects as well as considering carbon pricing/markets/finance. Broad needs included concentrating on priority sectors of energy, agriculture, water, health, natural resources/landscapes, implementing national climate policies and strategies and priority actions in NDCs, and improving access of vulnerable groups to climate finance. In addition, various capacity building needs were discussed such as for understanding available tools and sources of climate finance, for developing bankable project proposals, on access requirements of climate funds and for developing common understanding of climate finance across ministries and institutions. Furthermore, needs in developing systems and processes for climate finance data and climate finance tracking and budget and procurement tagging came up in the discussions and presentations. Discussed approaches for the development of the regional strategy include reviewing EAC Climate Change Policy, Strategy and Master Plan and other regional strategies such as TMEA, reviewing national climate change policies and plans to identify regional win-wins, and utilizing existing EAC instruments, to align and embed the strategy with these.

SESSION 8: POSSIBLE ELEMENTS OF AN EASTERN AFRICAN CLIMATE FINANCE MOBILIZATION AND ACCESS STRATEGY

This session broke out into 2 separate working groups and focused on the possible content and process of developing the Eastern African Climate Finance Mobilization and Access Strategy. It included framing the scope for quantifying and qualifying climate finance needs, including geographic coverage, time span, sector coverage and consensus on socio-economic and climate change scenarios to use as the basis for framing current and future needs.
In two break-out groups, the workshop participants discussed the following questions:

1. What will be the main aim (goal, objective) of the strategy?
2. What will be the key principles of the strategy?
3. What will be the scope of the strategy? (sectors, policies, financial instruments, provider types)
4. What will be the timeframe of the strategy? (duration of strategy, timeframe of development)

5. How can national and regional strategies and priorities be integrated into the strategy and vice versa?
6. Will there be indicators/a process to monitor progress and assess results? How should that process look?
7. How can the implementation of the strategy be ensured?

The session was facilitated by Mr. Mário Marques and Ms. Leonie Routil, UNFCCC Secretariat for Group 1 and Dr. Richard Muyungi and Ms. Saana Ahonen, UNFCCC RCC Kampala for Group 2.

SESSION 9: REPORT BACK AND DISCUSSION: ELEMENTS OF THE STRATEGY

In this session, the nominated breakout group rapporteurs presented the results of the discussions in the two breakout groups, followed by a discussion.

Notes from Group 1 (Burundi, Kenya, Uganda):

1. To leverage international, regional and national climate finance to implement national and regional strategies. To enhance climate finance in the region and fill in existing gaps matching the national deficits and needs. More effective climate finance infrastructure ensuring transparency and cost effectiveness. To enable well-informed, organized and engaged EAC members on climate finance. There was a debate if countries should contribute to regional fund or to use existing funds from EAC budget;
2. Ownership (countries to own and drive the process) was the most important principle for Group 1, alignment, environmental integrity, sustainability, multi-stakeholder approach, localizing CBDR at regional level, transparency, accountability, effectiveness, governance, responsiveness, transboundary approach, cross-sectoral approach, benchmarking to best practices, adaptability to different country contexts.
3. Common priority sectors as reflected in the NDCs, landscape approach, mainstreaming gender/indigenous issues, engaging private sector, informing national financial laws and encouraging countries to develop CC laws, to apply a wide range of financial instruments and climate finance sources.
4. Long-term 10 years 2021-2031, mid-term 5 yrs. 2021-2026, with internal review after 5 years
5. The strategy should be built from what is already existing (country strategies, policies, plans) and aligned with those. Bottom-up approach considering national inputs and contexts.
6. Common targets for the region, outcome indicators and period review of these. Capitalize on existing resource mobilization strategies in the region and mobilize resources into and disburse them via a regional fund. Continuous development of pipeline of bankable projects.
7. By alignment with existing national policies and strategies, by integrating/working with existing frameworks e.g. annual stakeholder forum for environment and EAC CC platform to be developed. By high-level political endorsement and by establishing a climate finance platform by EAC for stakeholder engagement, networking and exchange.

Notes from Group 2 (Tanzania, Rwanda):

1. Main objective: To ensure climate finance is effectively mobilized, accessed, utilized and scaled up to contribute to achieve intended climate change goals for sustainable development in Eastern Africa. Specific objectives: 1) increase access to international climate finance, 2) increase mobilization of private sector climate finance, 3) increase domestic investment in climate change projects, 4) ensure coordination and sustainability of climate finance framework
2. Inclusiveness, transparency, gender-sensitive, equity, participatory, efficiency, effectiveness, integration
3. Priority actions in NDCs (conditional and unconditional), implementation of existing national climate change policies and strategies, community level finance -improve access for vulnerable communities
4. 10 years divided to: short term until 2025, long-term until 2030
5. Taking into consideration country-specific situations, use any existing climate finance strategies as a starting point, taking stock of each countries' existing climate finance structures e.g. FONERWA and Kenya's climate fund, considering regionality as an opportunity e.g. development of transboundary projects/programs, to have a regional climate change fund (but it was discussed whether the fund should only finance regional projects with at least 2 countries or also national ones. Also discussed if funding should be on competitive basis or mobilized resources would be divided equally).
6. The strategy needs to have a complete logical framework with indicators and an M&E system.

7. Implementation plan and M&E plan for 5 years needs to be developed. To ensure all countries benefit equally, the strategy needs to also be domesticated at the national level to create ownership. By coordination and support to tracking and monitoring and implementation of initiatives in the countries. By diversification of financial instruments and mechanisms and building capacity across all levels and sectors. By engaging the private sector.

Discussion:

Mr. Augustin Ngenzirabona from Burundi appreciated Group 2's idea of having a regional fund to help countries access climate finance (also new sources or some that they might not have been able to access before) but it should not replace national ones.

Mr. Evarist Nashanda from Tanzania Forest Services (TFS) Agency raised a question how to develop a strategy that competes with similar strategies from different regions for the same sources of finance globally.

Ms. Magero from National Treasury of Kenya pointed out that there is an existing African NDA knowledge network platform, formed by GCF focal points across the continent. It is looking at how to coordinate and increase financing for the whole continent (not only from GCF), subdivided to regions. This CF strategy could build up and support the network.

Mr. Kyaruzi stated that in terms of innovations, programs with landscape approach are to be developed, and diverse stakeholders are to be involved, such as private sector, civil society, communities.

Mr. Sarr from the West African Alliance for Carbon Markets and Climate Finance commented that the East African Alliance can be used as a framework for implementing the strategy. There is a need to create a link between carbon markets and climate finance, and to facilitate collaboration with other regions.

Ms. Gichangi from the East African Alliance encouraged countries to submit requests for support to projects, s.a. climate smart agriculture as mentioned by the representative of the Tanzania Climate Smart Agriculture Alliance.

SESSION 9: PLANNING FOR PROJECT IMPLEMENTATION

In the last sessions Mr. Grant Kirkman from UNFCCC secretariat presented the next steps in the development of EAC climate finance mobilization and access strategy, where a Technical Annex – a diagnostic, comprehensive technical analysis of the current situation is to be prepared by the consultants who will reach out to participants to fill in gaps and confirm information. The technical annex will inform the Strategy and pipeline of priority projects. The EAC countries will be asked to validate the Strategy at a validation workshop, where drafts of the Strategy and annex will be considered, with adoption and endorsement of the strategy thereafter for presentation to the EAC Council of Ministers. A presentation at COP26 followed by an investor Forum is planned for November/December.

CLOSING REMARKS

Closing remarks were given by Mr. Kyaruzi from the EAC Secretariat, by EAC Chair Person Mr. Faustin Munyazikwiye from Rwanda who reiterated the importance of the workshop. Finally, Ms. Farhat Mbarouk, Director, Dept. of Environment, Second Vice President's Office, Revolutionary Government of Zanzibar of the Department of Environment of Zanzibar thanked the participants, expressed appreciation to UNFCCC and EAC for arranging the workshop and officially closed the meeting on behalf of the state minister of Zanzibar.