

Climate Finance Needs & Flows to the Arab Region (2010 – 2020)



Training Workshop on Climate Finance Access in the Arab States Needs-Based Finance Project
Tunis, 18-20 September 2022



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Articulated Climate Finance Needs

Climate Finance Needs per NDCs through Oct 2020

\$436 – 478 billion articulated needs by 13 Arab States to address and cope with climate change by 2030

Through July 2022, 17 Arab States submitted **updated NDCs**: namely Bahrain, Comoros, Egypt, Iraq, Jordan, Kuwait, Lebanon, Mauritania, Morocco, Oman, the State of Palestine, Qatar, Saudi Arabia, Somalia, the Sudan, Tunisia, and the United Arab Emirates.

Of these, 10 Arab States **Comoros, Egypt, Iraq, Jordan, Mauritania, Morocco, the State of Palestine, Somalia, the Sudan and Tunisia** provided finance needs estimates in their updated NDCs. **Djibouti** articulated climate finance needs in its initial NDC submission (2016); used since no update yet submitted.

The costed climate finance needs of 11 Arab States is

\$570 billion

until 2030

Egypt, Iraq and Morocco account for

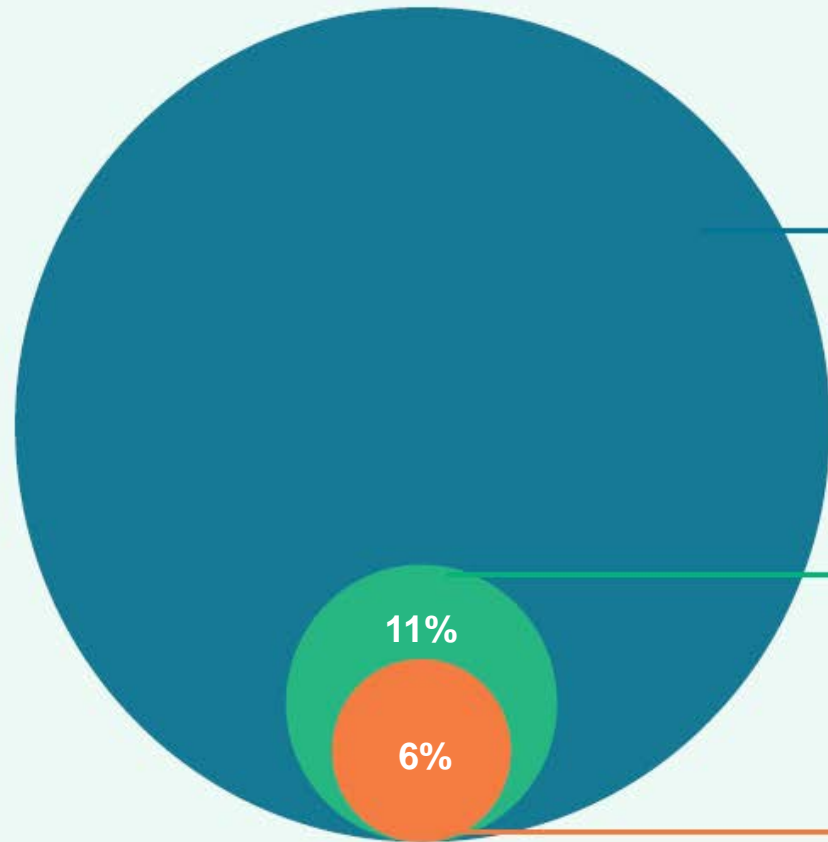
\$425 billion

of the total support requested



Some Arab States doing better articulating needs; others are doing worse

Needs not being met for climate



\$570 billion

Total financing required for NDC implementation for 11 Arab States until 2030

\$62 billion

Public international climate finance received in the period 2010-2020 (principal and significant climate objectives, including mobilized private finance)

\$34.5 billion

Public international climate finance received in the period 2010-2020 (principal climate objectives only)

Over 10 years, only \$34.5 billion in international public finance received by Arab States for projects that are **principally** for climate

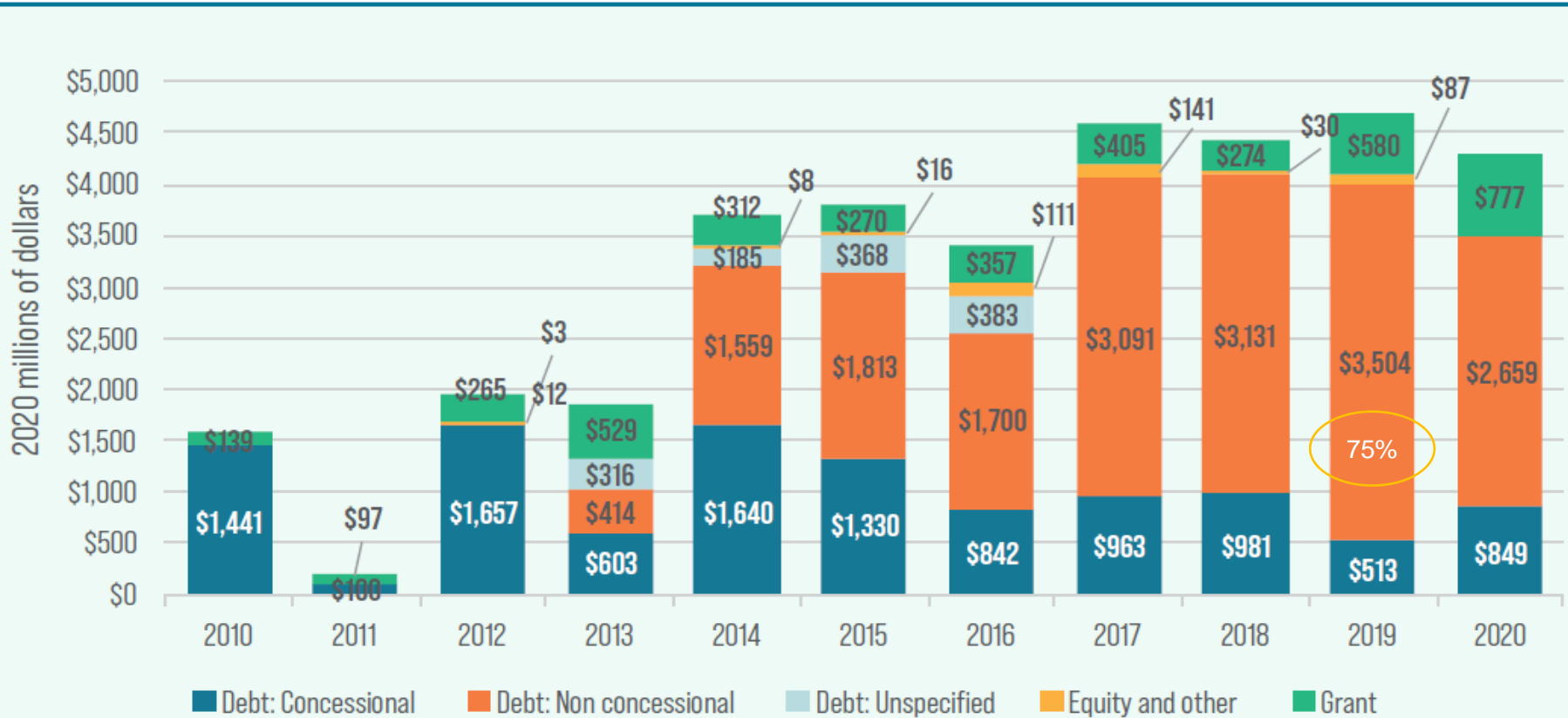
Equivalent to less than 6% of articulated needs for next 10 years

Principal means project would not have been conducted in the absence of its climate purpose

Having a climate rationale important for access & tracking

Source: Compiled by ESCWA based on the OECD database entitled "Climate-related development finance at the activity level: Recipient perspective 2000–2020".

Triple Troubles for Current & Future Generations: Climate Impacts, Cost of Credit, Debt Burden



The gross public debt in the Arab region reached a historic high of

\$1.4
trillion in 2022



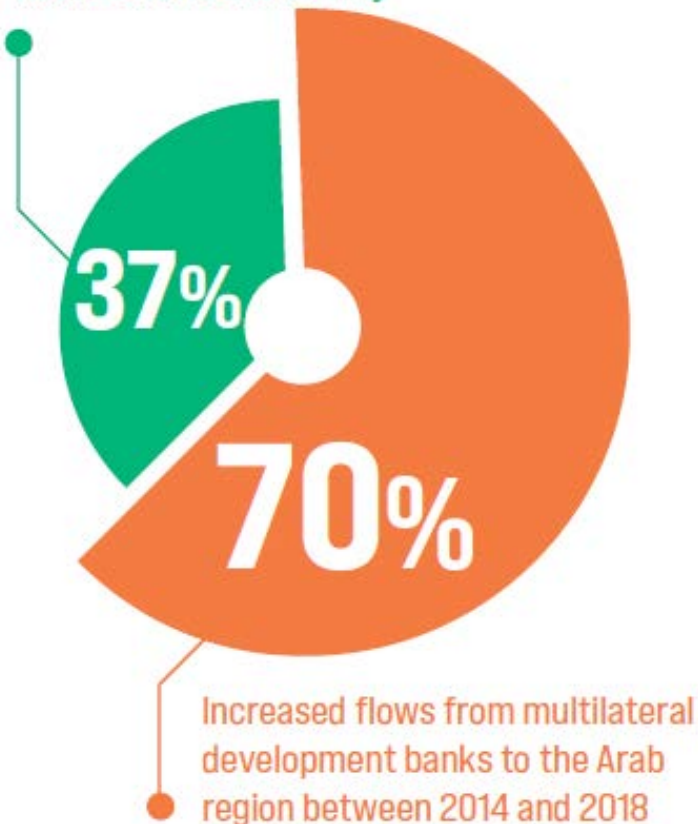
Interestingly, some improvement in grants & concessional loans during COVID, but total volume down

Source: Compiled by ESCWA based on the OECD database entitled "Climate-related development finance at the activity level: Recipient perspective 2000–2020".

Note: Figure 3 evaluates bilateral and multilateral climate finance flows to the Arab region based on reporting to OECD, from the recipient's perspective. It includes commitments with climate marked as a principal objective (Rio tag), and includes climate components reported by multilateral development banks. Flows with climate marked as a significant objective are not included. GCF reports all flows to OECD with a significant objective, and are therefore not included in figure 3.

MDB Flows to Arab Region Improving; Bilateral Support Declining

Over the same period bilateral climate finance flows declined by



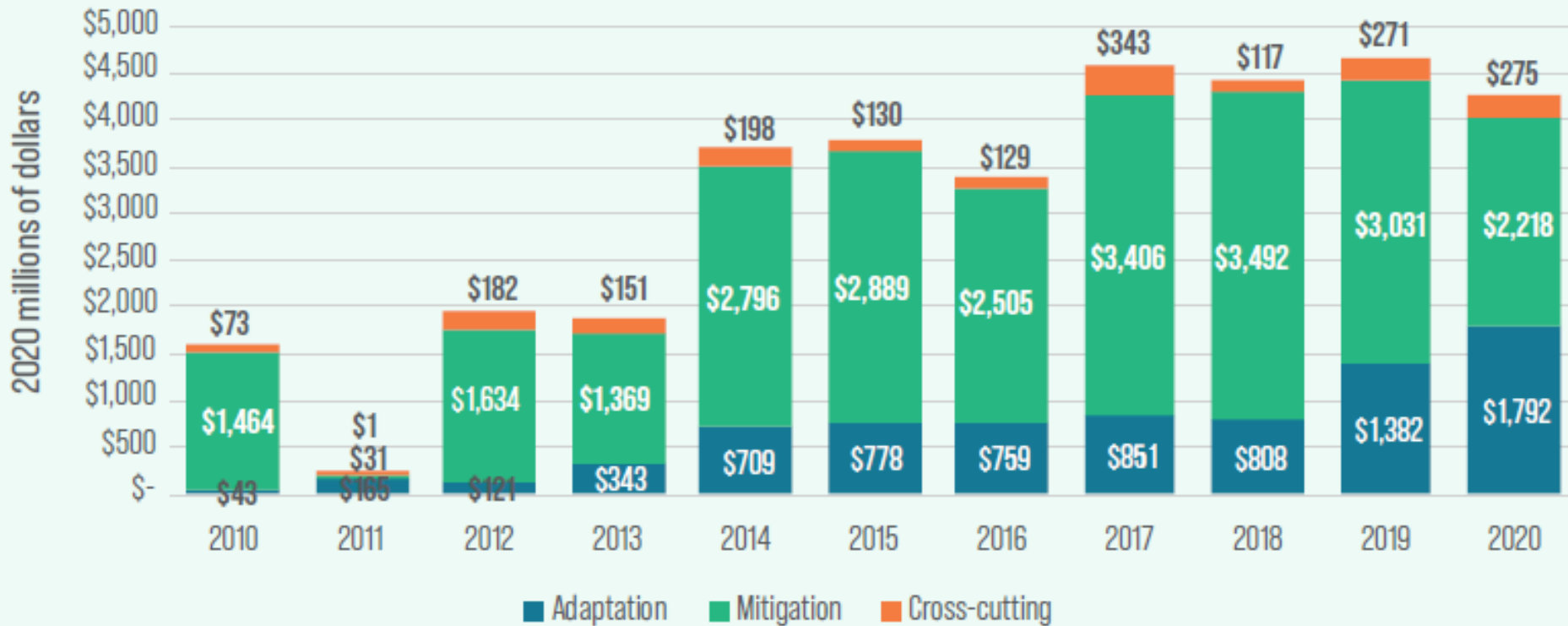
Private Sector – biased towards mitigation for cost recovery

- Private sector finance that is not mobilized by public international climate finance is not widely available
- Estimated figures for private investments in renewable energy projects total **\$14 billion** from 2013-2018

More Grants Needed

- Only **4% of finance is sourced from climate funds** in Arab region
- From 2010-2020, GCF committed to less than 2 national projects/year to Arab region
- From 2016-2020, GCF provided only **\$90 million/year** for country-level projects in Arab region
- GCF Readiness Funds & Adaptation Fund Direct Access modality need to be more utilized

Financial Flows Not Responding to Adaptation Priorities



Flows to mitigation summed

\$24.84 billion

were **three times greater** than flows to adaptation

\$7.75 billion over the period 2010-2020

Source: Compiled by ESCWA based on the OECD database entitled "Climate-related development finance at the activity level: Recipient perspective 2000-2020".

Above figures are for climate flows that are principally for climate. For flows that are tagged as significant, adaptation on parity with mitigation

Some improvement witnessed as was 3.5 times greater for period 2010-2019



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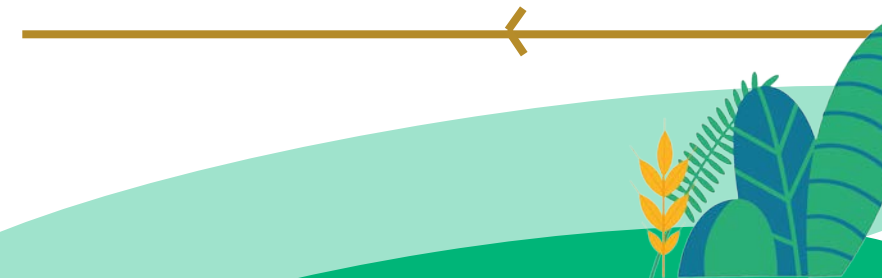
Towards COP27

Arab Regional Forum on Climate Initiatives to Climate Finance and the SDGs

15 September 2022
Beirut, Lebanon



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30 National Projects submitted by 8 Arab States for consideration by Banks

Adaptation

22 Projects

	Country	Cost
• Improve Agricultural Climate Resilience	Egypt	\$690m
• Establishing an Early Warning System	Egypt	\$300m
• National Emergency Plan for Forest Fire Prevention	Lebanon	\$600K
• Institutional Arrangements in Forest Management	Lebanon	\$1.6m
• Wildfire Hazard Reduction in Nahr El Kabir Area	Lebanon	\$690K
• Combating Land Degradation and Drought in Nahr el Kabir Area	Lebanon	\$690K
• Sustainable Management & Land Restoration in Koudiat Acerdoune Dam	Algeria	\$3m
• Sustainable Management of Natural Ecosystems in KEF-EDDIR Watershed	Algeria	\$10m
• Hilla – Diwaniyah Irrigation Project	Iraq	\$1.27bn
• Improving the Efficiency of Irrigation Water Using Hydroponic Technology	Jordan	\$10m
• WASH in Schools Project	Jordan	\$6.8m
• Al Rawdha Flood Protection Dam	Oman	\$46.8m
• Al-Jifnain Flood Protection Dam	Oman	\$36.4m
• Fita Flood Protection Dam	Oman	\$67.5m
• Wadi Hilti Flood Protection Dam	Oman	\$44.2m
• Al-Batina Treated Effluent Line	Oman	\$52m
• Cultivate One Million Mangrove Seedlings	Oman	\$563K
• Water-Energy-Food Security Nexus	Tunisia	\$45.5m
• Excess Water Diversion from North to Central Tunisia	Tunisia	\$523.5m
• Strengthening Coastal Adaptation and Resilience	Tunisia	\$93.5m
• Help Small Farmers and Rural Families Adapt to Climate Change	Jordan	\$8.8m
• MEDTEST II and Agro-Processing Fund	Jordan	\$87m

Total \$3.3bn

Mitigation

8 Projects

	Country	Cost
• Energy Efficient Cooling in Buildings	Egypt	\$250m
• Bus Rapid Transit System-Ring Road	Egypt	\$53m
• Associated Gaz Recovering in Ohanet	Algeria	\$28m
• Associated Gaz Recovering in Tin Fouye	Algeria	\$46.5m
• Associated Gaz Recovering in In Amenas	Algeria	\$41m
• Blue Economy for Livelihoods through RE & EE	Jordan	\$14.5m
• Aqaba-Amman Water Desalination & Conveyance Project (AAWDPC): Renewable Energy Component	Jordan	\$400m
• Energy Efficiency in the Sustainable Urban Mobility Sector	Tunisia	\$102.5m

Total \$936m



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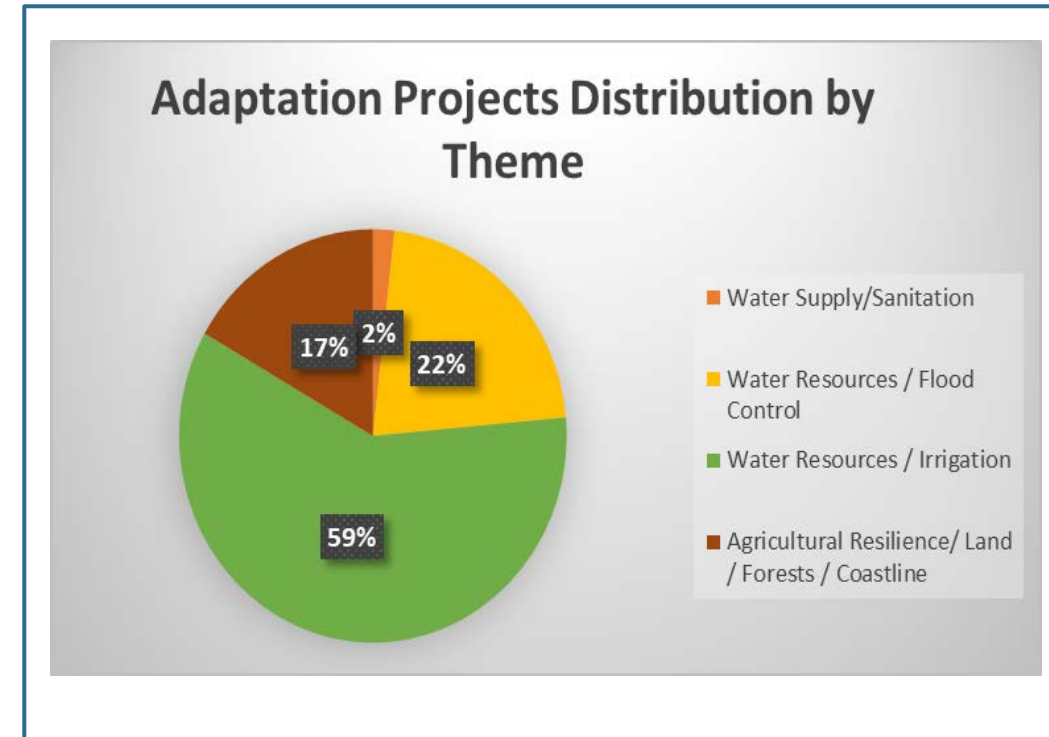
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22 Adaptation Projects

Funding Requirements by Adaptation Theme

Adaptation Theme	Projects	Locations	Funding
Water Supply/Sanitation	<ul style="list-style-type: none"> - WASH in Schools Project - Al-Batina Treated Effluent Line 	Jordan, Oman	\$58.8m
Water Resources/Flood Control	<ul style="list-style-type: none"> - Al Rawdha Flood Protection Dam - Al-Jifnain Flood Protection Dam - Fita Flood Protection Dam - Wadi Hilti Flood Protection Dam - Excess Water Diversion: North to Central Tunisia 	Oman, Tunisia	\$718.5m
Water Resources/Irrigation	<ul style="list-style-type: none"> - Improve Agricultural Climate Resilience - Hilla – Diwanayah Irrigation Project - Improving Irrigation Efficiency Using Hydroponics 	Egypt, Iraq, Jordan	\$1.9b
Agricultural Resilience/Land/Forests/Coastline	<ul style="list-style-type: none"> - Establishing an Early Warning System - National Emergency Plan for Forest Fire Prevention - Institutional Arrangements in Forest Management - Wildfire Hazard Reduction in Nahr El Kabir - Combating Land Degradation in Nahr el Kabir - Land Restoration in Koudiat Acerdoune Dam - Natural Ecosystems Management in KEF-EDDIR - Cultivate One Million Mangrove Seedlings - Water-Energy-Food Security Nexus - Strengthening Coastal Adaptation and Resilience - Help Small Farmers Adapt to Climate Change - MEDTEST II and Agro-Processing Fund 	Algeria, Egypt, Jordan, Lebanon, Oman, Tunisia	\$552m



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8 Mitigation Projects

Funding Requirements by Mitigation Theme

Renewable Energy

- Aqaba-Amman Water Desalination & Conveyance Project (AAWDPC): RE Component

Jordan \$400m

Energy Efficiency

- Energy Efficient Cooling in Buildings
 - Associated Gaz Recovering in Ohanet
 - Associated Gaz Recovering in Tin Fouye
 - Associated Gaz Recovering in In Amenas

Algeria, Egypt \$468.5m

Transport

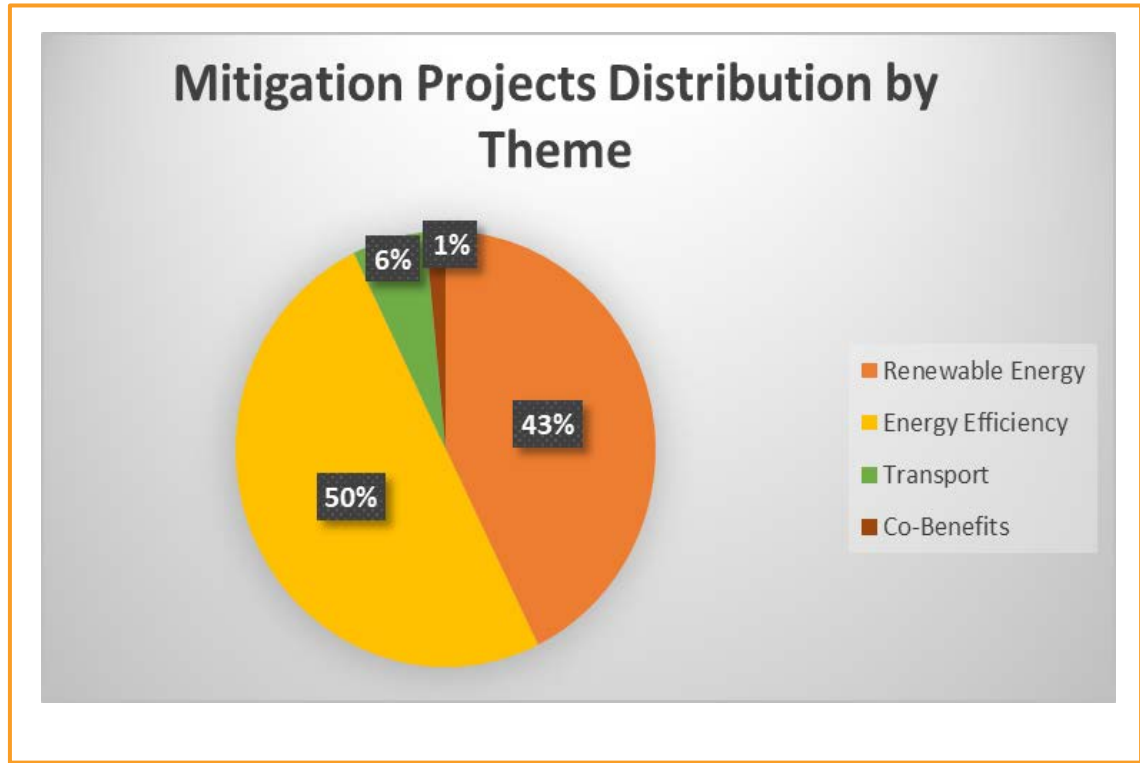
- Bus Rapid Transit System-Ring Road
 - Energy Efficiency in the Sustainable Urban Mobility Sector

Egypt, Tunisia \$53m

Co-Benefits

- Blue Economy for Livelihoods through RE & EE

Jordan \$14.5m



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Tunisia: Strengthening Coastal Adaptation and Resilience

Description

The Tunisian Ministry of Environment and Sustainable Development's "Coastal Protection and Planning Agency" proposes this three-component project to increase coastal adaptation and resilience to climate change variability.

The project's main objectives are strengthening the information and decision support system "SIAD" of the "Coastal Protection and Planning Agency" and strengthening the physical capacity of resilience and adaptation of the coastline.

Expected outcomes

- ✓ Identify climatic vulnerabilities and risks
- ✓ Numerical modelling, climatic forecasts and decision support
- ✓ Climate-resilient sand dunes and beaches
- ✓ Inventory and mapping of coastal ecosystem services and climate change adaptation

Implementation period



Planned start date:
2023
Planned end date:
2028

Project Status



Financing being arranged

Beneficiaries

70% of the national population, 95% of tourist investments, 87% of industrial activities, fishermen, gender, young people (green jobs), maritime traffic (blue economy)

Impact

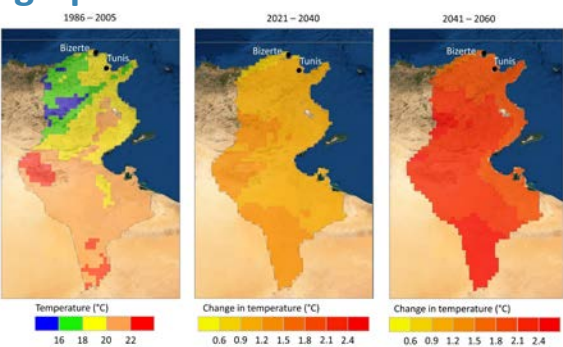


- Increasing the resilience and adaptation of the Tunisian coastline

Project proponents



Geographic location



Change in temperature compared to the reference period based on Euro-CORDEX Domain Ensemble for RCP8.5

Financing



Total project cost **Current funds required**



For further information:
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Mme. Kaouther Ben Houidi (email : k.benhoudi@apal.nat.tn)



Egypt: Energy Efficient Cooling in Buildings



Description

The project will facilitate the introduction of efficient and innovative cooling technologies which enable primary energy savings in Egypt by establishing a financing scheme to promote energy-efficient cooling in both new construction and building refurbishments.

The project responds to the Government's mandatory regulations including energy efficiency codes in buildings, minimum energy performance standards and labels for electrical appliances including air conditioners (AC).

Expected outcomes

- ✓ Establish a financing scheme to promote energy efficient cooling
- ✓ Provide seed investment and technical assistance for 20,045 AC units (Phase I)
- ✓ Support domestic manufacturing of energy efficient cooling units in Egypt
- ✓ Support local manufacturers and increase opportunities to export regionally

Timeline



Planned start date:
2022
Planned end date:
2035

Project Status



Feasibility Study
Needed

Beneficiaries

3.7 million MSMEs (Micro, small and medium enterprises)

Impact



GHG reduction target

14,546 tCO₂/year

Carbon footprint index

873 tCO₂/ \$million invested

Geographic location



Financing

\$250M

Total project
cost

\$250M

Current funds
required

Project proponents



For further information:

H.E Minister Rania Al-Mashat, Ministry of International Cooperation (email: mtaha@moic.gov.eg)



Regional Initiative to Promote Small-Scale Renewable Energy Applications in Rural Areas of the Arab Region (REGEND)



Description

REGEND enables access to renewable energy through field projects, capacity building, and policy recommendations with an emphasis on empowering women entrepreneurs with affordable and reliable access to clean energy and tools for the application of sustainable water, food, and environment-friendly practices.

ESCWA intends to upscale REGEND's inclusive and integrated business model to other Arab communities to support **small-scale renewable energy** applications.

Visual assets



Expected outcomes

- ✓ Strengthening the resilience of people to the effects of climate change
- ✓ Low-emission power generation
- ✓ Facilitating access to microfinance for rural women entrepreneurs
- ✓ Increasing the productivity and efficiency of rural beneficiaries through renewable energy and productive equipment

Financing

\$10M

Total project cost

\$10M

Current funds required

Timeline



Planned start date:

01/01/2023

Planned end date:

31/12/2026

Project Status



Feasibility

Beneficiaries

Rural populations engaged in the productive use of energy with emphasis on women, youth, and people with disabilities. 300,000 beneficiaries while ensuring gender parity (50%)

Impact



GHG reduction target

Minimum of 45,000 tCO₂eq over 25 years

Project proponents



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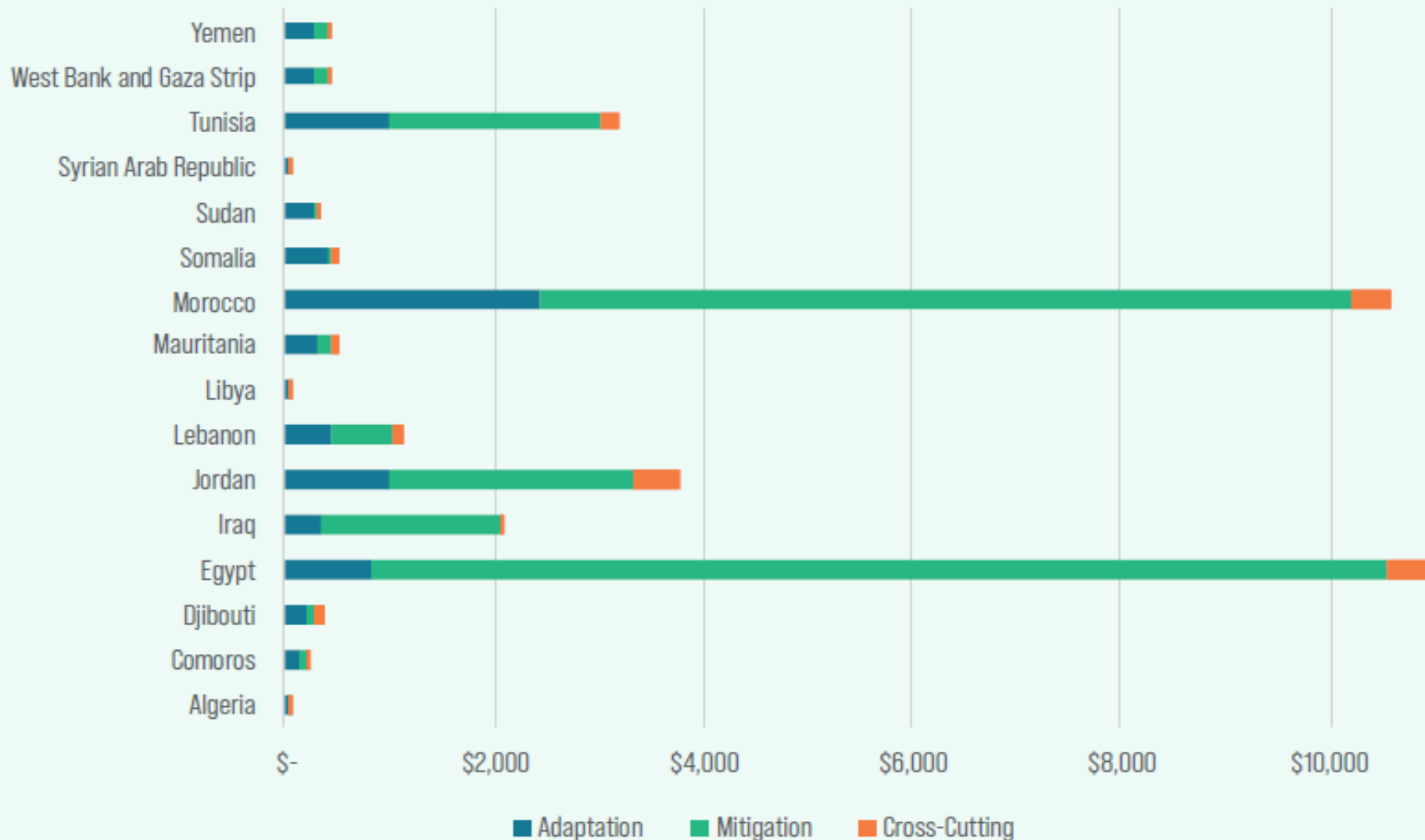


For further information:

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Climate finance flows in the Arab region by country and purpose, 2010–2020



6 Arab LDCs
 (Comoros, Djibouti, Mauritania, Somalia, the Sudan & Yemen) have received **just 6.6% (\$2.27 billion)** of climate finance support provided to the Arab region **over past decade**

Source: Developed by ESCWA based on the OECD database entitled "Climate-related development finance at the activity level: Recipient perspective 2000–2020".

Note: Figure 5 evaluates bilateral and multilateral climate finance flows to the Arab region based on reporting to OECD, from the recipient's perspective. It includes commitments with climate marked as a principal objective (Rio tag) and includes climate components reported by multilateral development banks. Flows with climate marked as a significant objective are not included. GCF reports all flows to OECD with a significant objective and are therefore not included in figure 5.



مشروع تمويل العمل المناخي على أساس الاحتياجات

استراتيجية الدول العربية للحصول على تمويل العمل المناخي وتعبئته 2030-2022



Needs-based Climate Finance Project

Arab States Climate Finance Access and Mobilization Strategy 2022–2030



14. While a country-level bottom-up approach to assessing and addressing needs reflects the diversity of the region, multi-country and regional approaches can help to improve access to finance, particularly for smaller States, as well as help to attract new sources of finance. The identified priority sectors for accessing and mobilizing climate finance identified include:

- Agriculture for food security;
- Water resources and desalination;
- Coastal zone management;
- Sustainable use of cooling systems;
- Scaling up renewable energy;
- Energy efficiency programmes;
- Sustainable and green buildings;
- Enhancing health services;
- The tourism sector.