



Ministry of Environment

Climate Finance Landscape of Maldives

**Island States in the Indian Ocean (ISIO) Climate Finance Mobilization and Access
Strategy Workshop, Maldives 2020**



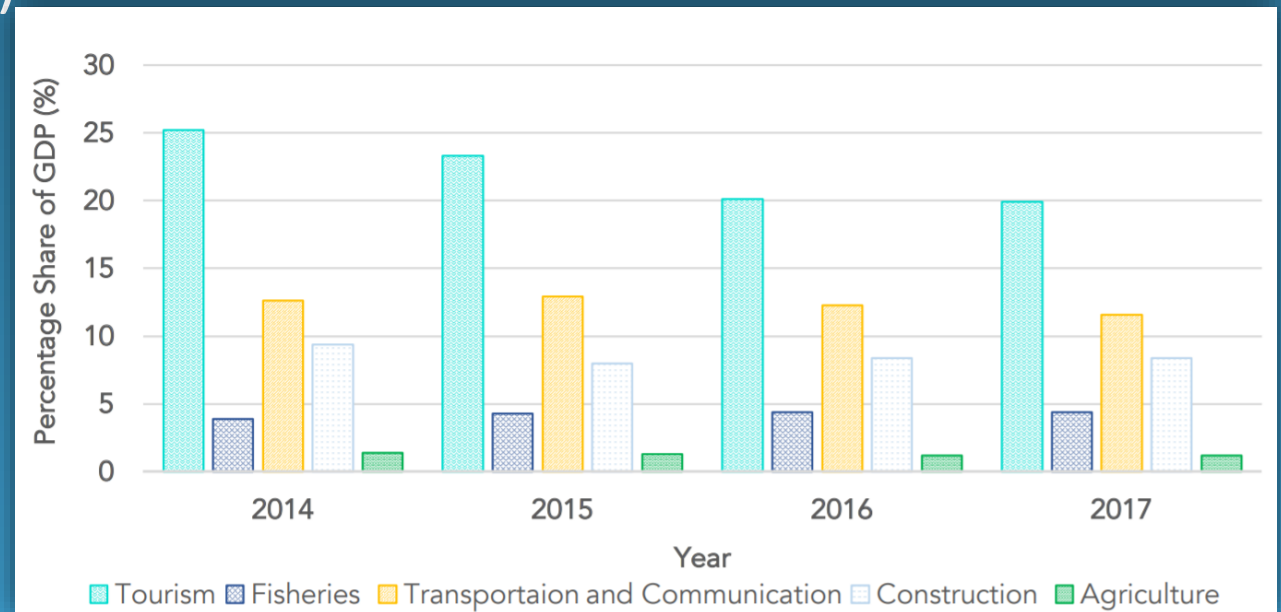
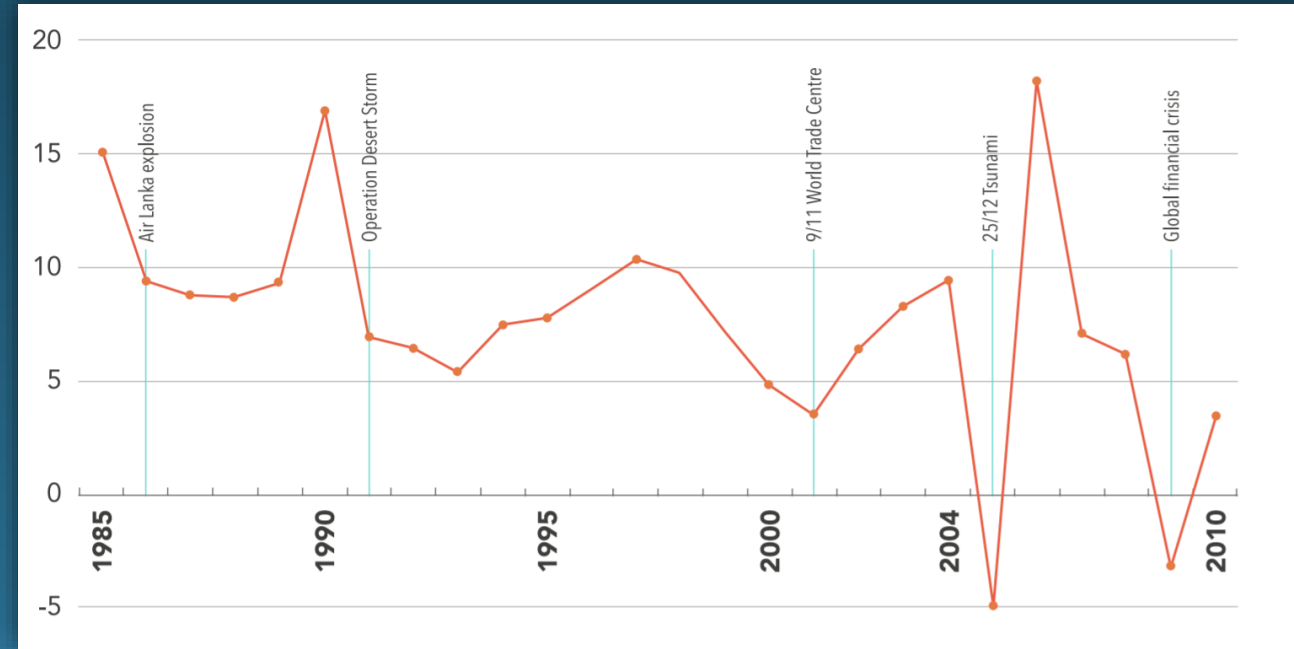
Structure

- Overview of Maldives
- Sources of Climate Finance
- Overall Climate Finance Landscape
 - From BUR 1
- Climate Finance Needs
- Future Work; Tracking of Climate Finance



Maldives

- 1192 small, low lying coral islands (26 natural coral atolls/ 194 inhabited)
- 80% of islands lower than 1 metre above sea level
- Population: 533,941 (2018 est)
- GDP USD 4.4 Billion in 2017
- Main Economic Activities
 - Tourism
 - Construction
 - Fisheries and Agriculture



Sources of Climate Finance

- International Climate Funds (GCF, GEF, LDCF, Adaptation Fund)
- Other UN Sources (UNEP, UNDP, UNISDR)
- Multilateral Financial Institutions
- Bilateral Assistance
 - Italy, Denmark, Japan, UAE, Germany, EU, Kuwait, France etc.
- Public Sector Investment Programme (PSIP)



Other Financial Mechanisms

- Innovative mechanisms to complement the national budget
- Maldives Green Fund in 2018
 - Funded by the Tourist Green Tax
 - National budget allocations
 - Exclusively for environmental projects
- Fund for Renewable Energy Systems Application (FRESA) in 2008
 - Small-scale private sector investments through concessional loans
- Renewable Energy Development Fund (RED Fund) in 2011
 - Supplement utility scale RE investments
- BML Green Loan Facility in 2016
 - Revolving fund for RE investments
 - Concessional loans (11% interest)

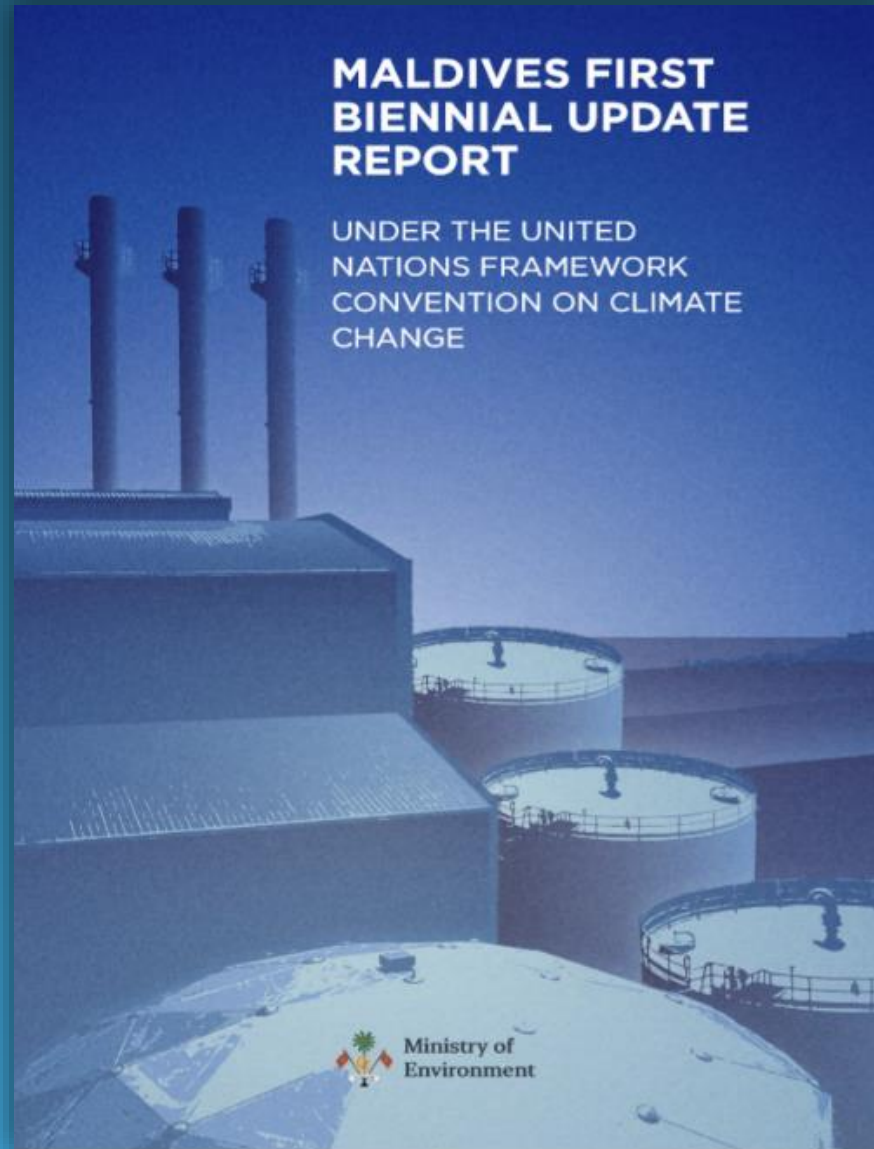


The logo for BML Greenloan features a stylized green leaf icon to the left of the text. The text "BML" is in a bold, sans-serif font, and "greenloan" is in a lowercase, rounded sans-serif font.

BML
greenloan

Supporting investments
in Green Technology

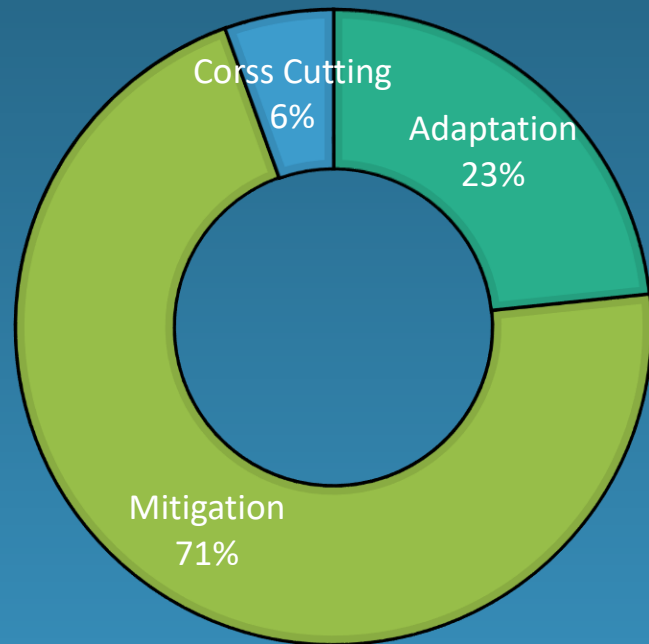
Overall Climate Finance Landscape



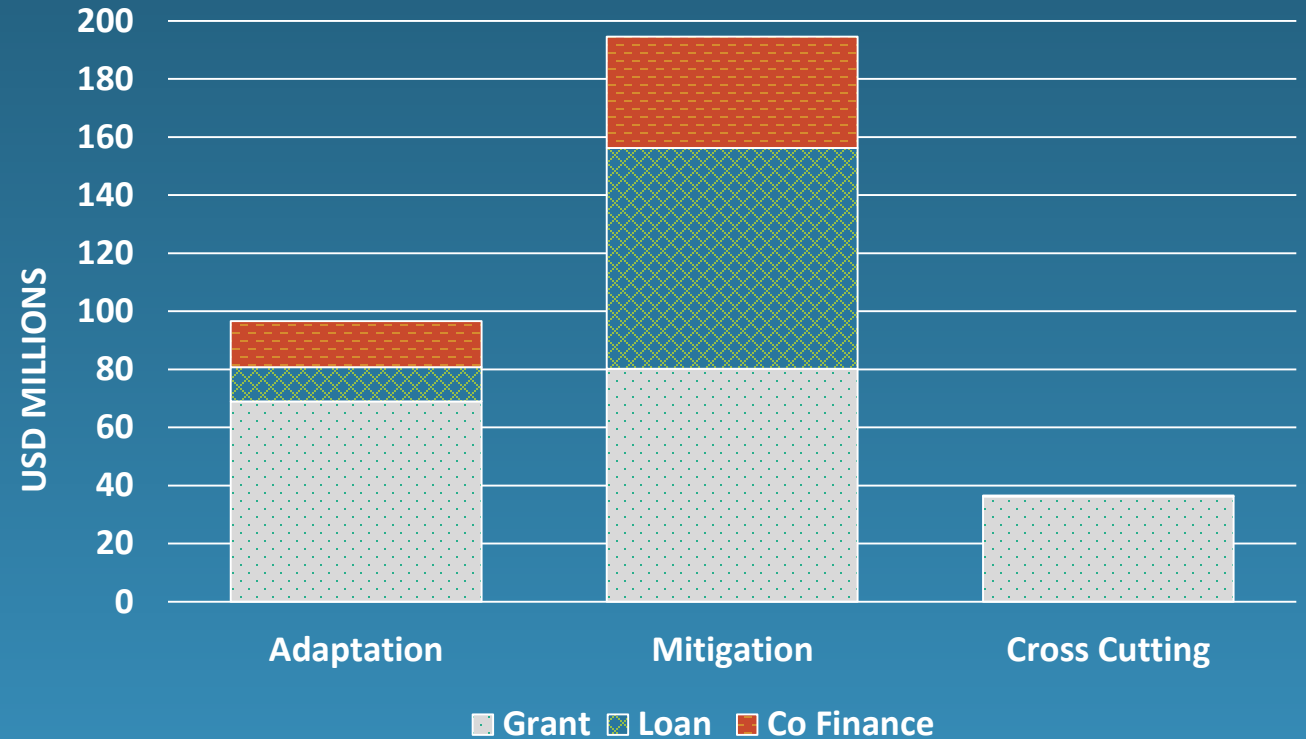
Existing gaps in tracking/reporting climate finance

- Tracking of climate finance in Maldives is not straightforward; no attempts made to distinguish budgets between adaptation and mitigation
- Investments with dual purposes
- Other sources not tracked;
 - technical assistance delivered in programmes implemented directly by donor/development agencies
 - programs implemented by the councils independent of government resources
 - programmes implemented by NGOs
 - private sector investments

Summary of Donor Funded Climate Support Received



Percentage share of donor funded climate finance in the Maldives

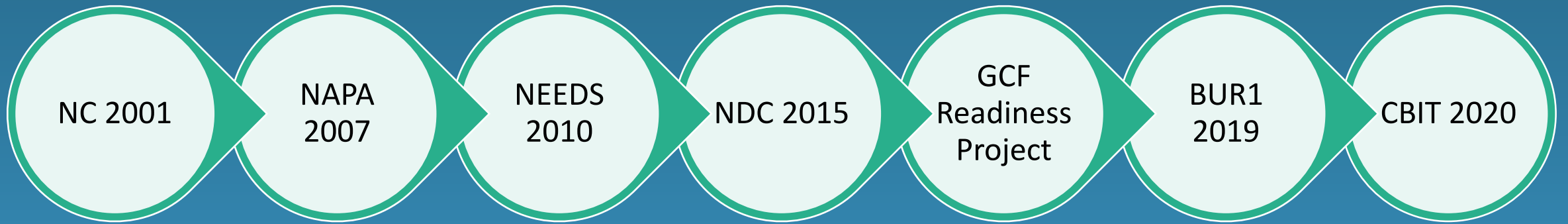


Summary of type and amount (USD) of support received towards adaptation, mitigation and cross cutting donor funded projects

Overall Findings (Donor + PSIP)

- Of the financing of climate change related actions and investments
 - ~35% stems from the national budget of the Maldives.
 - ~34% is made up of concessional loans, i.e. financing that the Maldives eventually will repay.
 - ~31% is donor grant financing
- 85% of investments relates to physical infrastructure

Determination of Needs in Maldives



Priority Needs

- **Adaptation and Building Climate Resilience**
 - Enhancing weather and climate monitoring
 - Institutional strengthening for coastal monitoring
 - Risk reduction of health sector to vector borne diseases
 - Health Sector Emergency response to floods and disasters
 - Island smart agriculture
 - Climate resilient livelihoods for Maldives Fisheries
 - Adaptation in the tourism sector
 - Enhancing water security

Priority Needs

- **Mitigation and enhanced GHG Inventory**
 - Financial mechanisms to finance RE technologies
 - Loan programmes for GHG Emission reductions
 - Further research into ways to enhance private sector investments in RE technologies
 - Deployment of clean energy
- **Reporting and tracking of support received and needed**
 - Enhanced GHG inventory (data gaps, coordination between ministries - MRV)
 - Improved reporting of mitigation actions and tracking NDC targets
 - Enhanced adaptation reporting
 - Improved mechanisms to track support received and needed

Barriers, Gaps and Needs for tracking climate finance

- A gap analysis was carried out as part of the BUR Project:
 - No systematic collection, collation and archiving of information. Thus, it is difficult to easily access and report such information.
 - Limited access to climate finance data for national projects and limited participation of line ministries in data analysis and reporting of finance data.
 - The contributions from donors to the Maldives are trackable, but requires the consultation with several sources that in itself are not systematically organized.
 - Inconsistencies between different publications/reports on climate finance, even some cases of the same institution.
 - Lack of capacity to quantify our needs
 - Lack of reporting on private sector's climate-related investments.

Future Work

Capacity Building Initiative for Transparency (CBIT)

- ✓ The findings of BUR will be built upon by CBIT support to establish a climate finance tracking mechanism
- ✓ Complement existing national systems and protocols to measure, track the financial flows, and identify the institutional arrangements for the existing donor procedures/guidelines
- ✓ Deliver legal/institutional framework to enhance the coordination and information flow among ministries in order to design a system that enables easy registration of information on all international supported projects
- ✓ Devise a mechanism for non-state actors to report in climate finance received.



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Photo by Ali Shareef