
Next steps in the development of

**‘EAC Climate Finance Mobilization and
Access Strategy’**

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Technical Annex and Project Pipeline



Key areas of EAC climate strategy

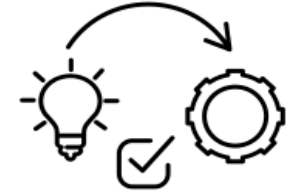
Inter alia:



Limit complexity,
increase capacities,
project/programme/
platform preparation



Scaled-up finance,
approaches & incentives,
incl. gender, ind. & v.
communities



Responsive
climate finance
facilities for EAC



Enhanced
coordination for
sustainable finance



Transboundary,
initiatives
mechanisms &
instruments,
alliances



Monitoring &
tracking of finance
(also for others)

Documents that will no be produced for your review and feedback

- Technical Annex – diagnostic of current situation
- Pipeline of priority projects and or initiatives
- Outline and pillars of the EC CF Strategy



Validate, by email, conference calls, and then final workshop



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Pipeline – of platforms, initiatives, programmes, projects



Description of project / transaction / investment / funding facility

The proposal should be no more than 3 pages in length.

Term	Details	
Purpose of the Project	1-3 sentences which provide context for the project, e.g. national climate policies which the project will help execute, NDC goal which could be relevant to the project	
The Project	1 sentence description of the project, e.g. number of wind farms, their location and capacity	
Project Sector / Sub-Sector	The economic sector and sub-sector of the project, e.g. Energy/Solar or Transport / Bus Rapid Transit	
Project Sponsor	The developer or other proponent of the project or fund (1 line)	
Project Amount and Currency	The total amount required to implement the project and the currency for funding (USD). Note: Please convert any non-USD currency into USD for the table below	
Use of proceeds	Table setting out what the proceeds of the financing provided for the project would be used for, e.g. planning, design, development of XX GW of onshore wind at locations Z,Y. Note: ballpark estimate of costs only, converted to USD.	
	Element	Budget (USD millions, 1 decimal place)
		Financing instruments (To the extent known, what financing instruments would be used for each phase, e.g. project finance, equity, debt, grants)
	Project Phase A	[xx] Add/remove phases if relevant
	Project Phase B	[xx]
TOTAL	[xx]	
Project status	1-2 paragraphs on what level of project development might have already occurred – e.g. feasibility study, consultation with stakeholders, approvals/licensing	
Local planning context	1-2 lines on local government approvals or licenses required for the project to go ahead, who owns the land etc	
Policy targets and incentives	1-2 lines on any targets that apply to the sector, what policies does the country have in place or intends to implement that would support the project	
Climate results	1-2 sentence summary of climate results: <ul style="list-style-type: none"> - mitigation (GHG reductions) - adaptation (number of direct and indirect beneficiaries, number of beneficiaries relative to total population) impacts 	
Other	Any background available on how similar projects have previously been financed; known challenges or barriers for project implementation	



Further policy areas for review going forward

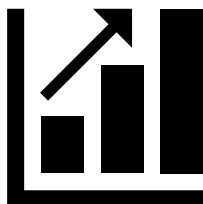
Policy Area	Policy	Instruments	Examples
Fiscal Policy Tools	Carbon pricing, regulations	National carbon taxes, cap-and-trade (CaT) and emissions trading systems (ETS), emission or energy efficiency standards	Sweden carbon tax, California CaT, EU ETS, national feebates, EU regulations
	Public spending and investment	Public investment, social spending, lower labor or capital taxes	EU Infrastructure Investment Plan
	Public-private partnerships	Partnership between private sector, government, development bank, long-term institutional investor	China Development Bank-Urban Development Investment Corporation
	Public guarantees	Loan commitments, credit or cash flow guarantees, multi-sovereign guarantees	World Bank Multilateral Investment Guarantee Agency (MIGA), European Investment Fund guarantee schemes
Financial Policy Tools	Redressing underpricing and lack of transparency of climate risks	Gathering climate-related financial data, climate-related risk disclosures, taxonomy of green assets, climate-related stress tests, macroprudential tools	Bank of England Supervisory Statement on Climate Change, France Article 173 of Energy Transition Law, Banco Central do Brasil, China mandatory disclosures
	Reducing short-term bias and improving governance frameworks of financial institutions	Prudential reforms, corporate governance reforms	Promotion of ESG criteria
	Supporting the development of green financial securities	Standardized taxonomy of green assets, low-carbon indices, platforms and active issuance by authorities	PBoC national-level green bond taxonomy
	Actively promoting climate finance using financial regulatory tools	Green supporting and brown penalizing factors in capital requirements, international requirements of min. amount of green assets on balance sheets, notional carbon prices	PBoC macroprudential policy framework, Banque du Liban reserve requirements
Monetary Policy Tools	Integrating climate risk analytics into collateral frameworks, central bank portfolio management, and QE	Developing own risk assessments, ensuring climate risks appropriately reflected in central bank asset portfolios	Bank of England, Bank of Japan, EIB bonds, Bangladesh Bank, DNB, Norges Bank
	Green QE and collateral frameworks	Better access to central bank funding schemes for banks that invest in low-carbon projects, central bank purchases of low-carbon bonds issued by development banks	
	Credit allocation policies	Central bank credit allocation operations, adapting monetary policy frameworks	PBoC, Res. Bank of India, Bangladesh Bank



 = Examples provided at this Inception Workshop

Source: IMF (2019)

Next steps for NBF-EAC



Jan – Mar 2020

- Outline of Strategy and Annex
- Data collection and review
- Inception workshop
- Consultations
- Zero order draft Strategy and Technical annex

Actions

- Information exchange
- Provision of national data
- Technical feedback
- Engagement with experts



May (tbd)

- Validation workshop
- Final draft of the strategy and annex

Actions

- Identify strategic areas to implement based on regional priorities
- Buy-in from EAC CC technical working group

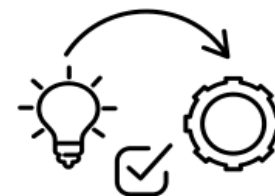


Nov (tbd)

- Incorporation of comments
- Adoption of final draft Strategy by CC country experts and endorsement

Actions

- Confirmation from EAC sectoral council
- Presentation of final draft to EAC council of ministers



Nov.-Dec. 2020

- Mobilization of support to implement the strategy
- Presentation of strategy

Actions

- Prepare outreach plans
- Presentation at COP26
- Investor Forum (Dubai Expo) in Dec.





Asante sana

(thank you very much)

Safari njema

(safe trip home)

