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Economic and Social Commission for Western Asia

Access to Climate Finance in the Arab Region

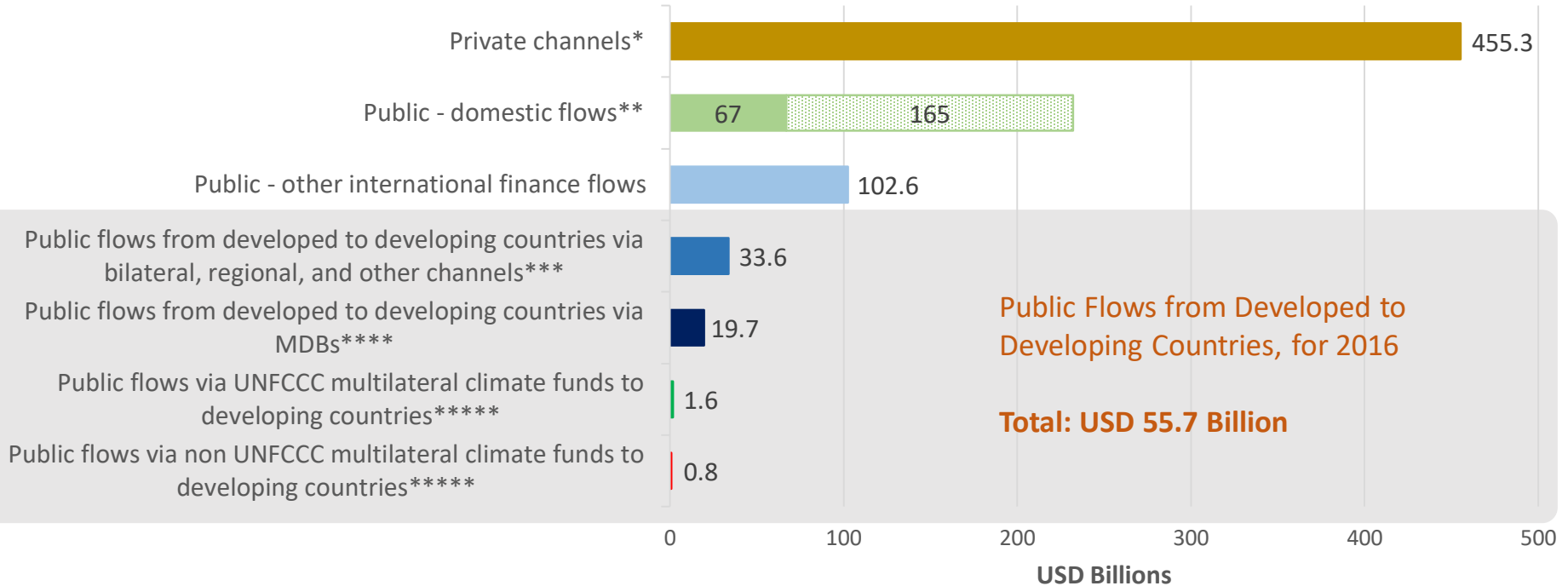
Thirteenth Regional Training Workshop on Capacity Development for
Climate Change Negotiations for the Arab Countries

Cairo, 3-5 November 2019

The UNFCCC Standing Committee on Finance Reports USD 681 Billion in Climate-Specific Finance Flows Worldwide in 2016.

This increases to USD 846 billion based on unverified estimates of domestic flows

Global Climate Finance flows reported by the UNFCCC, 2016



Notes: Data on public international flows reported by the UNFCCC includes risk capital as well as grant finance. While reporting formats are not standard, many biennial reports submitted by the parties include Official Development Assistance (ODA) as well as Other Official Flows (OOF).

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** USD 67 Billion is officially reported by the UNFCCC Standing Committee on Finance, based on a 32 country dataset. While comprehensive data is not available for all countries, the UNFCCC SCF *estimates* USD 157 billion in domestic public expenditure by developing countries and USD 75 billion by developed countries, giving a global total of USD 232 billion.

***Developed countries refers to OECD Development Assistance Committee (DAC) members, except Republic of Korea. Developing Country refers to countries that are not members of the OECD DAC. MDBs are multilateral development banks. Flows are attributed to developed countries based on their ownership share in MDBs, and only include the own resources of MDBs; funds from other sources channeled through MDBs are not counted.

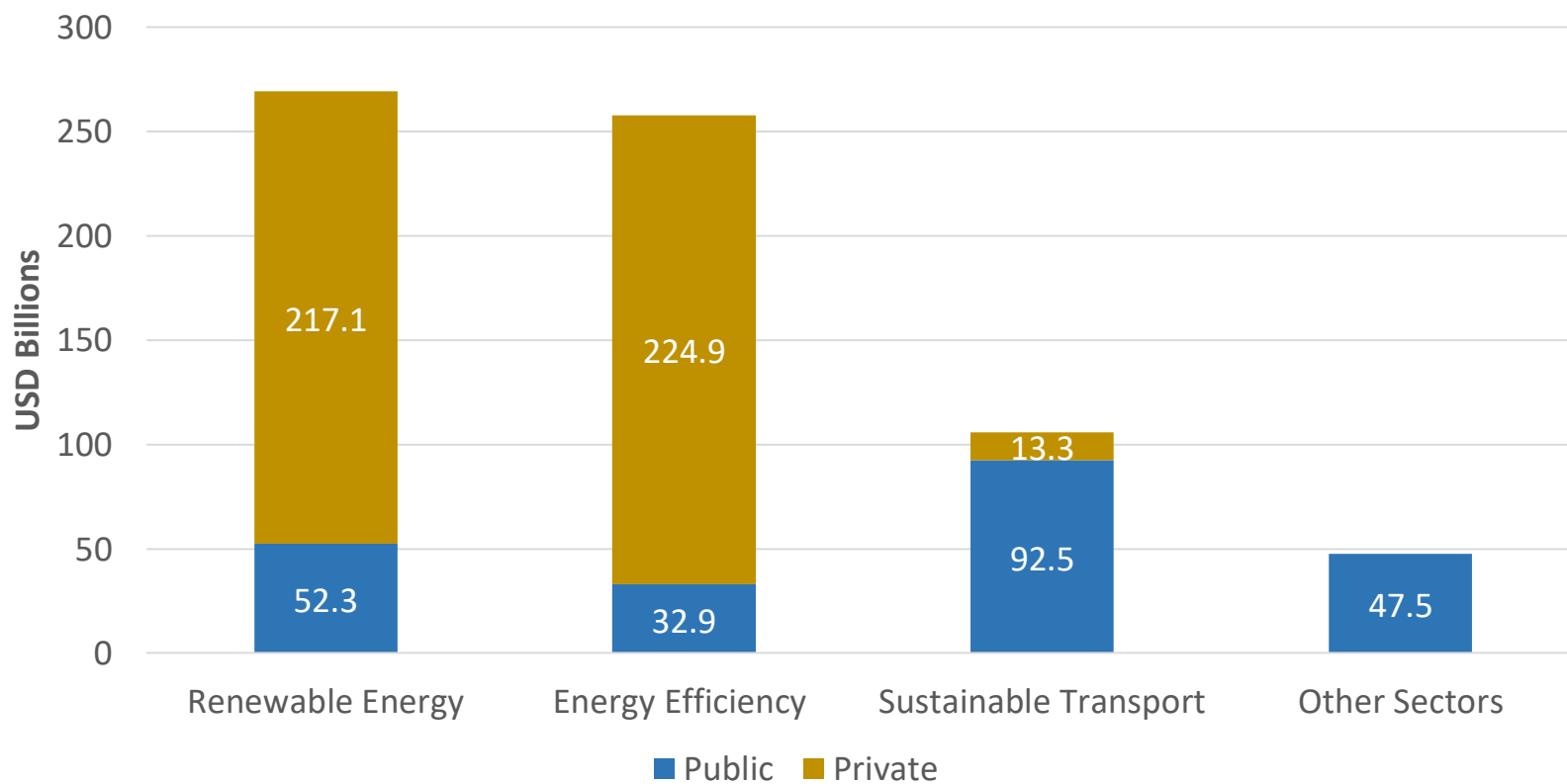
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Source: Elaborated by ESCWA based on UNFCCC Standing Committee on Finance 2018 Biennial Assessment and Overview of Climate Finance Flows Technical Report

Private participation varies by sector.

Global climate finance flows from public and private sources, by sector (2016)

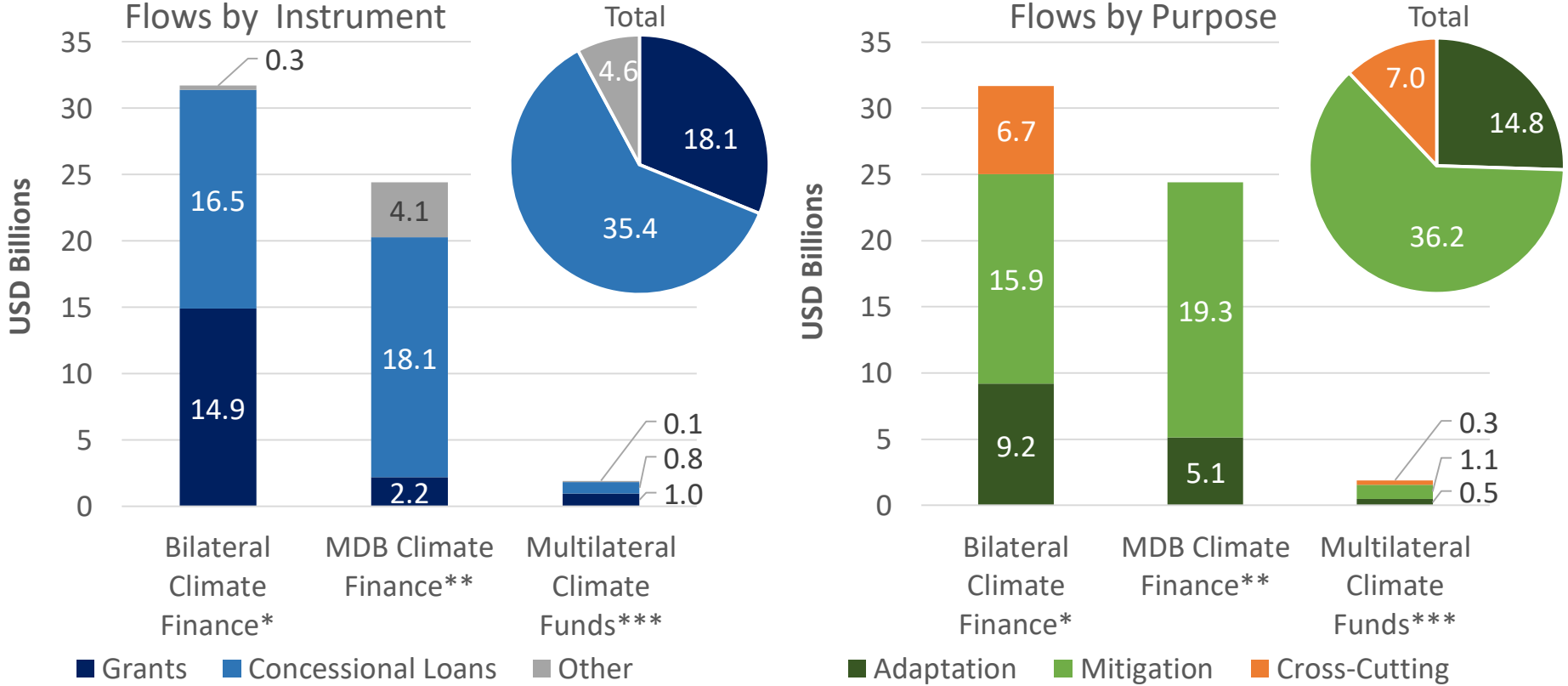


Note: UNFCCC estimated private finance for renewable energy, energy efficiency, and sustainable transport based on available data. Global data on private climate finance in other sectors was not identified by the UNFCCC.

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Globally, most grants and adaptation finance are provided bilaterally;
 Multilateral Development Banks provide mostly debt finance

Public International Flows to Developing Countries Annual Average 2015-2016

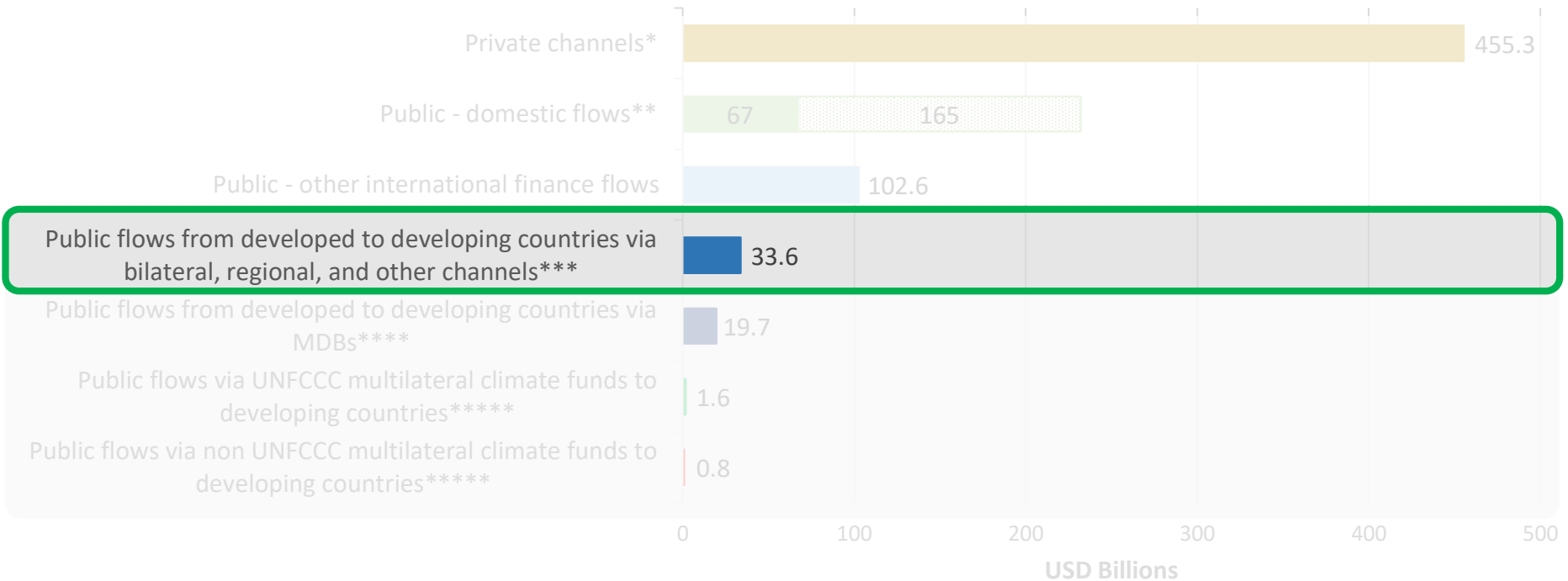


* The UNFCCC SCF 2018 reports this includes only concessional flows from Annex II countries to developing countries
 ** Data on MDB Finance includes all MDB finance flows to developing countries, not just flows attributable to developed countries. USD 19.3 of the total USD 24.4 billion in flows via MDBs are attributed to developed countries by the UNFCCC.
 ***Data on flows via multilateral climate funds includes funds that serve the UNFCCC as well as other funds (for full list, see UNFCCC SCF, 2018. Page 10).
 Source: Elaborated by ESCWA based on UNFCCC Standing Committee on Finance 2018 Biennial Assessment and Overview of Climate Finance Flows Technical Report, table 3.1

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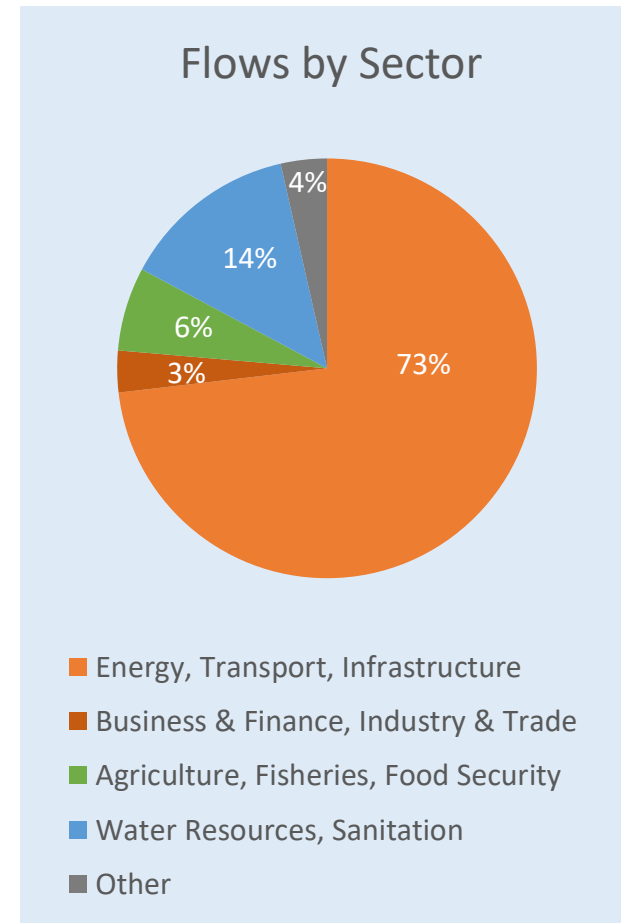
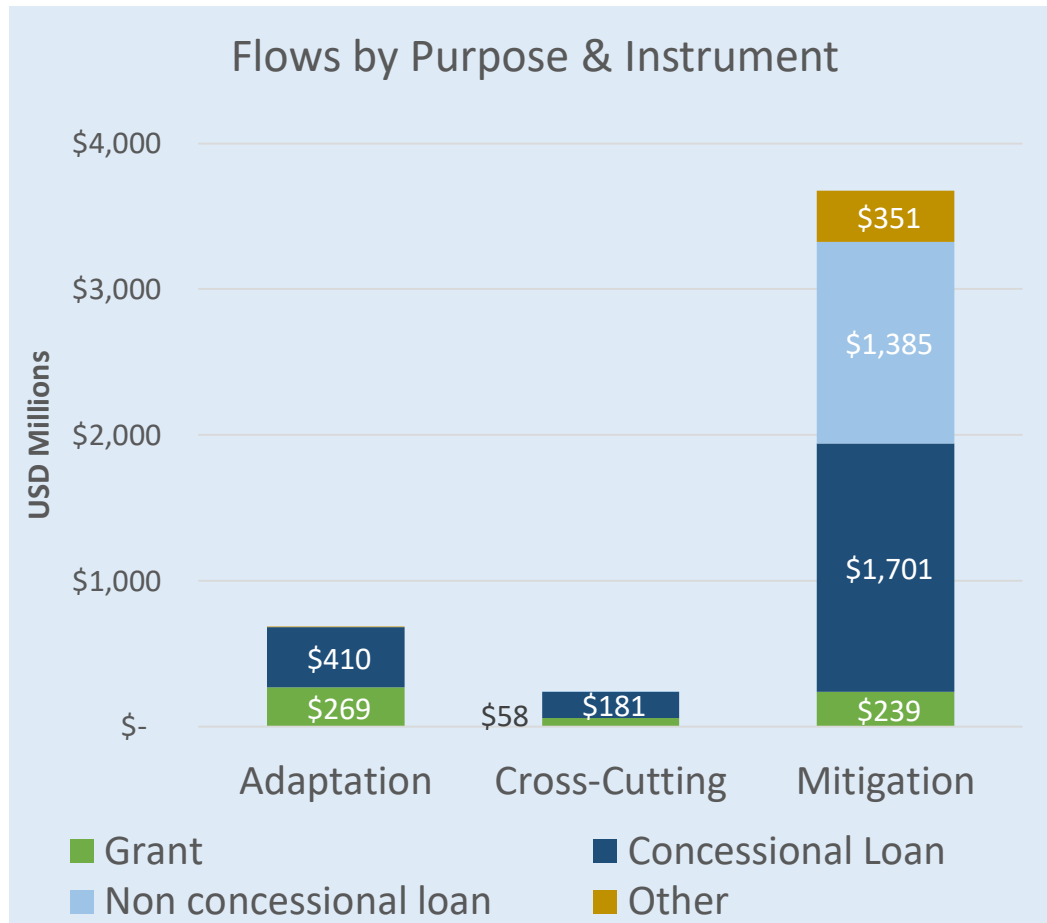
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Adaptation is the priority in the Arab Region, but the quality & quantity of flows does not meet the need.

Bilateral, Regional, & Other Flows* to Arab States & MENA region reported by developed countries to UNFCCC, 2016 (most recent reporting year)

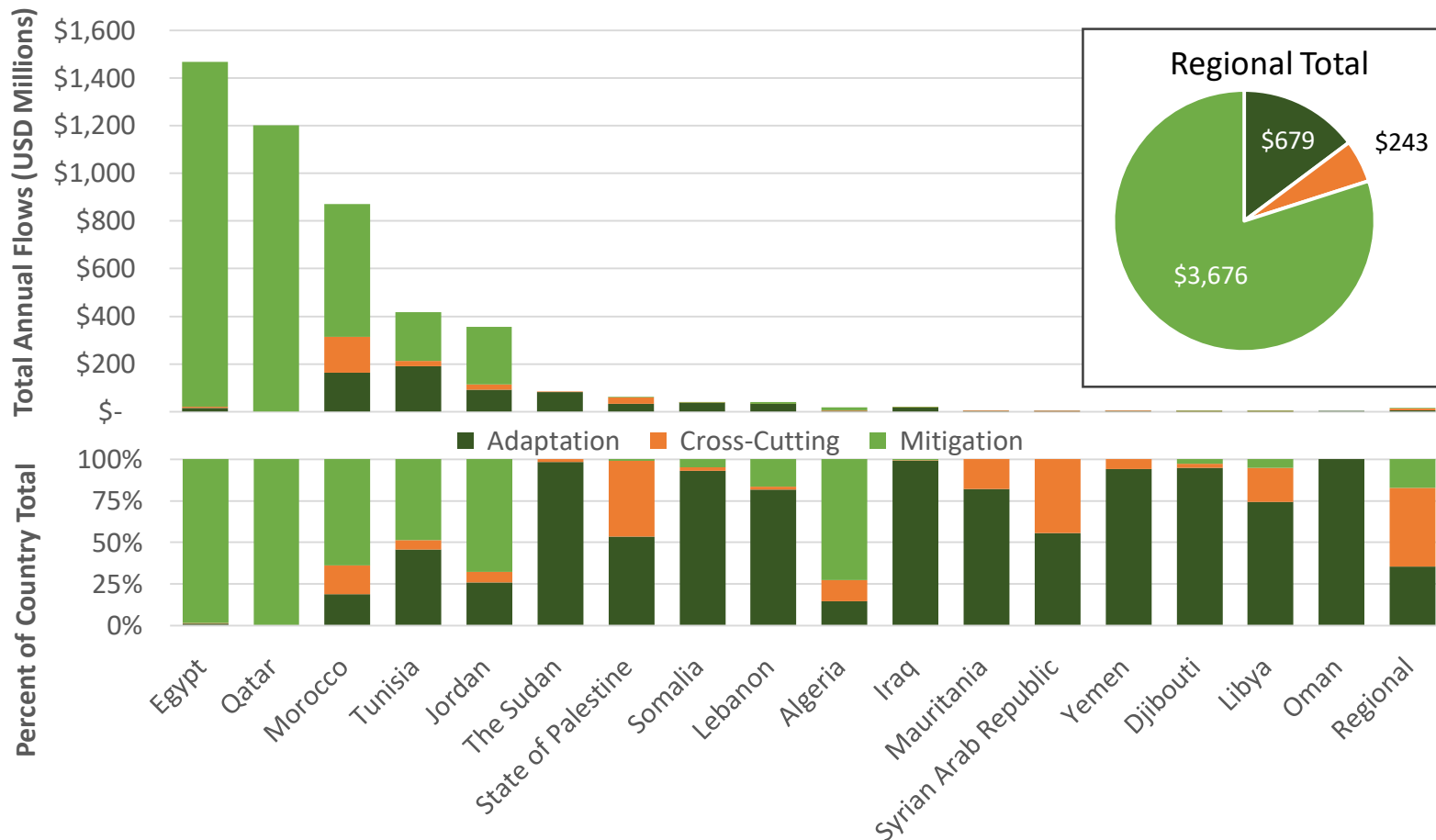


* Note: Includes flows from a single source state to one or more recipient states. Excludes flows via multilateral funds and via multilateral development banks.

Source: Elaborated by ESCWA based on data downloaded from the UNFCCC Biennial Reports Data Interface

Mitigation accounted for the majority of flows in the region in 2016, although adaptation is more of focus in some countries

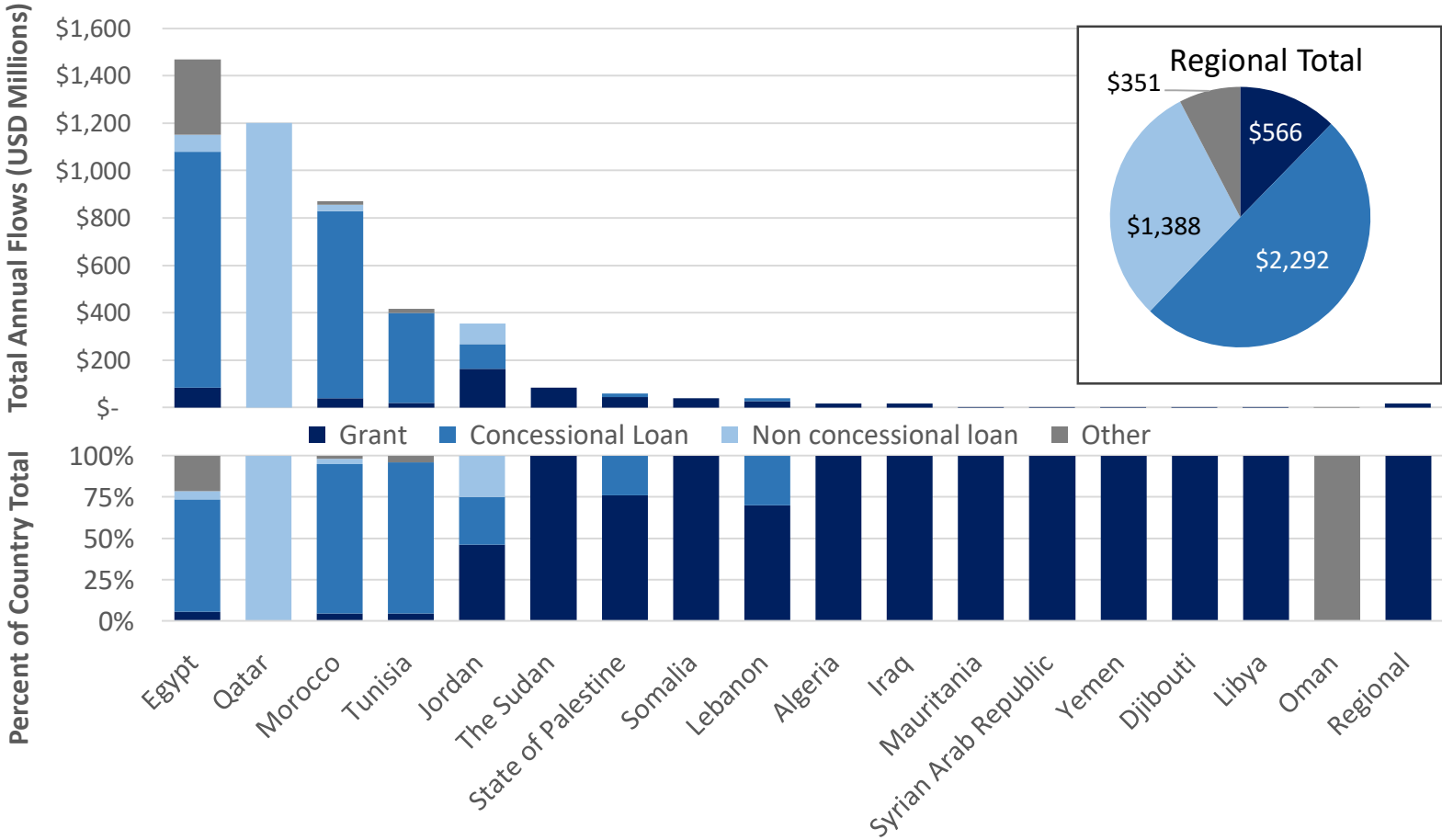
Public Finance Support from Developed to Arab States through Bilateral, Regional and Other Channels, 2016: Purpose of Finance



Data presented in this chart corresponds to public international flows from Annex II parties to the UNFCCC to Arab States, through bilateral, regional, and other channels, based on data reported by Annex II states to the UNFCCC in their third biennial reports. While reporting formats are not standard, many biennial reports submitted by the parties include Official Development Assistance (ODA) as well as Other Official Flows (OOF). Regional flows are not reported to a specific state or are reported to multiple states. This chart does not include domestic public flows, multilateral flows, or private flows. Of the 33.6 billion in flows reported by the UNFCCC from developed to developing countries through bilateral, regional, and other channels in 2016, a total of USD 31.3 billion are included in the dataset presented above. United States was not available and is not included. Data from the United Kingdom is based on the official PDF submission of the 3rd Biennial Report.
 Source: Elaborated by ESCWA based on data downloaded from the UNFCCC Biennial Reports Data Interface

Grants accounted for just 12% of public international climate finance flowing to the region through bilateral, regional, and other channels in 2016

Public Finance Support from Developed to Arab States through Bilateral, Regional and Other Channels, 2016: Type of Finance

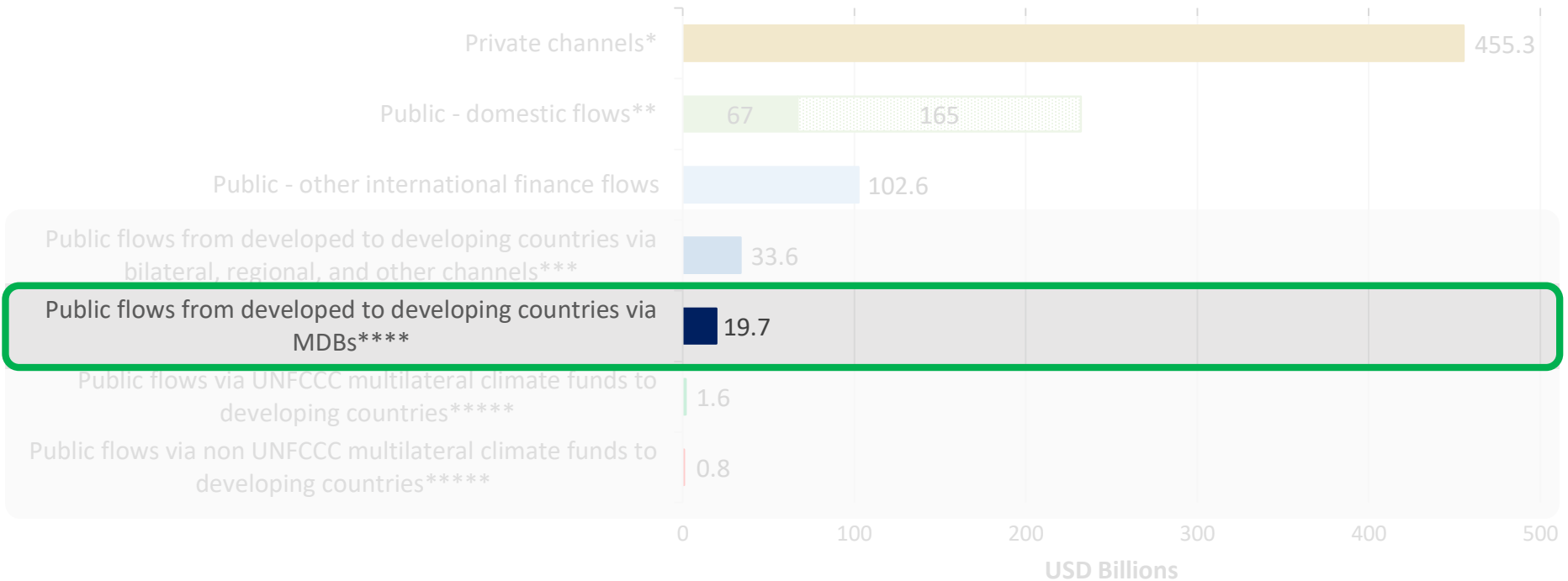


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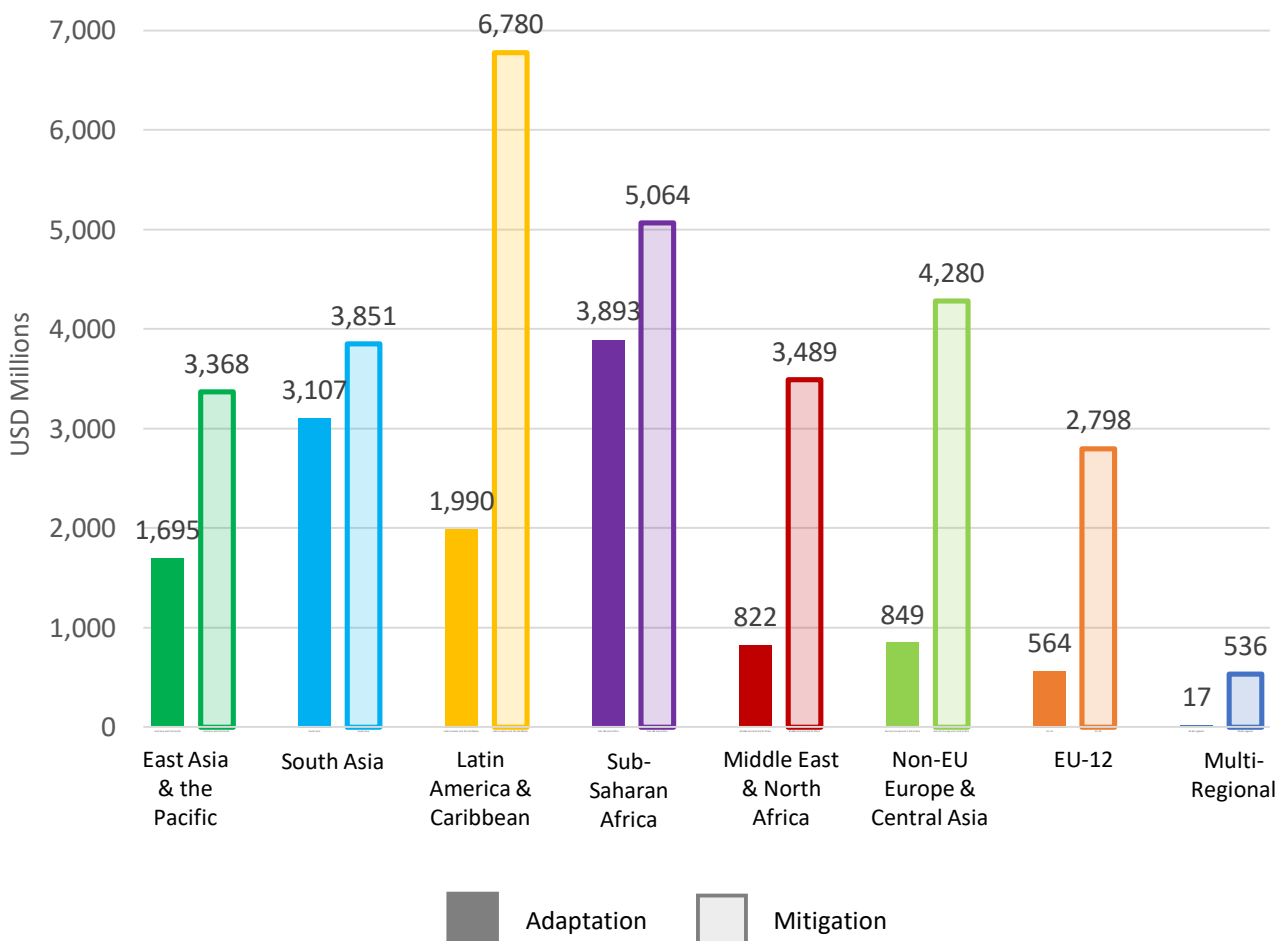
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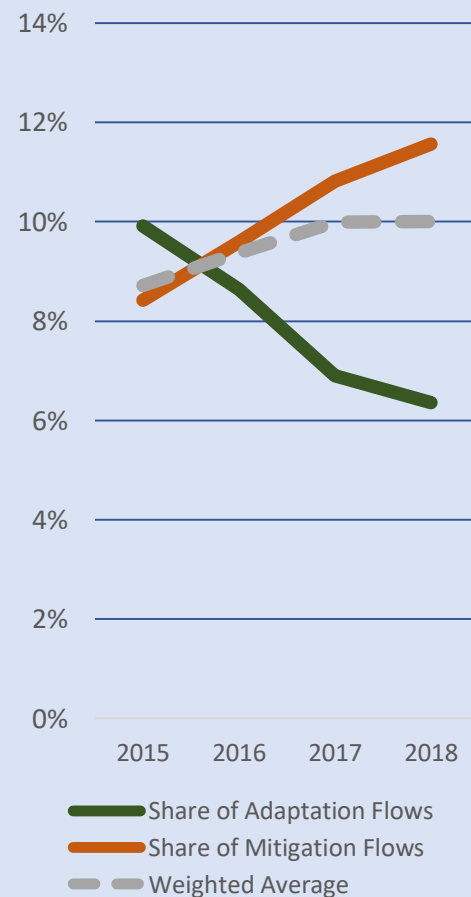
MDBs provide the MENA region >4 times more mitigation finance than adaptation

Since the Paris Agreement, the share of MDB adaptation finance flowing to the MENA region has decreased

MDB Adaptation and Mitigation Finance by Region (2018)

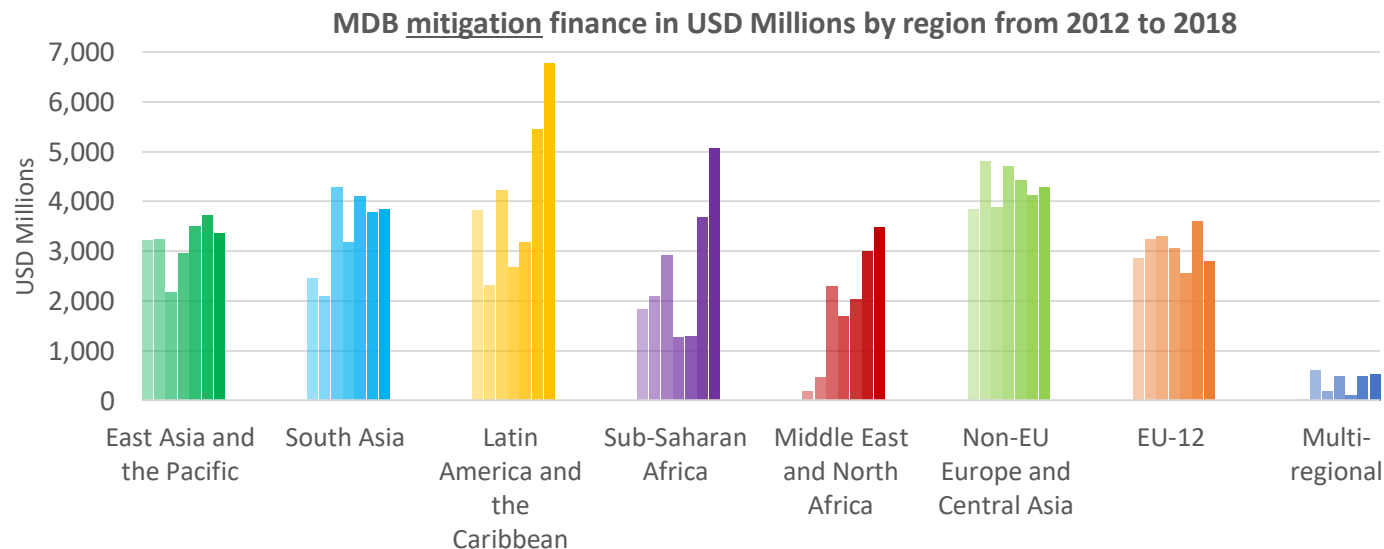
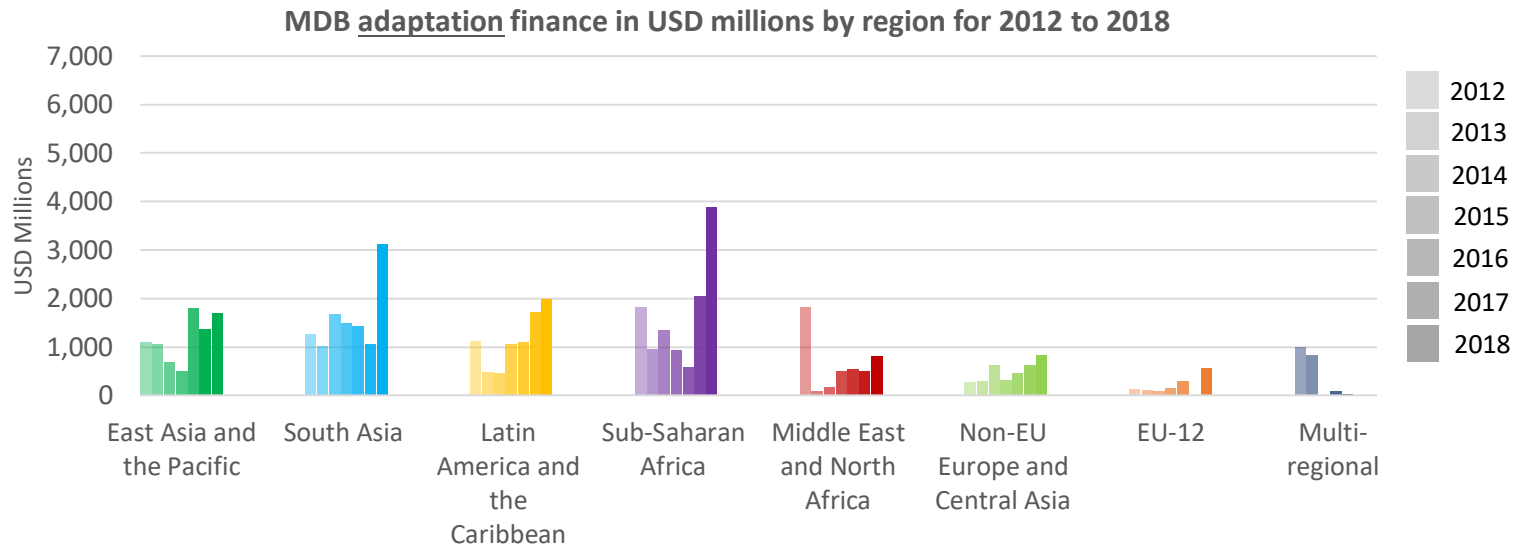


MDB Climate Finance Flows: share to MENA



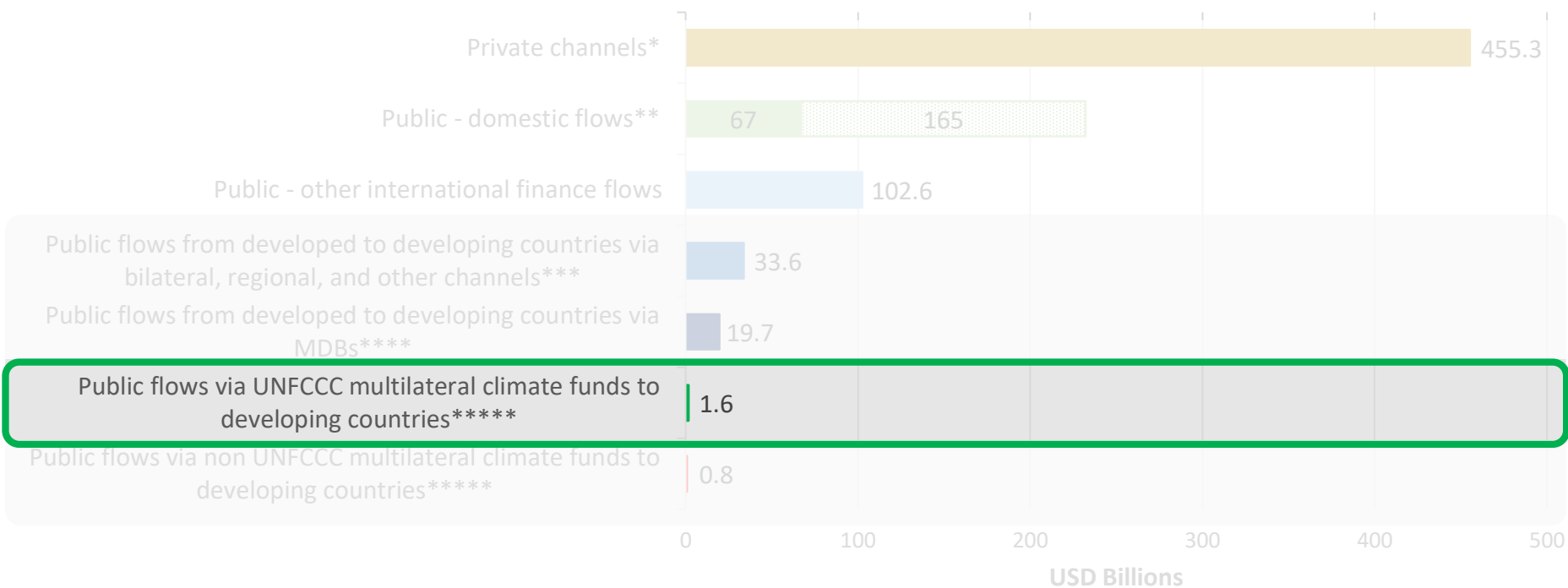
MDB Climate Finance: Adaptation and Mitigation Flows by Region

Mitigation Finance Flows to the MENA Region are Increasing More Than Adaptation Finance Flows



Four Arab States have received Dedicated Financing from the GCF, the flagship UNFCCC Multilateral Climate Fund

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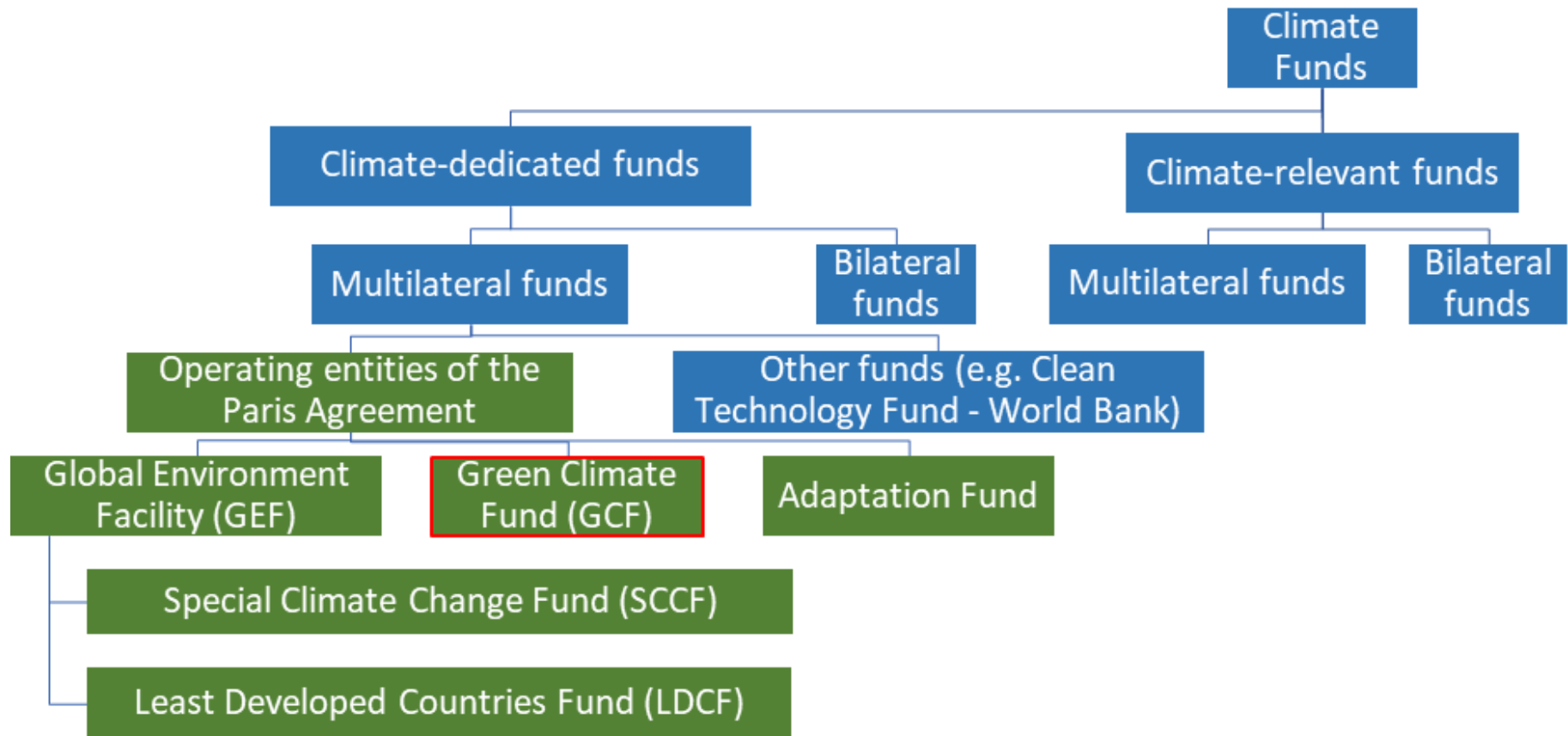
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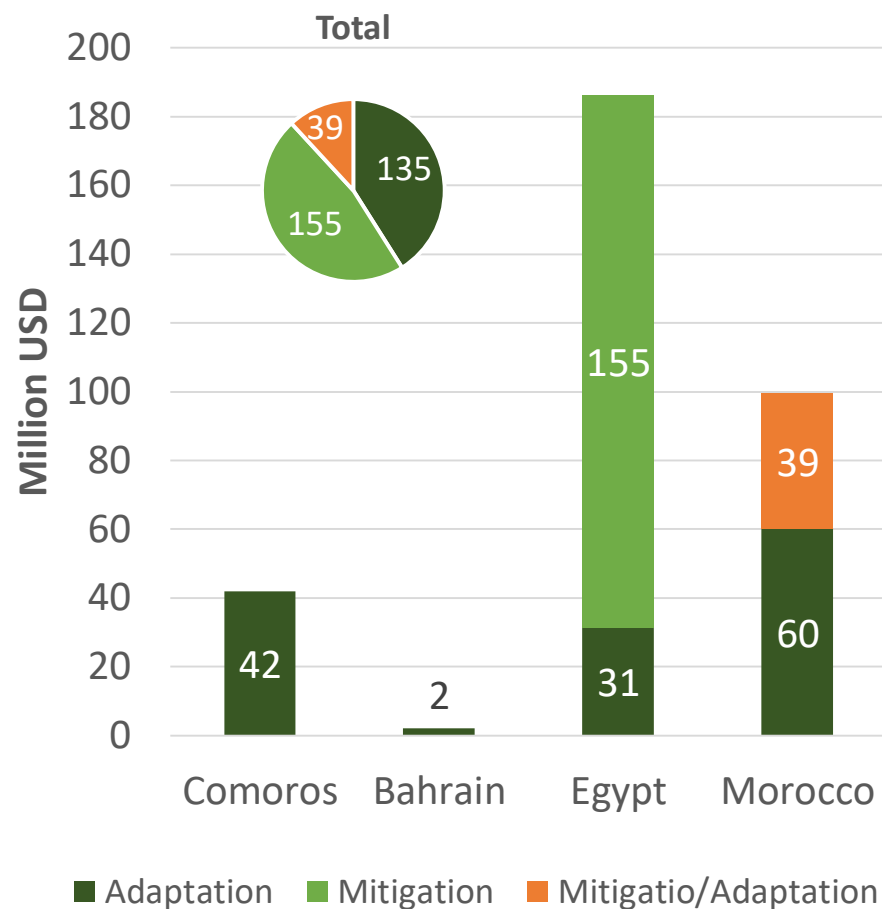
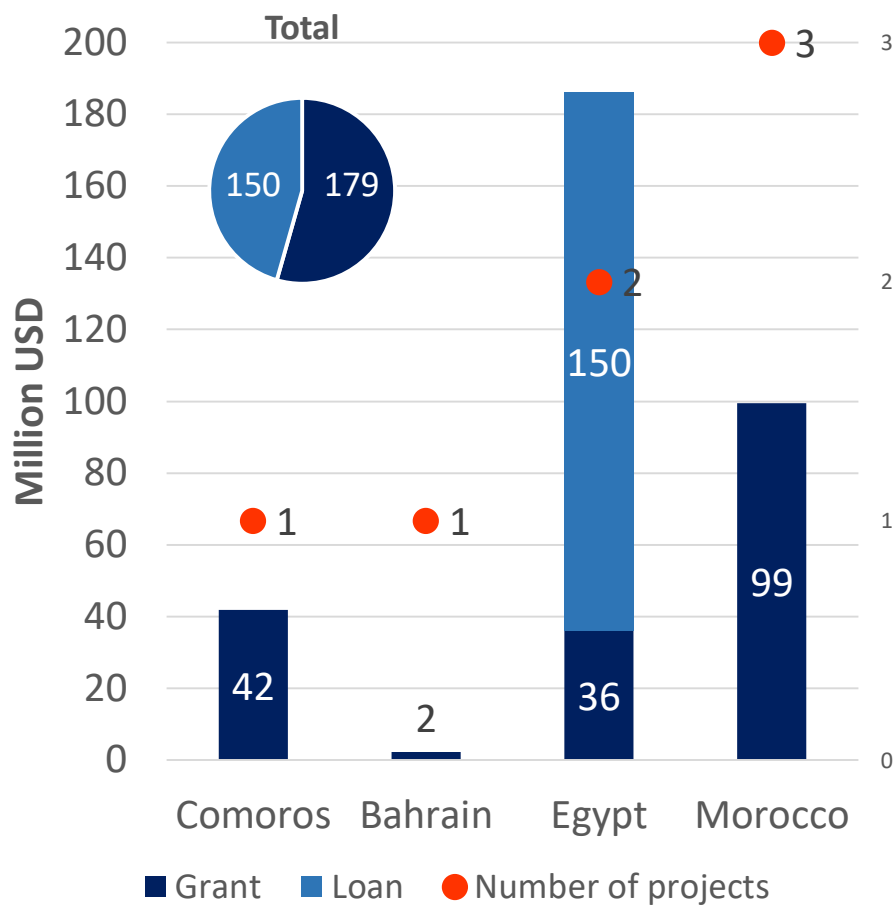
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Overview of Climate Funds



GCF Financing to Arab countries, 2016-Present



Note: Some Arab States have also received funding through five multiple country projects. These include: Djibouti, Egypt and Tunisia (part of two projects), Jordan and Morocco (part of three projects)

Historically, the Clean Technology Fund is a key source of climate finance in the Arab Region, however it focuses on large projects. Other funds are better suited to smaller projects.

UNFCCC financial mechanisms are a key source of funding

Climate Fund Financing in the Middle East and North Africa 2003 - 2018

Fund	Amount Approved (USD millions)	Projects Approved	Average per Project
Clean Technology Fund (World Bank)	864.8	10	86.5
Green Climate Fund	287.8	6	48.0
Global Environment Facility	108.6	47	2.3
Adaptation Fund	48.7	10	4.9
Special Climate Change Fund	43.6	8	5.5
Least Developed Countries Fund	35.1	8	4.4
Adaptation for Smallholder Agriculture Program	23.0	4	5.8
Global Energy Efficiency and Renewable Energy Fund	16.6	1	16.6
Partnerships for Market Readiness	11.0	6	1.8
MDG Achievement Fund	7.6	2	3.8
Global Climate Change Alliance	3.4	1	3.4

Source: Watson & Schalatek 2019

Thank you

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