

Arab Region

Climate Finance Mobilization and Access Strategy



Data availability for existing climate finance flows

International public climate finance

Bilateral agencies

MDBs

Climate funds

International private climate finance

Renewable energy projects



Government expenditure

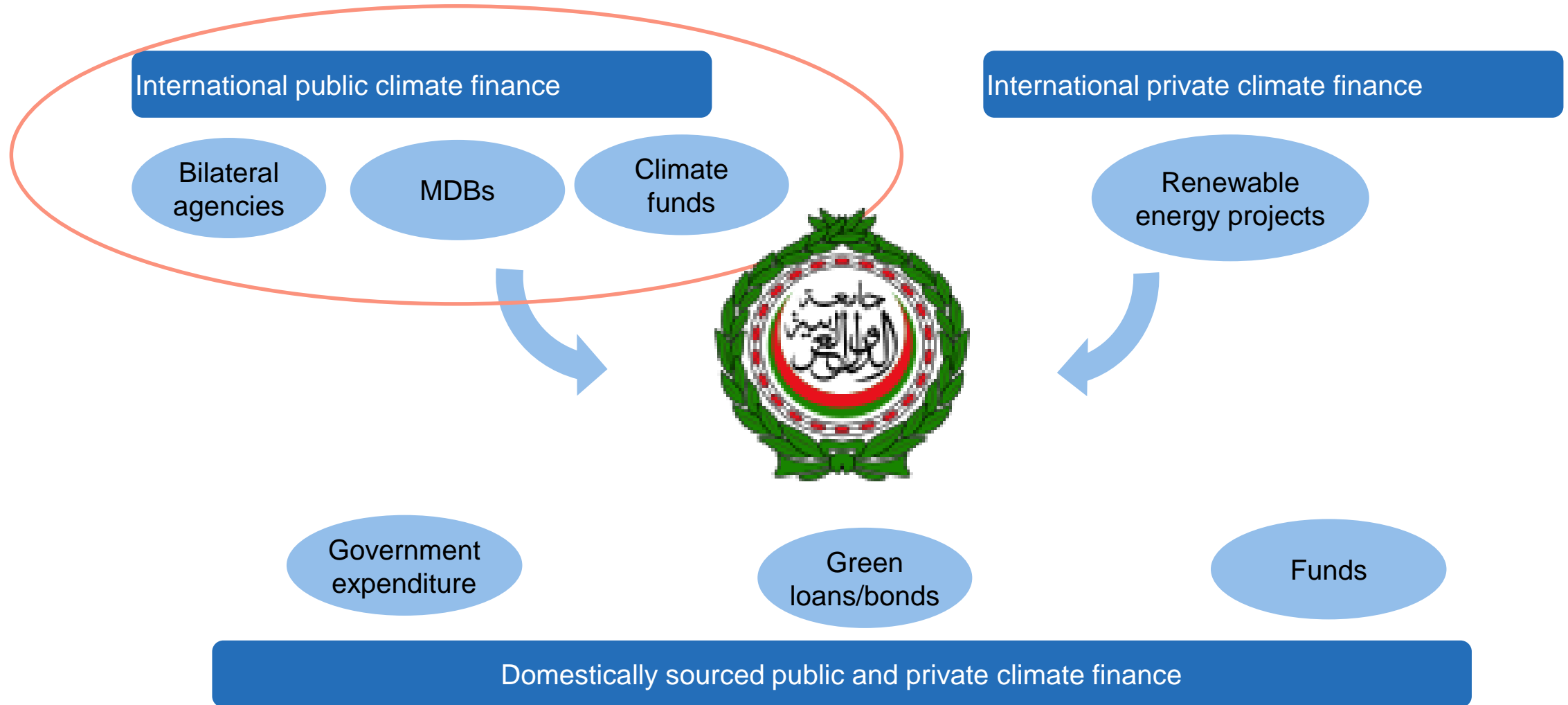
Green loans/bonds

Funds

Domestically sourced public and private climate finance

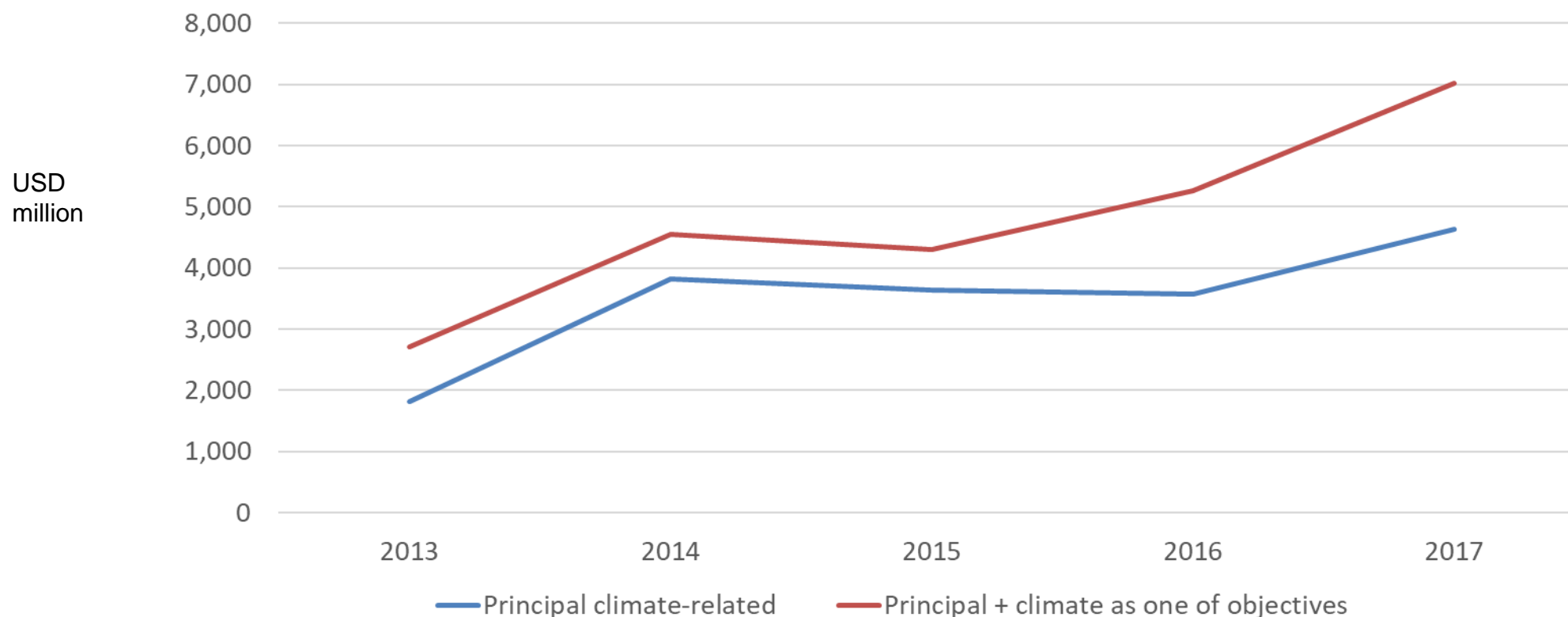


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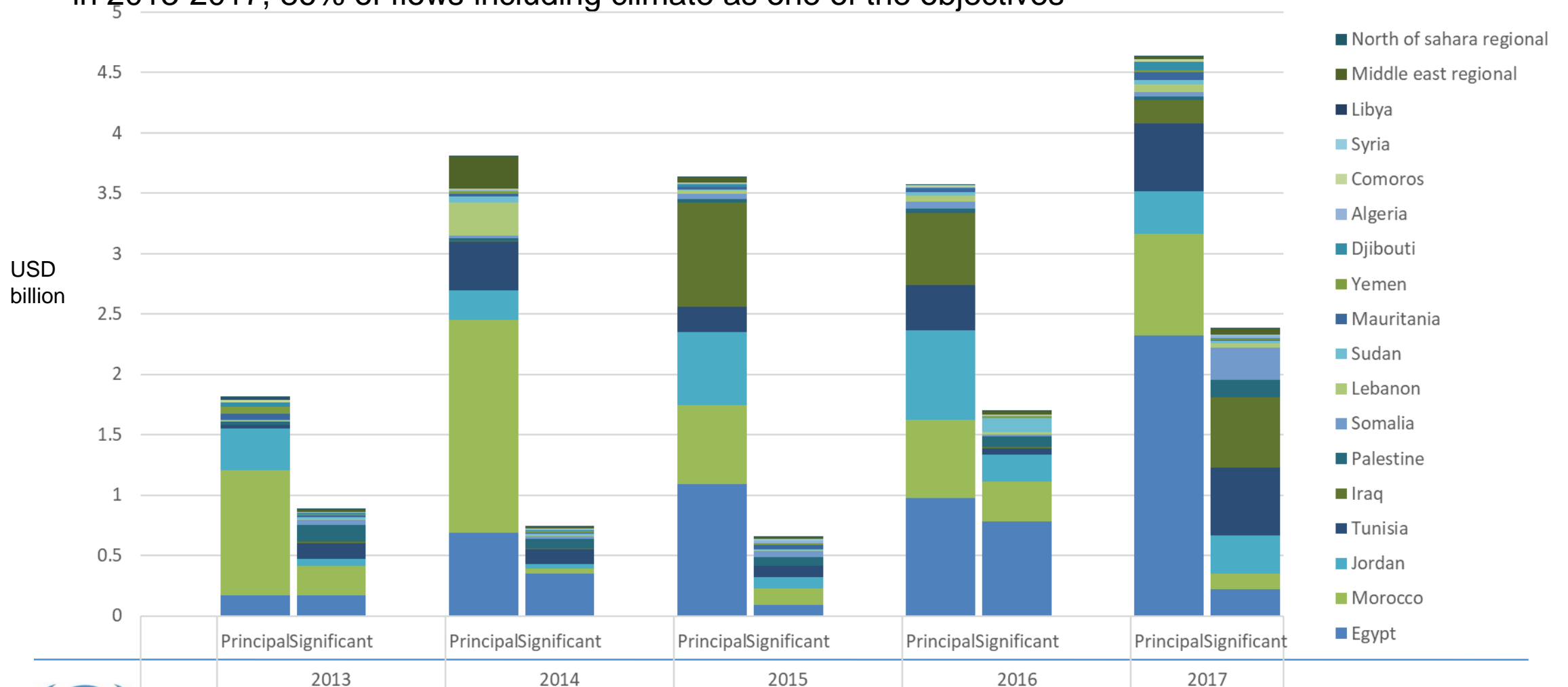
International public climate finance flows – overview trend

- International climate public finance averages USD 3.5 billion a year to 16 of the 22 member countries
- 30% increase in 2017
- When you include finance for development projects with climate as one of the objectives, financing averages USD 4.7 billion a year.



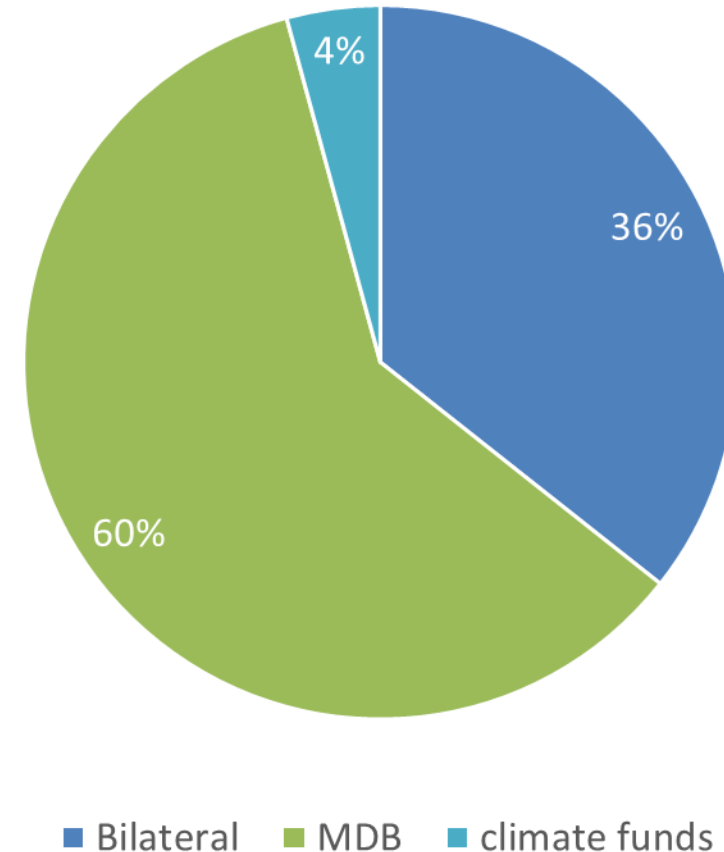
International public climate finance flows – country recipients

- Egypt, Morocco, Jordan, Tunisia and Iraq have received 90% of international climate public finance in 2013-2017, 86% of flows including climate as one of the objectives



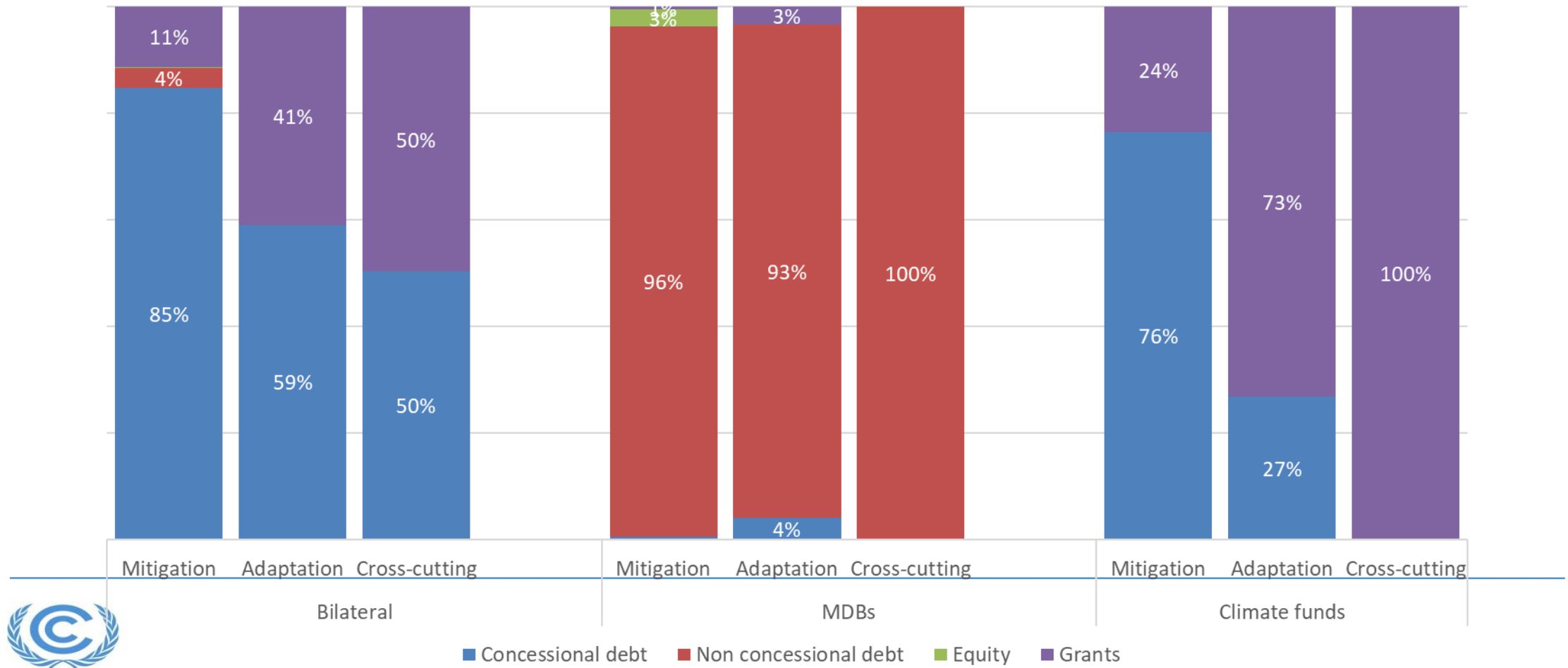
International public climate finance – channels

- 36% derives from bilateral sources with France as significant donor
- 60% derives from multilateral development banks such as the World Bank and EBRD
- Climate funds flows have been most targeted at Morocco, Egypt, Sudan and Yemen



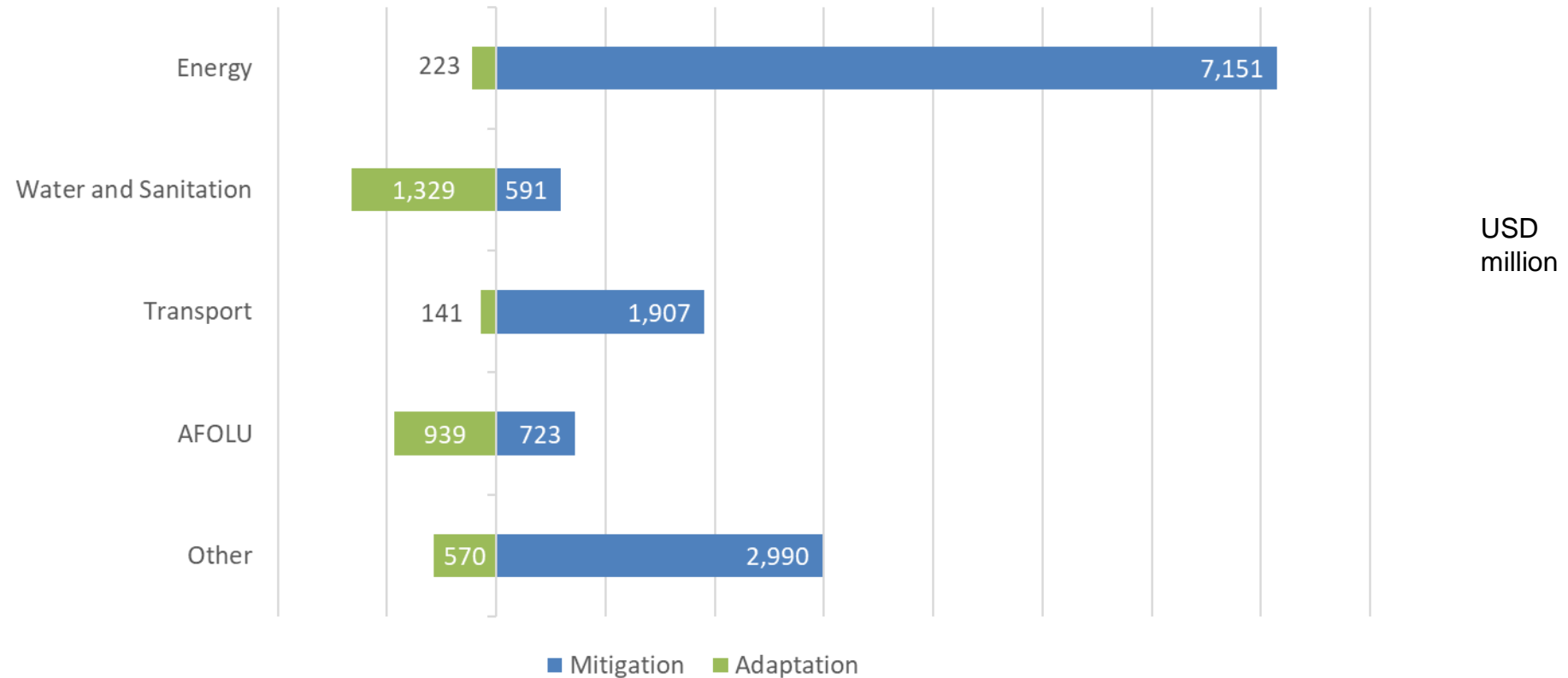
International public climate finance flows – instruments by theme

- Bilateral flows favour use of concessional debt, with more grants allocated to adaptation projects proportionally
- MDBs focus financing on non-concessional debt
- Climate funds are a significant source of grant funding and concessional debt



International public climate finance - sectors

- Energy and Transport projects capture the most finance flows in mitigation projects
- Water and sanitation and agriculture, forestry and land use (AFOLU) capture the most in adaptation projects.



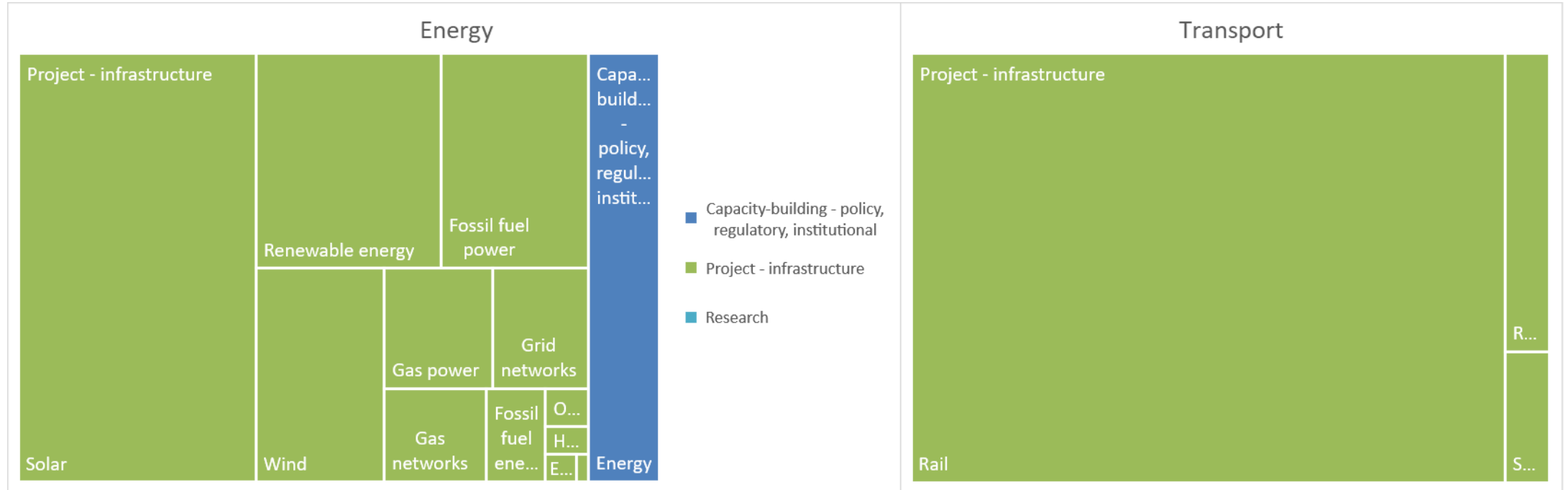
International public climate finance – type of activities

- 71% of the activity is focused on projects on infrastructure or production
- 13% is focused on capacity building
- The remaining is on delivering services such as in health, education and social sectors or is unspecified



International public climate finance – mitigation sector activities

- In energy sector, 11% of flows went to capacity building activities.
- Renewable energy received 62% of energy infrastructure flows with solar power projects receiving the most (37%). Fossil fuel projects received 22%.
- In transport sector, all of the flows went to infrastructure projects.
- Rail infrastructure and transit systems received 93% of flows, followed by roads (5%) and shipping (2%)



International public climate finance – adaptation sector activities

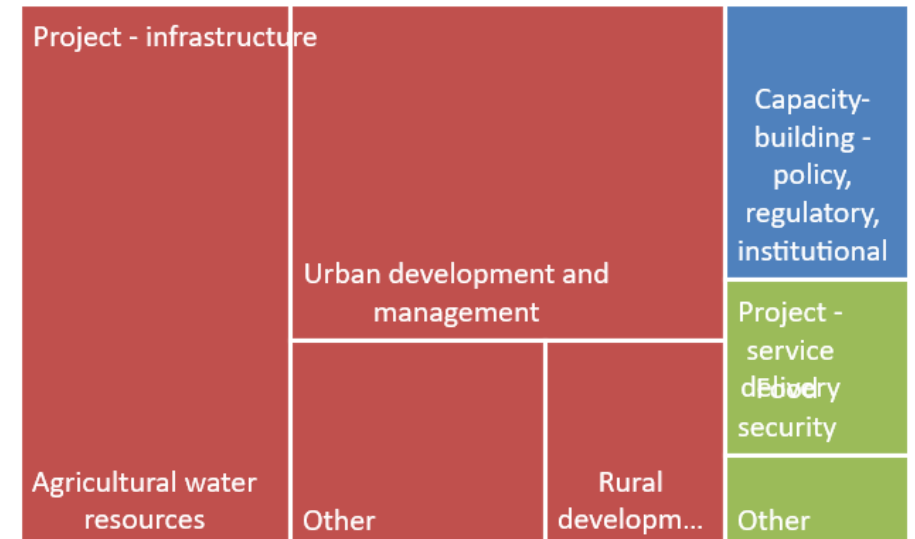
- 19% of flows for water and sanitation went to capacity building
- 73% went to infrastructure for water supply and sanitation
- 9% went to waste management, water conservation and river basins development
- 79% of flows for agriculture and land use went to infrastructure with water resources and urban development receiving the most flows
- 11% went to food crop production and 10% to capacity building activities

Water and sanitation



- Capacity-building - policy, regulatory, institutional
- Project - infrastructure
- Project - service delivery

Agriculture and Land Use



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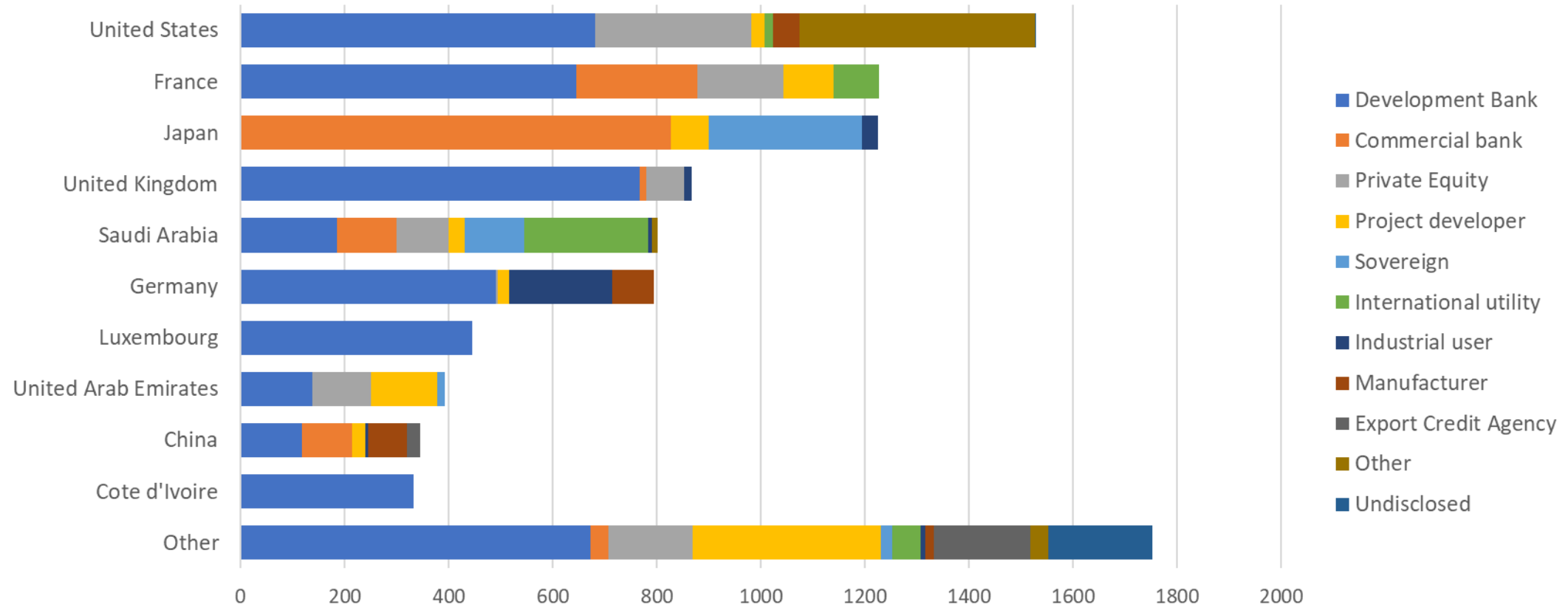
Funds

Domestically sourced public and private climate finance



Renewable energy international private finance

- Disclosed cross border investments USD 9.7 billion over the period 2013-2017
- International private sources are dominated by commercial banks from Japan, private equity funds from US



Source: BNEF Climatescope



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MENA green bond market at nascent stage

- March 2017 : National Bank of Abu Dhabi USD587m bond for renewable energy, energy efficiency, green transport and wastewater treatment.
- April 2018: Lebanese Fransabank SAL USD60m private placement to IFC and EBRD to raise funds for lending on renewable energy, energy efficiency and green buildings.
- May 2019: Majid Al Futtaim Properties USD 600m on green buildings, renewable energy and water management
- October 2019 Green loan – USD 2.7 bn project finance credit facility for Noor Energy 1 – CSP plant in Dubai, collaboration between ACWA Power, Silk Road Fund (China) and Dubai Electricity and Water Authority.
 - Consortium of banks including Bank of China, Industrial and Commercial Bank of China, Agricultural Bank of China, and also Standard Chartered, Natixis and Union National Bank

Source: Climate Bonds Initiative



Members

Algeria

Bahrain

Comoros

Djibouti

Egypt

Iraq

Jordan

Kuwait,

Lebanon

Libya

Mauritania

Morocco

Oman

Qatar

Saudi Arabia

Somalia

Sudan

Syrian Arab Republic

Tunisia

UAE

Palestine

Yemen



Mitigation and adaptation split

- For international climate public finance flows, 76% went to mitigation projects over the time period
- Adaptation finance flows were consistently 17-20% over the period.
- Flows to projects with climate as one of the objectives were balanced between mitigation and adaptation at 40% each

