

Translating Needs into Action

UPDATE ON THE NEEDS-BASED CLIMATE FINANCE PROJECT



United Nations
Framework Convention on
Climate Change

Abbreviations and acronyms

AF	Adaptation Fund
AFDB	African Development Bank
AFOLU	agriculture, forestry and other land use
ASEAN	Association of Southeast Asian Nations
CAREC	Regional Environmental Centre for Central Asia
CASC	Central Asia and South Caucasus
COP	Conference of the Parties
EAC	East African Community
ECOWAS	Economic Community of West African States
EV	electric vehicle
FAO	Food and Agriculture Organization of the United Nations
GCF	Green Climate Fund
GDP	gross domestic product
GEF	Global Environment Facility
GGGI	Global Green Growth Institute
GHG	greenhouse gas
ISIO	Island States in the Indian Ocean
LDC	least developed country
MDB	multilateral development bank
NBF	needs-based climate finance
NDC	nationally determined contribution
OECS	Organisation of Eastern Caribbean States
SMEs	small- and medium-sized enterprises
UNCCD	United Nations Convention to Combat Desertification
UNDP	United Nations Development Programme
UNESCAP	United Nations Economic and Social Commission for Asia and the Pacific
UNESCWA	United Nations Economic and Social Commission for Western Asia
UNFCCC	United Nations Framework Convention on Climate Change
USAID	United States Agency for International Development
WAACMCF	West African Alliance on Carbon Markets and Climate Finance



Background

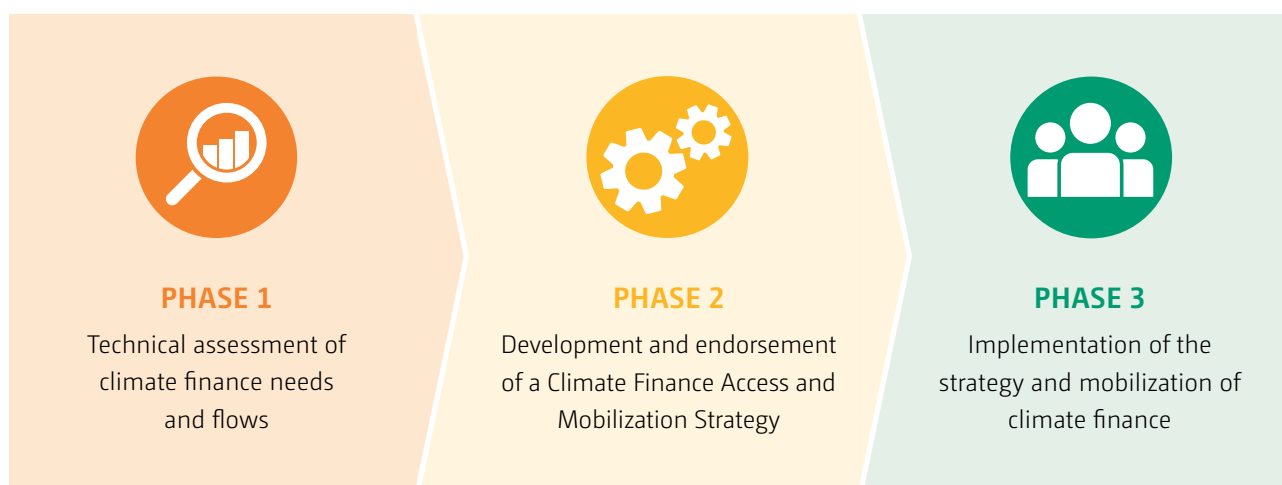
In 2017, and later reiterated in 2021 and 2022, the COP requested the United Nations Climate Change secretariat to explore ways and means to assist developing country Parties in assessing their climate finance needs and priorities in a country-driven manner with the aim of translating these needs into actionable steps, as per the decisions of the COP on long-term climate finance.¹

In accordance with these COP mandates, the United Nations Climate Change secretariat launched the NBF project in 2017. This ongoing project is aimed at fostering collaboration with regional and national partners to facilitate access to and mobilization of climate finance. It also focuses on facilitating implementing priority mitigation and adaptation measures and actions identified by developing countries in line with their NDCs, national adaptation plans and other relevant policies.

This 2023 update on the NBF project provides an overview of progress since mid-2022. The NBF project supports countries as groups, currently comprising eight regions (see [table 1](#)), through a three-phased approach (see [figure 1](#)).

Currently, most regional activities have reached the third phase of the NBF project cycle following the successful completion of phases one and two, which involved the technical assessment of regional climate finance needs, flows, sources and barriers, followed by the country-driven formulation of regional Climate Finance Access and Mobilization Strategies to address regional needs, some of which have been endorsed at the highest regional commission, community or political level.²

Figure 1
Phases of the NBF project cycle



In the third phase of the NBF project cycle, support is provided to implement these strategies, which includes holding climate finance training workshops to build capacity to access funding from the AF, GCF and GEF, developing climate finance guidebooks, and supporting the development of project/programme proposals and readiness proposals.

The NBF project is made possible by the kind support provided by the European Union, the Republic of Korea, the Russian Federation, Spain and the Climate and Development Knowledge Network.

1 Decision 6/CP.23, para. 10; decision 4/CP.26, para. 22; and decision 13/CP.27, para. 11.

2 Examples include those endorsed by EAC, ECOWAS and OECS.

Table 1

NBF regional activities, participating countries and regional partners

Regional activities	Participating countries	Regional partners	Pages
Arab States	Algeria, Bahrain, Comoros, Djibouti, Egypt, Iraq, Jordan, Kuwait, Lebanon, Libya, Mauritania, Morocco, Oman, Qatar, Saudi Arabia, Somalia, State of Palestine, Sudan, Syrian Arab Republic, Tunisia, United Arab Emirates and Yemen	League of Arab States, UNESCWA	6
East Africa	Burundi, Democratic Republic of the Congo, Kenya, Rwanda, South Sudan, Uganda and United Republic of Tanzania	EAC	8
Eastern Caribbean States	Antigua and Barbuda, Dominica, Grenada, Saint Kitts and Nevis, Saint Lucia and Saint Vincent and the Grenadines	OECS	11
Island States in the Indian Ocean	Comoros, Madagascar, Maldives, Mauritius, Seychelles and Sri Lanka	Maldives	13
Least developed countries in Asia	Bangladesh, Bhutan, Cambodia, Lao People's Democratic Republic, Nepal and Timor-Leste	Bhutan, UNESCAP	15
South-East Asia	Brunei Darussalam, Cambodia, Indonesia, Lao, Malaysia, Philippines, Singapore, Thailand and Viet Nam	ASEAN secretariat	18
West Africa	Benin, Burkina Faso, Cabo Verde, Côte d'Ivoire, Gambia, Ghana, Guinea, Guinea-Bissau, Liberia, Mali, Niger, Nigeria, Senegal, Sierra Leone and Togo	ECOWAS, WAACMCF	20
Central Asia and South Caucasus	Armenia, Azerbaijan, Georgia, Kazakhstan, Kyrgyzstan, Mongolia, Tajikistan, Turkmenistan and Uzbekistan	Tajikistan, CAREC	24

Building capacity through hands-on project development

What has set the NBF project apart recently is its unique focus on providing climate finance training workshops tailored to groups of countries and conducted in collaboration with all UNFCCC climate funds, including the AF, GCF and GEF. These interactive workshops were aimed at generating project concepts and ideas and training regional experts in applying a logical project ideation process.

Participants learned how to construct a theory of change, develop a climate rationale and address the social, environmental, governance and financial aspects of the ideas that they have determined can address their common regional needs in implementing their regional climate finance strategies. Using a hands-on approach, attendees received feedback, clarification and advice from climate funds, MDBs and financial entities at the same time.

Five components of the multi-fund project/ programme ideation process outlined during the climate finance training workshops

1. **Establishing a climate rationale:** Demonstrate that without the project, GHG emissions or climate risks would rise, and why a regional approach is optimal for mitigation.
2. **Crafting a theory of change:** Articulate why the project is essential, identify beneficiaries and outline direct and indirect impacts, as well as planned actions.
3. **Addressing gender, social and environmental risks:** Design projects to be inclusive of all stakeholder groups and environmental considerations and create an engagement plan.
4. **Identifying financial sources and instruments:** Choose from loans, grants, equity and other financial tools on the basis of the project’s activities, outcomes and risks. This also helps in selecting the most suitable funds/funders and programmes.
5. **Evaluating project viability:** Demonstrate the project’s cost-effectiveness, policy alignment and sustainability using the fund/funder’s criteria.

Eight regional training workshops have been conducted to support the following regional activities: the ISIO in Bandos, Maldives; the LDCs in Asia in Bangkok, Thailand; the Arab States in Tunis, Tunisia; South-East Asia in Manila, Philippines; the Eastern Caribbean States in St. George’s, Grenada; the EAC in Arusha, United Republic of Tanzania; the West African States in Bonn, Germany, and the CASC countries in Dushanbe, Tajikistan. These workshops were also attended by other financial institutions and entities such as AFDB, FAO, GGGI, UNDP and USAID. They provided valuable insights into project development, structuring and submission, as required by each fund or institution, as well as offering hands-on experience in designing project ideas.

The output of the workshops was a set of initial project/ programme concepts that will be further developed with support provided by the NBF project, culminating in project/programme submission (see [figure 2](#)).

Figure 2

Project development: from the ideation process to submission at a regional investment forum



The following sections elaborate on the project or programme concepts under development for each of the NBF regions listed in [table 1](#).

It is important to recognize that the projects outlined below are in the preliminary stages of development. As such, various aspects, including cost estimates,

policy alignment, gender and social considerations, environmental impact and sustainability, will undergo further refinement in accordance with the guidelines set out by the AF, GCF or GEF. Additionally, as the project concepts continue to evolve, some may undergo changes, be consolidated, or even be deemed unsuitable for further development.

REGIONAL PROJECT/ PROGRAMME CONCEPTS

Arab States projects

The regional NBF training workshop for the Arab States took place in Tunis, Tunisia, in September 2022 and was co-hosted by the Government of Tunisia in collaboration with the League of Arab States and UNESCWA. Forty experts from 17 countries in the Arab region benefited from the interactive sessions, which culminated in the identification of priority climate actions for the region. Three project ideas are under development.

Preliminary list of supporting organizations

AF, AFDB, FAO, GCF, GEF, GGGI, HSBC Bank, International Fund for Agricultural Development, Sahara and Sahel Observatory, UNDP and UNESCWA

1

Arab Sustainable Wastewater Management Initiative: Addressing Water Insecurity and Enhancing Water Accessibility

Project objectives: Increase water accessibility across participating countries; alleviate pressure on local water resources; strengthen the climate resilience of water supply systems; and implement effective wastewater treatment processes for agricultural use to bolster water availability, economic growth, food security and access to potable water.

Climate rationale: Approximately 70.5 million people in the Arab region are without basic sanitation facilities, and 47.5 million lack access to clean drinking water. The region is predominantly dependent on transboundary water sources, yet collaborative management of these resources is scant. With 18 out of 22 Arab States grappling with water scarcity and 44 million people affected by drought since 1990, this project aims to mitigate climate-induced water stress through the deployment of environmentally sustainable water pumping and wastewater treatment technologies.

Theory of change: The project is designed to achieve two key outcomes and two key impacts:

- Regional Coordination and Capacity-building Facility: Conduct comprehensive analyses to identify existing strategies, gaps and opportunities; address specific needs of participating countries to enhance the likelihood of adoption; and emphasize the potential for mitigating GHGs like methane and nitrous oxide through wastewater treatment;
- Investment and policy coordination: Establish two state-of-the-art wastewater treatment facilities for each participating country to manage, treat and distribute saline wastewater.

Expected impacts:

- Development and implementation of innovative tools and policy frameworks aimed at enhancing wastewater reuse within national water strategies, along with securing funding for improved wastewater management;
- The treatment of wastewater and the energy generated from it will contribute to the sustainability and resilience of livelihoods in target countries.

Financial sources and instruments: The preliminary budget for the project is set at USD 60 million. Of this, USD 3 million will be earmarked for capacity-building and knowledge management, primarily funded through grants and supplemented by in-kind co-financing. The remaining USD 57 million will be allocated for the execution of in-country projects.

“Being well-equipped with a thorough understanding of climate finance and the capacity to formulate investment-ready project proposals, in combination with having the funds and accredited entities providing live insights was a rare and precious opportunity to work on concrete projects.”

— Participant feedback during the Arab States training workshop held in Tunis, Tunisia, in September 2022.

2

Nexus-Water-Food-Energy: Integrated Climate-Resilient Agriculture and Water Solutions for the Arab Region

Project objectives: Foster synergies among projects and programmes across the water, food and energy sectors to achieve mutual benefits in adaptation and mitigation:

- Establish a coordination platform to ensure complementary actions across sectors;
- Advance sustainable food production through optimized water management and the adoption of renewable energy technologies to minimize emissions;
- Increase water conservation in agriculture via efficient irrigation practices.

Climate rationale: The Arab region, despite being a significant food importer with scarce water resources, has underinvested in agriculture. It imports 65% of its wheat and spends USD 110 billion on food annually. With only 1% of the world's freshwater to support 6% of its population, 18 out of 22 Arab States are grappling with acute water scarcity. Climate change is projected to slash agricultural output by 21% by 2080, with some areas experiencing up to a 60% decline in crop yields. Therefore, the project aims to address the pressing need for integrated management of water, food and energy resources.

Theory of change: The project comprises two main components:

Regional Arab Innovative Sustainable Agriculture Facility:

- Promote capacity-building and awareness on integrated climate risks and solutions;
- Facilitate the exchange of knowledge on sustainable agricultural practices;
- Engage the private sector to contribute to sustainable solutions.

Country-level support in:

- Agriculture: Implement climate-resilient and water-efficient crop management and production strategies;
- Water: Promote sustainable water and irrigation management practices;
- Energy: Deploy energy-efficient technologies like solar water pumps and solar panels, as well as biomass and biogas solutions, to reduce the carbon footprint of farms.

Financial sources and instruments: The project's initial budget is estimated at USD 47 million. Of this, USD 3 million will be allocated for capacity-building and knowledge management, primarily through grants and co-financing. The remaining USD 44 million will be dedicated to the implementation of in-country projects.

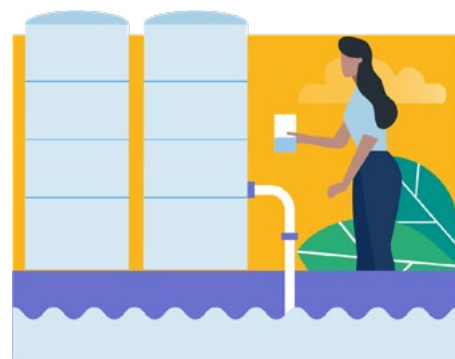
3

Building Climate Resilience for Vulnerable Coastal Zones in the Arab Region

Project objectives: Harmonize coastal adaptation measures across borders to prevent negative impacts and facilitate the sharing of climate-resilience successes and investment opportunities; alleviate coastal hazards, environmental degradation and biodiversity loss; implement comprehensive coastal management strategies; bolster capacity-building; enhance resilience to rising sea levels and increased storm frequency; and strengthen the resilience of coastal infrastructure.

Climate rationale: The Arab region faces heightened risks from storm surges and coastal flooding, particularly as a large proportion of its urban population resides in coastal areas. Projections indicate a sea level rise of 0.15–0.33 metres in the Mediterranean Sea by 2050, along with a 20% decrease in precipitation and a 20–30% reduction in run-off by the end of the century. The Red Sea has lost 50% of its reef-building corals over the last 30 years owing to rising ocean temperatures and local threats. Moreover, Oman has experienced two severe tropical cyclones in the past seven years, impacting 72% of its coastal urban population.

This project aims to mitigate these vulnerabilities through improved coastal infrastructure and adaptive capacity, while also contributing to GHG sequestration.



Theory of change: The project consists of two main components:

Regional Arab Coastal Protection Facility:

- Map existing coastal projects and initiatives;
- Enhance capacity-building and knowledge management;
- Identify funding opportunities and recommend policy improvements.

Country-level projects:

- Support the protection and restoration of ecosystems, including fisheries, grazing land and mangroves;
- Explore options for climate-resilient agriculture.

Financial sources and instruments: The total project budget is estimated at USD 100 million. Of this, USD 10 million will be allocated for capacity-building and knowledge management, primarily funded through grants and in-kind co-financing. The remaining USD 90 million will be dedicated to the implementation of in-country projects.

East Africa projects

The regional NBF training workshop for EAC partner States took place at the EAC headquarters in Arusha, United Republic of Tanzania, in April 2023 and was co-hosted by the Government of the United Republic of Tanzania. Twenty-one delegates from seven countries discussed projects and programmes, which were pre-identified as per the EAC Climate Finance Access and Mobilization Strategy and by the EAC Sectoral Council for Environment and Natural Resources Management. Three project ideas are under development.

Preliminary list of supporting organizations

AF, AFDB, East African Development Bank, GCF, GEF, International Fund for Agricultural Development and UNDP



1 Strengthening Climate Resilience through Sustainable Land and Seascape Management in East Africa

Project objectives: This project seeks to strengthen the resilience of small-scale farmers and SMEs in East Africa by implementing sustainable land and seascape management practices. The focus is on enhancing land productivity, bolstering ecosystem health and expanding livelihood options through nature-based solutions. The initiative aims to build natural resilience against future environmental and economic shocks.

Climate rationale: The natural capital of the four targeted landscapes in East Africa is valued at approximately USD 11.3 billion annually, largely owing to ecosystem services like water flow regulation, pollution filtration, erosion control and crop pollination. Despite their value, these services are paid for neither by the government nor by the private sector. Over 75% of the population relies on these ecosystems for their livelihoods, as highlighted in the EAC Climate Change Master Plan 2011–2030 and the seven NDCs of the EAC partner States. However, the absence of effective community-based stewardship puts these landscapes and their dependent communities at risk, contributing to significant GHG emissions from land-use changes and unsustainable practices.

Theory of change: The burgeoning economies and populations in the EAC are exerting unprecedented pressure on natural resources. The communities closest to these ecosystems often lack the awareness or resources for sustainable management, exacerbated by weak governance. The project aims to:

- Strengthen community-based ecosystem management through capacity-building frameworks and tools;
- Scale up nature-based solutions to improve livelihoods;
- Engage the private sector, particularly SMEs, by presenting business cases for investment in nature-based enterprise solutions.

By addressing these challenges, the project will create a sustainable, community-centric model for managing natural resources, thereby enhancing climate resilience.

Financial sources and instruments: The estimated budget for the project is USD 300 million. Given the financial constraints of the partner States – most of which are LDCs and some of which are at high risk of debt stress – the financing plan prioritizes grant-based funding for public interventions. Additionally, equity or highly concessional loans and guarantees will be used to establish the Needs-Based Finance Innovation Fund's pilot phase, with the aim of attracting investment from domestic private sector financial institutions.

2 Strengthening Climate Resilience for Enhanced Food Security in East Africa

Project objectives: The project aims to strengthen the resilience of agricultural and pastoral communities in East Africa, with a focus on bolstering food production, improving market connectivity and enhancing risk management strategies to ensure food security.

Climate rationale: Agriculture is the economic backbone of the EAC, contributing to 24–40% of GDP and employing over 70% of the population. However, more than half of the population engages in low-yield subsistence farming and pastoralism, which are highly susceptible to climate change. Predictions indicate a 36% average decline in grain yields across sub-Saharan Africa by the end of the century. Additionally, rising temperatures are affecting the region, with South Sudan being particularly vulnerable. Given that 65% of regional trade is in agricultural commodities, food security in one country can significantly impact another, necessitating a coordinated regional approach.

Theory of change: The agricultural systems in the EAC are underdeveloped and increasingly vulnerable to climate change, potentially leading to annual losses in GDP of 1–3% owing to reduced yields and value chain disruptions. The project aims to:

- Establish early warning and food information systems to anticipate and manage risks;
- Implement appropriate regulatory frameworks to facilitate cross-border food trade;
- Increase access to extension services for the adoption of climate-smart agriculture;
- Enhance rural agricultural finance to stimulate private sector investments.

By addressing these challenges, the project will not only improve food security but also create an environment conducive to private sector involvement in agriculture.

Financial sources and instruments: The project is planned as a five-year initiative with an estimated budget of USD 70 million. A significant portion of this budget will be allocated in the form of grants to provide community extension services, improve non-infrastructure value chain efficiency and create a favourable environment for private sector investments. Matching grants and innovative financing mechanisms will also be employed to leverage additional investments from households and commercial financial institutions.

3

Strengthening Climate Resilience through Transboundary Water Security and Sanitation

Project objectives: The project aims to strengthen resilience and mitigate vulnerabilities in impoverished communities, especially those in transboundary arid and semi-arid regions. The focus will be on addressing critical challenges in water availability, sanitation and health. Key initiatives include the development of early warning systems, the adoption of climate-adaptive water technologies and the dissemination of best practices and policy guidelines for broader implementation.

Climate rationale: Water scarcity, exacerbated by frequent floods and droughts, is a pressing issue. The situation is further worsened by rising water demand across sectors and contamination due to poor water quality. These challenges have direct health impacts such as diarrhoeal diseases, and indirect consequences like food insecurity and reduced economic productivity. Millions of people in Eastern and Southern Africa lack access to basic water and sanitation services. Forecasts indicate that by 2030, water demand in sub-Saharan Africa will outstrip supply by 50%. If unaddressed, this could adversely affect up to 57% of Africa’s projected population by 2050.

“I learned a lot about the project development cycle, including how to use approaches like the theory of change and how to ideate and conceptualize programmes.”

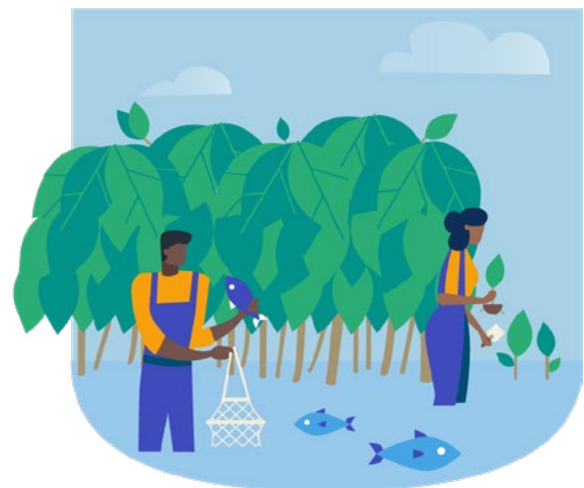
— Participant feedback during the EAC training workshop held in Arusha, United Republic of Tanzania, in April 2023.

Theory of change: Despite abundant natural water resources, many households in the EAC face water scarcity, primarily owing to insufficient infrastructure, ecosystem degradation and lack of appropriate technologies. This project aims to:

- Equip communities with the tools and knowledge to adapt to seasonal water availability fluctuations;
- Support governments in implementing integrated water resource management;
- Establish essential infrastructure like flood control measures to attract private investments in water storage and transportation.

The expected outcomes include more efficient water usage, heightened adaptability to variations in water supply and increased private investments to supplement public infrastructure.

Financial sources and instruments: To maximize the project’s impact, an annual budget of USD 5 million is proposed for a minimum of five years. Given the urgency and the limited fiscal capacities of the countries involved, grant-based funding is the most suitable financing mechanism. Beneficiary co-financing, the value of which is yet to be determined, is also expected to contribute significantly to the project’s budget.



Eastern Caribbean States projects

The regional NBF training workshop for the Eastern Caribbean States took place in St. George's, Grenada, in March 2023 and was co-hosted by the Government of Grenada and attended by 18 experts from six independent States of the OECS. Three project ideas are under development.

Preliminary list of supporting organizations

AF, GCF, GEF, German Agency for International Cooperation, NDC Partnership and Rocky Mountain Institute

1 Strengthening Climate Resilience in Caribbean Coastal Cities

Project objectives: The primary aim of this project is to expedite the development of climate-resilient infrastructure in low-elevation coastal zones and cities across the Caribbean.

Climate rationale: The Caribbean's urban and peri-urban areas are particularly susceptible to climate impacts owing to a combination of factors: outdated infrastructure, proximity to coastlines and a lack of climate-resilient construction. The region has already experienced devastating impacts from tropical cyclones, with 22 out of 29 Caribbean islands affected by at least one category 4 or 5 storm in 2017 alone. Given the region's heavy reliance on tourism and agriculture – sectors highly vulnerable to climate disruptions – there is an urgent need to bolster climate-resilient infrastructure. This will not only protect key economic sectors but also stimulate economic growth through job creation.

Theory of change: The project aims to strengthen the Eastern Caribbean's resilience against climate change and natural disasters, thereby safeguarding lives, preserving the environment and sustaining economic activities. The project comprises six key components:

- Green infrastructure interventions: Implementing eco-friendly solutions for both public and private buildings;

- Infrastructure retrofitting: Upgrading existing structures to meet climate-resilient standards;
- Updated building codes: Revising building codes to incorporate climate-resilient practices for new infrastructure;
- Regional green standards and procurement policies: Establishing unified green standards and procurement policies across the region;
- Asset reassessment: Conducting a regional evaluation to decommission or repurpose existing capital assets that are not climate-resilient;
- Public awareness and capacity-building: Engaging in regional dialogues, training sessions and public awareness campaigns to build capacity and foster knowledge-sharing.

The anticipated impacts include enhanced resilience to extreme climate events, fortified regulatory frameworks for planning and development, and the preservation of culturally significant built heritage.

Financial sources and instruments: Funding details are under consideration, with potential sources including international climate funds, regional development banks and public–private partnerships.

2 Enhancing Climate Resilience through Capacity-Building and Technology Transfer in the Eastern Caribbean

Project objective: The primary goal of this project is to empower organizations and communities in the Eastern Caribbean to effectively adapt and thrive in a changing climate. This will be achieved through targeted training, enhanced data collection and increased climate awareness.

Climate rationale: Countries in the OECS currently face significant gaps in awareness, technical expertise and data availability, particularly in the AFOLU and marine/coastal ecosystem sectors. There is a pressing need for sustained monitoring, data analysis and technology needs assessments to support evidence-based decision-making. The absence of these elements hinders the development of scientific, data-driven solutions to climate challenges.

Theory of change: The project is designed to:

- Develop legal and policy frameworks: Establish regional and national policies that facilitate affordable access to relevant technologies for both the public and private sectors;
- Centralized database system: Create an interregional database to consolidate climate-related data;
- Intersectoral training programmes: Offer specialized training in data management processes across various sectors;
- Citizen-driven data collection: Empower individuals to develop mobile applications for grass-roots data collection;
- Knowledge, attitudes and practices study: Conduct a study on knowledge, attitudes and practices to inform a tailored communication strategy for capacity-building and public awareness campaigns.

The anticipated impacts include enabling stakeholders in the AFOLU and coastal ecosystem sectors to implement sustainable practices that mitigate vulnerability to food insecurity, foster sustainable economic activities and enhance ecosystem resilience through the mobilization of climate-resilient technologies and capacity building.

Financial sources and instruments: The project is expected to be funded through the GCF Readiness Programme, amount to be determined.

3 Strengthening Resilience in Waste and Wastewater Management Systems

Project objective: The primary aim of this initiative is to strengthen the resilience of waste and wastewater management systems across OECS member States by 2030.

Climate rationale: Effective waste and wastewater management are crucial for both environmental conservation and climate resilience in the Eastern Caribbean. Poor management practices pose significant health risks and jeopardize the region's diverse ecosystems, including coral reefs, mangroves and marine life. These ecosystems are not only ecologically important but also economically vital, supporting tourism and fisheries. The Caribbean Community Climate Change Centre has highlighted the need to address coastal erosion, a problem that is worsened by inadequate waste management.

Theory of change: The project aims to:

- Control chemical pollution: Minimize the risk of chemical contamination in water sources;
- Enhance habitats: Improve maritime and coastal fisheries habitats to build resilience;
- Reduce plastic pollution: Mitigate plastic pollution in marine environments;
- Capacity-building: Conduct training programmes in waste and wastewater management;
- Infrastructure upgrades: Install new and upgrade existing wastewater treatment facilities to reduce pollution and increase water availability;
- Climate-smart equipment: Commission a fleet of climate-smart equipment for waste management;
- Policy and institutional strengthening: Enhance the enabling environment through institutional strengthening, policy development and legislative reforms.

The expected outcome is a more sustainable and resilient OECS region with improved public health, environmental conservation and compliance with international and national regulations on waste and wastewater management.

Financial sources and instruments: Funding is expected to come from a mix of grants, public-private partnerships and national budget provisions, amount to be determined.

“With all the information we learned about the articulation of the Theory of Change and the Climate Rationale, I now understand how we can expedite the project development process and make it more efficient and in line with funding requirements.”

— Participant feedback during the Eastern Caribbean States training workshop held in St. George's, Grenada, in March 2023.

Island States in the Indian Ocean projects

The regional NBF training workshop for the ISIO took place in Bandos, Maldives, in May 2022 and was co-hosted by the Government of Maldives. Twenty experts from the six participating countries brainstormed throughout the workshop in plenary and multi-country groups to identify common climate change priorities for the region to be fine-tuned into concept notes. Three project ideas are under development.

Preliminary list of supporting organizations

AF, GCF, GEF, GGGI, UNDP and USAID

1 Strengthening Regional Climate Resilience through Coral Reef Restoration

Project objectives: Address climate-induced risks and hazards in coastal and marine sectors that have ecological and economic repercussions; foster community resilience through comprehensive risk management strategies; and enhance the resilience of coastal ecosystems and communities via inclusive climate policies focused on risk mitigation.

Climate rationale: The ISIO are already grappling with the negative impacts of climate change, including sea level rise, coastal erosion and extreme weather events. These changes pose significant threats to economic activities and livelihoods, particularly those centred around coastal zones and coral reefs. Regional coral reef management can mitigate these adverse effects and bolster the resilience of both the reefs and the dependent communities.

Theory of change: The project is structured around three key components:

- Climate risk assessment: Conduct a detailed climate risk assessment using geographic information system technology and other relevant software for risk mapping;
- Risk management and coral reef conservation: Implement risk management strategies identified in the assessment. Focus on coral reef conservation and gender-sensitive resilience-building through livelihood empowerment;

- Climate risk transfer scheme: Design a risk transfer mechanism, considering insurance options, targeting one of the key sectors. Pilot this scheme in one of the selected locations for coral restoration.

The project offers both mitigation and adaptation benefits. Mitigation co-benefits include reduced maritime emissions owing to decreased fuel use in coral areas. Adaptation benefits encompass enhanced biodiversity, improved livelihoods, fisheries conservation through coral restoration and community resilience through informed decision-making and community-led coral conservation initiatives.

Financial sources and instruments: The estimated project budget is USD 132.5 million, which is made up of USD 26.5 million for technical assistance, USD 70.5 million for the implementation of project activities, USD 21 million for the climate risk transfer scheme and USD 14.5 million for project monitoring and evaluation.

2 Strengthening Resilience in Agriculture and Food Security through Climate-Smart Practices and Risk Transfer Mechanisms

Project objectives: Address climate-induced risks in the agriculture sector through data-driven resilience-building initiatives; promote natural resource conservation, emphasizing the importance of water management to strengthen climate resilience in agriculture; empower farming communities via comprehensive risk management and resilience-building strategies; and enhance the resilience of coastal ecosystems and communities through inclusive climate policies, focusing on risk transfer mechanisms and piloting a climate insurance scheme in the agriculture and food systems sector.



Climate rationale: Agriculture is a cornerstone of the economy for the ISIO, where food imports significantly exceed the global average. Climate change poses escalating threats to food production and access, thereby jeopardizing food security and nutrition. The ISIO are particularly vulnerable to these changes, which are likely to reduce agricultural productivity, increase post-harvest losses and exacerbate pest diseases. Therefore, data-driven risk analysis, management plans and climate-smart technologies are essential to bolster the resilience of the agriculture sector and improve food security.

Theory of change: The project comprises five key components:

- Climate risk assessment: Conduct a sector-specific climate risk assessment for agriculture;
- Climate-smart agriculture and livelihood development: Identify and implement key measures for climate-smart agriculture and livelihood enhancement, incorporating gender-responsive resilience-building efforts;
- Risk transfer mechanisms: Explore climate risk transfer options, including insurance, and establish a country-specific pilot facility focusing on local-level risk transfer systems;
- Water resource management: Identify and implement strategies for managing water resources in areas impacted by climate change;
- Livelihood empowerment: Implement gender-responsive livelihood empowerment activities, including entrepreneurial support.

The project offers both mitigation and adaptation benefits. Mitigation advantages include a reduction in GHG emissions by transitioning to climate-friendly agricultural practices and optimizing supply chain management. Adaptation benefits encompass improved water management for agriculture, enhanced farming practices and increased adaptive and economic capacities for farmers through skills development in entrepreneurship.

Financial sources and instruments: The estimated project budget is USD 139 million, which is made up of USD 10 million for conducting an agriculture sector climate risk assessment, USD 28 million for identifying key measures for climate-smart agriculture and livelihood development and gender-responsive resilience-building, USD 24 million for addressing climate risks in the agriculture sector through climate

risk transfer schemes with a local-level focus, USD 44 million for implementing water resource management activities to address areas impacted by climate change, USD 24 million for implementing livelihood empowerment activities through gender-responsive efforts, including entrepreneurial support, and USD 9 million for monitoring and evaluation of the project.

3 Strengthening Climate Risk Management and Climate-Resilient Infrastructure in Vulnerable Sectors

Project objectives: Develop and implement climate risk management policies and actions to address vulnerabilities in critical sectors; build institutional and individual capacities for comprehensive climate risk management through targeted processes and plans; establish evidence-based laws and regulations for climate-proofing infrastructure, informed by climate risk assessments; and showcase the effectiveness of climate-proofing infrastructure through pilot projects in selected countries.

Climate rationale: The ISIO are highly susceptible to the negative effects of climate change, including sea level rise and coastal erosion. Tropical cyclones are particularly devastating, causing significant human and economic losses. Climate-proofing infrastructure is crucial for minimizing both the resources expended on disaster recovery and the human toll. This project aims to bolster the resilience of ISIO communities and governments by enhancing the climate resilience of key sectors and livelihoods.

Theory of change: The project is structured around four main components:

- Climate risk management assessment: Conduct a comprehensive review of existing climate risk management processes and mechanisms in the ISIO;
- Policy and planning for climate-resilient infrastructure: Identify key measures for fortifying infrastructure against climate risks through relevant laws, policies and planning processes;
- Support systems for climate risk management: Strengthen the systems that support climate risk assessment, management and the climate-proofing of infrastructure;

- Pilot implementation: Apply climate-proofing measures to infrastructure in sectors that are most vulnerable to climate change, based on country-specific priorities.

The mitigation co-benefits of this project include reducing emissions through resource-efficient practices, transitioning to alternative energy sources and utilizing climate-friendly construction materials. Adaptation benefits encompass enhanced climate and disaster risk management processes that will benefit the populations of the selected countries, as well as more secure and resilient infrastructure through pilot implementation.

“The NBF project has been very useful for the ISIO. As a group of small vulnerable countries with common challenges, the project has been an opportunity to coordinate, identify the scale of our needs, and articulate them in a regional strategy. The entire process”

and the training specifically allowed us to identify several areas for regional collaboration.”

— Participant feedback from the ISIO training workshop held in Bandos, Maldives, in May 2022.

Financial sources and instruments: The estimated budget of the project is USD 158 million, which is made up of USD 18 million for conducting an assessment and stocktake of climate risk management processes and mechanisms, USD 21 million for identifying key measures to strengthen the infrastructure to deal with climate risks through relevant laws, policies and planning processes, USD 42 million for strengthening the support systems for climate risk assessment and management, projections and climate-proofing of infrastructure, USD 66 million for applying climate-proofing of infrastructure in key climate vulnerable sectors and USD 11 million for monitoring and evaluation of the project.

The least developed countries in Asia projects

The regional NBF training workshop for the LDCs in Asia took place in Bangkok, Thailand, in August 2022 and was organized in collaboration with UNESCAP. A total of twenty-six experts from six participating countries worked on identifying regional priorities from the regional technical assessment. Five project ideas are under development.

Preliminary list of supporting organizations

AF, GCF, GEF and GGGI

1

Nature-Based Climate Resilience and Mitigation in Asian LDCs

Project objective: The overarching aim of this regional initiative is to leverage nature-based solutions for climate mitigation and adaptation across select LDCs in Asia. The project will focus on enhancing ecosystems to support carbon dioxide sequestration through reforestation, sustainable land and agricultural

management and climate adaptation strategies, particularly in the area of water management.

Climate rationale: Asia is increasingly vulnerable to a range of climate impacts, including heatwaves, droughts, altered monsoon patterns and extreme weather events like floods, cyclones and tsunamis. Particularly for the LDCs in Asia, climate change is expected to exacerbate the frequency and severity of these extreme events.

Theory of change: The project aims to foster resilient communities and sustainable ecosystems in Bhutan, Cambodia, the Lao People’s Democratic Republic, Nepal and Timor-Leste. By focusing on nature-based solutions, the project seeks to improve community livelihoods through healthier ecosystems. As a regional effort, the project will:

- Enhance regional cooperation and resource mobilization;
- Create favourable investment conditions for climate initiatives in prioritized Asian LDCs.
- Anticipated benefits include:

- Improved mangrove and watershed management;
- Ecosystem restoration through payment for ecosystem services;
- Efficient wetlands and water resource management;
- Promotion of agroforestry and sustainable land management practices;
- Enhanced stormwater management through run-off water harvesting;
- Restoration of degraded forests and damaged mangroves;
- Promotion of urban agriculture and gender-inclusive resource management.

Financial sources and instruments: Funding is expected to come from various sources, most likely including the AF, GCF and GEF, primarily in the form of grants. The project budget is estimated at USD 129.7 million, made up of USD 52 million for mangrove conservation and watershed management, USD 32.7 million for increasing local community ecosystem and adaptive capacity, USD 32 million for improved socioeconomic benefits for local communities through ecosystem-based adaptation and USD 13 million for monitoring and execution costs.

2 Strengthening Livelihoods through Climate-Resilient Agricultural Practices in Asian LDCs

Project objective: The project aims to strengthen local livelihoods by promoting climate-resilient agricultural systems in Bhutan, Cambodia, the Lao People’s Democratic Republic, Nepal and Timor-Leste. It will focus on implementing diversified cropping systems, soil conservation techniques, introducing weather- and disease-resistant crops and risk management strategies to help smallholder farmers adapt to climate-induced challenges.

Climate rationale: In the LDCs in Asia, climate change is exacerbating the frequency and severity of extreme weather events such as droughts, floods and landslides. These events have led to declining agricultural productivity, food insecurity and increased poverty. Given that agriculture is a cornerstone of these countries’ economies – employing 40–60% of the population and contributing 12–22% to GDP – climate impacts pose significant risks to livelihoods and economic stability.

Theory of change: The project’s overarching goal is to bolster agricultural production, food security and livelihoods by implementing climate-resilient agricultural practices. The theory of change will outline the relationship between project activities and outcomes and their contribution to overcoming barriers in agricultural production. Specifically, the project aims to:

- Improve soil health through diversified cropping systems;
- Introduce weather- and disease-resistant crop varieties;
- Implement risk management strategies for climate adaptation.

The project will also create an enabling environment for scaling up and replicating its impacts beyond the immediate target areas. Each outcome will consist of a series of activities designed to address specific barriers hindering effective agricultural production.

Financial sources and instruments: A total funding cost of USD 285.6 million is expected to be sourced from the AF, GCF or GEF.

3 Advancing E-Mobility for Sustainable Transportation in Asian LDCs

Project objective: This regional initiative aims to significantly reduce GHG emissions in the transportation sector by transitioning taxi fleets to EVs in capital cities across the LDCs in Asia.

Climate rationale: The transportation sector is responsible for nearly 23% of global energy related GHG emissions and is a major contributor to air pollution, accounting for approximately half of the world’s nitrous oxide emissions. Transitioning to low-emission mobility options like EVs offers multiple benefits, including environmental conservation, improved public health and economic growth. It also addresses the dual challenges of economic and climate crises while creating new employment opportunities in EV charging infrastructure.

Theory of change: The project aims to:

- Replace 150 conventional taxis with EVs in the capital cities of the LDCs in Asia;
- Install one EV charging station for every 15 EV taxis, ensuring that stations are within a 5 km range.

By doing so, the project seeks to:

- Significantly reduce carbon emissions and air pollutants;
- Promote sustainable transportation options;
- Stimulate economic growth through job creation in the EV charging infrastructure sector.

Financial sources and instruments: Funding is anticipated to come from the GCF and GEF, amount to be determined.

4 Regional Collaboration for Renewable Energy Integration in Asian LDCs

Project objective: This regional initiative aims to facilitate the integration of renewable energy systems across the LDCs in Asia. The project seeks to enhance the efficiency of these systems by fostering collaboration, sharing best practices and addressing common challenges.

Climate rationale: The project addresses several key challenges faced by the LDCs in Asia, including:

- High costs and unaffordability of renewable energy solutions;
- Inadequate policy and legal frameworks governing energy;
- Limited access to affordable technology and technical expertise;
- Monopolistic tendencies in non-renewable energy sectors;
- Scarcity of technical, financial and human resources;
- Poor coordination among participating countries;
- The need for implementing NDCs.

Moreover, the project aligns with the national priorities of most of the LDCs in Asia, as outlined in their respective climate policies and plans.

Theory of change: The project aims to:

- Demonstrate the successful development and integration of renewable energy systems in selected LDCs in Asia;
- Facilitate the exchange of lessons learned, particularly in the areas of policy and legislation, institutional strengthening, and public awareness and education.

By achieving these outcomes, the project will contribute to:

- Improved energy efficiency and sustainability;
- Enhanced collaboration and coordination among participating countries;
- Strengthened institutional frameworks and public awareness.

Financial sources and instruments: Funding sources, financial instruments and amounts are to be determined.

5 Regional Community-Driven Eco-Tourism for Sustainable Development

Project objective: This regional eco-tourism initiative aims to reduce GHG emissions and enhance energy efficiency through community-centric strategies. The project focuses on the widespread adoption of rooftop and open-space solar energy systems, the implementation of advanced waste management solutions and the promotion of eco-friendly construction methods for the development of sustainable villages.

Climate rationale: Traditional tourism models often prioritize business interests over environmental sustainability, lacking a comprehensive approach to green practices and energy efficiency. This project aims to fill that gap by integrating eco-friendly solutions into the tourism sector.

Theory of change: While the project is still in its developmental phase, it is designed to achieve the following:

- Promote energy efficiency through the mass installation of solar energy systems;
- Implement state-of-the-art waste management practices to reduce pollution and promote recycling;
- Engage local communities in the adaptation and implementation of sustainable practices, thereby ensuring long-term viability.

“Interacting with fellow participants and trainers from funding and implementing agencies around specific project opportunities for the region was an absolute bonus.”

— Participant feedback during the LDCs in Asia training workshop held in Bangkok, Thailand, in August 2022.

By accomplishing these outcomes, the project aims to:

- Lower GHG emissions in the tourism sector;
- Enhance the quality of life for local communities;
- Promote sustainable tourism that benefits both the environment and the economy.

Financial sources and instruments: Funding for the project will be sought from bilateral and multilateral donors committed to sustainable development and climate action, amount to be determined.

South-East Asia projects

The regional NBF training workshop for ASEAN member States took place in Manila, Philippines, in March 2023. Forty experts from nine countries engaged with each other, exchanged information on their priority needs and deliberated on ways to address common challenges as a group. As a result, five project ideas are under development.

Preliminary list of supporting organizations

AF, GCF, GEF, GGGI, Japan International Cooperation Agency, Korea Economic Development Co-operation Fund and UNDP

1

Ecosystem and Nature-Based Solutions for the ASEAN Region

Project objective: This regional initiative aims to bolster the resilience of the ASEAN region's terrestrial, freshwater, coastal and marine ecosystems.

Climate rationale: The ecosystems in South-East Asia are experiencing accelerated degradation due to climate change, affecting both the environment and the communities that rely on them. This project aims to mitigate these impacts and promote sustainable management of natural resources.

Theory of change: The project is structured around three core pillars:

- Assessment of ecosystem values and services: Comprehensively evaluating ecological assets and the services they provide;
- Capacity-building: Empowering local communities and institutions with the knowledge and tools to manage and preserve their ecosystems;
- Regional cooperation: Facilitating collaboration among ASEAN member States to address common environmental challenges.

While a detailed theory of change is under development, the project aims to achieve the following impacts:

- Enhanced livelihoods and tourism: Improve the quality of life for targeted communities and create sustainable business opportunities in the tourism sector;
- Sustainable coastal and marine management: Implement effective management practices for coastal and marine environments, integrating ecosystem-based approaches and nature-based solutions;
- Strengthened regional and national coordination: Enhance collaboration at the regional and national level, focusing on the implementation and scaling up of strategies for ecosystem-based approaches and nature-based solutions.

Financial sources and instruments: Funding options are currently under review, with potential grants from the AF, GCF and GEF being considered.

2

Sustainable Energy Financing for the ASEAN Region

Project objective: This regional initiative aims to establish innovative financial mechanisms to boost investment in sustainable energy projects across the ASEAN region. The project focuses on:

- Financial innovation: Developing and implementing novel financial instruments to facilitate investment in renewable energy projects;
- Stakeholder engagement: Collaborating with policymakers, industry leaders and other key stakeholders to address the region's unique energy challenges;
- Infrastructure development: Focusing on creating and improving energy infrastructure, especially in rural areas lacking access to reliable energy sources.

Climate rationale: The ASEAN region grapples with myriad energy challenges, including a heavy reliance on fossil fuels, limited access to energy in rural areas and unique economic barriers like restricted credit access and inadequate infrastructure. Transitioning to renewable energy sources like solar, wind and hydropower is crucial for reducing the region’s carbon footprint and mitigating climate change impacts. This project aims to bridge the existing financial gap that hinders the launch and success of critical energy projects.

Theory of change: The project aspires to achieve the following key outcomes:

- Enhanced energy security: Secure a stable and reliable energy supply for the ASEAN region;
- Resilient energy systems: Build resilience against energy supply disruptions and price volatility;
- Sustainable energy transition: Accelerate the shift towards renewable and sustainable energy sources.

Financial sources and instruments: The project is exploring various funding options, including guarantees, grants and soft loans, to ensure its successful implementation.

3 ASEAN Regional Water Security Initiative

Project objective: This regional initiative focuses on enhancing water security across the ASEAN countries through three primary pillars:

- Data and information management: Addressing the existing gaps in data and information related to water disasters by conducting climate risk assessments, centralizing data forecasting and performing cost–benefit analyses;
- Resource and infrastructure management: Comprehensively managing water resources and infrastructure to ensure sustainable use and long-term viability;
- Risk financing and insurance: Developing financial mechanisms, such as risk financing and insurance schemes, to mitigate the economic impacts of water-related disasters.

Climate rationale: The ASEAN region faces multiple water-related challenges, including flooding, droughts and landslides, as well as a diminishing water supply for domestic, agricultural and industrial purposes.

These issues are exacerbated by a lack of reliable data, changing climate patterns, heat stress, deforestation and unregulated hydropower development.

Theory of change: While a detailed theory of change is currently under development, the project aims to achieve the following key impacts:

- Enhanced risk management: Improve both regional and national water risk management through standardized forecasting and early warning systems;
- Community resilience: Increase the adaptive capacity of vulnerable communities and bolster resilience against water scarcity;
- Knowledge-sharing and collaboration: Establish a regional platform and technical working group at the ASEAN level, focusing on national training programmes, knowledge exchange and an online platform for sharing data on water resources.

Financial sources and instruments: Funding options are currently under review, with potential sources including grants, loans and other financial instruments tailored to the project’s needs.

4 ASEAN Climate-Resilient Agriculture Initiative

Project objective: This regional project aims to foster climate-smart and resilient agricultural practices across the ASEAN member States.

Climate rationale: The ASEAN region is heavily reliant on agriculture, which is increasingly vulnerable to climate-related risks. These risks pose significant challenges to food security and require immediate and coordinated action.

“I particularly benefited from the exchange sessions where we were able to navigate different funding requirements, identify common needs among the participating countries, and brainstorm on the way to transform our common ideas into viable project proposals.”

— Participant feedback during the ASEAN member States training workshop held in Manila, Philippines, in March 2023.

Theory of change: A comprehensive theory of change is under development. However, the initiative aims to enhance food security by promoting sustainable and resilient agricultural practices that can withstand climate-related challenges.

Financial sources and instruments: Funding mechanisms are currently under consideration, with potential sources including grants and other financial instruments tailored to the project's needs.

5 ASEAN Climate-Resilient Infrastructure Initiative

Project objective: This initiative aims to develop a regional guidebook for implementing climate-resilient policies, establish a centre of excellence for policy guidance and create capacity building programmes. These activities will lay the groundwork for future programmes focused on building climate-resilient infrastructure.

Climate rationale: The current infrastructure in ASEAN countries is not adequately designed to adapt to climate change, leading to significant economic and social risks. The International Monetary Fund estimates that climate change could reduce South-East Asia's GDP by over 11% within the next decade. The World Bank suggests that investing in resilient infrastructure could yield returns up to four times the initial investment by preventing disaster-related losses.

Theory of change: While a detailed theory of change

is currently under development, the project aims to achieve the following:

- Improved resilience: Enhance the climate resilience of housing, drainage, transportation and public infrastructure;
- Risk mitigation: Reduce damage and maintenance costs related to climate-induced disasters;
- Stakeholder awareness: Increase awareness among governmental and private stakeholders about the risks of climate change and the resources needed for mitigation;
- Policy integration: Align climate-resilient infrastructure policies with the national goals and adaptation plans of ASEAN countries;
- Risk assessment: Conduct comprehensive risk assessments for infrastructure projects.

Financial sources and instruments: Funding options are currently under review, with potential sources including grants, loans and other financial instruments tailored to the project's needs.



West Africa projects

The regional NBF training workshop for West Africa took place in Bonn, Germany, in August 2023 in collaboration with ECOWAS and WAACMCF. Thirty-seven experts from 16 countries provided insights on their national priorities. On the basis of these priorities and the regional Climate Finance Access and Mobilization Strategy, the following five project ideas are under development.

Preliminary list of supporting organizations

AF, FAO, GCF, GEF, NDC Partnership, Rocky Mountain Institute, Sahara and Sahel Observatory, UNDP and West African Development Bank

1

Advancing Climate-Resilient Agriculture in West Africa

Project objective: The project aims to strengthen the resilience of agricultural systems, bolster food security and alleviate poverty across the ECOWAS member States.

Climate rationale: Agriculture is the backbone of the West African economy, employing approximately 70% of the informal workforce in the region. Despite its importance, the sector is highly susceptible to climate variability, including erratic rainfall patterns, floods, droughts and temperature fluctuations.

Given that only a small fraction of the region's irrigable land is utilized and most farming is small-scale, the need for climate-resilient agricultural practices is urgent to ensure food security and maintain economic stability.

“A very important training that allowed ECOWAS countries to reflect on initiatives to mobilize financial resources to increase the resilience of communities in this part of the world.”

— Participant feedback during the West Africa training workshop held in Bonn, Germany, in August 2023.

Theory of change: The project is structured around five key components:

- Capacity-building: Empowering institutions to implement climate-smart agriculture and food security measures;
- Technology: Facilitating access to and application of advanced agricultural technologies and techniques;
- Climate information and knowledge-sharing: Making climate data readily available for improved hazard response;
- Private sector participation and investment mobilization: Encouraging private sector involvement and investment in sustainable agriculture;
- Project coordination, monitoring and evaluation: Ensuring effective implementation and assessment of project activities.

The project components are designed to achieve the following outcomes:

- Strengthened institutional capabilities for implementing climate-smart agriculture;
- Enhanced use of climate-resilient agricultural technologies and practices;

- Improved access to actionable climate data;
- Increased private sector investment in sustainable agriculture.

The ultimate impact of the project will be multifaceted, contributing to nutritional development, economic growth, youth employment, reduced urban migration, resource mobilization and a decrease in GHG emissions across the ECOWAS region.

Financial sources and instruments: Funding will be sourced from MDBs and climate-specific funds such as the AF, GCF and GEF, amount to be determined. Private sector funding will also be sought, potentially in the form of loans.

2

Enhancing Resilience through Nature-Based Solutions in Africa's Great Green Wall

Project objective: The project aims to rejuvenate degraded landscapes and ecosystems using nature-based solutions across the ECOWAS region.

Climate rationale: West Africa's diverse forest ecosystems are critical for both biodiversity and human livelihoods. However, the region lost 31.6% of its forest cover between 1975 and 2018, while agricultural areas have nearly tripled. This deforestation, coupled with the escalating impacts of climate change – such as erratic rainfall, flooding and soil degradation – poses severe risks to agriculture, biodiversity and food security in the ECOWAS region. Barriers to addressing these challenges include inadequate policies, limited knowledge of sustainable land management and insufficient financial resources.



Theory of change: The project is built around five core components:

- Strengthening institutional capacity: Enhancing governance structures for effective natural resource management;
 - Landscape and ecosystem protection: Implementing restoration and reforestation activities at various scales, including community-level initiatives;
 - Promoting the value chain of non-timber forest products: Encouraging sustainable utilization of forest resources;
 - Knowledge management and monitoring: Establishing systems for data collection, analysis and dissemination;
 - Project coordination: Ensuring effective implementation and oversight of project activities.
- The expected outcomes are:
- Improved governance in natural resource management;
 - Restoration of degraded landscapes and ecosystems, with quantifiable mitigation results;
 - Enhanced livelihoods for forest-dependent communities, with a particular focus on women and youth;
 - Widespread adoption of sustainable land management practices;
 - Establishment of mutually beneficial partnerships among diverse stakeholders, including governments and the private sector.

The ultimate impact of the project will be a revitalized forest cover, enhanced biodiversity, increased community income levels and strengthened institutional capacities for natural resource management in the ECOWAS region.

Financial sources and instruments: These will be determined in the subsequent phases of project planning and development.

3 Sustainable Circular Economy and Integrated Waste Management in West Africa

Project objective: The project aims to create a sustainable, circular waste management system that minimizes waste, optimizes resource utilization, reduces environmental degradation, fosters economic growth and enhances the quality of life for communities across the region.

Climate rationale: Rapid urbanization and population growth in West Africa have led to escalating solid waste generation, putting immense strain on existing waste management systems. Current practices, such as open-air burning and landfilling, contribute to GHG emissions, particularly methane and carbon dioxide. Waste emissions account for 9% of the region's total GHG emissions and are projected to increase by 32% by 2030 if only unconditional NDC measures are implemented. Twelve ECOWAS member States have prioritized the waste sector in their NDCs, highlighting the urgent need for international financing and action. Improved waste management also offers co-benefits, including enhanced public health, improved cleanliness of urban and rural spaces and reduced environmental pollution.

Theory of change: Transitioning to a circular economy and implementing effective waste management systems can mitigate environmental and health risks while unlocking economic opportunities. The project encompasses the following components:

- Waste reduction: Installing infrastructure to minimize waste generation;
- Policy revision: Updating and implementing regional waste management policies;
- Capacity-building: Enhancing the skills and knowledge of local communities and people employed in the waste sector;
- Monitoring and control: Implementing a harmonized system for GHG emissions monitoring;
- Sanitation infrastructure: Constructing facilities for effective liquid and solid waste management.

The anticipated outcomes are:

- Efficient waste management and reduced GHG emissions;
- Harmonized environmental policies across the region;
- Strengthened capacity for regional waste management;
- Enhanced waste sector-based livelihoods and a thriving circular economy.

The expected impact includes a 50–60% reduction in waste sector emissions, improved air quality, minimized health risks, job creation, women’s empowerment and reduced flash flooding incidents.

Financial sources and instruments: These will be determined in subsequent phases of project planning and development.

4 Strengthening Climate Resilience in Coastal and Lagoon Ecosystems of West African Countries

Project objective: The primary aim of the project is to bolster the resilience of vulnerable communities along the West African coastline, safeguarding them against the escalating impacts of climate change, coastal erosion and flooding.

Climate rationale: The West African coastline is experiencing accelerated degradation due to a combination of natural erosion and human activities. The region’s dense population makes it highly susceptible to coastal erosion, flooding and storm surges. Climate change is expected to exacerbate these existing vulnerabilities, leading to the inundation of critical natural habitats like mangroves and disrupting the economic activities they support. Estimates indicate that one standard deviation increase in extreme flooding could elevate poverty levels by 2.4%, reduce children’s weight by 8.6% and increase infant mortality by 9.6%. Given these factors, enhancing the resilience of the West African coastline is crucial for the well-being of its communities and ecosystems.

Theory of change: Strengthening coastal resilience is vital for maintaining ecosystems, ensuring food security and protecting livelihoods in West Africa. The project aims to:

- Mainstream climate risks into national policies and build technical capacity to identify and integrate resilience measures in vulnerable sectors;
- Implement physical investments to protect the most vulnerable communities against climate hazards.

Key activities include:

- Supporting regional policies and governance for coastal zone management;
- Building capacity for coastal zone observation and early warning systems;
- Enhancing coastal infrastructure;
- Restoring mangroves;
- Conducting studies to improve the understanding of the impacts of sea level rise.

Financial sources and instruments: These will be determined in subsequent phases of project planning and assessment.

5 Sustainable Energy Access Initiative for Rural Communities in West Africa

Project objective: Achieve sustainable energy connectivity for 20,000 rural residents by 2033, thereby enhancing their quality of life.

Climate rationale: Access to electricity is a significant challenge in the ECOWAS region, where only about 40% of the population has access, dropping to less than 10% in rural areas. This leaves nearly 180 million people without electricity. Climate change exacerbates this issue by affecting electricity transmission networks through extreme weather events and rising temperatures. Additionally, the region’s reliance on fossil fuels and the potential decline in hydroelectricity due to climate change pose threats to energy security, environmental health and socioeconomic development.

Theory of change: Investing in the energy sector can transform the region's energy landscape by:

- Reducing dependence on fossil fuels;
- Lowering GHG emissions and air pollution;
- Enhancing energy security;
- Creating job opportunities and stimulating economic growth.

The project consists of three main components:

- Infrastructure development: Construct, reinforce and extend medium-, low- and extra-low-voltage power grids, as well as off-grid solutions;

- Electricity distribution: Distribute electricity to households, with a focus on rural areas;
- Cleaner energy alternatives: Promote the use of cleaner fuels and combustibles and install biodigesters for waste-to-energy conversion.
- The project aims to increase rural communities' access to sustainable energy, making them more resilient to climate change impacts.

Financial sources and instruments: The estimated budget for the project is USD 2.6 billion, primarily sourced through concessional loans and grants. The GCF is the targeted funding source.

Central Asia and South Caucasus projects

The regional NBF training workshop for CASC countries took place in Dushanbe in Tajikistan in July 2023. It was co-hosted by the Committee for Environmental Protection of the Government of Tajikistan with the support of CAREC in collaboration with the NDC Partnership and UNCCD. Thirty experts from nine countries worked on the identification of regional projects. Four project ideas are under development.

Preliminary list of supporting organizations

AF, Asian Development Bank, CAREC, GCF, GEF, German Agency for International Cooperation, NDC Partnership and UNCCD

1

Strengthening Food Security and Adaptive Capacity in the South Caucasus and Central Asia through Climate-Smart Agriculture and Integrated Land-Use Practices

Project objective: This multifaceted project is organized around three core components:

- Planning and programming: Enhancing data systems, sharing experience, conducting assessments and building capacity for informed decision-making;
- Finance mobilization and innovation: Improving water management, energy efficiency and waste management practices;
- Regional platforms: Establishing institutional frameworks, expert groups and predictive models for climate-smart agriculture and land use.

Climate rationale: The South Caucasus and Central Asia region, characterized by its diverse landscapes and unique ecosystems, is increasingly vulnerable to climate change. Factors such as rising temperatures, melting glaciers and extreme weather events pose significant challenges to the region's ecosystems, communities and sustainable development. All participating countries have robust NDC targets aimed at implementing climate-smart land-use systems, including for forests, pasture land and agricultural land.

Theory of change:

Planning and programming:

- Improved data accessibility;
- Cross-sectoral coordination;
- Enhanced monitoring, reporting and verification systems;
- Enabling policy frameworks for climate-smart agriculture;
- Enhanced role of agriculture in mitigating loss and damage;
- Improved availability of macroeconomic modelling data.

Coalition and knowledge:

- Strengthened regional collaboration.
- Enhanced management of shared landscapes.

Finance mobilization and innovation:

- Improved access to climate finance for rural communities;
- Promotion of climate-resilient business and financial models;
- Integration of innovative climate-responsive technologies and services;
- Strengthening of start-up and SME incubation and acceleration;
- Carbon dioxide sequestration through sustainable land use, including pastureland and forests;
- Development of resilient food systems and value chains.

Financial sources and instruments: Funding will primarily come from climate funds, bilateral donors and MDBs, with a focus on grant-based financial instruments. Amount and is to be determined.

2 Strengthening Regional Capacity and Institutional Support for Enhanced Climate Finance Access

Project objective: The primary aim of this initiative is to create a conducive framework and system for leveraging sustainable climate finance. This will be achieved through the creation of a revolving fund, the issuance of green bonds and the execution of debt-for-climate swaps. Participating countries are expected to develop suitable legal and institutional frameworks to facilitate the effective use of these sustainable finance tools.

Climate rationale: The countries in the region require innovative financial instruments to meet their NDC targets effectively. The project focuses on three key tools:

- Green bonds: Serving as a robust vehicle for channelling investment capital into climate mitigation, resilience and adaptation projects;
- Debt-for-climate swaps: Offering a dual benefit of mobilizing climate finance while alleviating debt burdens;
- Revolving funds: Acting as a sustainable funding mechanism that perpetuates climate action, generates cost savings and ensures the availability of capital for crucial initiatives.

Theory of change: The project aims to achieve four key outcomes:

- Strategic road map: Participating countries will identify a clear road map for creating an enabling environment for the revolving fund, green bonds and debt-for-climate swaps;
- Legal framework: Countries will establish appropriate legal structures to support the issuance of green bonds, the operation of revolving funds and the implementation of debt-for-climate swaps;
- Institutional framework: An enabling institutional environment will be established for the effective use of green bonds, revolving funds and debt-for-climate swaps;
- Readiness for implementation: Countries will be prepared to deploy these sustainable finance tools, supported by a detailed concept note developed under the project.

Financial sources and instruments: Funding is expected to come primarily from grants, particularly from the GCF Readiness Programme. Amount is to be determined.

3 Advancing Sustainable Rural Development through Climate-Resilient Economic Growth and Community Empowerment in Central Asia and South Caucasus

Project objective: The project aims to catalyse sustainable rural development in CASC countries by implementing climate-resilient strategies and grass-roots initiatives. The focus is on enhancing economic growth, empowering communities and improving livelihoods, all while preserving natural resources and strengthening community resilience against climate-induced challenges.

Climate rationale: CASC countries are grappling with an array of climate change impacts, particularly within the cryosphere. Rising temperatures are accelerating glacier and snowpack melt, leading to erratic water availability and subsequent droughts and floods. These climatic shifts have far-reaching consequences for community livelihoods, property and agriculture. Additionally, the retreating glaciers and diminishing snowpack heighten the risk of snowstorms and avalanches, posing threats to human settlements and vital infrastructure. The situation is further exacerbated by temperature-induced declines in crop yields and livestock, impacting food security and economic stability.

Theory of change: The project adopts a multifaceted approach to drive transformative change in the following areas:

- Climate-smart agriculture and integrated land use: The initial focus is on adopting climate-smart agricultural practices and integrated land management to boost agricultural productivity and conserve resources;
- Enhanced food security and adaptive capacity: These practices lead to improved food security and greater adaptive capacity, strengthening community resilience against climate impacts;
- Reduced vulnerability: Strengthened community resilience subsequently minimizes vulnerability to extreme weather events like droughts and floods, thereby safeguarding livelihoods and property;
- Community empowerment and sustainable management: By engaging local stakeholders and promoting sustainable land and water management, the project aims to ensure long-term environmental sustainability, economic growth and food security in the region.

Financial sources and instruments: Funding is expected to be sourced from grants provided by the AF and GCF and through the NDC Partnership. Amount is to be determined.

4 Strengthening Transboundary Climate Resilience and Early Warning Systems in the Amu Darya River Basin

Project objective: The primary goal of this project is to strengthen transboundary climate resilience and enhance data exchange mechanisms across the Amu Darya River Basin. The initiative will also focus on building the capacity of vulnerable communities to better adapt to climate-related risks.

Climate rationale: The project addresses the urgent need for improved regional cooperation among Turkmenistan, Uzbekistan, and potentially Tajikistan, in the area of transboundary water resource data exchange. The region faces escalating risks due to climate variability, including water scarcity and seasonal disasters. Existing information exchange is inadequate at both the regional and national level, particularly concerning disaster risk. Additionally, there is a lack of uniformity in hydrological

observation practices among the countries, and external data exchange is limited across all stakeholder levels.

Theory of change: The project is structured around three core components:

- Transboundary climate-resilient decision-making: Focusing on disaster risk reduction;
- Transboundary data and information exchange: Enhancing the flow of critical data across borders;
- Community-based climate change adaptation: Focusing on disaster risk reduction.
- The expected outcomes are as follows:
- Stakeholder engagement: Comprehensive engagement of all national-level stakeholders, supplemented by targeted training and capacity-building initiatives;
- Institutional and technical advancements: Improvement in the Amu Darya River Basin's water quality and quantity monitoring systems;
- Data flow enhancement: Streamlined information and data exchange on water quality and quantity at all levels, along with baseline hydrological site analyses;
- Early warning system: Design and integration of a coordinated early warning system network within the existing institutional frameworks for disaster risk reduction.

Financial sources and instruments: Funding is anticipated to come from grants provided by the AF and GCF and through the NDC Partnership and UNCCD. Amount is to be determined.

“This workshop helped in building foundation and providing tools to translate the region’s priority programmes into project concepts that would meet our finance needs, in a setting that fostered regional collaboration.”

— Participant feedback during the CASC training workshop held in Dushanbe, Tajikistan in July 2023.

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