



Needs-based Finance project update project update

Bonn Climate Change Conference (SB 56) Side event

Monday, 6 June 2022, 15:00—16:30

Bonn, WCCB, Room Berlin



Moderator:

- **Ms. Fiona Gilbert, SCF member, Australia**

Opening statements:

- **Mr. Daniele Violetti, Senior Director, Programme Coordination, UNFCCC secretariat**
- **Mr. David Kaluba, Ministry of Fisheries and Livestock, Republic of Zambia, Chairmanship of African Group of Negotiators**



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- **Arab States:**
 - **Mr. Ahmed Aljameel, Climate Finance Lead Negotiator, Ministry of Energy, Saudi Arabia**
 - **Africa:**
 - **Mr. Michael Ochieng' Okumu, Deputy Director, Climate Change Negotiations and Finance, Climate Change Directorate, Kenya**
 - **Mr. Ousmane Fall Sarr, Coordinator West African Alliance on Carbon Market and Climate Finance, Senegal**
 - **Asia:**
 - **Mr. Albert Magalang, Head of Climate Change Office, Philippines**
 - **Island States:**
 - **Ms. Aishath Aileen Niyaz, Director, Ministry of Environment, Climate Change and Technology, Maldives**
 - **Mr. Michai Roberston, Legal Advisor, Antigua and Barbuda Antigua**
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UPDATES ON NEEDS-BASED FINANCE (NBF) PROJECT (Region Asia)

Presented by:

Albert A. Magalang, Philippines

For the ASEAN Working Group on Climate Change (AWGCC)

The Needs-based Climate Finance (NBF) Project

- was established in response to the request at COP 23 and re-iterated at COP 26
- to be carried out by the Secretariat in collaboration with the operating entities of the Financial Mechanism, United Nations agencies and bilateral, regional and other multilateral channels
- to explore ways and means to assist developing country Parties in assessing their needs and priorities in a country-driven manner
- including their technological and capacity-building needs, and in translating climate finance needs into action.

The AWGCC Climate Finance Project

- supports the implementation of the Climate Finance programme of the AWGCC Action Plan and aims to fulfil the mandate of the 10th meeting of the AWGCC.
- accessing and mobilizing climate finance is a priority for all AMS and most countries have required support for NDC implementation and a range of climate change adaptation and mitigation objectives.
- the ASEAN Climate Finance Mobilization and Access Strategy is informed by the outcomes of the Technical Assessment of Climate Finance in Southeast Asia, a study developed by AMS.
- the goal is to ensure that climate finance can be effectively accessed, mobilized and scaled up to contribute to achieving AMS climate goals.

Main achievements so far, and the success factors that contributed to them

- to finalize the 2nd phase of the project, which focuses on the development of the Climate Finance Access Strategy (before starting implementation in the next phase)
- the project combines 3 proposals of AWGCC, being implemented under the workplan, therefore there is the buy-in and participation from all 10 ASEAN member states and support by the ASEAN secretariat
- Technical Assessment (TA) has been finalized and published, with several rounds of discussion and input by ASEAN member states.
- TA presents a good overview of the status of climate finance in the ASEAN member states and a solid basis for the strategy and the next phase of the NBF ASEAN.

Priorities identified in the TA development

- support development of project pipelines
- diversification and innovation
- facilitating access to climate finance
- cohesion and harmonization of policy
- capacity-building and enabling environment transparency and integrity

What are the biggest challenges faced in mobilizing and accessing climate finance?

- Many financial and monetary instruments are available and in use for sourcing and delivering climate finance, but due to the dominance of bank financing in the ASEAN region, their wide use is limited.
- Most MSMEs face poor access to climate finance in the region's bank-dominant system, further support for financing MSMEs is needed

What are the finance needs of developing countries for achieving their climate adaptation and mitigation goals?

- based on data from national reports, the estimated needs is USD 422 billion up to 2030 for most sectors. Most of the needs expressed are for mitigation (USD 293.01 billion), and the remainder is for adaptation (USD 129.15 billion).
- finance needed for the region would be between 40-80 billion per year over the next 10 years.

What do you envision is needed in terms of building capacity for accessing and mobilizing more climate finance?

Based on the technical assessment, the capacity building needs are as follows but not limited to:

- enhancing planning capacity and sound proposal development skills,
- conduct training for cities so that they become more pro-active in climate action;
- provision of advice to decision-makers and in support of the communication of cross-sectoral coordination committees of ministries of finance;
- develop a technical advisory service on financial instruments; and
- conduct training course or module on green banking and climate finance to train staff at central and other banks.

What do you envision in terms of creating an enabling environment for climate finance mobilization and access?

Based on the technical assessment, the enabling environment related actions that are necessary are as follows but not limited to:

- increasing cross-border flow of investments from developed markets in ASEAN corporate bonds;
- strengthening M&E procedures and overall financial governance and financial institutions through development of a green banking law;
- receiving TA for developing a national sustainable/green financing road map and its supporting regulatory tools and mechanism;
- receiving assistance for harmonizing standards - through alliances between central banks and climate sustainable finance guidelines.

How will / does the Needs-based finance project help in addressing challenges and deliver on climate finance envisioned?

- The NBF project provides an evidence-based framework for enabling countries to mobilize climate finance at scale in a country-driven manner.
- It also opens opportunities for regional collaboration on climate finance.

Thank you.

NEEDS BASED FINANCE

ISLAND STATES OF THE INDIAN OCEAN

ISIO Needs Based Finance project

- A collaboration amongst the 6 Island States in the Indian Ocean: Comoros, Madagascar, Maldives, Mauritius, Seychelles & Sri Lanka, led by Maldives, supported by UNFCCC Secretariat under Needs Based Finance Project
- Objectives:
 - Increased adaptation action and capacity
 - Increased mitigation action and capacity
 - Strengthened institutional and technical capacity to access climate finance and effective implementation;
 - Empower ISIOs to position our needs at the forefront of climate finance mobilization and access.

• Images: http://commons.wikimedia.org/wiki/Main_Page

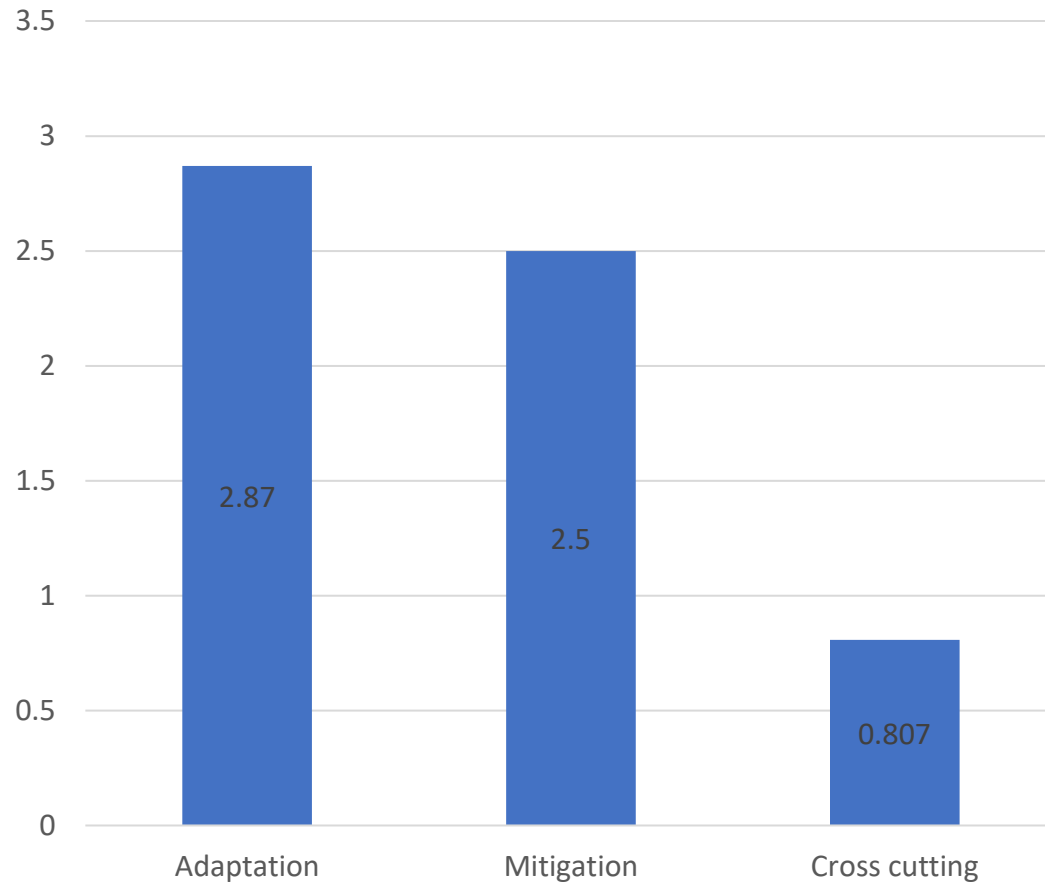




Highlights

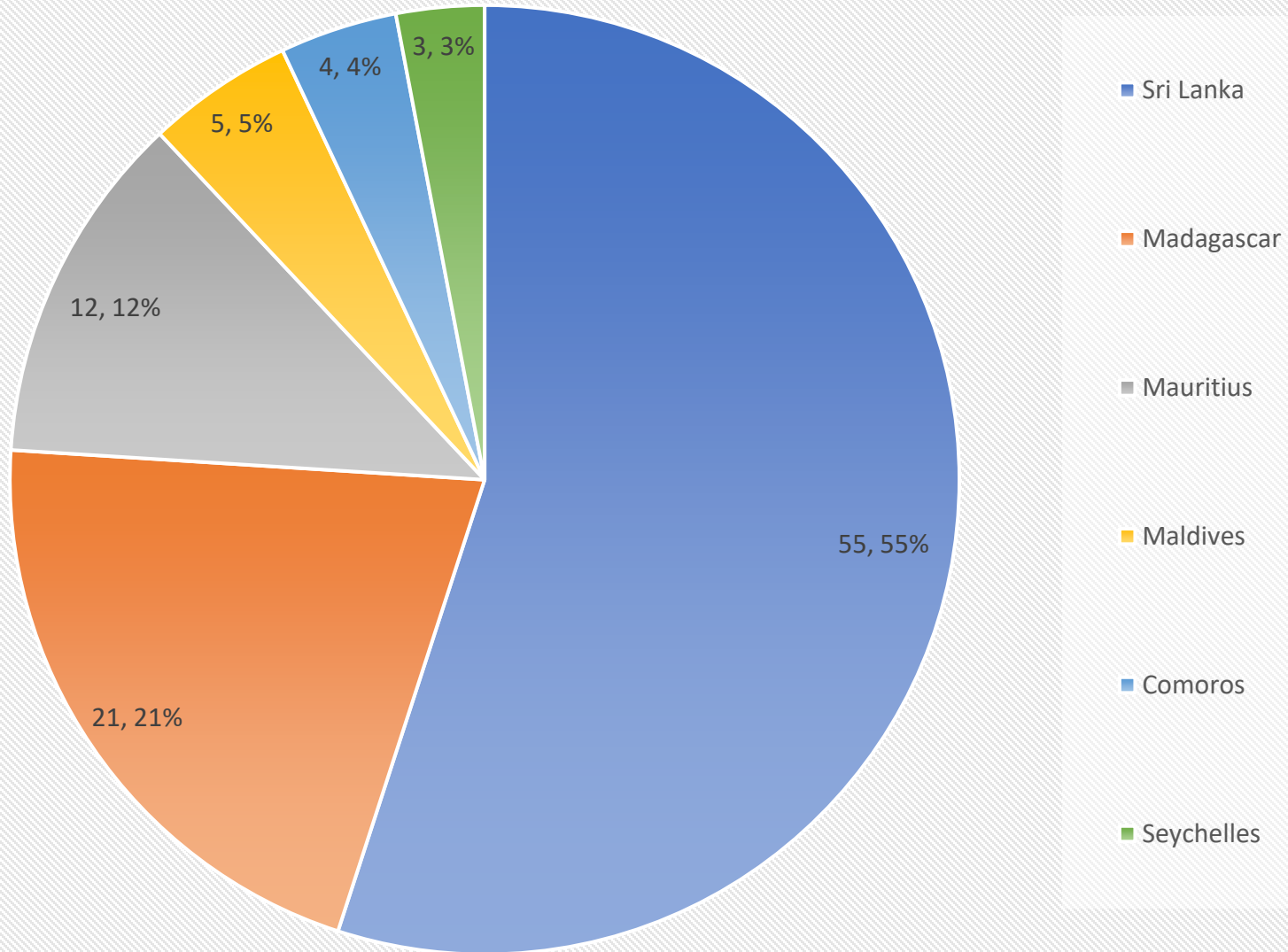
- Technical Workshop (March 2020)
- Preparation and validation of **ISIO Climate finance mobilization and access strategy for island States in the Indian Ocean (2022–2025)** and technical annexes
- Training workshop on climate finance mobilization and access Needs-Based Finance Project, 23 – 26 May 2022, Maldives

Climate Finance Flows to ISIO



- USD 6.18 billion public climate finance between 1991-2020
- 62.7% loans, mostly to Mauritius and Sri Lanka.

Share of ISIO climate finance



Priority Needs of ISIO

- Mitigation:
 - Energy
 - Transport, Waste, Forestry and land use, Agriculture and Industry

Table 19
Priority sectors in mitigation for the island States in the Indian Ocean

	Energy	Transport	Agriculture	Industry	Forestry and land use	Waste
Comoros	✓		✓		✓	
Madagascar	✓		✓		✓	✓
Maldives	✓	✓				✓
Mauritius	✓	✓	✓	✓	✓	✓
Seychelles	✓	✓				
Sri Lanka	✓	✓		✓	✓	✓



Identified capacity building needs

- Data, monitoring and research
- Access to finance
- Private sector engagement
- Transparency
- Governance and regulation
- Informational, Institutional, Technological, Regulatory, and Financial capacity needs

Quantified needs

- **Available quantified needs for the region:**
 - USD 49.6 billion.
- **Overall Quantified Needs by Type of Support:**
 - Mitigation: USD 10 billion
 - Adaptation: USD 33 billion
 - technology and capacity building: USD 7 billion

Table 25
Estimated volume of finance needed to 2030 for the ISIO region
(USD billion)

	Finance needs for mitigation	Finance needs for adaptation	Finance needs for technology and capacity-building
Comoros	0.3	0.375	–
Madagascar	6.4	28.7	7.016
Maldives	1.001	–	–
Mauritius	2.0	4.5	–
Seychelles	0.309	0.295	–
Sri Lanka	–	0.057	–
Total	10.01	33.927	7.016

Source: Comoros NDC (2016); Madagascar NDC (2016); Maldives NDC (updated in 2020); Mauritius NDC (2016); Seychelles NDC (2015); Sri Lanka NDC (2016); Sri Lanka NAP (2016)



ISIO Strategy 2022- 2025

- Six strategic areas for collaboration:
 1. Scaling up climate finance for adaptation
 2. Partners and sources of finance
 3. Capacity-building and awareness-raising
 4. Enabling policies
 5. Institutional arrangements
 6. Measurement, reporting and verification and transparency



Looking ahead- translating priorities into action

- Political endorsement of Strategy
- Presentation of Strategy to possible financiers and project developers through an investor forum
- Development of regional collaboration projects to address common climate challenges
- Outreach to key public and private financing institutions to promote strategy
- MoU between ISIO states to formalize collaboration

Thank you!

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UNFCCC NEEDS BASED FINANCE PROJECT

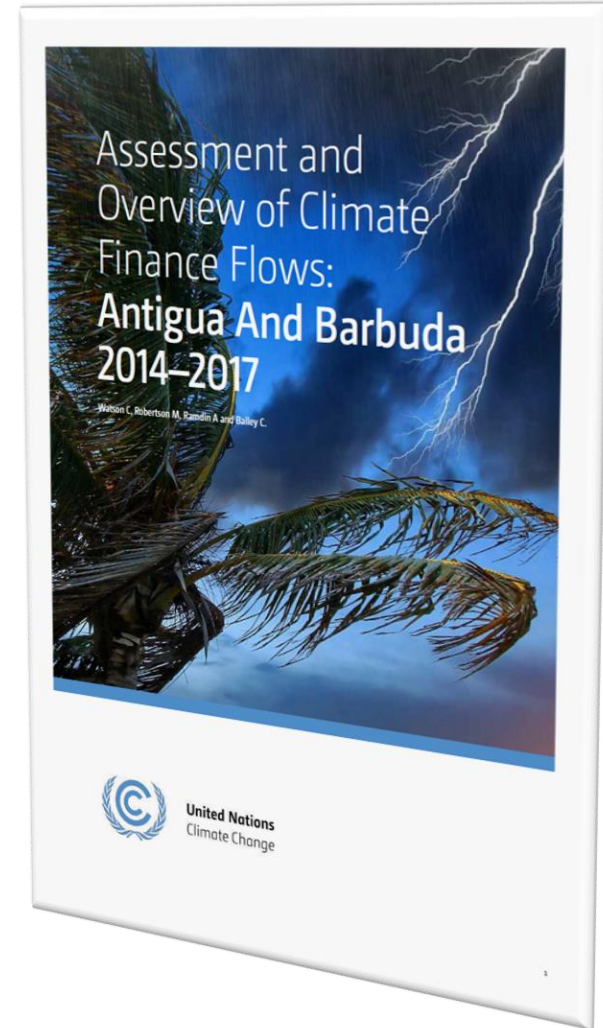
Experiences from Antigua and Barbuda

6th June 2022

Michai Robertson

Overview

- Importance of the NBF to Antigua and Barbuda
- Project Focus
 - Initial Methodology (including 'climate finance' definition)
 - Overview of National and International Climate Finance Flows 2014-2017
 - Private Sector Interaction with Climate Change
 - Survey of Tools to Achieve Art 2(1)(c) of the Paris Agreement



Importance of the NBF Project

Noting the UNFCCC NBF Project's overall purpose of facilitating access and mobilization of climate finance for the implementation of priority climate actions to address the needs identified by developing countries

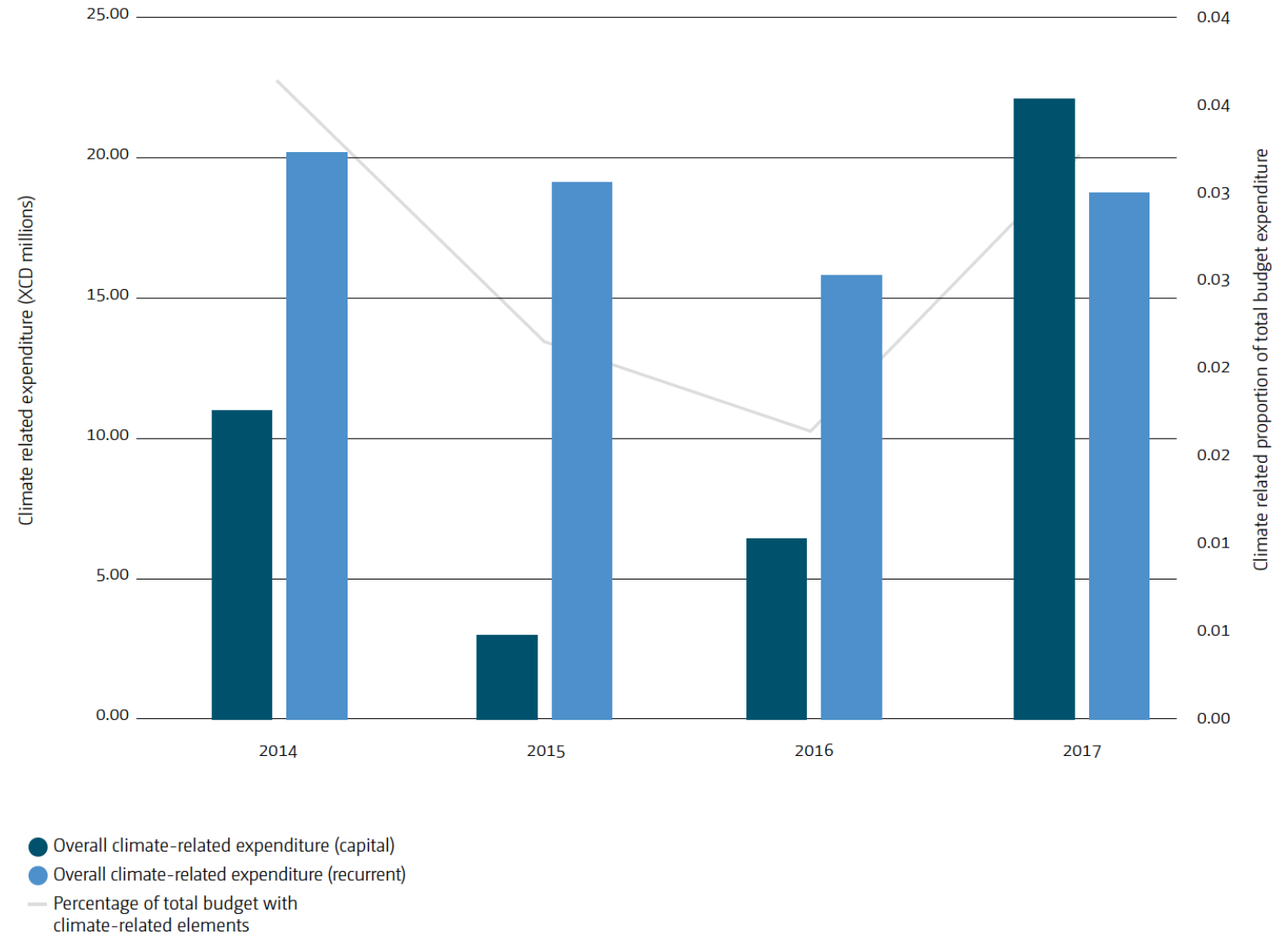
- Critical for Antigua and Barbuda (as well as other Caribbean SIDS) to address the issues of equity (i.e. access and fair share) in climate finance
- Collation of needs driven evidence that can feed in the Paris Agreement's Enhanced Transparency Framework as well as the Global Stocktake

Importance of the NBF Project

- Presentation of data that supports and asserts Antigua and Barbuda's commitment to climate action in hopes thereby attract more financing
- Springboard for national tracking climate finance flows
 - Basis for further work under GCF Readiness 4 & 5 Projects
 - Inclusion in the government financial management system

National Climate Finance Flows 2014-2017

Figure 1 Climate-related budget expenditure in Antigua and Barbuda 2014–2017



National Climate Finance Flows 2014-2017

Figure 7. Climate-related spending by theme in Antigua and Barbuda for 2014-2017

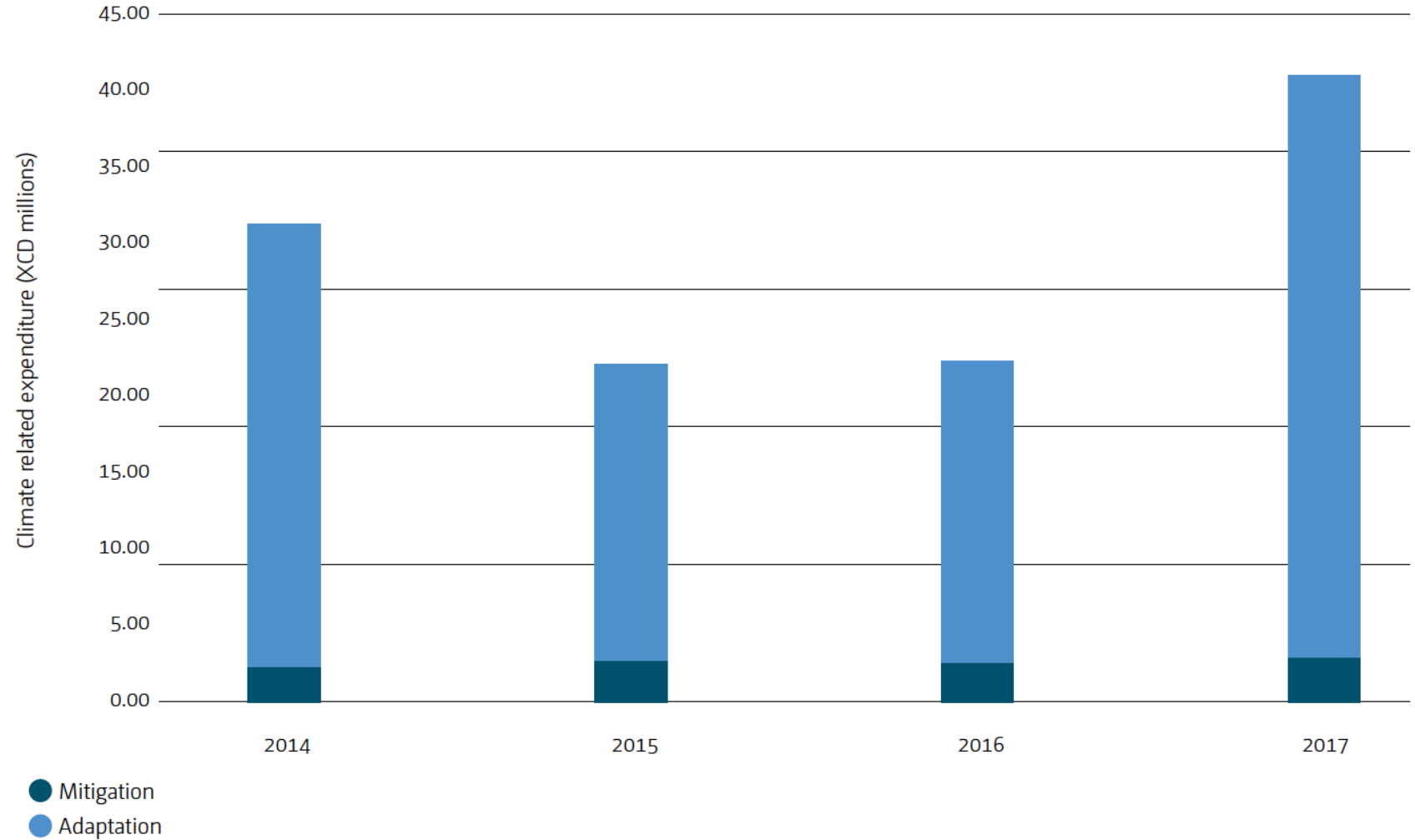
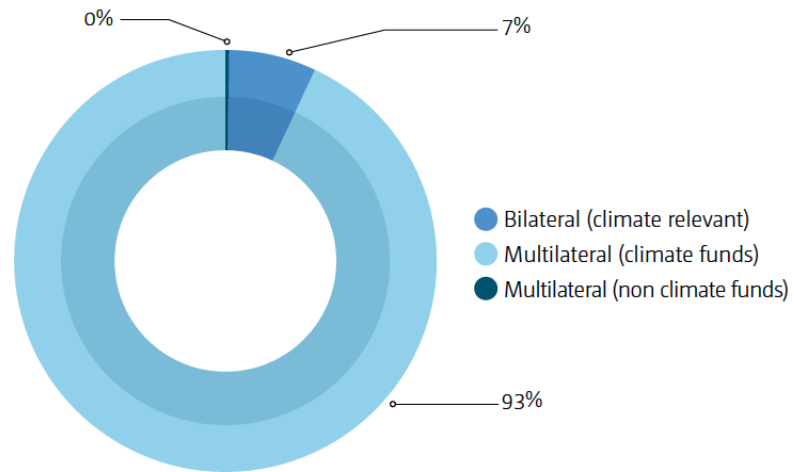
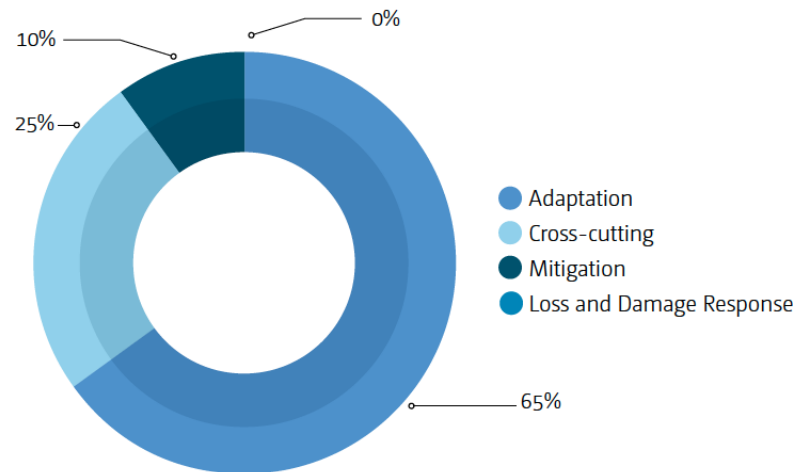


Figure 2 International public finance support provided to Antigua and Barbuda in 2014-2017

(a) multilateral and bilateral split

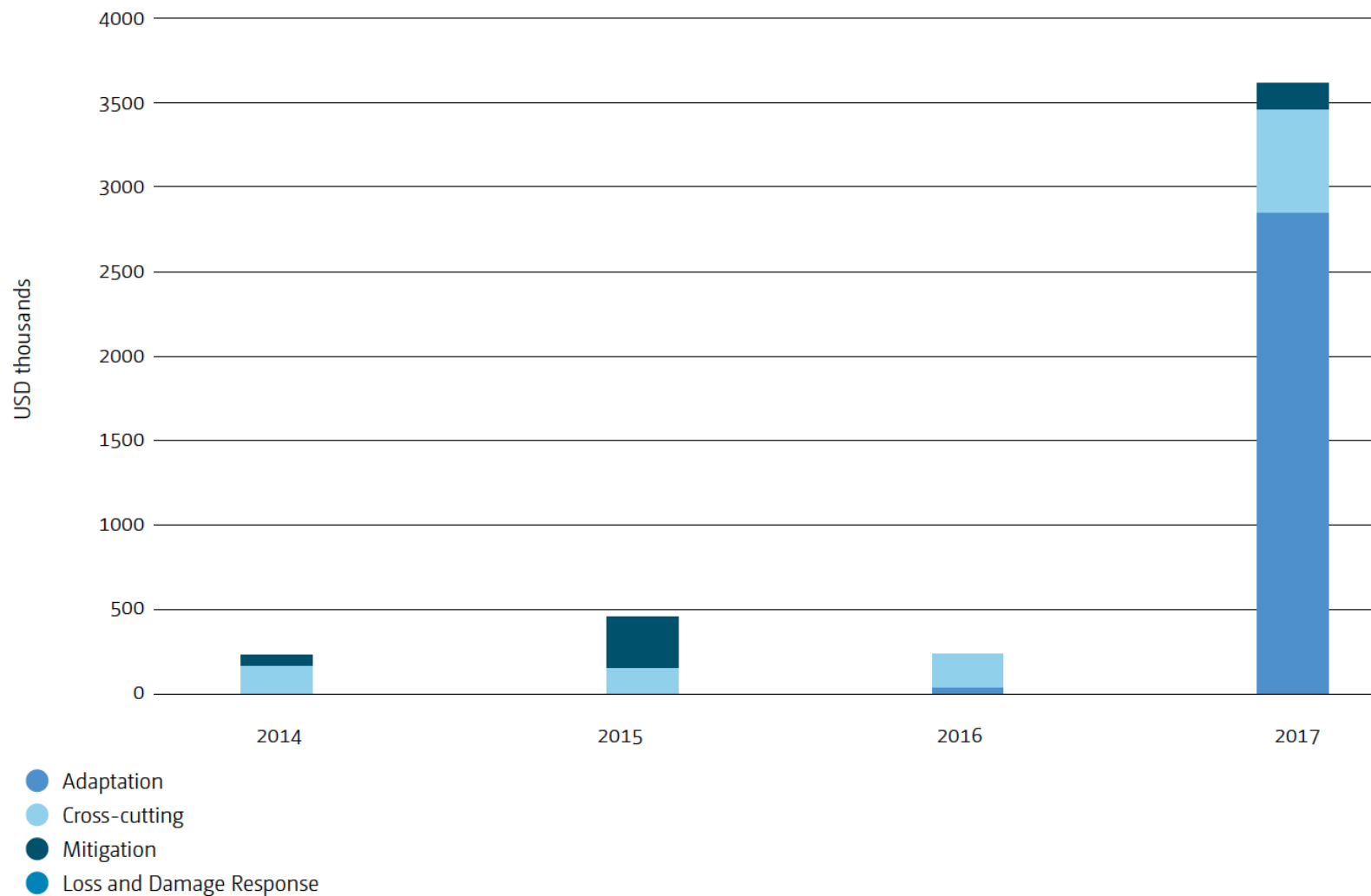


(b) thematic



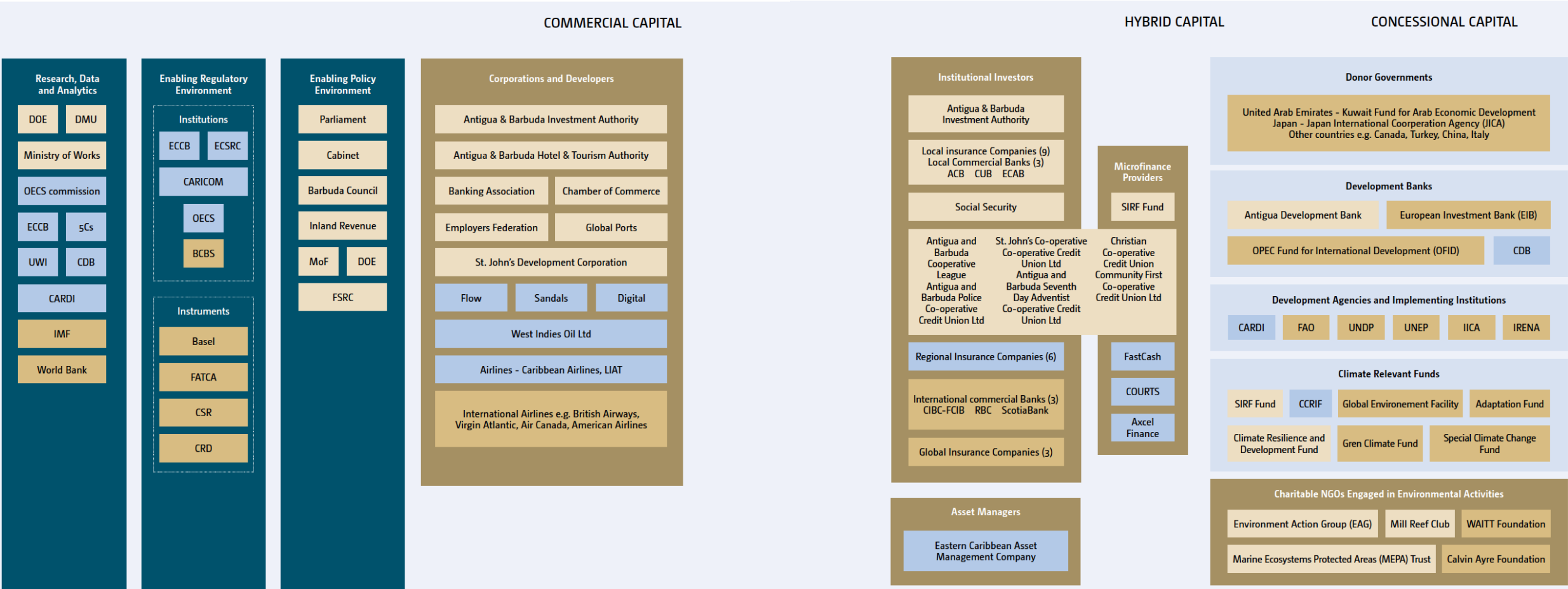
International Climate Finance Flows 2014-2017

Figure 10. International grant and concessional public finance disbursed by theme 2014-2017 to Antigua and Barbuda for climate action



International Climate Finance Flows 2014-2017

Figure 11. Example stakeholders relevant to climate change and finance in Antigua and Barbuda



- Local Stakeholders
- Regional Stakeholders
- International Stakeholders

THANK YOU

QUESTIONS?

Thank you

For more information on the NBF project

www.unfccc.int/NBF_Project

