

## NEEDS-BASED-FINANCE PROJECT UPDATE

### SB 56 SIDE-EVENT REPORT

VENUE: WCCB, Room Berlin

TIME: Monday, 6 June, 15:00-16:30

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#### Summary report

The Needs-Based Finance (NBF) project side-event at SB 56 provided an update on the progress of some of the regional support activities which are being facilitated by the secretariat to scale up access and mobilization of climate finance for the implementation of priority mitigation and adaptation needs identified by developing countries, in accordance with goals outlined in their NDCs, national adaptation plans and other relevant policies.

The side-event was opened with speeches by Mr. Daniele Violetti, Senior Director (UNFCCC Secretariat) and by Mr. David Kaluba (Republic of Zambia) speaking on behalf of the African Group of Negotiators. To date 12 participating regions covering over 100 countries are being supported and engaged in a strategy design process for the access and mobilization of climate finance to support implementation of priority mitigation and adaptation needs in accordance with goals outlined in their NDCs, national adaptation plans and other relevant policies and plans.

The side-event highlighted experiences of country and regional leaders in identifying climate finance needs, assessing flows, and developing strategic approaches to strengthen climate finance mobilization, access and capacity. The opening speeches were followed by a panel, moderated by Ms. Ms. Fiona Gilbert, SCF member (Australia). The panel comprised of:

#### Region Arab States:

- Mr. Ahmed Aljameel, Climate Finance Lead Negotiator, Ministry of Energy, Kingdom of Saudi Arabia

#### Region Africa:

- Mr. Michael Okumu, Deputy Director, Climate Change Negotiations and Finance, Climate Change Directorate, Republic of Kenya
- Mr. Ousmane Sarr, Coordinator West African Alliance on Carbon Market and Climate Finance, Republic of Senegal

#### Region Asia:

- Mr. Albert Magalang, Head of Climate Change Office, Republic of the Philippines

#### Region Island States:

- Ms. Aishath Niyaz, Director, Ministry of Environment, Climate Change and Technology, Republic of Maldives
- Mr. Michai Robertson, Legal Advisor, Antigua and Barbuda

More than 100 participants attended the side event including Parties, governmental agencies and institutions, private sector representatives, academia, NGOs, and climate finance stakeholders. The side event closed with a rich Q&A session where participants asked questions on a wide range of topics, from the definition of climate financing, green banking to resource mobilization, and the benefits of a regional approach. No questions were submitted by the virtual audience.

For more information about the NBF project, please visit: [https://unfccc.int/NBF\\_Project](https://unfccc.int/NBF_Project)

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### Highlights from the interventions:

The side event was opened by Mr. David Kaluba (Republic of Zambia) speaking on behalf of the African Group of Negotiators. He mentioned the region still faces challenges in terms of accessing climate finance for a multiple of reasons including complex access procedures, lack of capacity to develop bankable proposals – he indicated that the project is already laying the ground to address some of the challenges for Africa. Mr. Daniele Violetti, Senior Director (UNFCCC) in his opening remarks echoed the positive feedback received by many countries on the NBF project and ensured the continued support of the secretariat going forward.

Mr. Ahmed Aljameel, Climate Finance Lead Negotiator, Ministry of Energy, Kingdom of Saudi Arabia, highlighted the imbalance between finance flows for mitigation and adaptation in outlining the main priorities for the Arab region as one of the most vulnerable regions globally - with only 18% of the Climate Finance going to adaptation according to the technical assessment conducted to support the development of the regional climate finance strategy. He looked forward to advancing the work in the region with similar training later this year. He further noted the unbalanced geographic distribution of finance and challenges relating to limited access to grants and to concessional loans.

Mr. Michael Okumu, Deputy Director, Climate Change Negotiations and Finance, Climate Change Directorate, Republic of Kenya noted that the six East African Community Member States have benefited from the project considerably and their Ministers have recently adopted a regional climate finance strategy to enable them to address and respond to the rapidly increasing effects of climate change in the region. Mr. Okumu noted that the combined climate finance needs of the region, as identified in the strategy's technical assessment, amounts to USD 212 billion for the next 10 years, or USD 21 billion per year for the next 10 years (excluding the new entrant, the Democratic Republic of Congo).

Mr. Ousmane Sarr (Senegal) provided an account of the NBF project activity with the Economic Community of West African States (ECOWAS) in cooperation with the West African Alliance on Carbon Market and Climate Finance. Similarly to east Africa, the adoption of their strategy and pipeline of priority projects for the region is expected by Ministers soon. The subregion requires USD 294 billion until 2030, a good portion of which is needed for transboundary and regional relevant issues. Between 2013 and 2018, the region has received on average US\$ 4.9 billion per year of international public climate finance. Mr. Sarr further mentioned the five strategic areas for the region covered by the strategy.

Mr. Albert Magalang, Head of Climate Change Office, Philippines presented the priorities identified in the Association of Southeast Asian Nations (ASEAN) climate finance strategy and concluded in saying that the NBF project provides an evidence-based framework for enabling countries to mobilize climate finance at scale, in a country-driven manner, and also opens opportunities for regional collaboration on climate finance. Mr. Magalang further noted that current finance flows into the region are estimated to be between 3.2 US dollars and 6 billion a year. Based on data from national reports, the estimated needs amount to USD 422 billion up to 2030 for most sectors, as captured in the technical assessment conducted to support the development of the strategy. Unlike for other regions that presented before, most of the needs expressed by ASEAN member States are for mitigation (USD 293.01 billion), and the remainder is for adaptation (USD 129.15 billion).

Ms. Aishath Niyaz, Director, Ministry of Environment, Climate Change and Technology, Republic of Maldives highlighted the successful [NBF training workshop](#) held two weeks prior in the Maldives, where six Island States in the Indian Ocean (IOIS) had the opportunity to develop regional projects on common priority areas together with the Global Environment Fund, the Green Climate Fund and the Adaptation Fund. She mentioned the region is looking forward to presenting the projects to prospective, financiers development partners and access entities in building on the outcomes of the workshop. Ms. Niyaz further noted that based on the available data, about 50 billion US dollars has been quantified as climate finance needs, including 33 billion USD for Adaptation, and 10 billion USD for mitigation and 7 billion USD as technology and capacity-building needs. In comparison, in the past three decades a total of 6 billion was received – this is a crucial motivation factor for the implementation of the approved strategy.

Finally, Mr. Michai Robertson, Legal Advisor, Antigua and Barbuda provided a detailed account of work undertaken in his country in defining what is needed to be financed, how much and what type of finance has been flowing to address the needs of the country and welcomed that more support will be provided through the NBF project in the Caribbean region. Mr. Robertson spoke on eligibility issues, including in relation to the classification of national budget items as climate relevant, particularly relating to loss and damage, rebuilding, and rehabilitating, as well as regarding the classification of Antigua and Barbuda as a high income country considering the GDP per capita metric, which limits access to concessional funding. Mr. Robertson further mentioned that bilateral funding has been received through the UAE's Irena Abu Dhabi Fund for Development.