

# Overview of the Needs-based Finance (NBF) Island States in the Indian Ocean

(Comoros, Madagascar, Maldives, Mauritius, Seychelles and Sri Lanka)

Male, Maldives, 04 March 2020



# Outline

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Part I: Needs Based Finance Project overview



Part II: Development of the Climate Finance Mobilization and Access Strategy



Part III: Socio-economic and Climate Profile





# Part I:

## Project Overview



# Background

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Under a long-term finance mandate Parties, in decision 6/CP.23 requested the UNFCCC secretariat to explore ways and means to assist developing country Parties, in assessing their **finance & investment needs and priorities**, in a country-driven manner, including technological and capacity-building needs, and in **translating these needs into action**.



Needs-based finance project

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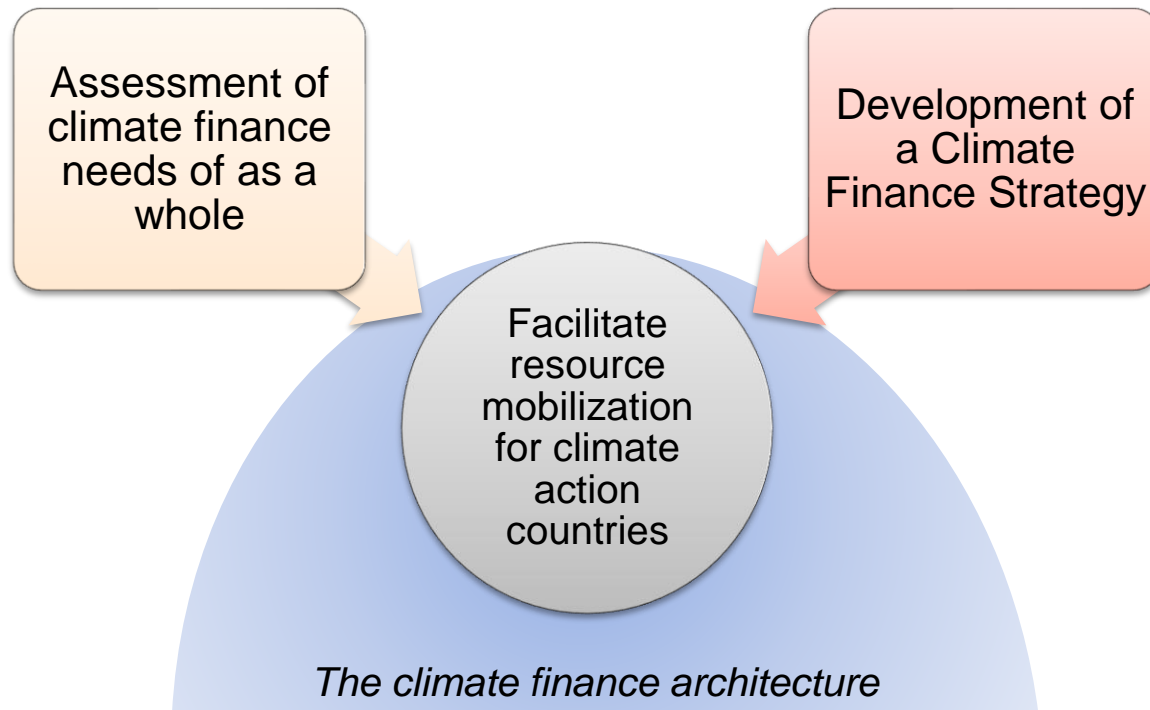


# Project objective

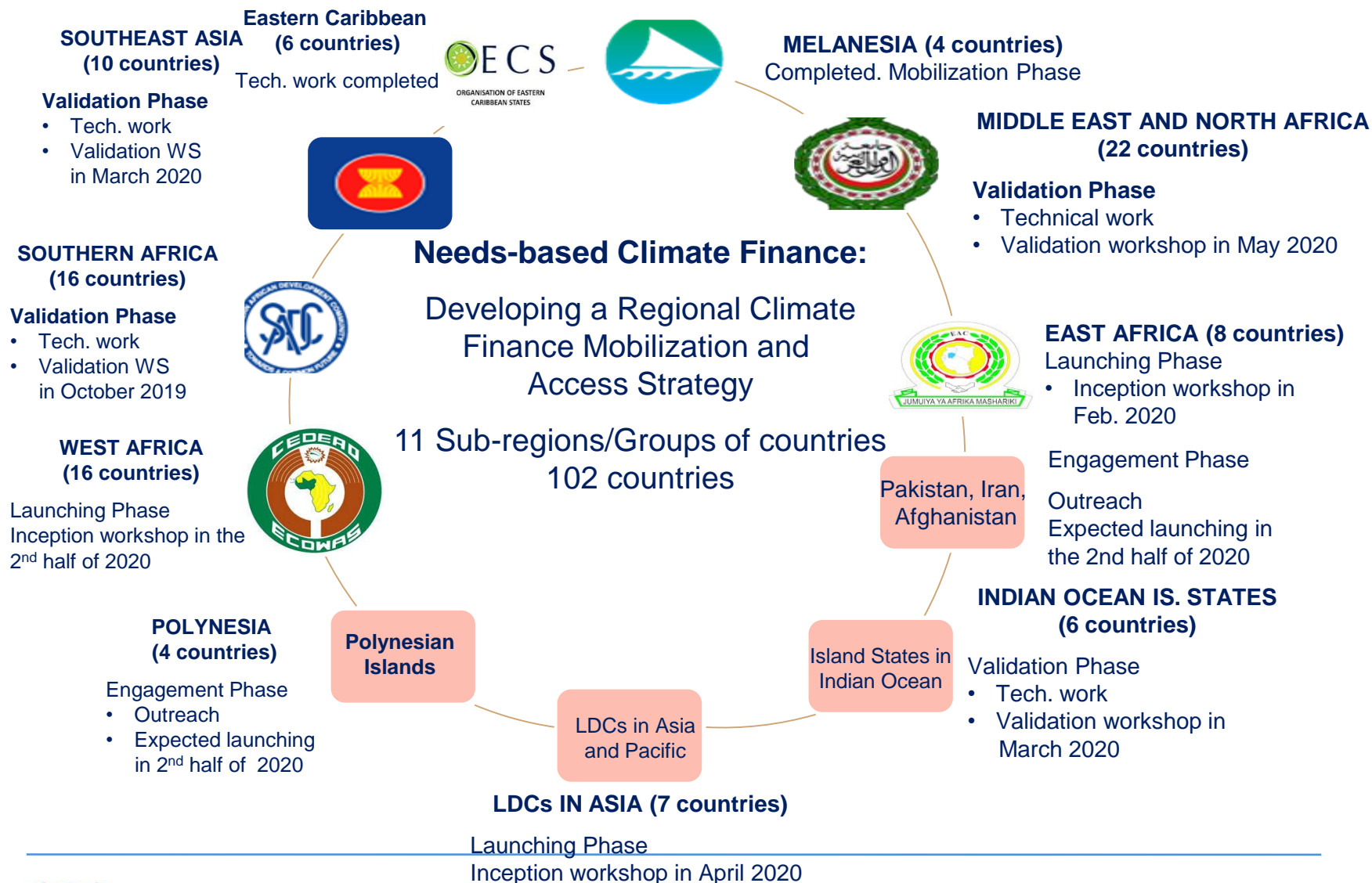
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The project will assist countries/regions:

- 1) Assess their climate finance barriers and prioritise climate finance and investment needs at the regional level
- 2) Develop a Climate Finance Mobilization and Access Strategy (inclusive)
- 3) Obtain endorsement of the strategy at the highest political level
- 4) Facilitate mobilization and access to climate finance (partnerships)



# Progress on Sub-regional Climate Finance Strategies



# NBF Outreach Events



WORLD GREEN ECONOMY ORGANIZATION

## High-Level Forum on Climate Finance Strategies for NDC implementation

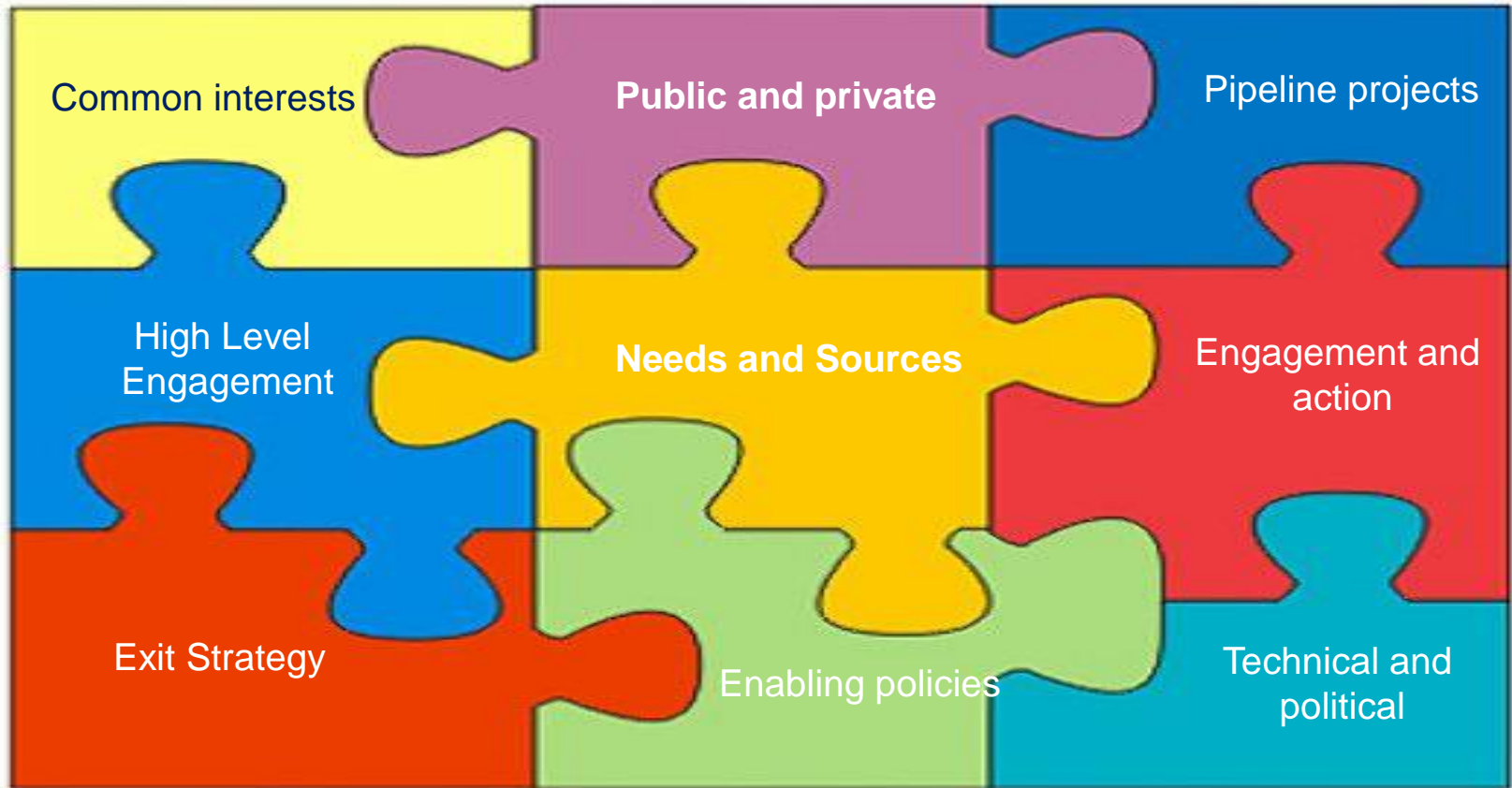
11 December 2019

COP 25, Madrid, Spain



# Substance and process: Connecting the Puzzle

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# Indicative Project Timeline and Next Steps



## Phase I: Project Initiation

*Aug. '19 – Feb. 2020*

- Initial engagement with ISIO to discuss Project scope, design and workplan
- Identification of Project focal points from ISIO and UNFCCC
- Exchange of Letters
- Identification of other partner institutions as appropriate
- Project inception/technical workshop.

## Phase II: Technical Work

*Feb – March 2020*

- Assessment of climate finance needs based on literature review, research and consultations
- Project validation workshop (4-5 March 2020)
- Development of a regional climate finance access strategy

## Phase III: Resource mobilization

*March – Dec. 2020*

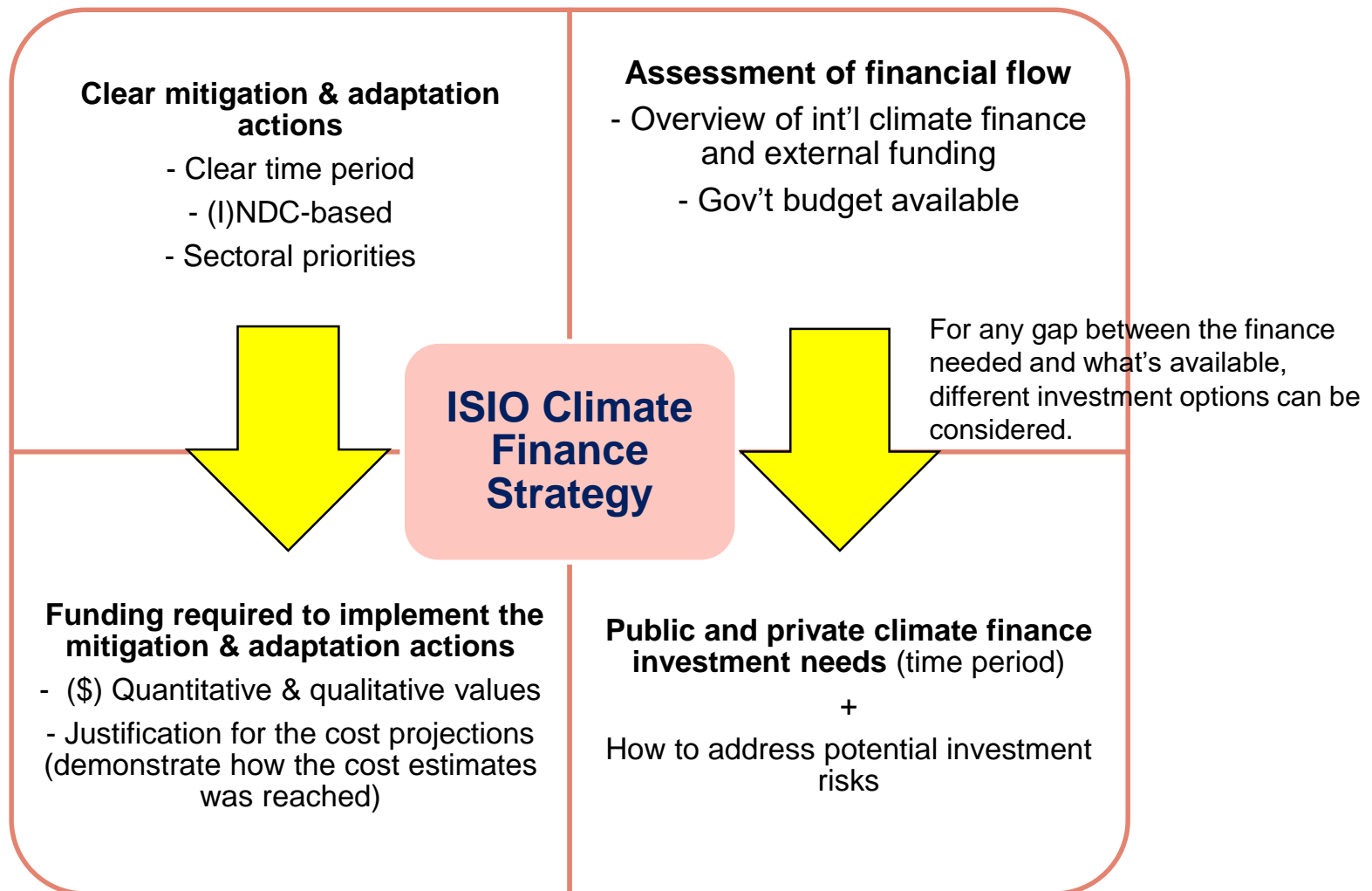
- Adoption of the ISIO Climate Finance Access Strategy at the political level.
- Convening of Partners' Dialogue to present the strategy and facilitate access to resources to support projects and programmes.



# **Part II:**

## **Development of the Climate Finance Mobilization and Access Strategy**

# Possible content of the ISIO Climate Finance Strategy



# Sample: The Climate Finance Strategy for MSG countries

## Climate finance strategy for MSG countries

1. Identifying and implementing effective and **appropriate financing** for climate actions in the sub-region.
2. Designing an MSG **financing vehicle** to catalyze and mobilize private sector investment into climate actions for the sub-region
3. Building on existing financing mechanisms to **mobilize** climate finance for the sub-region.
4. **Capacity building** for mitigation and adaptation project development and implementation, and institutional strengthening.
5. Strengthening MSG **coordination** and collaboration to allow for effective mobilization of climate finance for the sub-region.
6. Strengthening and developing **reporting** systems for means of implementation.

Ongoing evaluations of and adjustment to the  
climate finance strategy

Learnings and modifications



# ISIO Climate Finance Mobilization and Access Strategy

The ISIO Climate Finance Strategy be:

## (1) Succinct

- 4-5 pages, with other relevant technical information in annexes

## (2) Actionable

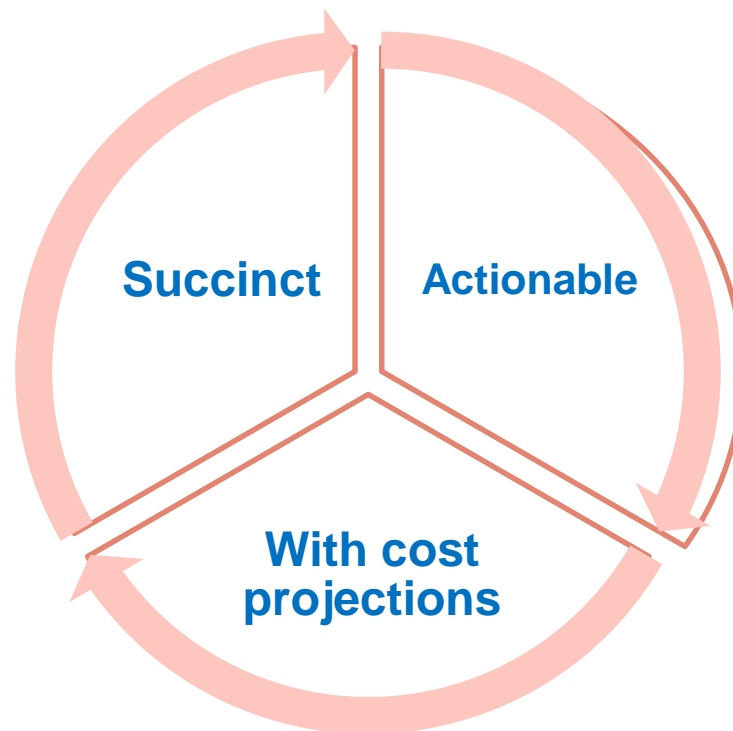
- By ISIO countries, key sectors, potential contributors

## (3) With indicative cost projections

- Demonstrate how indicative cost projections came about; validate cost estimates

## (4) Identify project pipelines

- Based on identified priority areas/strategies.



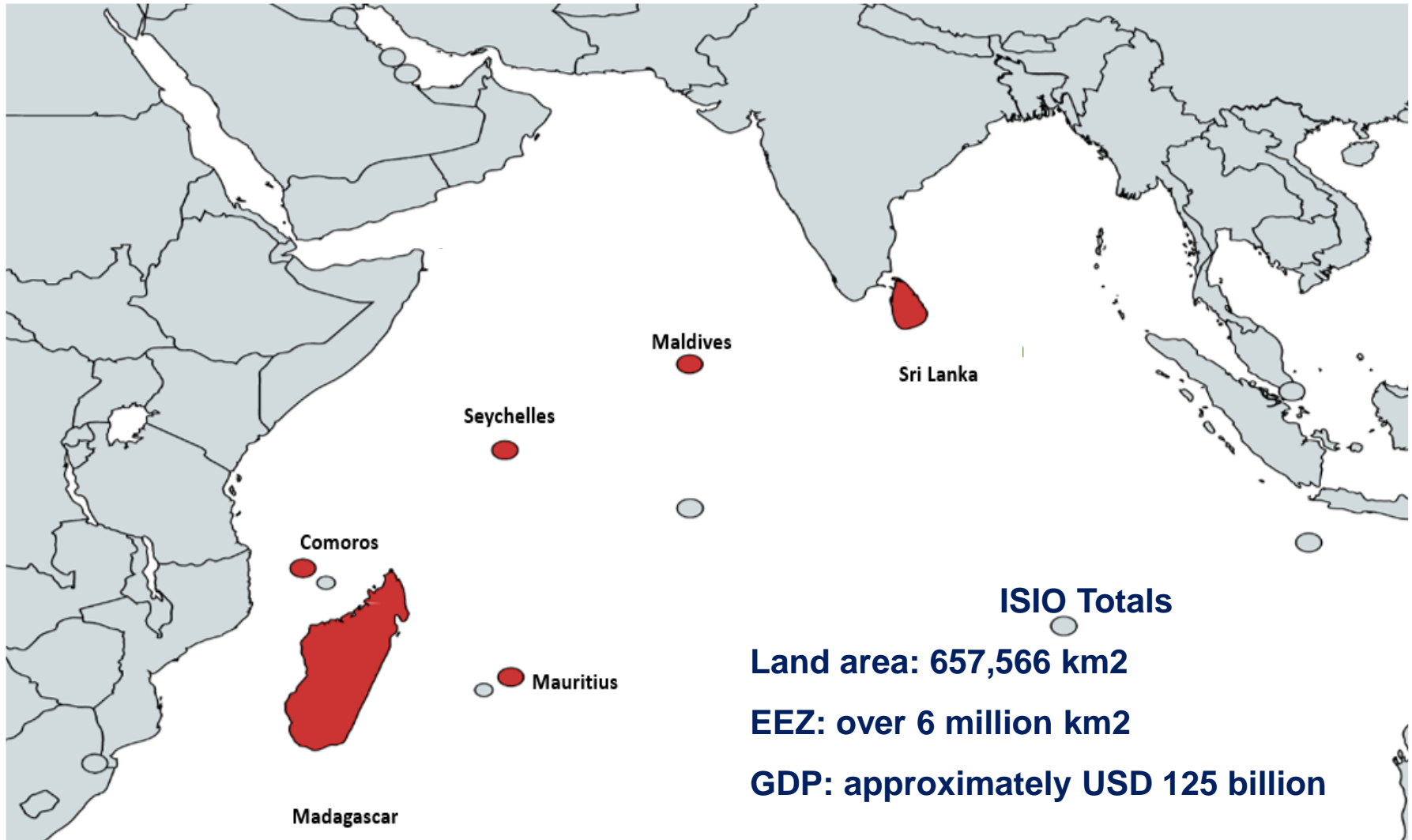


# Part III:

## Socio-economic and Climate Profiles of the Island States in the Indian Ocean



# Socio-economic and Climate Profile



# Major economic sectors

## International tourism receipts

<i>Country</i>	<i>International Tourism receipts (% of exports)</i>	<i>Latest available year</i>
Comoros	43.9	2012
Madagascar	20.8	2017
Maldives	87	2017
Mauritius	37.2	2017
Seychelles	37.4	2017
Sri Lanka	26.6	2017

## Food exports in ISIO countries

<i>Country</i>	<i>Food export (% merchandise exports)</i>	<i>Latest available year</i>
Comoros	78	2013
Madagascar	44	2018
Maldives	98	2018
Mauritius	35	2018
Seychelles	79	2018
Sri Lanka	26	2017





# Imports

## Fuel and food imports in ISIO countries

<i>Country</i>	<i>Fuel imports (% of merchandise imports)</i>	<i>Food imports (% of merchandise imports)</i>	<i>Latest available year</i>
Comoros	1	13	2013
Madagascar	17	17	2018
Maldives	16	17	2018
Mauritius	20	21	2018
Seychelles	21	28	2018
Sri Lanka	16	13	2017

- Petroleum products making up the top imports in all six countries.
- Food imports also form a significant proportion of merchandise imports.
- The proportion of fuel and food imports in the ISIO countries while higher than the world percentage (13 and 8 percent respectively in 2018) is largely consistent with comparator island states (20 and 19 percent respectively in 2018)



# Climate Profile: Vulnerability

**Average Annual Natural Hazard Occurrence, 1900-2018**

<i>Country</i>	<i>Storm</i>	<i>Epidemic</i>	<i>Drought</i>	<i>Flood</i>	<i>Earthquake</i>	<i>Volcanic Activity</i>	<i>Insect Infestation</i>	<i>Landslide</i>
Comoros	7	6	1	2	1	6		
Madagascar	55	7	8	7			2	
Maldives	1	2		2	1			
Mauritius	19	2	1	1				
Seychelles	2	2		2	1			
Sri Lanka	10	10	11	64				6

**Table 2-6  
Average Annual Direct Loss in ISIO countries**

<i>Country</i>	<i>Average Annual Direct Loss (US\$)</i>
Comoros	Over 5.7 million
Madagascar	Over 100 million
Maldives	-
Mauritius	Over 110 million
Seychelles <sup>5</sup>	Nearly 2.8 million
Sri Lanka	380 million

*Source:* GFDRR, 2014



# Climate Profile: Emissions

Table 2-7

## Total GHG emissions ISIO countries

<i>ISIO Country</i>	<i>GHG emissions (Gg CO<sub>2</sub>e   without LULUCF)</i>	<i>Global GHG emissions (Gg CO<sub>2</sub>e)</i>	<i>Percentage of global emissions (%)</i>	<i>Year</i>
Comoros	285.1	40,563,463	0.000007	2000
Madagascar	27,756.1	50,911,113	0.0005	2010
Maldives	1,225.6	52,790,526	0.00002	2011
Mauritius	6,591.3	-		2013
Seychelles	330.1	40,563,463	0.000008	2000
Sri Lanka	18,797.2	40,563,463	0.00005	2000

Source: UNFCCC Emission Summaries



# Climate Profile: Sectoral Emissions

## Emissions breakdown by sector (% of total emissions)

<i>Sector/Sub-sector</i>	<i>Comoros (2000)</i>	<i>Madagascar (2010)</i>	<i>Maldives (2011)</i>	<i>Mauritius (2013)</i>	<i>Seychelles (2000)</i>	<i>Sri Lanka (2000)</i>
<b>Energy</b>	<b>29.25%</b>	<b>10.78%</b>	<b>94.07%</b>	<b>64.49%</b>	<b>79.31%</b>	<b>61.51%</b>
Energy Industries	30.61%	16.25%	67.51%	56.23%	56.39%	28.91%
Manufacturing industries and construction	0.00%	13.11%	0.00%	7.27%	3.24%	8.26%
Transport	53.63%	33.10%	22.90%	32.08%	25.38%	43.97%
Other sectors	15.76%	37.54%	9.59%	4.42%	14.99%	18.84%
<b>Industrial Processes</b>	<b>0.03%</b>	<b>0.71%</b>	--	<b>11.46%</b>	--	<b>2.62%</b>
<b>Agriculture</b>	<b>70.70%</b>	<b>86.67%</b>	--	<b>0.75%</b>	<b>4.72%</b>	<b>25.05%</b>
Enteric Fermentation	25.21%	29.02%		33.78%	28.32%	26.61%
Manure Management	0.82%	21.50%		19.22%	0.00%	3.88%
Rice Cultivation	0.00%	10.72%		0.00%	0.00%	52.37%
Agricultural Soils	73.97%	38.46%		43.63%	71.68%	16.12%
Prescribed Burning of Savannas	0.00%	0.28%		0.00%	0.00%	0.00%
<i>Field Burning of Agricultural Residues</i>	0.00%	0.00%		3.38%	0.00%	1.02%
<b>Waste</b>	<b>0.02%</b>	<b>1.85%</b>	<b>5.93%</b>	<b>23.30%</b>	<b>15.97%</b>	<b>10.82%</b>



Thank You

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