

# CLIMATE CHANGE FINANCING

## Introduction

- The impact of climate change in the URT have already been felt on the environment and livelihood of systems.
- The National Climate Change Strategy (2012) indicate that adverse effect of the climate change are projected to further increase in both frequency and intensity leading to more severe and adverse socio- economic and financial implications in the absence of adaptive capacity.
- Climate Change Financing needed to build national resilience has been estimated by the National Climate Change Strategy (2012) to be between USD 100 to USD 150 million per year.
- Additional resources may be substantial as estimation is complex due to scientific uncertainties

# Country Experiences in climate financing

- Multilateral financing: GCF eg. Simiyu Water Project; several GEF projects, LDCF and AF;
- Bilateral financing: Several projects e.g. REDD+ Programme; commercial tree planting in Southern Highlands;
- National financing: Government budget allocation in areas such as: Infrastructure maintenance, transportation (SGR), energy sector (Rufiji Hydropower), tree planting, agricultural sector and Health sector;
- Special Fund: e. g. Tanzania Forest Fund and Easter Arc Mountains Endowment Fund;
- Private Sector: Mini Hydro powers, alternative charcoal, waste to energy.

# Challenges in Accessing Climate Finance

- Inadequate climate finance as compared to needs especially adaptation demand which grows as the CC impacts intensifies in terms of frequency and magnitude;
- Climate finance is still largely provided from donor funding and from the Funds established under the UNFCCC;
- Cumbersome procedure in accessing climate finance from the Funds such as GCF;
- Lack of bankable proposal writing expertise;
- Inadequate knowledge on CC impacts, adaptation and mitigation across all levels.

# Country Priority Needs in Financing Climate Actions

Priority needs in financing climate actions in the URT are outlined in the Nationally Determined Contributions (NDCs) document currently being in the final stage of its preparation. The actions include both adaptation and mitigation measures

**Adaptation:** The identified priority sectors with their corresponding actions which need funding are as follows:

- **Agriculture** - Up-scaling the level of improvement of agricultural land and water resources management and increasing yields in an environmentally sustainable way through inter alia climate-smart agriculture interventions.
- **Energy** - Increasing the resilience of the energy system through energy mix including renewable energy sources and enhancing integrated basin catchment and upstream land management for hydropower sources.

## Cont.....

- **Coastal, Marine Environment and Fisheries;** Strengthening management of coastal resources and monitoring systems due to erosion and sea level rise and Promoting sustainable livelihood diversification for coastal communities.
- **Livestock;** Promoting climate resilient traditional and modern knowledge for sustainable pasture and rangeland management systems and practices and enhancing climate resilient livestock infrastructure and services.
- **Forestry;** Enhancing participatory sustainable forest and wildlife management and protection of forest and wildlife resources, including among others, through participatory fire control and management and safeguarding the ecosystem services, including through the promotion of alternative livelihood options to forest dependent communities.

## Cont...

- **Water Resources;** Promoting integrated water resources development and management practices and investment in protection and conservation of water basins and catchments including flood control and rainwater harvesting structures.
- **Tourism;** Promoting sustainable tourism to consolidate growth and ensure climate resilient tourism and promoting diversified tourism products (e.g., eco-tourism and cultural tourism).
- **Human settlements;** Promoting resilient land use management and climate-sensitive development of human settlements and facilitating provision of, and access to adequate, affordable and climate-sensitive shelter to all income groups.
- **Infrastructure;** Climate proofing of existing and new critical infrastructure for energy, transport, water supply, health and other relevant sectors in order to become resilient against climatic changes and promoting the use of Climate Services during design and development of new infrastructure.

# Cont...

**Mitigation;** As far as mitigation of GHGs is concerned, the following are the priority sectors and the respective actions which require funding:-

- **Energy** - Exploring options for improved power interconnection with neighboring countries and promoting clean technologies for power generation and diverse renewable sources such as geothermal, wind, solar and bio-energy.
- **Forestry** - Strengthening nationwide tree planting programmes and initiatives and strengthening protection and conservation of natural forests
- **Waste** - Application of modern and practical ways of managing waste including the enhanced use of engineered/sanitary landfills.

# Country Experiences in Strengthening National Institutions that Have Mobilized and Accessed Climate Finance to Date;

The Government is supporting the CRDB Bank which recently got accreditation with the Green Climate Fund;

Encouraging the Non Governmental Organizations to prepare and implement projects that address the climate change challenges facing the communities at grass root levels.



# National Strategies for Climate Finance in Place or Underway

- Establishment of the Zanzibar Climate change financing mechanism which now at the stage of finalizing operational manual;
- Proposal to establish Climate Change Financing Mechanism for the Tanzania Mainland;
- Proposal to establish an environment Unit at the Ministry of Finance and Planning to handle issues related to climate change and environment;
- Facilitating the accreditations of National Institutions Ministry of Finance and Planning, and the Ministry dealing with the Regional Administration and Local Government (TAMISEMI) to the Green Climate Fund to allow direct access;
- Identify and monitoring climate change funds mobilized by Non State Actors (NSAs)

## Proposed Priority Investments

- Concrete Rain water harvesting investment
- Integrated Landscape Management investment
- Investment in climate resilient agriculture
- Agroforestry investments

## **Proposals on how national needs could be addressed as a region or in a regional plan**

- i. Establishment of the regional Climate Change Financing Mechanism for coordinated and enhanced resource mobilizations;
- ii. Mainstreaming of climate change in the development policy and planning process by considering climate change in the economic analysis and budgeting.
- iii. To have a strengthened Regional CC Alliance that brings all members and actors together across Region
- iv. Advocacy to the Governments to put priority on CC and environment management across all levels.

The End

Thank you for your kind attention