



Coalition Roadmap

Access to finance for African non-state actors

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This 2021/2022 roadmap aims to boost action en route to the next Climate Chance Summit - Africa, where the new objectives will be presented together with concrete examples (in annex) that could influence the revision of the Nationally Determined Contributions (NDCs) planned for COP26 in November.

I – WHERE ARE WE?

The lack of financial resources for the implementation of African NSCs is expressed by all as a major barrier. This was the case in 2018 at the first coalition workshop, but also in 2020 at the virtual workshop held in July.

The year 2020 was marked by the Covid-19 pandemic, which impacted the work of many coalition actors, particularly in their search for funding. Some local actors expressed the importance of data collection on field projects. According to these actors, the lack of data can hinder access to funding making data collection an absolute must in times of pandemic.

International financial flows for climate and biodiversity

According to Climate Funds Update¹ data, the largest funds operating in Sub-Saharan Africa are the Green Climate Fund (\$1,326 million) followed by the Least Developed Countries Fund (\$783 million), the Clean Technology Fund (\$496 million) and the Adaptation Fund (\$264 million). It is important to note that approximately 43% of the allocated funds are dedicated to adaptation in the region, i.e. US\$2,127 million. The other sectors receiving funds are mitigation (general) and REDD mitigation. These funds are significant and constantly increasing, but the distribution of these funds in the region shows some gaps. South Africa received \$616.6 million, a significantly higher amount than that allocated to Somalia, Central Africa, Chad, Botswana, all of which received \$30 million or less.

As stated in a study led by Climate Funds Update on Gender and Climate Finance², *“Gender considerations were not integrated from the start into the design and operationalisation of most existing dedicated climate financing mechanisms.”* Funds such as the Green Climate Fund and the Adaptation fund cited above have since all adopted new Gender policy since in order to integrate and strengthen Gender considerations in financing. Although these funds have a gender policy, close monitoring on the ground is essential to ensure that they are implemented in a gender-responsive manner.

In 2021, the mobilisation of new funding for the protection and conservation of Biodiversity is an important theme that will be addressed in several major diplomatic events including COP15 on

¹ Funds operating in Sub-Saharan Africa <https://climatefundsupdate.org/data-dashboard/regions/>

² Climate Funds Update “Gender and Climate Finance” (2018)
<https://climatefundsupdate.org/publications/gender-and-climate-finance/>



biodiversity, the IUCN Congress and COP26. This urgency was also addressed at the One Planet Summit in January 2021. According to studies approved by the United Nations, an additional \$700 billion per year is needed to reverse the trend of human destruction of the natural world. According to The Nature Conservancy and 15 other institutions, nature-based solutions can provide up to 37% of the emission reductions needed by 2030 to keep the global temperature rise below 2°C. However, only 3% of international climate finance falls into this category, with the bulk of the funds going towards reducing emissions from energy use.

Access of non-state actors to climate and biodiversity finance

While African states have difficulties in accessing international climate finance, the situation is even more complex for non-state actors. For example, in 2016, only 3% of multilateral funding for adaptation (i.e. 197 million USD out of 6.2 billion USD worldwide) was allocated to recipients from the private sector and less than 10% of international climate finance is dedicated to local climate investments (Soanes et al, 2017 cited in the cities sector strategy of the United Nations Green Climate Fund).

The coalition members raise several observations: this may be due to political difficulties that may arise with local and regional authorities, lack of trust towards non-state actors, lack of recognition of structural gender inequalities, etc.

One issue highlighted during the virtual workshop in July 2020 is the difficulty of access to climate financing, particularly when sources of funding are "too large" making it difficult for smaller organisations to access. This is the case, for example, in Benin in the Department of Collines, where 6 communes have been grouped together as inter-communal organisations since 2009 around a Local Project for 2040, led by the Groupement Intercommunal des Collines (GIC). Despite several years of technical support by national and international experts, the GIC is struggling to mobilise multilateral climate funding and has been refused funding from the Adaptation Fund and the Climate Fund of the African Development Bank. This process is made even more complex in times of crisis.

Faced with these difficulties, the FMDV, co-pilot of the coalition, is implementing structuring actions to remove the obstacles to access to financing by local authorities:

- 1) **International advocacy and multi-stakeholder coalitions:** the FMDV has obtained progress on the reform of the architecture of climate finance for cities in the "Human Settlements" roadmap of the Marrakech Partnership for Global Climate Action adopted in December 2020 under the aegis of the High Level Champions of the COP. In the framework of CCFLA, he co-chairs the working group on project preparation and pilots a study on aggregation mechanisms to strengthen urban climate finance.
- 2) **Technical assistance and financial engineering in support of national and local governments and regional organisations:** multi-stakeholder policy dialogues and support for institutional reforms on urban finance (Côte d'Ivoire, Uganda, UEMOA zone). Development of national financial expertise hubs (Morocco) and support to Subnational development banks (network of African local government finance institutions - RIAFCO). This support for financial intermediation and aggregation mechanisms (carbon aggregator for example) aims to support the structuring of urban project pipelines, the



diversification of financing sources and the structuring of municipal markets over the long term.

- 3) **Project preparation:** project coaching: on access to finance (improving the technical and financial presentation of projects) and matchmaking (dialogue with technical and financial partners.) - support programme for decentralised cooperation in the UEMOA zone
- 4) **Development of living labs:** urban laboratories aiming to test technical and financial solutions on a small scale and their appropriation by local actors before (Kampala, Nouakchott)
- 5) **Launch of an Investment Fund for Cities:** (IMIF - International Municipal Investment Fund) with the United Nations Capital Development Fund (UNCDF), UCLG and Meridiam. 350m of capitalisation, this fund supports the preparation of local authority projects and invests in urban services and infrastructure in developing and emerging countries.

African partners of WECF, co-pilot of the coalition, and member of the WGC, coordinate a network of Green Fund Gender Observers, who monitor and evaluate the projects financed by the Green Fund, in particular on their gender mainstreaming. This network is accredited to the Green Fund, and its monitoring work enables it to evaluate projects from the time they are submitted to the Fund to their implementation. Observers share the results of these evaluations and their recommendations with our coalition members during workshops and Climate Chance Summits.

II – WHERE DO WE WANT TO GO?

During the first Workshop held in Abidjan in 2018, participants agreed on two general objectives, mainly related to the activation of synergies. **Objective 1:** Improve the dissemination of information on climate and biodiversity funding available to non-state actors and **Objective 2:** Improve the partnership framework between state and non-state actors (legal, financial, etc.) recommending urgent action by all. These two objectives remain essentially topical.

Sub-objectives in the dissemination of information:

- The enhancement of existing guides on access to funding via the Climate Chance climate action portal in order to popularise and translate the language used in climate and biodiversity funding. Bibliographic resources in French and English on available sources of funding will be made available to all www.climate-chance.org/en.
- Continuous identification of funding opportunities accessible via collaborative mapping on a platform supported by the Climate Chance website (*see Part III – the Climate Finance Portal for Non-state Actors*).
- Ad hoc sharing of information on climate finance via the coalition's mailing list.

The sub-objectives of partnerships between state and non-state actors:

- Work on advocacy messages from non-state actors to advance the issue of state funding of NDCs.
 - The role of African states themselves is emphasised by coalition members. There is a need to push for the mobilisation of local funding sources to be a priority.



Sometimes legal and regulatory frameworks exist but are not applied (see the example of the new Mining Code in Guinea). We can note here the existence of climate fund mechanisms managed by the States themselves, to set up climate funds at the level of small project leaders.³

- Other elements of advocacy are carried by coalition members, including mainstreaming human rights, reducing inequalities and increasing financial flows to developing countries. This advocacy can be carried out as part of the follow-up to the Finance for Development Summit.
- Supporting project leaders in their search for funding
 - Donors regularly point out that they have difficulty identifying good climate projects. This is due, on the one hand, to the submission of projects that "do not speak the language of the donor", including financial engineering, and refer to the capacity building needs of project leaders. On the other hand, there are insufficient links between project leaders and funders.

II – HOW DO WE GET THERE?

Without a facilitator 100% dedicated to this coalition, the strengthening of its dynamics rests essentially on the will of its members. The objectives defined in 2018 have been partially achieved, and we now have the virtual opportunity to agree on the next priorities according to the needs of the members.

As such, it is proposed to target two or three actions to be included in the 2021/2022 roadmap to be realistic and so that progress can be measured.

- **Objective 1: Dissemination of information**

Since the setting up of a mailing list financements.climat.Af@climate-chance.org for exchanges between members, Climate Chance regularly shares relevant information on access to climate finance (funding opportunities, calls for projects, trainings, interesting events, etc.). Today, this mailing list, composed of over 400 members, is mainly animated by the Climate Chance team, which remains insufficient. **Coalition members are strongly encouraged to share any information that could be useful for other members.**

- **Objective 2: To complete the Preparatory Study for the "Climate Finance Portal for Non-State Actors".**

Since 2018, the flagship request of the members of the funding coalition is to have a tool to visualise in a clear and simple way all the funding opportunities available in the region and for non-state actors.

³ Some examples of climate funds managed directly by the States: the National Fund for Environment and Climate - Benin, the Climate Fund - Mali, the Climate Resilient Green Economy - Ethiopia, the National Fund for Climate and Environment - Rwanda, the Green Fund - South Africa, the Intervention Fund for the Environment in Burkina Faso.



For this reason, Climate Chance has started a prefiguration study on a potential portal that will be able to list all these opportunities, in English and French. This prefiguration study will notably allow to measure the human resources and the time needed for an efficient operation of the portal.

-> A test in 2021 with a financing portal integrated into the website?

- **Objective 3: Mapping actors**

We propose that coalition members continuously map interesting actors, best practices in access to climate funding and feedback on search for funding. Coalition members can communicate these elements to the Climate Chance Association, which will be in charge of highlighting them in its Climate Action Portal and in its Library of thematic documentary resources for guides on accessing climate finance.

Virtual workshops should be used to attract new members to the the coalition and develop the community of non-state actors.

Ideas to work on in 2021:

- The production and publication of case studies on successful or unsuccessful attempts to mobilise funding by non-state actors, to deepen the analysis of the obstacles and serve as a dynamic for advocacy.
- Setting up dedicated training sessions on climate financing mechanisms during the next Climate Chance Summit or in the form of virtual workshops. The coordinators of the Green Fund's Gender Network and the coalition's co-pilots could contribute to these trainings.