



Africa's access to financial resources to tackle climate change - Some additional remarks

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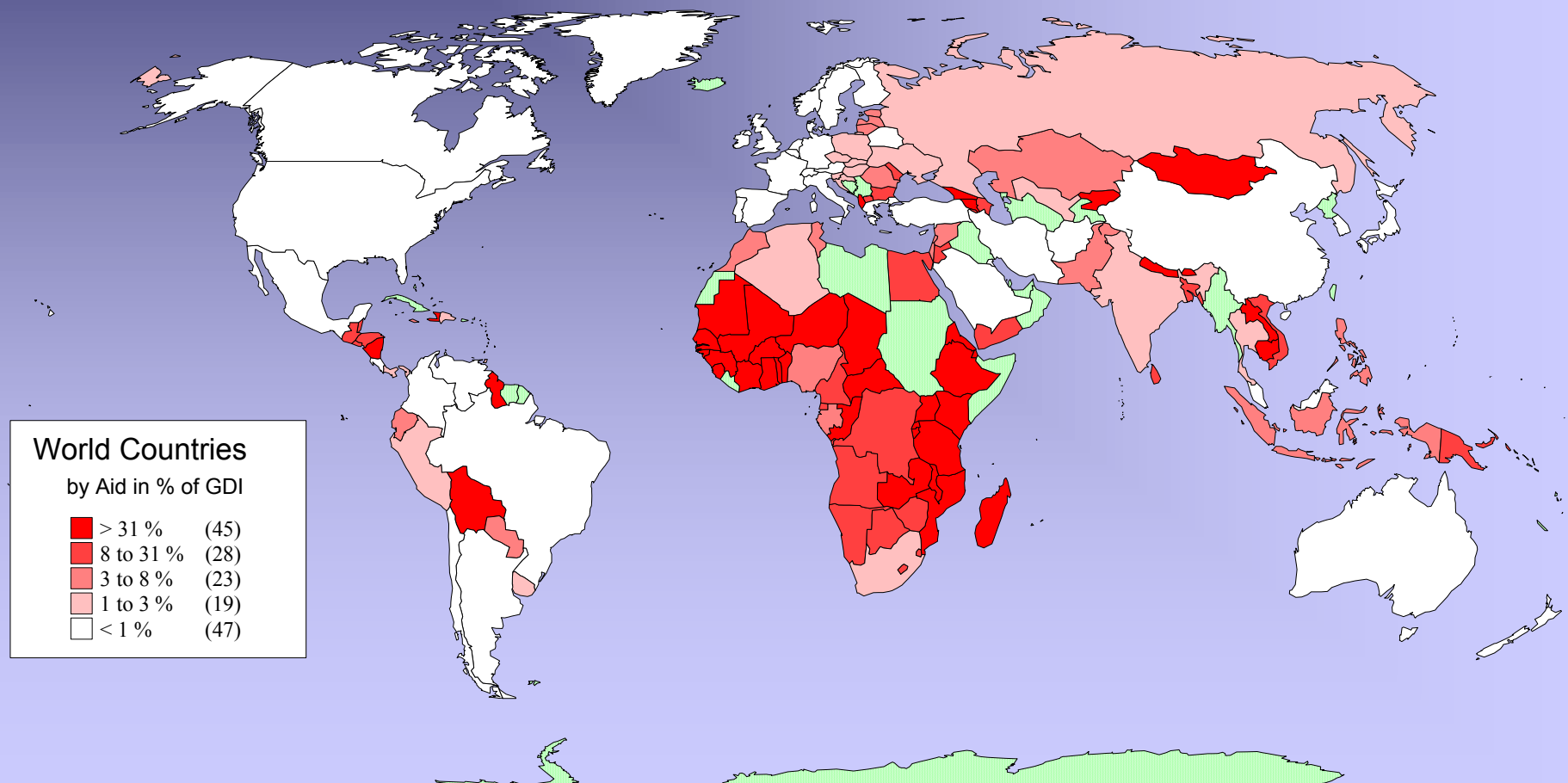


Africa's access to financial resources to tackle climate change

- Some financial statistics
- What strategies should Africa adopt?
- How can cross-border projects be funded?
- How can small countries participate?
- Thorny issues regarding finance?
- What does streamlining of GEF mean for Africa?



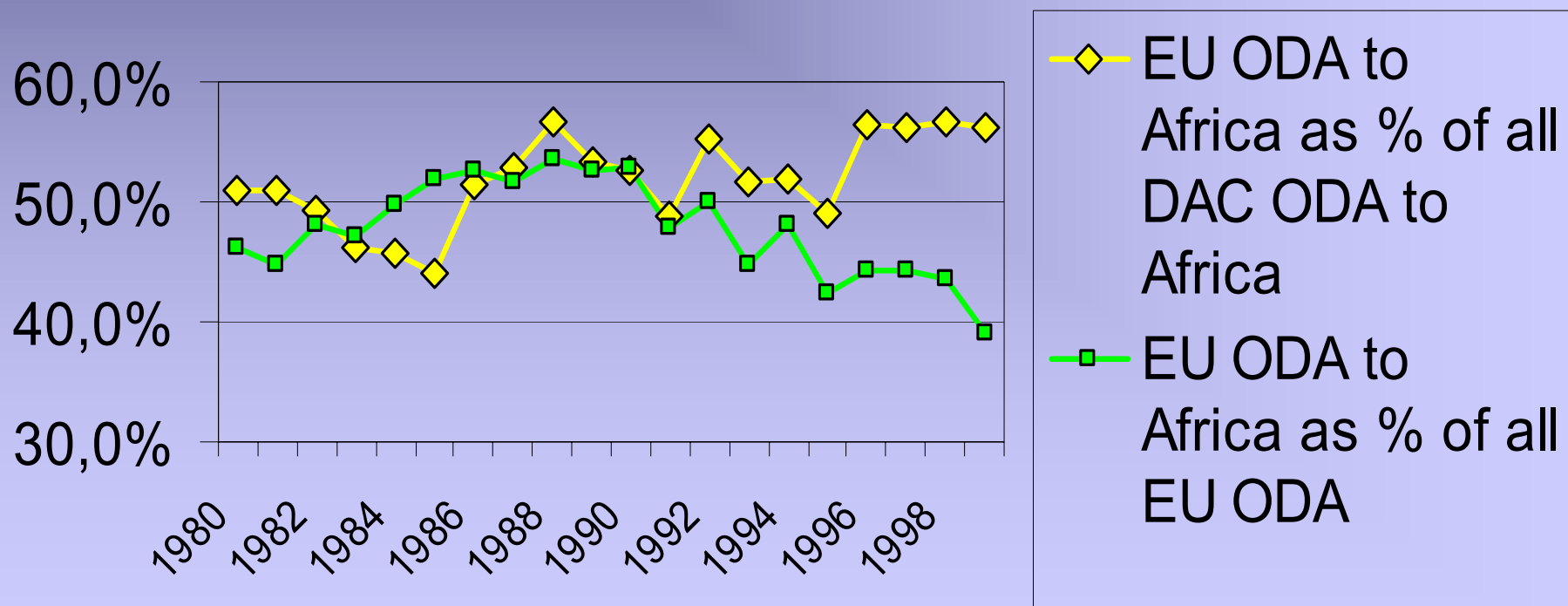
Investment in most African countries depends highly on aid





Over the past two decades African countries find it more and more difficult to access aid

EU and Africa: Development of relative importance of ODA, 1980 - 1999





What strategies should Africa adopt?

- Africa's priorities are not climate change, but climate change will have drastic impacts on Africa's priorities
- Mainstreaming of climate issues into sectoral policies, particularly adaptation
- Climate has to become integral part of national sustainable development/poverty reduction strategies



What strategies should Africa adopt?

Any 'fund raising' strategy will have to be tailored to

- project type (e.g. adaptation, technology transfer, CDM)
- sector (e.g. agriculture, transport, energy)
- beneficiaries (rural poor, urban elite)
- national circumstances (strengths, weaknesses, opportunities)
- source of funding (private, public, NGO)



What strategies should Africa adopt?

- Attracting CDM projects:
 - Select African member for CDM Executive Board before COP7
 - Finalize COP decisions in Marrakech
 - Kyoto ratification
 - Prepare national legislative framework
 - Establish ‘slim’ institutional set-up
 - Enabling environment for FDI
 - involve other stakeholders right from the start



How can cross-border projects be funded?

- Strengthening the political and economic environment for regional co-operation in Africa
- EU-ACP Partnership (Cotonou Agreement): Programming for regional co-operation for the period 2002 - 2006 is done now!



How can small countries participate?

- Setting priorities becomes even more important
- Regional collaboration (e.g. data collection, research, sharing experience, lobbying)
- CDM: ‘fast track’ and bundling for small projects, standardization of administrative procedures, baseline setting, sharing institutional facilities



What are the thorny issues regarding finance?

- Very political question and there is no clear-cut single explanation
- Change in geo-political situation: political marginalisation of Africa during 90's
- Reputation of aid has gone down in developed countries ('donor fatigue')
- Competition for declining aid has become tougher



What are the thorny issues regarding “climate” finance?

- Climate change low priority on many
 - national agendas, low level of integration into national development strategies
 - bilateral donor assistance strategies
- Low level of awareness of ‘sector’-climate linkages by sector specialists
- Cross-cutting climate file systematically ‘under-resourced’



What does streamlining of GEF mean for Africa?

- GEF is a ‘young child’ that still requires considerable attention, care and education
- EU is aware of the shortcomings of the GEF and is genuinely interested in a reform that listens to African concerns: formulate a common position as regards GEF climate funding
- Use GEF funding as a lever in order to get “climate” integrated into sectoral policies



Outlook

- EU is prepared to engage in a more practical dialogue with African partners on integration and climate funding (part of the EU-Africa policy dialogue and the follow-up to the Cairo Plan of Action)