



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

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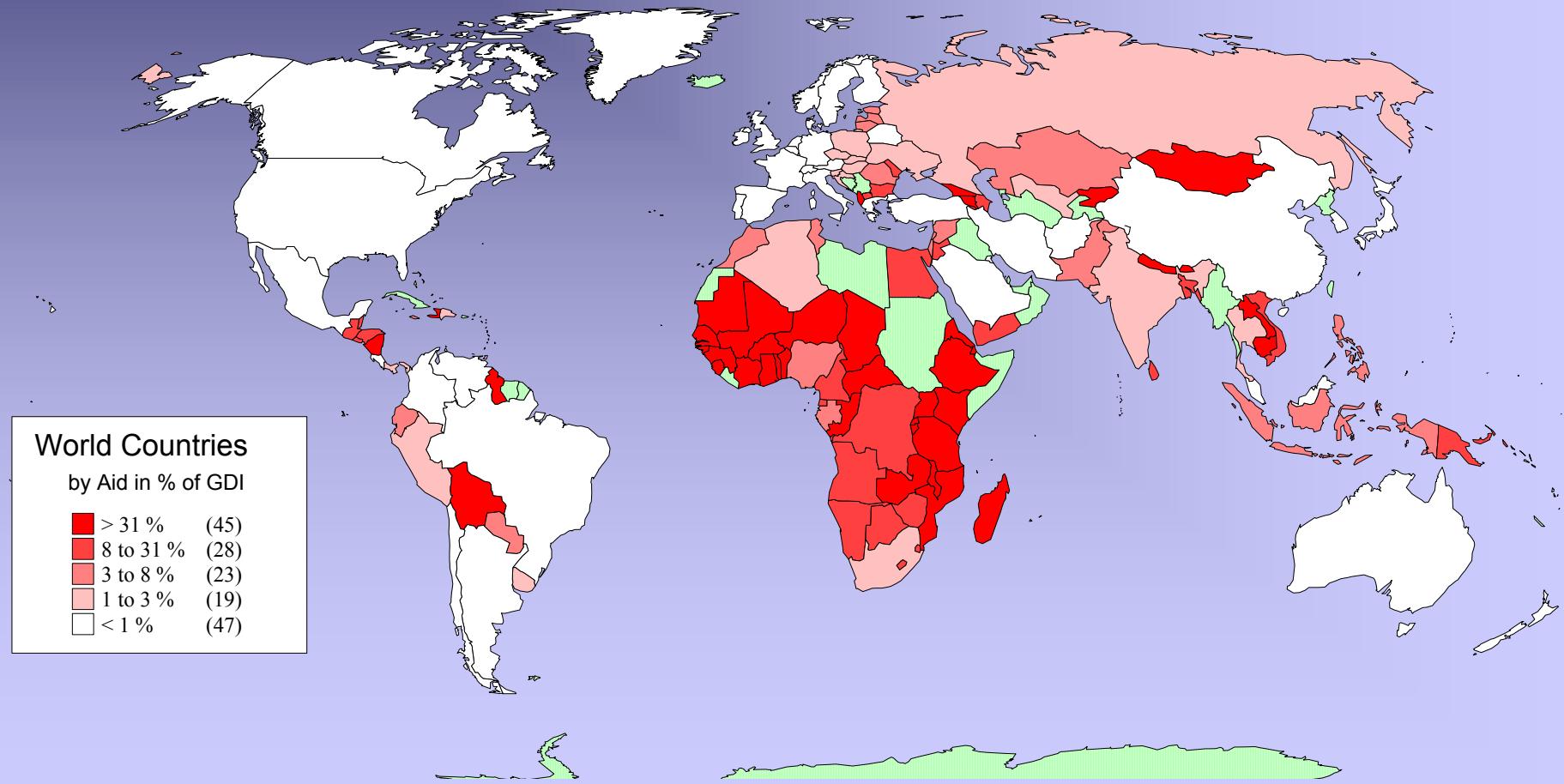


# Africa's access to financial resources to tackle climate change

- 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?



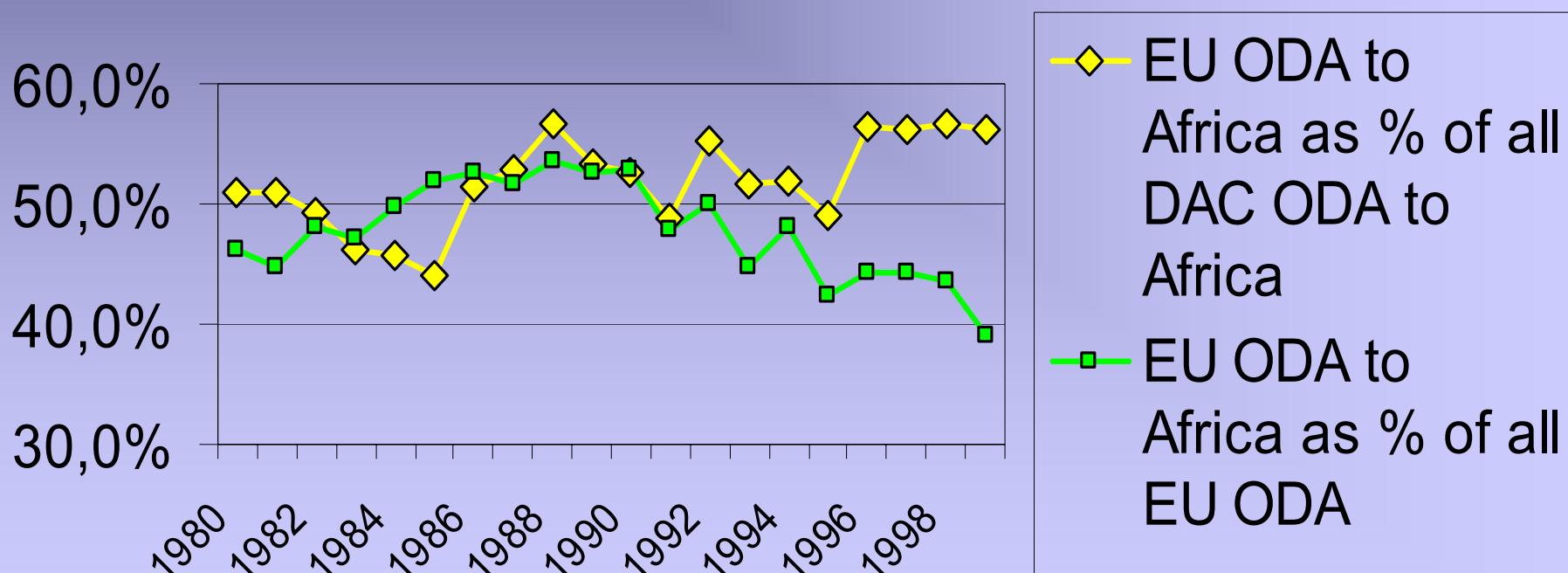
# Investment in most African countries depends highly on aid





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)