



Climate Change Finance: global public funds for Tanzania

.....
Neil Bird, Research Fellow
and Nella Canales Trujillo, Research Officer

**National Workshop on a Climate Change
Financing Mechanism, Bagamoyo Tanzania**

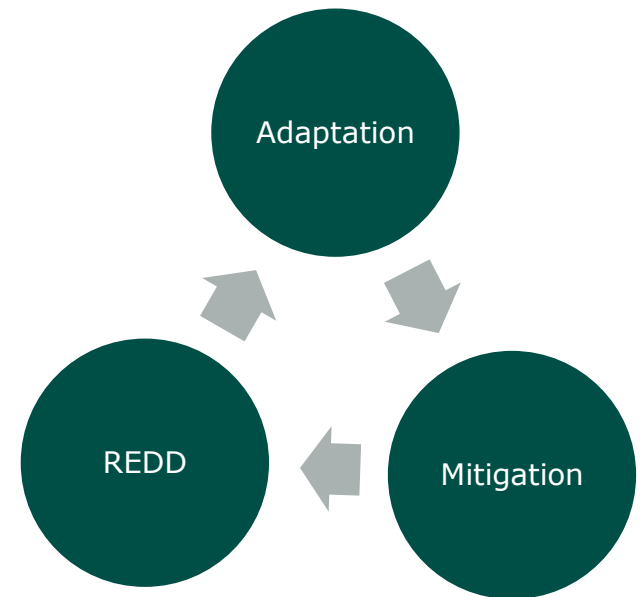
15 October 2012



International climate funds - the context

Tanzania is a **non-Annex I Party** to the UNFCCC, a **Kyoto Protocol Party** and a **Least Developed Country**. It complies with the access criteria for the Special Climate Change Fund, the Least Developed Countries Fund and the Adaptation Fund; as well as the GEF adaptation budget lines.

Tanzania is also one of the EU's GCCA prioritized countries and is eligible for support from a diverse number of bilateral funding sources such as Norway's ICFI, Germany's ICI and UK's and Japan's FSF.





Two questions to address:

1. What international funding can Tanzania apply for to support climate change actions?
2. What international funding has Tanzania accessed to-date?



Climate Funds Update

 Search this site

- Home
- Climate Funds
- Funded Projects
- Graphs and statistics
- Fast Start Finance
- Resources
- Contact

The latest information on climate funds

Climate Funds Update is an independent website that provides information on the growing number of international funding initiatives designed to help developing countries address the challenges of climate change.

This site aims to detail:

- Where these climate change funds are being developed;
- What the funds support;
- The scale of the proposed funding;
- How the funds are expected to be disbursed; and
- What had been achieved so far.





International fund descriptions

Climate Funds Update

Search this site

Home

Climate fund profiles

The data

Global trends

Regional trends

Focus of funding

Resources

About us

Climate fund profiles

A list of funds tracked by Climate Funds Update, and links to fund profile pages can be found below. Each fund page offers an overview of key details on each of the fund, including:

1. A general fund description
2. Fund governance
3. Relationship with official development assistance (ODA)

Fund - click for fund profile page	Type	Administered by	Area of focus	Date operational	Climate funds architecture
Adaptation Fund	Multilateral	Adaptation Fund Board	Adaptation	2009	An overview and diagrams explaining how the funds are structured and who is contributing and managing which funds.
Amazon Fund (Fundo Amazônia)	Multilateral	Brazilian Development Bank (BNDES)	Mitigation - REDD	2009	
Clean Technology Fund	Multilateral	The World Bank	Mitigation - general	2008	
Congo Basin Forest Fund	Multilateral	African Development Bank	Mitigation - REDD	2008	
Forest Carbon Partnership Facility	Multilateral	The World Bank	Mitigation - REDD	2008	
Forest Investment Program	Multilateral	The World Bank	Mitigation - REDD	2009	



1. What international funding can Tanzania apply for to support climate change actions?

- What type of finance instruments are available?
- What are the criteria and conditions that facilitate access to funding?



International climate funds

Fund	Type of Fund	Adaptation	Mitigation	REDD
Adaptation Fund (AF)	Multilateral, within UNFCCC	✓		
Least Developed Countries Fund (LDCF)	Multilateral, within UNFCCC	✓		
Special Climate Change Fund (SCCF)	Multilateral, within UNFCCC	✓		
GEF Trust Funds	Multilateral, within UNFCCC	✓		
Pilot Program for Climate Resilience (PPCR)	Multilateral , CIF WB	✓		
Clean Technology Fund (CTF)	Multilateral , CIF WB		✓	
Scaling-Up Renewable Energy Program for Low Income Countries (SREP)	Multilateral , CIF WB		✓	
Global Energy Efficiency and Renewable Energy Fund (GEEREF)	Multilateral , EU		✓	
Global Climate Change Alliance (GCCA)	Multilateral , EU	✓	✓	✓
UN-REDD	Multilateral			✓
Forest Carbon Partnership Facility (FCPF)	Multilateral			✓
UK's International Climate Fund	Bilateral	✓	✓	✓
Japan's Fast Start Finance	Bilateral	✓	✓	✓
Germany's International Climate Initiative	Bilateral	✓	✓	✓
Norway's International Climate and Forest's initiative	Bilateral			✓



Types of instruments and co-finance needs

Fund	Type of Instrument	Does it require co-funding?
Adaptation Fund (AF)	Grants	No. Funds for total adaptation costs of projects and programmes.
Least Developed Countries Fund (LDCF)	Grants	Yes. Funds total costs of NAPAs and project preparation, but only 'additional costs' of adaptation projects and programmes.
Special Climate Change Fund (SCCF)	Grants	Yes. Funds only 'additional costs' of adaptation projects and programmes.
GEF Trust Funds	Grants	Yes. Funds only finance 'incremental costs' of adaptation measures, and full costs of reports, such as National Communications.
Global Climate Change Alliance (GCCA)	Grants	Not specified.
UK's International Climate Fund	Grants	Not specified.
Japan's Fast Start Finance	Grants and Loans (only with private partners)	Not specified.
Germany's International Climate Initiative	Grants and concessional loans	Yes. Mobilisation of additional funding is a condition for the approval of the grant.



Types of instruments and co-finance needs

Fund	Type of Instrument	Does it require co-funding?
Norway's International Climate and Forest's initiative	Grants	Not specified
UN-REDD	Grant and loans	Not specified
Pilot Program for Climate Resilience (PPCR)	Grants and loans	Yes
Clean Technology Fund (CTF)	Grants and loans	Yes
Scaling-Up Renewable Energy Program for Low Income Countries (SREP)	Grants and loans	Yes
Forest Investment Program (FIP)	Grants and loans	Yes
Forest Carbon Partnership Facility (FCPF)	Grants, carbon fund (emission reductions)	Yes
Global Energy Efficiency and Renewable Energy Fund (GEEREF)	Private equity	Yes



What facilitates access to funding?

1. Belonging to the UNFCCC regime

For the UNFCCC based funds it is a requirement to be a Party of the UNFCCC. There is a presumption to comply with general commitments to the UNFCCC, such as the development of climate change national planning instruments (i.e. NAPAs, NAMAs or National Communications)

2. Previous experience and good relations with UN, GEF Agencies and Bilateral donors

Speed of access is dependent on a knowledge of funding agency's systems and procedures

3. The involvement of government or government agencies

Especially for bilateral finance (which is mainly ODA), but also multilateral cooperation requires support and endorsement from the government where the climate change program is taking place.



2. What international climate funding has Tanzania accessed to-date?

- What types of initiatives have been financed?
- How much funding has been approved and how much has been disbursed?
- Who has been involved?



Funding accessed by Tanzania

Funder	Approved (USD million)	Disbursed (USD million)
Norway's ICFI	32.54	30.52
GEF Trust Fund	12.45	12.45
UN-REDD	4.28	4.28
LDCF	7.30	3.30
SCCF	1.00	1.00
Adaptation Fund	5.01	0.73
GCCA	3.04	0.12
Germany's ICI	3.26	0.00
Japan's FSF	52.59	0.00
UK's ICF	8.47	0.00
Grand Total	129.94	52.40

Source: Climate Funds Update website, accessed October 2012



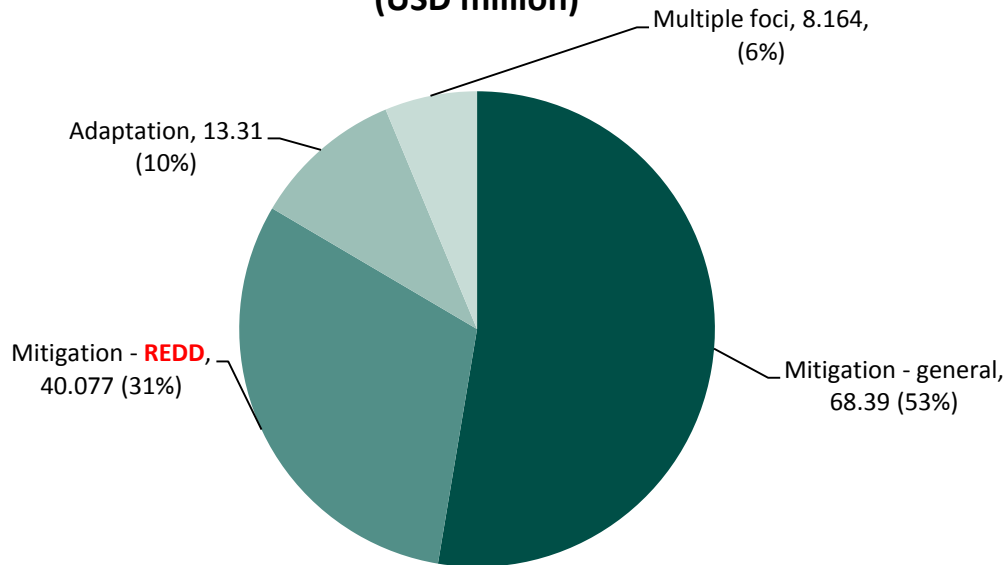
What types of initiative have been financed?

- Funding for REDD (forest sector activity) has been the major investment to-date, largely supported by one bilateral donor.
- Adaptation projects include the preparation of the National Adaptation Plan of Action (NAPA) in 2003, as well as adaptation measures for water resources, coastal zones and early warning systems.
- For mitigation, introducing clean energy sources and improving electricity transmission systems have been approved.

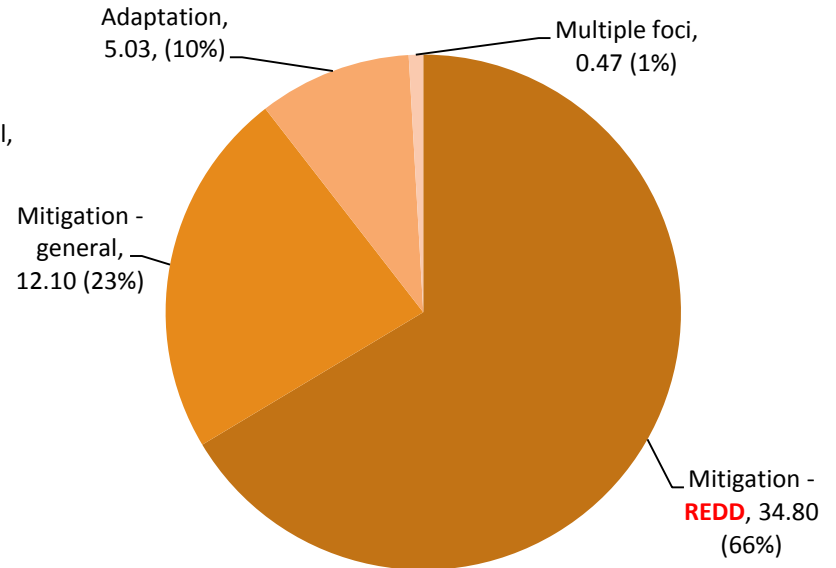


Climate funds: approved amount vs disbursements

International Climate Funding **Approved**
(USD million)



International Climate Funding **Disbursed**
(USD million)



Source: Climate Funds Update website, accessed October 2012



Adaptation projects

Project	Focus	Funder	Approved year	1 st disbursement year	USD million Approved	USD mn Disbursed
National Adaptation Plan (NAPA) for United Republic of Tanzania	Adaptation	LDCF	2003		0.20	0.20
Mainstreaming Climate Change in Integrated Water Resources Management in Pangani River Basin	Adaptation	SCCF	2006		1.00	1.00
Developing Core Capacity to Address Adaptation to Climate Change in Productive Coastal Zones	Adaptation	LDCF	2010		3.10	3.10
Implementation of Concrete Adaptation Measures to Reduce Vulnerability of Livelihood and Economy of Coastal Communities in Tanzania	Adaptation	AF	2012	2012	5.01	0.73
Strengthening Climate Information and Early Warning Systems in Tanzania to Support Climate Resilient Development	Adaptation	LDCF	2012		4.00	
TOTAL					13.31	5.03



Mitigation projects

Project	Focus	Funder	Approved year	1 st disbursement year	USD mn Approved	USD mn Disbursed
Transformation of the Rural Photovoltaics (PV) Market	Mitigation	GEF Trust Fund	2003		2.25	2.25
Tanzania Energy Development and Access Project (TEDAP)	Mitigation	GEF 4	2010		6.50	6.50
Mini-Grids Based on Small Hydropower Sources to Augment Rural Electrification	Mitigation	GEF 4	2010		3.35	3.35
Renewable Energy and Adaptation Climate Technologies Window (Africa Climate Change Tanzania)	Mitigation	UK's ICF	2011		3.70	0.00
Iringa-Shinyanga Backbone Transmission Investment Project	Mitigation	Japan's FSF	2012		52.59	0.00
TOTAL					68.39	12.10



Iringa-Shinyanga Backbone Transmission Investment Project

Ministry of Energy and Minerals

Government of Japan (Fast Track Finance Loan)

In addition to improving transmission capacity, this project will decrease transmission losses to enable more efficient power use, which will help curb greenhouse gas emissions, enabling this project to qualify as a Climate Change ODA Loan.



REDD projects

Project	Focus	Funder	Approved year	1 st disbursement year	USD million Approved	USD million Disbursed
Conserving Mountain Forests	REDD	Germany's ICI	2008		3.26	0.00
Tanzania	REDD	Norway's ICFI	2010		32.54	30.52
UN-REDD national programme - Tanzania	REDD	UN-REDD		2010	4.28	4.28
TOTAL					40.08	34.8

Source: Climate Funds Update website, accessed October 2012



Norway's International Climate and Forest Initiative

- Bilateral support is managed by the Embassy of Norway in Dar es Salaam, which has contracted the Institute of Resource Assessment (IRA) to provide secretariat services to the national REDD Task Force.
 - IRA contracted five in-depth studies in 2009 which contributed to the National REDD Strategy preparation by the Task Force.
 - The Embassy selected, with advice from the Task Force, nine REDD pilot projects for implementation, and seven of those have now been contracted to start work by the Embassy.
-



Multi-purpose projects

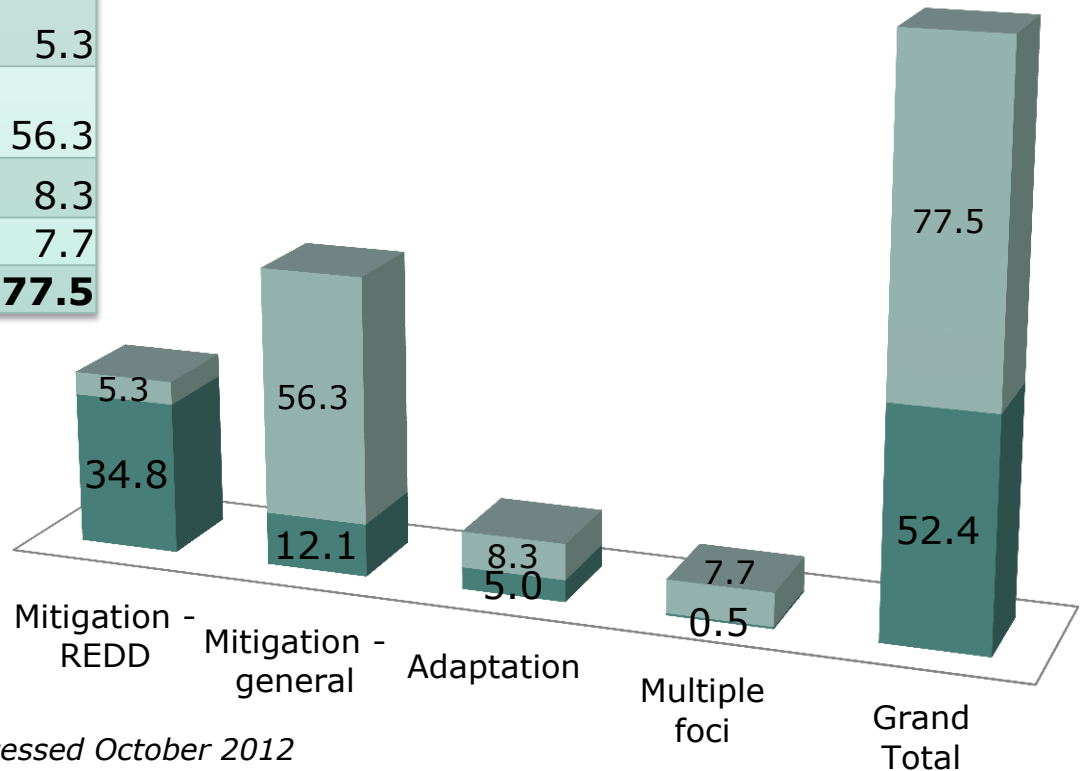
Project	Focus	Funder	Approved year	1 st disbursement year	USD million Approved	USD million Disbursed
Enabling Activities for the Preparation of Initial Communication Related to the UNFCCC	Multiple foci	GEF Trust Fund	1997		0.25	0.25
Expedited Financing for (Interim) Measures for Capacity Building in Priority Areas (Phase II)	Multiple foci	GEF Trust Fund	2000		0.10	0.10
Increasing capacities of the most vulnerable Tanzanian's communities to engage in sustainable NR use	Multiple foci	GCCA	2008	2010	3.04	0.12
AECF Renewable Energy and Adapting to Climate Technologies (REACT) Private Sector Challenge Fund Tanzania Window	Multiple foci	UK's ICF	2011		3.70	0.00
Accountability Programme - Civil Society Climate Change and Environment Fund (with DANIDA and USAID)	Multiple foci	UK's ICF	2011		0.27	0.00
Climate Change Institutional Strengthening Programme	Multiple foci	UK's ICF	2011		0.69	0.00
Support for Climate Change Forum - CS Network	Multiple foci	UK's ICF	2011		0.11	0.00
TOTAL					8.16	0.4



How much funding has been actually disbursed?

Focus of intervention	Funding disbursed (USD million)	Funding Pending (USD million)
Mitigation - REDD	34.8	5.3
Mitigation - general	12.1	56.3
Adaptation	5.0	8.3
Multiple foci	0.5	7.7
Grand Total	52.4	77.5

- Funding Pending (USD mn)
- Funding disbursed (USD mn)



Source: Climate Funds Update website, accessed October 2012



Who have been involved?

So far, the experience of Tanzania has included the participation of the national government, governmental institutions, civil society and community-based organisations.

Government	Vice President's Office – Environmental Division	Prime Minister's Office – Disaster Management Planning	Ministry of Energy and Minerals	Ministry of Natural Resources and Tourism	Ministry of Finance
Government Agencies	Rural Energy Agency	Meteorological Agency	Institute of Rural Development Planning	Centre for Energy, Environment, Science and Technology (CEEST)	
Civil society	Sokoine University of Agriculture	CARE Tanzania	Tanzanian Forest Conservation Group		
Community based organizations	Pangani Basin River Board	Community Forest Pemba			

Source: Climate Funds Update website, accessed October 2012



Some conclusions - for discussion

- Tanzania is an eligible country for most of the available international climate funds.
- There is an apparent imbalance between adaptation and mitigation initiatives funded by international climate finance, with only 10% (USD 5 million) having been received for adaptation actions in Tanzania.
- There is a portfolio of climate change projects, some of them already closed, which can provide lesson learning opportunities.
- There is an institutional network, from the national to local level, with experience in managing climate change projects and programmes.



ODI is the UK's leading independent think tank on international development and humanitarian issues. We aim to inspire and inform policy and practice to reduce poverty by locking together high-quality applied research and practical policy advice.

The views presented here are those of the speaker, and do not necessarily represent the views of ODI or our partners.

Overseas Development Institute
203 Blackfriars Road, London, SE1 8NJ
Tel: +44 207 9220 300

www.odi.org.uk

n.bird@odi.org.uk