

Capitalisation review

STORIES OF NDCs IN WEST AFRICA



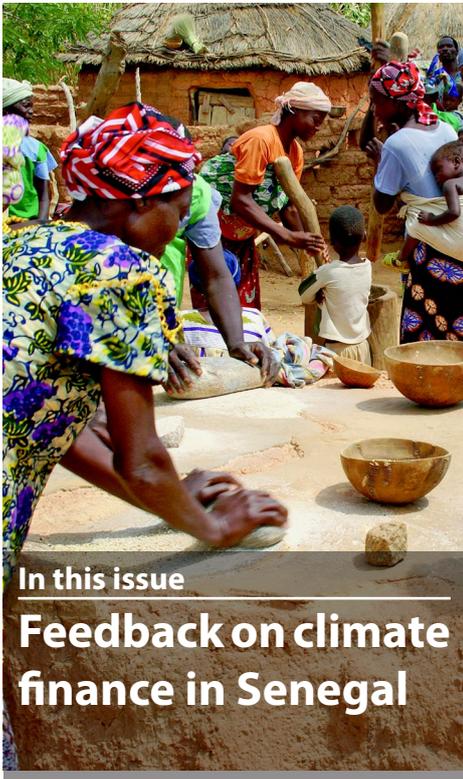
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In Senegal, various, complementary leverage actions serving a national vision for access to climate finance

In this issue, Senegal's experience in mobilizing climate finance is presented. The good practices developed are highlighted and serve as support for other regions in the mobilization of climate finance.



In this issue

Feedback on climate finance in Senegal



Hervé Conan
Director of Operations
Expertise France

Editorial

Capitalising on the implementation of nationally determined contributions (NDCs) in the West African region.

Sékou Sangaré, ECOWAS Commissioner for Agriculture, Environment and Water Resources



The implementation of Nationally Determined Contributions (NDCs) is a priority in the West African region to reduce national greenhouse gas emissions and to adapt to the effects of climate change. The experience of countries in implementing NDCs is still very little valued and documented in our region, therefore limiting learning and improvement through the sharing of good practices.

This review was born out of a need to make available and accessible all the experiences, obstacles and lessons learned by West African countries in the implementation of their NDCs, so that they can benefit to other countries and regions of the world.

ECOWAS and Expertise France, with the financial support of the European Union through the GCCA+ West Africa project, are thus filling the existing gap with the launch of the capitalization review entitled «Stories of NDCs in West Africa». The various themes addressed in this review will enrich and enhance the experiences of NDC implementation in the countries.

This first issue is devoted to the mobilization of climate finance with a focus on the experience developed in Senegal. The mobilization of climate finance is a major issue to meet the challenges of climate change and the ECOWAS Commission is working to monitor climate finance flows.

Enjoy reading!

Since 2015, Expertise France has been committed alongside African countries to support them in the preparation and implementation of the Paris Agreement. This commitment is the legacy of a long-standing collaboration with the continent on climate governance issues, particularly through its partnerships with the French Development Agency.

The GCCA+ West Africa project, financed by the European Union, has also enabled us to consolidate a long-standing relationship of trust with ECOWAS, initiated in 2012 on the issues of sustainable agriculture and the preservation of natural resources, with which we are now actively collaborating on climate. In line with our commitment to the region, we naturally support, alongside ECOWAS, the process of capitalizing on the experiences of West African states with the common goal of stimulating the achievement of the objectives set by the Paris Agreement, a process that is fully integrated into ECOWAS' regional cooperation mandate.

In this first issue, the experience of Senegal in mobilizing climate finance is highlighted. We hope that this shared experience will inspire other countries and strengthen the actors in the dynamics of climate finance mobilization in the West African region.

We wish this journal a long life, as is our dynamic collaboration with ECOWAS and the region.



In Senegal, various, complementary leverage actions serving a national vision for access to climate finance

After ratifying the Paris Agreement in September 2016, Senegal clarified its climate commitments by finalising, at the end of 2020, its Nationally Determined Contribution (NDC). A confirmation of the dynamic launched in September 2015 with the presentation of the country's Intended Nationally Determined Contributions (INDC) to the United Nations Framework Convention on Climate Change (UNFCCC). On these bases, the NDC submitted on 28 December 2020 fits into the framework of the national development strategy (the Plan for an Emerging Senegal – PES). There are unconditional objectives (5% reduction in emissions in 2025 and 7% in 2030, as well as adaptation policies in the 8 most vulnerable target sectors including agriculture, livestock, fishing, coastal zone, water resources, biodiversity, health and floods) and others subject to external support (23.7% reduction in emissions in 2025 and 29.5% in 2030).

An estimate of the financial needs for executing these commitments is also presented in the NDC for a cost of approximately 13 billion dollars over the 2020-2030 period. It is complemented by other documents (Second and Third National Communications to the UNFCCC, PES, Sustainable Land Management Plan, etc.) confirming that such an effort could not be carried out without external support. Recourse to all the “climate” financing levers thus proves necessary while seeking to mobilise more resources but also to optimise their use.

Mainstay of the mobilisation of climate finance, the **Ecological Monitoring Centre (CSE)** has been a non-profit association since 1993 and brings together the State of Senegal, technical and financial partners active in the environmental field, local

communities, universities, research institutes and centres, civil society, etc. Attached to the Ministry of the Environment and Sustainable Development, this body is administratively and financially independent. It supports the public authorities and the private sector in the decision making process by producing and diffusing knowledge in fields of intervention as varied as coastline management, agricultural production and carbon sequestration.

CSE has made an extensive contribution to building Senegal's credibility in environmental matters and was the first African entity to benefit from direct access to the Adaptation Fund (AF – since 2010) and to the Green Climate Fund (GCF – since 2015). A Climate Finance Unit was recently set up to rigorously manage these allocations, along with a Climate Change Reference Bureau to reinforce the production of knowledge and the implementation of attenuation and adaptation strategies.

In fact, the CSE is already engaged in sharing its experiences and disseminating good practices for access to climate finance. Thus, it has provided technical support to institutions in 10 African countries since 2014, in their request for accreditation from the AF (Burundi, Cape Verde, Ivory Coast, Guinea, Mauritius, Mali, Niger, Sierra Leone, Chad, Togo) and serves as an escrow agent for 5 countries in addition to Senegal within the framework of the GCF Readiness program (Côte d'Ivoire, Djibouti, Democratic Republic of Congo, Chad, Togo).

“CSE aims to become a leading actor in these fields for the countries of the sub-region”.

Alioune Badara Kaere, technical advisor and specialist in climate policy at the CSE.



“The CSE is proud to see the BAGRI of Niger and the FIRCA of Ivory Coast obtain their accreditation from the Adaptation Fund. This represents a diversification of climate finance channels and an enhancement of the direct access modality in Africa”

Sylla Aïssatta Sall, Coordinator of the Climate Finance Unit

Its pioneering role with these two funding partners also allows it to serve as the vice-president, since June 2019, of an exchange and capitalisation group: the Community of Practice for direct access entities. But if all these elements demonstrate the important work of the CSE over the past thirty years and constitute undeniable progress in improving direct access to multilateral climate funds in Africa, they are still struggling to translate into volumes in line with the expressed needs. Indeed, the CSE's access to the GCF remains limited to the smallest budget envelopes available (“Micro” scale) in the least-risk project category (category C) and to the “donation” instrument only. All the more limited due to the procedures being particularly long, complex and demanding according to Mr Kaere. For now, access to the AF has financed two projects (of a total of nearly 10 million dollars, i.e. the threshold limit from the AF) and the only “Green Fund” project has only been under way since 2019 (8.1 million dollars of funding).

In total, this \$18 million is only a fraction of the nearly \$90 million in multilateral climate finance earmarked for the country (7th country from the ECOWAS zone). The use of large funds can therefore be increased and the CSE also noted that efforts still needed to be made by indicating, in a policy brief published in January 2020, that «Senegal is not one of the 10 top countries of Sub-Saharan Africa in terms of climate finance” (from Multilateral Funds).

Although several projects are under way at various stages of the process, other avenues are being considered to amplify and diversify GCF funding, starting with the defining of a more programmatic approach

It is described in the Country programme 2018-2030 which reviews the institutional framework in Senegal as far as climate finance is concerned. A document which describes above all the strategic lines of intervention to be favoured for GCF financing, whether it be for the mitigation of climate change (energy and low-carbon investment / management and sustainable use of land and forests), adaptation to their consequences (strengthening the resilience of vulnerable communities and social protection / resilience of infrastructures, habitats, natural ecosystems) or governance issues (strengthening the capacities of the institutional framework of the GCF / knowledge management and communication).

This *readiness programme* also highlights the conditions for its success in a stakeholder capability development phase (2018-2025) which will be crucial for the implementation and scaling phase (2026-2030). It is also in this perspective and to confirm the country's vision concerning the more effective mobilisation of climate finance, that a wider combination of accredited entities with direct access is being considered.

After the CSE, a private financing institution would secure its accreditation in 2020:

La Banque Agricole, for “Small” category projects (between 10 and 50 million dollars), Intermediation 2 and for the concessional loan financial instrument.

Senegal is reinforcing its finance mobilisation strategy

Two other entities are also engaged in the accreditation process, and will be able to complete the levers for access to and provision of climate finance given their specific characteristics: the sovereign strategic investment fund (FONSIS) and the priority investment guarantee fund (FONGIP). By adding these two public establishments to the list of organisations with direct access to the GCF, Senegal is reinforcing its finance mobilisation strategy beyond just the big international organisations, by diversifying in terms of the size, the type of instrument and the risk level.

Finally, beyond the resources provided by the GCF, other levers have been studied in a “*feasibility study on innovative financing mechanisms for the environment sector*”. However, the most structuring action remains the establishment of a National Climate Fund to channel flows for «country-owned» field projects monitored in a more centralised manner.

On this point, Dakar is not reticent about drawing inspiration, in turn, from good practices from countries facing the same challenges. Dr Amadou Lamine Diagne, then director of Green Financing and partnerships, was behind this action. He remembers discussions with the PNUD at COP20 (2014), having brought the focus on the example of the Mali Climate Fund. This laid the foundation stone of this initiative: the realisation of a comparative study of countries’ experiences in setting up a Climate Fund (2014).

After two development workshops, a presentation at COP21, an exchange visit with the Rwanda National Climate Fund and government meetings, the project took final shape in 2016. Its main purpose, beyond seizing more and more funding opportunities and collaborations with funding partners, is essentially to improve the governance of financial resources for climate. An action that can be summed up in three points, as Dr Amadou Lamine Diagne reminds us

«(i) better identify needs (ii) better target points of contact according to their specificities and (iii) better report on the activities carried out and their results»

The Ministry of the Environment and Sustainable Development thereby hopes to avoid the lack of efficacy, transparency and any other pitfalls often identified in similar initiatives.

As the Senegal National Climate Fund doesn’t conceal its desire to mobilise and administer 100 million dollars per year in climate and sustainable development projects. To achieve this, all levers are considered and take full advantage of this mechanism by centralising the skills, procedures and funding obtained. Its architecture is already designed based on a steering committee and an executive secretariat (including an administrator and technical committee) in which state institutions, local authorities, national organisations and NCF-accredited institutions, technical and financial partners active in the climate field, financial intermediaries, the non-banking private sector, CSOs and NGOs will participate.

From an accounting point of view, the national budget is not considered to contribute to more than 10% of the NCF’s resources. The majority of its capacities must therefore come from “strategic partners” (UNDP, ADB, BOAD, CSE), other technical and financial partners and private banking sources. We must keep in mind that the CSE cannot directly pay the funds it carries, including from the GCF, to the NCF. Its technical support may, for example, be requested for setting up a programme. But other questions remain, in particular as regards the procedures for accessing this financing and its fiduciary management. For these reasons and despite the significant work done, the NCF is still not operational at the end of 2020.

As is the case with the CSE, great efforts have been made and have started to bear fruit. The sharing of experiences has contributed greatly to it and will continue to improve the process in Senegal and elsewhere. The key challenge remains to increase the support for efforts to mitigate and adapt to climate change, to innovate and to diversify finance sources and mechanisms.



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The Nationally Determined Contribution (NDC) is an instrument of the Paris Agreement in which each state signatory to the United Nations Framework Convention on Climate Change (UNFCCC) records its greenhouse gas reduction and climate change adaptation commitments by demonstrating the highest level of ambition possible given the country's circumstances.

The review entitled «Stories of NDCs in West Africa» aims to present the lessons learned, successes and challenges of implementing NDCs in the West African countries. The particularity of the review is to reveal informal or intangible practices that are not always documented in the implementation of NDCs.

This review was conducted in collaboration with the GCCA+ West Africa project. The GCCA+ West Africa project is funded by the European Union and implemented by Expertise France under the leadership of the ECOWAS Commission and in collaboration with the Permanent Inter-State Committee for Drought Control in the Sahel (CILSS). This project is part of a regional cooperation dynamic. It aims to support the concrete implementation of commitments made by ECOWAS Member States in the fight against climate change.

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