Climate Change Financing in Africa-Possible Principles and Mechanisms for Public Policy

Ndum Victor Etim[1], Edem Ebong[2], Henshaw Vera Ene[3]
[1,2,3] *Institute of Public Policy and Administration, University of Calabar, Cross River State*

***Abstract*- Finance plays a critical role in the international climate change debate. There has been a general convergence in cost estimations, roughly around $150 billion per annum for mitigation and adaptation in the developing world. It is clear that existing funding initiatives, both public and private, are painfully inadequate to meet the needs for the future. The paper outlines and assesses options for a future financial mechanism based on key priorities for Africa and the political realities facing the negotiation process. This paper anchors on the idea that it is essential for African negotiators to balance the desire for strong normative principles with what is likely to be practical and realistic. Emphasis is laid on the need for adequate financing of climate change adaptation and mitigation in Africa. Effort is made to examine the basic principles surrounding climate change financing in Africa. The paper then delves into a review of the existing mechanisms for financing climate change in Africa. However ,the paper recommends that pressure should be put on developed countries to honour their commitments within the Convention to meet the costs, there should be reconsideration of more proactive options concerning governance , raising revenue and the disbursement of fund mechanisms for Africa ,building domestic response capacity in order to use current and future funds effectively and Creating new institutional arrangements, including funds as well as making more meaningful use of the current arrangements.**

***Index terms*- Financing, Climate Change, mechanism, Africa**

I.INTRODUCTION

Based on the unique vulnerability of Africa to climate change and the unprecedented challenges accompanying it, this paper therefore becomes central, especially in addressing the problem of financing climate change in Africa.

Although Africa as a continent contributes less than four percent of the total global greenhouse gas emissions, it is among the most vulnerable to climate change. African climatic vulnerability is coupled with a very low capacity to adapt to the adverse effects of climate change. In its Fourth Assessment Report, the Intergovernmental Panel on Climate Change (IPCC) emphasizes the likelihood that climate change and variability will negatively impact the economic activities of Africa and exacerbate its current development challenges. With this warning in mind, various efforts are being made to reduce greenhouse gas emissions, plan for immediate and future adaptation, and integrate climate change considerations into development programs and strategies at national and regional levels

Current estimates of financial resources needed to support African countries as they attempt to alleviate and adapt to climate change are still vague, but they all indicate that costs will be in the tens of billions of dollars per annum. Carbon market investments into Africa are scarce, and the money that is generated through international public funds, both bilateral and multilateral, is in short supply. It is increasingly clear that these voluntary contributions by developed countries will not be enough to meet the needs of the developing world.

Because of this shortcoming, financing climate change has become one of the hottest topics in the international negotiations. Indeed, at the recent March 2009 interim session in Bonn, developing countries underscored finance as a „make or break component of an agreement in Copenhagen4. The UNFCCC Executive Secretary de Boer echoed this sentiment, highlighting financial support for mitigation and adaptation as one of the four minimum requirements for a successful Copenhagen agreement. In light of this, several proposals to generate new funds are being put forward within the context of the UNFCCC that could make a substantial contribution towards the resources needed to respond to this global crisis. This paper aims to provide African negotiators, policy makers and

finance ministers with information on existing and proposed financial mechanisms, and offer an assessment of the proposed financing options, to help inform the negotiating position of Africa.
According to Anthony Nyong, the AfDB compliance and safeguards manager, while speaking on financing climate change adaptation and mitigation action on Thursday, October 14, 2010 at the ongoing Seventh African Development Forum, in Addis Ababa, Ethiopia, "Africa has urgent and enormous climate change financing needs, but existing sources of financing and disbursement are inadequate,"
Climate change financing has been a thorny issue, particularly in the case of Africa, which is contributing less than 4% to global emissions, with 75% of this coming from deforestation. The African continent is highly vulnerable to climate change, and it is critical to obtain sufficient financial support to manage adaptation and mitigation processes.
Of the 22 climate funds globally available, none is hosted in Africa. The 2009 UN climate change conference (COP 15) held in Copenhagen has secured a non-obliging political agreement to make USD 30 billion available by 2012 in new and additional fast track resources, with additional USD 100 billion to be raised annually by 2020. African leaders have asked for at least 40% of the resources to be allocated to Africa and to be managed by the African Development Bank. "There is nothing wrong with Africa that we cannot keep Africa's money within Africa," Mr. Nyong said. The AfDB is Africa's premier development finance institution, and climate is a developmental issue, Mr. Nyong said, underscoring the position about Africa's right to host money allocated to it. He noted that Africa was not well served by existing financing mechanisms since the continent's unique problems such as high vulnerability to climate change and unique emission patterns related to agriculture and land use are never factored into the design of global funds. He called for a more appropriate financing mechanism such as the Africa Green Fund announced during ADF VII.
The impact of climate change will also affect Africa's ability to meet the MDGs. The continent already has the largest proportion of people living below the 1.25 dollar-a-day line, and the largest gap between 2005 and 2015 MDG targets for poverty.
"We need tens of billions of dollars per annum," Mr. Nyong said. Less than five years from now, by 2015, it will take between USD 22 billion and USD 31 billion per year for adaptation and to put the continent on a low carbon growth pathway. In another 15 years, that will go up to between USD 52 billion and USD 68 billion per year. In addition to that, climate-proofing will add 40% to the cost of meeting the MDGs. This will require international financial assistance estimated at USD 100 billion a year over the next decade, Mr. Nyong pointed out. "The benefits of adapting now far outweigh the cost of doing it later," he said. The carbon market has not brought much money to Africa so far. Several hundred projects in Mexico, Brazil, India and China are financed under the CDM. There are only a handful of CDM projects in South Africa and very few others on the rest of the continent. "Africa is not benefiting from the CDM because emissions from agriculture and other land use practices are not included in it, whereas these are important parts of the African economy," Mr. Nyong said. From 2006 to 2009, sub-Saharan Africa received 12% of the climate change financing disbursements through multilateral development banks, the smallest share among all regions in the world. Even so, a large chunk of the 12% that came to Africa was used for mitigation alone. The financial resources needed to support African countries as they attempt to adapt to climate change will be huge. There is a convergence in the most recent cost estimations at around US$100 billion to $200 billion for developing world costs for climate change mitigation5. Adaptation cost estimates vary widely, anywhere between the World Bank $10-$40 billion in 2020 to the UNDP 2007 estimate of $86 billion per year in 20156. Within the UNFCCC negotiations, developing countries (e.g. G77 plus China) are calling for between $200 billion and $400 billion per annum for both mitigation and adaptation.
This paper derives evidence from the document on Financing Climate Change Adaptation and Mitigation in Africa: Key Issues and Options for Policy-Makers and Negotiators Paper prepared for: The Third Financing for Development Conference on Climate Change, Kigali, Rwanda, 21-22 May, 2009 and The African Ministerial Conference on the Environment (AMCEN) Special Session on Climate Change Nairobi, Kenya 25-29 May 2009, Web and other related sources. It is the expectation of the paper to

create relevant awareness to stakeholders in the fight on climate change in Africa.

II. PRINCIPLES AND SPECIFIC CONCERNS FOR AFRICA

When considering the specific concerns and priorities for Africa, it is useful to look at key principles relating to financing in the text of the UNFCCC and Bali Action Plan. Whether and how these principles are met is the central issue of the current international climate change negotiations.

Principles within the 1992 UNFCCC There are no Articles in the Convention that establish the function, process or structure of a financial mechanism itself. Instead, several articles define what it should be or do from a normative standpoint. The key financial burden sharing principle is that of „common but differentiated responsibilities and respective capabilities" enshrined in Article 3.1 of the UNFCCC. Article 4.3 of the Convention maintains that developed countries are obliged to transfer finance to developing countries. The article states: The developed country Parties and other developed Parties included in Annex II shall provide new and additional financial resources to meet the agreed full costs incurred by developing country Parties in complying with their obligations under Article 12, paragraph 1.The implementation of these commitments shall take into account the need for adequacy and predictability in the flow of funds and the importance of appropriate burden sharing among the developed country Parties.

The key words are agreed full costs as it states that the full incremental costs of both mitigation and adaptation to climate change in developing countries should be paid by developed countries.

It also implies that the volume of these funds must be agreed. Annex I countries assume an obligation to provide „new, „additional, „adequate and „predictable resources to developing countries to fund the agreed incremental costs of mitigating and adapting to climate change. The commitment was re-emphasized under paragraph 1(e) of the Bali Action Plan, as detailed below. Article 4.4 states „developed country Parties and other developed Parties included in Annex II shall also assist the developing country Parties that are particularly vulnerable to the adverse effects of climate change in meeting costs of adaptation to those adverse effects. Article 11 envisages the establishment of a financial mechanism for the provision of resources. The Article makes it clear that the financial mechanism of the Convention „shall be accountable to the Conference of the Parties' (COP) and shall have an „equitable and balanced representation of all Parties within a transparent system of governance. The paragraphs contained in the Bali Action Plan clearly underline the need for financial support for developing country Parties. Paragraph 1(e) of the Bali Action Plan asserts that the Conference of the Parties will work to adopt a decision at Copenhagen by addressing „enhanced action on the provision of financial resources and investment to support action on mitigation and adaptation and technology cooperation. This will include a focus on:

- Improved access to adequate, predictable and sustainable financial resources and financial and technical support, and the provision of new and additional resources, including official and concessional funding for developing country Parties;
- Innovative means of funding; and
- Mobilization of public- and private-sector funding and investment, including facilitation of carbon-friendly investment choices.

The Bali Action Plan clearly emphasizes the need for funds to be adequate, predictable, sustainable and new.

The 2011 Climate Investment Funds (CIF) partnership Forum, hosted by the African Development Bank (AfDB) has ended with a call on managers of the United Nations Climate Fund(UNCCF) to remove the bottlenecks in accessing the climate change financing for Africa. The bottom line is that there is an urgent need to improve access to finance at the scale required for transformational impact in Africa. In addition, Bobby Pittman,Vice President for Infrastructure, Private Sector and Regional Integration at the African Development Bank said that mechanisms need to be put in place that can best respond to the need of Africa.

III. MECHANISMS FOR FINANCING CLIMATE CHANGE IN AFRICA

Present financial mechanisms can be classified into two categories:

- Existing international public financing initiatives, for both mitigation and adaptation (including both multilateral and bilateral initiatives)
- The Clean Development Mechanism (CDM)

Existing international public financing initiatives

There has been a recent proliferation of new international climate funds. These seek to mitigate climate risks and help the most vulnerable adapt to climate change. Based on African UNFCCC negotiations, the emphasis is to highlight funds on which the UNFCCC process can have some influence. Many of the funds currently mentioned are either established or have „sunset clauses‟ meaning their operations are projected to end by 2012. However, it is far from clear what the future funding landscape will look like, with the emerging governance standards of these funds likely to influence the post-2012 regime. Also worth discussing are initiatives that fall outside the UNFCCC process, given their potential impact on the established and future UNFCCC/KP funding initiatives. The initiatives below, while not entirely comprehensive, demonstrate the current landscape of international public funds available for climate change in the developing world, grouped by (a) multilateral initiatives and (b) bilateral initiatives.

Multilateral Initiatives (organized by fund administrator)

Global Environment Facility

The Global Environment Facility (GEF) is at the centre of the existing system of financing programs and projects to protect the global environment. The GEF Instrument states that the GEF shall operate for the purpose of providing new and additional grant and concessional funding to meet the agreed incremental costs of measures to achieve global environmental benefits in the GEF focal areas. It has provided primarily grants and, to a lesser extent, concessional funding to recipient countries for projects and programs that have the explicit purpose of protecting the global environment in six focal areas: climate change (mitigation and adaptation), biodiversity, international waters, persistent organic pollutants, ozone depletion and land degradation (desertification and deforestation). It works with 10 multilateral agencies: the World Bank, United Nations Development Programs (UNDP), United Nations Environment Program (UNEP), International Fund for Agricultural Development (IFAD), Food and Agriculture Organization of the United Nations (FAO), United Nations Industrial Development Organization (UNIDO) and four regional development banks (Inter-American Development Bank (IADB), African Development Bank (AfDB), Asian Development Bank (ADB) and European Bank for Reconstruction and Development (EBRD).

As an operating entity of the financial mechanism for the UNFCCC, the GEF is obliged to respond to the guidance of the Convention. The funding available under GEF for adapting to climate change includes The GEF Trust Funds, which are earmarked for national communications processes, vulnerability and adaptation assessment, capacity building efforts for adaptation and pilot and demonstration projects that address local adaptation needs and generate global environmental benefits in GEF focal areas. They also support community-based adaptation activities under the GEF‟s small grant programme. Under guidance from the UNFCCC, the GEF was asked to manage the following two funds focused on adaptation, both of which are based on voluntary contributions from donor countries:

- The Special Climate Change Fund (SCCF) was established to finance the special needs of developing countries, including Africa, in adaptation, technology transfer, climate sensitive sectors and economic diversification for country economies dependent on the fossil fuel sector.
- The Least Developed Country Fund (LDCF) was established to support preparation and implementation of National Adaptation Programs of Action (NAPA). These NAPAs provide a prioritized list of immediate adaptation projects.

As of January 2009, 14 SCCF adaptation projects have been approved, six of which are in Africa (Egypt, Ethiopia, Kenya, Mozambique, Tanzania, Zimbabwe). 62 projects have been approved and eight are under preparation for the LDCF. Of the 62 projects approved, only 12 are in the implementation phase (Bangladesh, Bhutan, Burkina Faso, Cape Verde, DRC, Djibouti, Eritrea, Malawi, Sierra Leone, Sudan, Tuvalu and Zambia). In addition, eight implementation projects are under preparation

(Benin, Gambia, Guinea, Haiti, Mauritania, Niger, Samoa and Vanuatu).The Strategic Priority for Adaptation is part of the GEF Trust Fund, but does not fall under COP guidance. The Strategic Priority for the Adaptation (SPA) Fund is intended to reduce vulnerability and increase adaptive capacity to climate change.

As of April 2009, less than one-half of the money pledged for these three funds has been disbursed to fund recipients8. The table below gives detail on the pledged, deposited and disbursed funds to date. Debate over GEF There has been much debate over the governance of GEF. Many developing countries have felt very little if any ownership over GEF, which they see as dominated by donor concerns. According to some, GEF has not prioritized the adaptation needs of the most vulnerable and has disproportionately funded projects in countries that have relatively low rates of poverty. Other criticisms of GEF governance include:

- The governance structures are seen by developing countries as complex and weighted in favour of donor countries;
- The rules and structures make accessing funding difficult and time-consuming;
- There is a lack of transparency in decision-making that appears to be the prerogative of powerful individuals;
- There is an emphasis on supporting projects rather than programmatic approaches; and
- The focus on securing environmental projects over development projects results in fewer global benefits.
- Given that GEF financing is likely to continue, even if another financial mechanism is established, Africa should push for governance reforms within GEF.

Kyoto Protocol’s Adaptation Fund

The Adaptation Fund has been established by the Parties to the Kyoto Protocol of the UN Framework Convention on Climate Change to finance adaptation projects and programs in developing countries that are Parties to the Kyoto Protocol. Funding is derived primarily from the proceeds of the two per cent levy on transactions under the CDM (although it may also be complemented with other sources of funding). An Adaptation Fund Board was created in 2007 to operate the Adaptation Fund, and it is fully accountable to the Conference of the Parties. The governance and management of the Adaptation Fund have been paid considerable attention both within and outside the Kyoto Protocol negotiation process, primarily because of its uniqueness as a model for climate change funding governance:

- To avoid the lack of ownership many developing countries felt over the GEF-administered funds, a „one country one vote rule was made along with a majority representation for developing countries on the governing body. Parties also have direct access to the funds, unlike the GEF-run funds. This has been seen as a victory for the developing world in creating a new governance system for funding adaptation activities.
- The Adaptation Fund is unique among the financial instruments of the international climate change regime in being exclusively dedicated to the funding of concrete adaptation activities (programs and projects) as opposed to research or knowledge building.
- The Adaptation Fund also operates on the following principles: accountability in management, operation and use of funds; short and efficient project development and approval cycles and expedited processing of eligible activities; and the need for projects to be country driven, taking into account existing national planning exercises and development activities.

The „blend category is used to classify countries that are eligible for IDA resources on the basis of per capita income but also have limited creditworthiness to borrow from IBRD. They are given access to both sources of funds, but are expected to limit IDA funding to social sector projects and use IBRD resources for projects in the „harder sectors

The Adaptation Fund can potentially serve as a model for future international financial mechanisms. However, the Adaptation Fund is not yet operational, and likely will not be operational until the end of 2009.

African Development Bank (AfDB)

The AfDB has begun to engage in climate funding for the region through its Clean Energy Investment Framework (CEIF). Approved by the AfDB Board of Directors in early 2008, the CEIF focuses on clean

energy development and access for Africa, financed through non-concessional resources from the AfDB to provide public-sponsored projects and programs in the 15 middle-income and „blend countries and non-guaranteed financing for attractive private-sponsored operations in all the 53 Regional Member Countries. The AfDB has also been chosen to host the Congo Basin Forest Fund (CBFF), launched in 2008, which currently has an initial contribution of US$ 200 million from the United Kingdom and Norway. The Board of Directors and the Board of Governors of the Bank Group have endorsed the decision to host the fund up to 2018. Other partners are expected to contribute to the fund which will be used to curb deforestation through local capacity building efforts in the Congo Basin.

United Nations Development Programme (UNDP)
UNDP is committed to supporting developing countries in responding to climate change concerns as part of their overall sustainable development efforts. The UNDP runs the UN Collaborative Programme on Reducing Emissions from Deforestation and Forest Degradation in Developing Countries (The UNDP-REDD Programme), which is a collaborative project between FAO, UNDP and UNEP. Its aim is to generate the requisite flow of resources to significantly reduce global emissions from deforestation and forest degradation. The immediate goal is „to assess whether carefully structured payment structures and capacity support can create the incentives to ensure actual, lasting, achievable, reliable and measurable emission reductions, while maintaining and improving the other ecosystem services forests provide. UNDP has also collaborated with the Government of Spain to create the MDG Achievement Fund (MDG-F), to accelerate efforts to reach the Millennium Development Goals. Environment and Climate Change is one of eight thematic areas supported by the MDG-F.

The World Bank
In light of the UNFCCC negotiations on the future financial architecture for climate change, the World Bank along with other Multilateral Development Banks have developed Climate Investment Funds (CIF), approved in 2008, as an interim measure to scale up assistance to developing countries and strengthen the knowledge base in the development community. Roughly US$6 billion has been pledged for the CIFs, comprised of both grants and concessional loans to address urgent climate change challenges in developing countries. Within the CIF, there are two multi-donor trust funds: the Strategic Climate Fund (SCF) and the Clean Technology Fund (CTF). The SCF serves as an umbrella vehicle for the receipt of donor funding and disburses to specific funds and programs aimed at piloting new development approaches to climate change. There are three funds under the SCF framework: the Pilot Program for Climate Resilience (PPCR, focused on adaptation, designed to build upon NAPAs), the Forest Investment Program (FIP, focused on mitigation in the forestry sector) and the Scaling Up Renewable Energy in Low Income Countries Program (SREP, supporting transitions to low carbon development pathways). Each of the funds under the SCF has a sub-committee, advised by an independent Expert Group. The Sub-Committee is responsible for approving programmatic priorities, operational criteria, and financing modalities for their respective fund, and are in charge of selecting projects and country recipients. The CTF, the other multi-donor Trust Fund within the CIFs, aims to finance transformational actions by providing positive incentives for the demonstration of low carbon development and mitigation of greenhouse gas emissions through deployment of clean technologies. While some projects have been approved, none of the CIFs are fully operational and funding has not yet been disbursed.

The World Bank track record of lending to develop coal, oil and natural gas projects has been severely criticized by a number of environmental organizations. These groups feel that the World Bank attempt to control climate change funding could undermine the UNFCCC process.

The CIFs have also been criticized by certain civil society groups for creating parallel structures for financing climate change adaptation and mitigation outside the ongoing multilateral framework for climate change negotiations and within a process dominated by G8 countries. The CIFs have also been criticized for the significant speed at which they have been designed, promoted and implemented without due consultation with wider stakeholders15.

The language of the Funds has been criticized for implying recognition of the UNFCCC principles as

merely guidance for the Fund policies rather than as binding internationally negotiated commitments of State Parties, which must be respected. They have also been characterised as demonstrating a lack of familiarity with the principles negotiated under the Convention and the legal status of commitments under the UNFCCC

Bilateral Initiatives

The Japanese Cool Earth Partnership (CEP) .

The Japanese CEP has three priorities: (i) establishing a post-Kyoto framework that will ensure the participation of all emitters and aim at fair and equitable emission targets; (ii) strengthening international environmental cooperation, under which Japan will provide assistance to help developing countries achieve emissions reductions and to support adaptation in countries suffering from severe climate change impacts; and (iii) supporting innovation that will focus on the development of innovative technology and a shift to a low carbon society.

The UK's Environmental Transformation Fund – International Window (ETF-IW)

The international window of the UK‟s ETF aims to support poverty reduction, provide environmental protection and tackle climate change in developing countries by addressing unsustainable deforestation, access to clean energy and activities that support adaptation. Most of the finance available under this initiative will be channeled through the World Bank Climate Investment Funds, although early support to the Congo Basin Conservation Fund has been provided.

The European Commission's Global Climate Change Alliance (GCCA)

The GCCA will address mitigation, adaptation and poverty reduction via a proposed partnership with developing countries that will include the provision of both technical and financial assistance. In addition, it aims to provide an informal forum that will facilitate negotiations for a post-2012 climate agreement. The GCCA also plans to add value by acting as a clearinghouse mechanism to coordinate the international adaptation initiatives of EU member states. The GCCA is the only scheme that can be considered to fall under the EU-Africa Partnership, a political partnership focused on establishing a shared Africa-EU vision for climate change.

The German International Climate Initiative (ICI)

The German ICI has three objectives: (i) supporting sustainable energy systems, adaptation and biodiversity projects related to climate change; (ii) ensuring that investments will trigger private investments at a greater magnitude; and (iii) ensuring that financed projects will strategically support the post-2012 climate change negotiations. The German ICI is unique in terms of how funds are generated. The German Federal Environment Ministry (BMU) raises funds by auctioning nine per cent of its nationally allocated carbon allowances for the second phase (2008-2012) of the EU Emissions Trading Scheme (ETS), rather than giving the permits away for free19. Of the 800 million Euros expected annually, half will be used for both domestic and international climate initiatives. One hundred and twenty (120) million Euros of the money will be allocated to developing countries, half of which will be allocated to adaptation and forest protection. Germany‟ s CI is in addition to a much larger sum of money already spent bilaterally by the German government on adaptation.

The Australian International Forest Carbon Initiative (IFCI)

Australia‟ s IFCI aims at facilitating global action to address emissions from deforestation by providing incentives to developing countries to reduce deforestation.

Annex B provides an overview of the existing international climate change funding architecture. The table below provides a summary of each multilateral and bilateral funding initiative, including its primary funding instrument (grant versus loan), and the amount pledged, deposited, and spent/disbursed to donor countries and to Africa.

The Clean Development Mechanism (CDM)

The CDM was established under the Kyoto Protocol to assist Annex I Parties comply with their emission reduction commitments, and to promote sustainable development in developing countries. As of end-2007, proceeds from the sale of emission credits from CDM projects amounted to US$7.4 billion, a 50 percent increase in value over 2006, and triple the

value in 2005. The overall carbon market has also risen sharply over this period, reaching $60 billion in 2007 or 6 times its value in 2005 and is set to continue its exponential growth over the coming years The CDM thus provides developing countries with a significant source of carbon finance to help promote sustainable development. But although the CDM has proven successful in generating emission reduction projects in many developing countries, Africa accounted for only 5 per cent of CDM transactions in 2007, and roughly 2 per cent of CDM activities overall. It is reported that, as of October 2008, only 17 out of 1186 CDM projects were located in Sub-Saharan Africa, most of which (14 out of 17) were located in South Africa. The CDM is currently inadequate as a tool to support the needs of Africa in its fight against global warming. Given that Africa gets less than 2 per cent of all CDM investments, the mechanism is not geographically equitable, preferring the low-hanging fruit projects in China, India and Brazil. The mechanism does not include non-Annex I countries in its governance framework, given that the primary objective is to provide an offset mechanism for Annex I countries.

IV. CONCLUSION

From the foregoing, the critical examination of the level and scope of climate change financing given and key principles and financial mechanism highlighted simply indicate that Finance plays a critical role in the international climate change debate. There has been a general convergence in cost estimations, roughly around $150 billion per annum for mitigation and adaptation in the developing world. It is clear that existing funding initiatives, both public and private, are painfully inadequate to meet the needs for the future.

Options for a future financial mechanism have been outlined and assessed based on key priorities for Africa and the political realities facing the negotiation process. This paper is based on the idea that it is essential for African negotiators to balance the desire for strong normative principles with what is likely to be practical and realistic.

The 2011 Climate Investment Funds (CIF) partnership Forum, hosted by the African Development Bank (AfDB) has ended with a call on managers of the United Nations Climate Fund (UNCCF) to remove the bottlenecks in accessing the climate change financing for Africa. The bottom line is that there is an urgent need to improve access to finance at the scale required for transformational impact in Africa. In addition, Bobby Pittman,Vice President for Infrastructure, Private Sector and Regional Integration at the African Development Bank said that mechanisms need to be put in place that can best respond to the need of Africa.

The political challenge of securing a future financial mechanism is most profound, especially in light of the current financial crisis. However, an agreement in Copenhagen is largely riding on the resolution of this issue. As such, the African Group, and G77 as a whole, has a strong position from which to claim its fair share of financial resources to combat this impending crisis.

V. RECOMMENDATIONS

The following recommendations are pertinent:

Revenue raising should be given priority attention. There appears to be strong political support in favour of auctioning AAUs and the African Group would be well advised to back this proposal as a means for generating adaptation finance. Funds would be raised with a strong degree of autonomy, without the risk of interruption by domestic political agenda.

- On governance of financial mechanism, support should be given to a new institutional structure, managed by the COP, but also bear in mind that other funds are likely to continue. Discussions on reform of current mechanisms should also be advanced.
- Africa should continue to push for appropriate finance (grant-based) for adaptation to climate change.

Above all, pressure should be put on developed countries to honour their commitments within the Convention to meet the costs. Pressure on developed countries needs to be consistent in order to ensure financial pledges are delivered. African countries would gain tremendously from allying strongly with one another and with other developing countries

REFERENCES

[1] AMCEN (2008). African Climate Platform to Copenhagen‟. Confidential. Algiers: AU.

[2] APF (2008a). Background paper on Africa and Climate Change" the 10th Meeting of the African Partnership Forum: Tokyo, Japan, 7-8 April 2008. Prepared by the NEPAD Secretariat in consultation with the African Union Commission and UN Economic Commission for Africa. Accessible at: www.oecd.org/dataoecd/28/7/41084135.pdf

[3] APF (2008b). Carbon Finance in Africa: The Clean Development Mechanism" The 11th Meeting of the African Partnership Forum: Addis Ababa, Ethiopia, 17-18 November, 2008. Prepared jointly by the UN Economic Commission for Africa, the NEPAD Secretariat and the APF Support Unit. Accessible at: http://www.oecd.org/dataoecd/63/16/41656313.pdf

[4] APF (2008c). Innovative Carbon-Based Funding for Adaptation" The 11th Meeting of the African Partnership Forum: Addis Ababa, Ethiopia, 17-18 November, 2008. Prepared by the Overseas Development Institute. Accessible: at: http://www.oecd.org/dataoecd/63/16/41656313.pdf

[5] Bird, N and Peskett, L. (2008). Recent bilateral initiatives for climate financing: Are they moving in the right direction? Overseas Development Institute, Opinion 112.

[6] European Union (2007). Africa-EU Partnership on Climate Change. Accessible at: http://ec.europa.eu/development/icenter/repository/EAS2007_action_plan_climate_change_en.pdf GEF (2009) „Future Strategic Positioning of the GEF" GEF/R.5/7/Rev.1, 02 March 2009. 33

[7] Mitchell, A. and Huq, E. (2008). Principles for Delivering Adaptation Finance. Accessible at: https://cms.ids.ac.uk/UserFiles/file/poverty_team/climate_change/Adaptation%20Finance%20Briefing_final(1).pdf Müller, B. (2008) International Adaptation Finance: The Need for an Innovative and Strategic Approach. EV 42. Oxford: Oxford Institute for Energy Studies.

[8] UNDP REDD Programme (2008). website, accessible at: http://www.undp.org/mdtf/UN-REDD/overview.shtml 34

[9] UNFCCC (1992).Full text of the convention, Accessible at: http://unfccc.int/essential_background/convention/background/items/1348.php

[10] UNFCC (1997). Kyoto Protocol. Accessible at: http://unfccc.int/kyoto_protocol/items/3145.php UNFCCC (2007a) Bali Action Plan", Accessible at: unfccc.int/files/meetings/cop_13/application/pdf/cp_bali_action.pdf UNFCCC, (2007b) „Investment and financial flows relevant to the development of an effective and appropriate international response to Climate Change" Bonn.

[11] UNFCCC (2009). Fulfilment of the Bali Action Plan and components of the agreed outcome. FCCC/AWGLCA/2009/4 (Part II), 18 March 2009. Accessible at: http://unfccc.int/resource/docs/2009/awglca5/eng/04p02.pdf UNFCCC (2009) „Key elements of LCA Negotiation Text" submitted by Algeria on behalf of the African Group, 8, April, 2009. Accessible at:

[12] http://unfccc.int/files/meetings/ad_hoc_working_groups/lca/application/pdf/african_group_submission_lca_april_2009.pdf