**CDKN East Africa Climate Finance Workshop – Executive Summary**

CDKN held a workshop on climate finance in East Africa at the Friendship Hotel, Addis Ababa, Ethiopia over 25-26 March 2013.

*Purpose and objectives*

The purpose of the workshop was to bring together 25-30 senior- and middle-level economic planners, investors, financiers and donors from Eastern Africa to learn and share best practices and to plan future activities related to climate finance. The objectives were to have better understanding of the role of climate finance and dedicated national instruments in the region, and to build a community of interest for more effective planning and implementation in the future.

*Structure*

The workshop consisted of eight sessions over one and a half days:

1. Landscape and key challenges of climate finance
2. Emerging experience in creating national climate finance institutions or funds in East Africa (Ethiopia, Rwanda, Kenya)
3. Climate finance information tools
4. Effectiveness in delivering climate finance at the country level
5. Climate finance readiness
6. Role of the private sector in East Africa
7. Donor/multilateral – national government cooperation
8. Conclusions and next steps

*Participants*

|  |  |  |
| --- | --- | --- |
| **Country** | **Name** | **Organisation** |
| Rwanda | Alex Mulisa | National Climate and Environment Fund (FONERWA) |
| Kenya | Joshua Opiyo | Ministry of Planning |
| Kenya | Erastus Wahome | Ministry of Finance |
| Kenya | John Nyangena | Kenya Institute for Public Policy Research and Analysis (KIPPRA) |
| Tanzania | Adolphine Kateka | University of Dar Es Salaam |
| Tanzania | Faustin Maganga | University of Dar Es Salaam |
| Uganda | Tony Muhumuza |  Advocates Coalition for Development and Environment (ACODE) |
| Uganda | George Serunjogi | Ministry of Finance |
| Ethiopia | Ato Dessalegn Mesfin | Environmental Protection Agency |
| Ethiopia | Zerihun Getu | Ministry of Finance and Economic Development |
| Ethiopia | Araya Asfaw | Horn of Africa Regional Environmental Centre |
| Ethiopia | Asrat Yirgu  |  Independent Consultant |
| Ethiopia | Sarah Assefa | Hope University, Addis Abeba |
| Namibia | Louise Brown | World Resources Institute |
| Germany | Laura Wuertenberger | German Agency for International Cooperation (GIZ) |
| Ethiopia | Ababu Anage | UNDP Ethiopia |
| Ethiopia | Kidanua Abera | UNDP Ethiopia |
| Ethiopia | Erik Lonnroth | CDKN, PwC |
| South Africa | Carl Wesselink | CDKN, SouthSouthNorth |
| Kenya | Tim Ash Vie | CDKN, PwC |
| Kenya | Peterson Olum | CDKN, PwC |
| UK | Sam Gillick | CDKN, LEAD International |
| UK | Ari Huhtala | CDKN, Overseas Development Institute |
| Ecuador/UK | Pippa Heylings | CDKN, Fundacion Futuro Latinoamericano |
| UK | Neil Bird | Overseas Development Institute (ODI) |
| Ethiopia | Ambachew Admassie | CDKN Ethiopia |

*Outcomes*

**Sharing of information**

Current state of climate finance

* There has been action in the region around climate finance funding, including the development of national climate funds and experience in accessing international climate finance
* There is a gap between what is required and what has been pledged
* It is difficult to track what is climate finance and additional to other ODA
* The collapse of carbon price has greatly affected the climate finance landscape

Effective use of/readiness for climate finance

* There should be a:
	+ Supportive policy environment
	+ Institutional architecture that defines roles and responsibilities
	+ Public financial system through which expenditures are channelled
	+ Investment of national resources in building further readiness linked with additional external resources
* Capacity is needed for:
	+ Strategic planning
	+ Strengthening national institutions, supporting direct access
	+ Accessing international climate finance
	+ Effective, efficient and transparent spending & implementation
	+ Engaging the private sector

Sources of information

* Climate Funds Update: <http://www.climatefundsupdate.org>
* Climate Finance Advisory Service: <http://www.cdkn.org/cfas>
* Climate Finance Options: <http://www.climatefinanceoptions.org>

**Peer learning from best practice**

Lessons learned in East African countries

* Funds available for climate actions are mostly loans whereas grants would be preferred, at least initially and particularly for adaptation investments.
* Multilaterals can be attractive interim hosts for funds while national institutions build capacity and reputation.
* Private sector engagement and consultation is important but their level of access to funds is up for debate.
* Coordination between ministries is important for mainstreaming climate into finance and planning – Committees and Task Forces need to be supported by strong Secretariats.

**Outlining needs**

Role of donors

* Supporting gaps in national budget
* Providing grant and concessional climate finance to catalyse a shift in financial flows towards low emission and climate resilient options
* Developing demand-driven programmes in genuine partnership with developing country institutions

Role of governments

* Providing effective coordination and assurance that there is no duplication of efforts between externally funded programmes and projects
* Setting up financial mechanisms to manage and apportion donor resources
* Creating an attractive investment environment (taking on risk) for the private sector
* Linking the voice of developing countries in international climate negotiations with externally supported climate action at the country level

Role of private sector

* Responding quickly to opportunities
* Supporting investment gap