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UNION FOR MEDITERRANEAN REPORT ON NATIONAL-SUBNATIONAL CLIMATE FINANCE

Executive Summary

31th of December, 2018

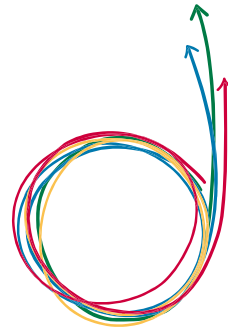
Country Profiling – Kingdom of Morocco & Hashemite Kingdom of Jordan



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1. Introduction: Framework & Initial Comments

This study is aimed at providing support to UfM Secretariat (UfMS) in the definition and implementation of its ‘Climate Finance Strategy’ yet to be fully developed, but primarily inspired by the strong will to increase cooperation on this specific chapter, as expressed by member countries in UfM’s 2014 *Ministerial Declaration on Environment and Climate Change*.

After establishing a *Climate Change Expert Group (CCEG)*, and a *Regional Climate Finance Committee for Climate Action (RCFC)*, UfMS commissioned two studies to quantify the amount of international climate finance reaching the Southern and Eastern Mediterranean (SEMed) region, in 2017 and 2018.

Together with a second study focusing on assessing the international private climate finance flows in the Region, the report on *National-Subnational Climate Finance* aims at complementing the first UfM’s flagship reports, and exploring more precisely the national and subnational perspectives on “**additional finance strategies and measures** for climate action” to international public climate finance flows and instruments, in two pilot countries of the MENA region: Kingdoms of Morocco and Jordan.

This study aims to provide “a general overview of the current state of **national/subnational climate finance sources and their typology**, if possible, **the amounts, and categories of beneficiaries** of climate financing in the two of the Southern Mediterranean countries during 2016 and 2017”.

Based on the analysis and benchmark between these two emblematic countries in the Region, FMDV’s report is also expected to produce a proposal aiming at developing in 2019 a “**Technical assistance on a Regional Strategy** to consolidate the ongoing works on the issue of climate finance in the UfM MENA countries, on all topics (international-national-subnational public, private climate finance)”.

Therefore, and overall, the study -in complementation to previous and on-going works- shows that there is space for UfMS to foster its service supply to member countries and strengthen its ability to support its member countries in:

- **Better understanding the climate finance context, environment and players' mandate**, to support the catalysing of international and domestic public and private resources to resilient, sustainable and low-carbon projects,
- **Accelerating climate action and cooperation** at regional, national and subnational levels, through knowledge and information sharing, (especially through UfMS and its bodies/programmes), but also envisioning the opportunity to support the development of dedicated financial engineering in the region (creation of repertoires of experts and networks); and reflecting on the proposed design of a Regional Climate Finance Facility;
- **Identifying specific trends** in the region, **and inspiring institutional and operational processes and mechanisms** for climate financing to be replicated and systematised (at regional and domestic levels of climate action),
- **Building knowledge and capacity** together with designing a first basis for a cohesive strategy on climate finance within the UfMS and throughout UfM's membership,
- **Providing qualitative and quantitative data, and their analysis, to inform countries'** reflection on the elements to be integrated in the national framework for climate financing, together with propositions on the building of potential partnerships to make sure action takes place at the domestic and subnational levels on the referred topic (identification of existing instruments, processes, tools and active partners in the Region).

In a nutshell, this report aims at launching the systematization of UfMS' approach on **country profiling for national and subnational climate finance's overview**, as well as at integrating the conclusions of the benchmark within a **proposition defining the mission, path and lines of action of a Technical Assistance** to be provided to the Secretariat in order to strengthen its **ability to propose the basis for a proper Joint Strategy on Climate Finance in the Region**, and **define, as Secretariat of the Union, its specific approach, role and added-value on its implementation.**

2. Approach & Methodology

Composition of the team of experts

As stated previously in the Technical Offer, FMDV has defined a team with 3 referent experts (1 Senior, and 2 Junior based in Morocco – see Table below) together with light support from 1 Senior and 1 Junior expert working on related topics in other FMDV programmes.

This will ensure that UfMS benefits from a complete set of reviews and contributions based on FMDV track record in this field of expertise.

Referent Experts	Position	Contact
Carlos de Freitas	Referent Senior Expert	cdefreitas@fmdv.net
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Methodology

Classic methodology based on desk review of key documents and interviews of major players at National level was conducted by the experts.

Interaction with UfM Secretariat was also key to ensure the understanding of the progress made, and give precise orientation to FMDV on the deliverables.

General Comment

Considering the very short timing for the implementation of the assignment, and the always complex reactivity of referent interlocutors in the two countries and in UfM Secretariat within the timeframe defined, the final report nevertheless tries to draw some relevant recommendations that shall be deepened by the *Technical Assistance Operational Team* in 2019.

In the two countries included in the report, it is also important to emphasize that the climate finance governance ecosystem remains under construction and strengthening.

Most strategies, implementation plans and funding and financing options are still under design and approval, limiting the extent of stocktaking recommendations that would serve UfMS prospects for the next steps of defining its own strategy, as well as when it comes to get a full spectrum of national/subnational climate finance flows disbursed, circulating or committed in both countries.

Also, in developing countries, most of the international climate-related development finance is closely intertwined with the national and/or subnational climate finance structuring, **-including on technical assistance issues, flows and institutions/dynamics** that we have considered and integrated here in order to give a broader picture of the context and available data (funding streams, key players and their role/mandate/means of implementation).

Because of the focus of the report, and its timeline, we were not able to go into details on, and assess, how much the support programmes brought by Development Partners to the National and Subnational bodies and institutions are disrupting the on-going domestic policies in the field (influence, redundancy, support, silos, etc.). This should be a priority in further country profiling and analysis of donors and multi-bilateral development players' activities in each country of the UfM, in order to ensure the identification of economies of scale in future joint programs within certain group of countries or specific group of players in the field (e.g. networks of peer institutions).

Nevertheless, some elements will enable UfMS to frame the Terms of Reference defining the scale, needs and specific missions of the forecasted technical assistance in 2019 to better define its most accurate role in supporting member countries' thriving in the climate finance field.

ABBREVIATIONS

ACC	Agricultural Credit Committee	MOMA	Jordanian Ministry of Municipal Affairs
ADA	Agricultural Development Agency	MOPIC	Jordanian Ministry of Planning and International Cooperation
AMEE	Moroccan Agency for Energy Efficiency	MorSEFF	Morocco—Sustainable Energy Financing Facility
AMMC	Moroccan Capital Market Regulatory Authority	MoSD	Jordanian Ministry of Social Development
CBJ	Central Bank of Jordan	MoT	Jordanian Ministry of Transport
CC	Climate Change	MTEF	Medium Term Expenditure Framework
CEEB	Building Energy Efficiency Code	MWI	Jordanian Ministry of Water and Irrigation
CFC	Casablanca Finance City Authority	NAP	National Adaptation Plan
CIS	Interministerial Follow-up Committee	NCCC	National Committee on Climate Change
CNCC	National Committee on Climate Change	NDA	(GCF) National Designated Entities
CNST-CC	National Scientific and Technical Committee-Climate Change	NEEAP	National Energy Efficiency Action plan
CPEIR	Climate Public Expenditure and Institutional Review	NEPCO	National Electric Power Company

			Central Banks and Supervisors
CSE	Casablanca Stock Exchange	NGFS	Network for Greening the Financial System
CVDB	Cities and Villages Development Bank	NSP	National Sanitation Program
DCCDBEV	Directory dedicated to climate change, biodiversity and green economy	NSSD	National Strategy for Sustainable Development
DMN	Directorate of National Meteorology	ONCA	National Office of the Agricultural Council
EE	Energy efficiency	ONEE	Moroccan National Office for Water and Energy
EIPP	Energy Efficiency in Industry Program	ORMVA	Regional Office for Agricultural Valorisation
ESCO	Energy Services Company	PCM	Morocco Climate Plan
FALEEU	National Fund for Liquid Sanitation and Sewage Purification	PEA	Pact for an Exemplary Administration
FEC	Moroccan Municipal Development Fund	PMR	(World Bank) Partnership for Market Readiness
GAM	Greater Amman Municipality	PMV	Green Morocco Plan
GCAP	Green City Action Plan	PNA	National Sanitation Program
GGGI	Global Green Growth Institute	PNDM	National Household Waste Management Program

GGP	Green Growth Plan	PPA	Power Purchase Agreement
GoJ	Government of Jordan	PPP	Public Private Partnership
IRESEN	Research Institute on Solar Energy and New Energies	RE	Renewable Energy
JEDCO	Jordan Enterprise Development Corporation	SBC	Low-Carbon Strategy
JEF	Jordan Environment Fund	SIE	Moroccan Energy Investment Company
JEREEEF	Jordan Renewable Energy & Energy Efficiency Fund	WB	World Bank
JLGC	Jordan Loan Guarantee Corporation		
JOD	Jordanian Dinar		
LRG	local and regional government		
MASEN	Moroccan Agency for Sustainable Energy		
MEMR	Jordanian Ministry of Energy and Mineral Resources		
MoEnv	Jordanian Ministry of Environment		
MoF	Jordanian Ministry of Finance		

3. Final Comments & Recommendations

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Related to Morocco & Jordan's profiling

General remarks

Generally speaking, it is not a question here of assessing the quality of the policies undertaken at the level of the two countries concerned, related to Climate Finance. But, much more to identify how these two countries cope with the urgency to organize themselves in the most pressuring times ever met in the global negotiations.

And it is important to note, first, that Morocco, unlike Jordan, benefited from a catalytic element of importance: the organization of COP22 which made it possible to mobilize all the actors of the civil society, public and private institutions, financiers, all together committed to the same institutional calendar of exemplarity vis-à-vis international actors; and it also created unprecedented opportunities for partnerships with development actors and international cooperation platforms that wanted to multiply the announcements one year after the Paris Agreement, in the "COP of Action".

In terms of common features, let us note:

- First of all, **the political voluntarism of each of the two countries**, the capacity to deploy resolutely **the emergence of renewable energies and energy efficiency sectors and value-chains**.
- The fact, also, to seize the opportunity to transform the economy and the modes of operation of all the institutional players, public or private, through the use of concepts and policy design falling under **the green economy, green growth, and low carbon strategies**.
- The **impressive arsenal of standard-setting texts** (laws, strategies, plans) related to Climate, currently under development in both contexts, once again demonstrates the will and organizational capacity for climate governance that should allow both countries, in the coming months and years, to gain more traction and attention from development partners, investors, private sector and bilateral and multilateral donors, all interested in **reassuring national investment frameworks for project implementation, and securing investments**.
- The two States also confirm that they have initiated reforms that place the fight against **climate change as an opportunity provider**: for innovation, reform of administrations and consumption and production patterns, forms of partnership, financing models, etc. so as not to repeat developed countries' mistakes, and to register as an innovator, in line with the States commitments made through the Paris Agreement.
- The two countries, each in their own way, position themselves as **regional champions for climate finance**; Morocco being one of the undisputed champions of the Region, by the

ambition of its policies, and by the overall volumes of climate investment that are made in the country. Jordan, for its part, is very strongly in the renewable energy sector, and the interest of investors is confirmed by its ranking at third as the best investment environment in the field of renewable energy, according to the Bloomberg's Climatescope 2018 Index (Morocco being 23rd by comparison).

- Each of the two countries also has **close links with the international donor community** and development players, whether multilateral or bilateral.

However, we can identify a set of similar issues: (explained by the relatively new set of adjustments and transformations required by the signature of international agreements after the 2015-2016 UN round of negotiations – SDGs, FfD, New Urban Agenda and Paris Agreement).

- **National Climate Governance Frameworks/Ecosystems, and commitment of public and private stakeholders** are still poorly defined in most sectors except in the case of renewable energies and energy efficiency ;
- **A lack of coordination between the sectorial public administrations** (notably Ministries), **and also between the development partners**, within the framework of interventions carried out in partnership (within certain sectors, or in the context of specific climate programs, or climate finance management/sourcing).
If these programs allow the realization of relevant projects, which can serve as an example, or act as pilot-fish for the national authorities or the sectoral actors, they remain nonetheless one-shot programs which, in addition not to involve systematization at the national level (at times when local or national institutions are not yet ready to co-ordinate under a unified umbrella of jointly adopted mechanisms), create a spirit of competition that can result in institutional bottlenecks (fear to lose power/prerogatives/jurisdictions/means), but also bring more confusion (who does what).
- **A latent lack of systematised awareness and training of all stakeholders** -whether public or private, central or subnational- on the issues, mechanisms, methodologies and sources of climate financing (see the confusion between climate, environment, sustainable development, green economy, circular and blue economy, etc.)
- **A lack of integration of subnational stakeholders** (namely local and regional governments) in the definition of national policies, the consideration for their contribution in the working groups and commissions which are setting the Climate governance system, and the subsequent articulation of policies and institutions.
- **A lack of empowerment of national networks of local and regional governments**, where they exist (in Jordan, none exists), and in particular with regard to the financial issue: there is a glaring lack of understanding on the climate finance frameworks at their own level, and a lack of visibility on the great diversity of dedicated instruments that can be

mobilized to finance local projects; lack of knowledge on national and international windows and players providing capacity building support, technical assistance for project preparation, and funding, is also worth noting.

- **Aggregated pipelines of climate projects that do not exist or are still in their infancy;** also, climate projects uncertain of their bankability; lack of coordination among stakeholders in the climate finance value chain at the national and sub-national levels, including between candidates for accreditation to international multilateral climate funds, and the follow-up to be made to feed the project pipeline.
- **A mixed commitment on the part of the private sector,** particularly in Jordan, while in Morocco, the General Confederation of Moroccan Companies (CGEM) has embarked on information, communication, reflection and proposals to give domestic businesses the key to creating innovative markets and opportunities in line with national and international guidelines. See also the regular trainings organized by CGEM on climate finance, and market models and integration of the climate dimension into corporate practices, also disseminated through ad hoc handbooks, and a national Climate Business Forum.

Related to Climate Finance Governance, Flows and Climate Policy/Action

- As we saw in previous chapters, **the flows and channels of climate finance are today poorly known** in both countries and poorly monitored.
It is impossible to know exactly how much climate finance is allocated, both in the execution of the State national budget, at the level of the local and regional governments, and at the level of domestic private investors.
- The question of the **differentiation between traditional finance and climate finance**, between development aid financing and the share corresponding to a mitigation or adaptation action in the project financed, constitutes an additional complexity that is the subject of continuous debates, at the international level, on the method of calculation, and the assignments.
While much progress has been made on common metrics and frameworks among development players, at the national level very few initiatives like the CPEIR of the World Bank exist today, and are implemented by countries on a sustainable way.
In addition, as is often the case, **the isolation of the Ministries of Finance**, which share little information at their disposal about ongoing processes or partnerships. They are not necessarily the most proactive when it comes to transforming a budget tracking system that is already cumbersome on a day-to-day basis.
- If both countries have international support for the integration of the fight against climate change in their national policies or practices, for example through the "readiness" support programs to strengthen institutionally and technically focal points or National Designated Authorities, **these support programmes do not sufficiently integrate the climate finance dimension**, and therefore do not allow the empowerment and organization of national and subnational actors on this issue, to accompany the establishment of the national climate governance system, and complement it in a way they can make use of.

This does not allow the climate finance stakeholders **to conduct parallel institutional and technical adjustments, strategic partnerships**, which would allow, as soon as the climate governance system is in place, to receive the funding and to invest to accelerate the development. action climate.

- **Coordination between donors and development actors is still at an insufficient stage.** Although it should be noted that through the NDC Partnership, agreements are now being signed between Central States and groups of development partners acting in a coordinated way, following a roadmap negotiated with the country's institutions. We can expect that this system/trend will make it possible to better target funding, and avoid redundancies on the one hand, and on the other to have projects implemented in silo, which will not support the strategy of coordination, consultation and partnership at national and subnational levels.
- Another issue is **the difference in treatment of the sectors identified as priorities** in each of the two countries' NDCs. For obvious reasons, the energy sector is much more advanced and better treated. This is particularly because financial models and investment risks are better known by international and domestic financiers, even if the reluctance of domestic commercial banks remains strong in the face of investments that do not have a sufficient history to assess the related risks. Work remains to be done to **support and consolidate investors and banking players' climate interest at the domestic level**, and specifically in the transformation of their models and their roles in the face of changes that call for a transformation of the practices of all trades. (Note the efforts of the central banks and market regulatory authorities of the two countries, yet still incipient for Jordan).
- As mentioned above, there is also a **problem of coordination between the accredited entities to multilateral funds**: this is mainly Morocco, since Jordan does not yet have its accredited entity to the GCF for example. As accreditations are recent and the national governance system is not yet fully in place, the coming months will probably allow for structured dialogues to happen between these organizations in order to feed into a pipeline of projects and set a negotiated distribution of their roles, towards each sector, depending on the financial intervention format required, which will enable the project sponsors to identify the right partner, at the right time in its financing process.
- In both countries, **the climate dimension of pipelines for infrastructure investment projects remains low**. There is no organized and convergent mechanism to put in place a visibility of the needs, nor to provide the necessary technical assistance to reinforce the capacities of the project sponsors, particularly at the subnational level, even if, as we saw in Morocco, initiatives are being taken in this direction, in particular with the PEFCLI, or the creation of the NFV. Also, it should be noted that the Moroccan Ministry of Finance is currently in the process of identifying the partner responsible for assisting in setting up an online project pipeline, allowing for the consolidation of needs and organize matchmaking with the providers of technical assistance, funding and investment.

- In general, the interviews reveal a **lack of knowledge on international and domestic financing mechanisms**, beyond the generalities spread by the media, or in the context of diplomatic discussions on climate. **Especially with regard to the great diversity of institutions and instruments to be mobilized, the conditions and eligibility criteria.**
- On the thematic aspect, we note **pressing needs expressed around the topic of adaptation**, which does not yet have the financial models allowing certainty of return on investment, and yet constitutes the larger share of investment needs for the coming years in both countries.
Adaptation remains a blind spot when it comes to thinking about financing at the domestic level, especially considering that much of the necessary investment will have to depend on the national budget, rather than on foreign investors. The funding potential from local stakeholders themselves is too often disregarded, even though it allows a hybridization of resources (citizens, local and regional governments, local small businesses, etc.), and of the projects' design (decentralised and small-scale + mixing adaptation and mitigation).
- **The relative importance of taking into account the subnational dimension to feed the project pipelines is evident:** in fact, because of the greater (Morocco) or lesser (Jordan) degree of decentralization efforts, the large volume of climate projects will come from local development planning processes that are underway. Many projects initiated in partnership with specific cities/regions by development partners are underway or have been conducted in these two countries, demonstrating the potential of existing needs, through the screening of local development plans following a "climate filter".
- In Jordan, there is also a **great dependence on international climate financing**, at the level of the Central State, local governments, and institutions in general, public and private.
In this sense, in Morocco as in Jordan, **the mobilization of domestic resources from the private sector, be it citizen, associative, SMEs or a multinational, remains a challenge** that each of the two countries is today taking up, **through the implementation of low carbon, or green economy strategies and approaches.**

In conclusion, and given the significant progress which are promised in the two countries in the coming months, in terms of climate governance and organization of reference institutions for domestic climate financing, it may be inferred that **there is real ownership of the climate issue by the two Governments.**

With regard to climate finance, the recent commitment of domestic financing actors, in the deployment of the climate investment and finance market, remains a factor to monitor.

The integration of the subnational dimension into national-level discussions is a priority if the two Governments wish to propose to domestic and international investors, project pipelines able to arouse their interest.

Central banks, commercial banks, national development banks, thematic funds set up at national level, domestic pension funds, must imperatively find the means to coordinate, and organize, together with all relevant stakeholders, a Climate Finance Strategy capable of supporting the implementation of orientations given by the convergence of the texts, strategies and plans adopted by the two governments.

"Coalitions of interest" around climate finance will help support and accelerate the national approaches of different actors and stakeholders, in different sectors, and allow **the creation of a dynamic domestic market**, with accessible tools for project preparation and technical assistance, and visible pipeline of projects, which will automatically arouse investors' interest as soon as institutional, technical and financial guarantee mechanisms are put in place (enabling environment, de-risking mechanisms).

Lastly, **matchmaking operations between project sponsors and funders** will have to be put in place if domestic stakeholders want **to shape and give substance to the adopted policies, strategies and plans.**

In a nutshell, move from commitment and idea to action and operationalization.

Related to UfM Secretariat' Potential Support Role and Mandate

To act as:

- **Meta-Mediator, Meta-Intermediary** positioning (matchmaker, market-maker; climate finance focused peer-to-peer networks; coalitions of interest; country blocks).
- **Policy-Action Lab** positioning (resource center managing data, identifying trends, achievements, blind spots, creating a universal directory of international, national, subnational, public and private climate finance sources; and climate financing models implemented).
- **Labelling and Monitoring** (follow-up and reassurance)

As part of these recommendations, the assignment was also to provide the UfM Secretariat with a basis for proposals, emerging from interviews and analysis of country profiles, around the the institution's potential support to its member States, on the topic of Climate Finance.

It is always complex for a Secretariat dealing with a coalition of such diverse members, spread over such a large geographic area, to find a mandate and a consensus-based approach to action, especially when it comes to finance.

Nevertheless, and on the basis of the understanding that the local players have of UfMS role, several elements can be distributed as follows:

First of all, it should be noted that **a strong emphasis was put on topics such as adaptation, early stage financing, project preparation and sensitization/training**, as already discussed before in the UfM's finance commission/committees.

At the Secretariat's internal level, it is important to ensure that all departments share information on sectoral financing that affects the member countries.

Even if **observatories** are complex to finance and the effort to maintain over time, and considering the studies that have already been carried out, the dynamics of labelling projects of the various development partners active in the region, and the abundance of information gathered in the context of the financial committee meetings, UfMS would have the capacity to collect, analyze and produce elements capable of strengthening Member States' actions; this, depending on the sectors, but also in a more transversal way, in the context of exchanges with international donors and/or thematic networks of domestic financiers, such as private investors, pension funds, sovereign wealth funds, commercial banks and public development banks, whether national or subnational. *(Mediation/Knowledge)*

Thematic blocks or country blocks could also be set up, based on the identified interests of the members, to bring peer-to-peer exchanges around pilot projects, project preparation, provision of technical assistance, or financing models that have enabled the implementation of infrastructure projects integrating climate dimensions. *(Mediation/Knowledge)*

Creating trust, arousing and organizing the rapprochement between countries around the same topic and shared interest (in short, creating « **coalitions of interests** ») is a role that the Secretariat could endorse with relatively affordable human resources, through the analysis, through the exchanges organized with all the bi and multilateral climate financing players, through the dialogue with the country focal points, and the establishment of contact-points with certain groups of relevant actors on the issue climate finance (including contact points within Ministries of Finance, central banks, commercial banks and their federations, as well as national and subnational development banks, insurance companies, etc.) would enable added-value **peer-to-peer networks** to channel and catalyze the sharing and exchange of methodologies, regulatory documents, approaches and **to positively support the establishment of climate (finance) governance ecosystems at national level and accelerate climate action.** *(Mediation)*

From the category of actors already mentioned, -Ministries of Finance, national regulators, central bank, public bank, national national federation of businesses, project preparation providers, network of cities and regions, commercial banks organized in federation, domestic or regional stock exchanges, etc. **a great deal of work is needed at domestic level to establish regulatory frameworks for integration of and awareness on sustainable development requirements**, through indicators for environmental and social responsibility, and for the climate dimension of adaptation and mitigation to be embedded in infrastructure projects, (see efforts from Morocco and Jordan's central banks, which have joined the network of sustainable central banks).

On this point, the animation of thematic networks thus constituted could be **decentralized, through a leadership of one or two countries** that would make available a referent person, with a follow-up by an UfMS' programme officer.

The question of the **sharing of legal and regulatory documents, methods of integration within the administrations of the climate-related processes, the human resource profiling for the new positions to fill, the formulation of terms of reference for the calls for tender and other procurement processes for technical assistance**, are elements regularly mentioned during the interviews. (*Knowledge*)

The strength of the UPM's labelling of certain projects and programs conducted by development actors in different countries or in the area as a whole, is a habit that has already demonstrated its interest and impact, with each party reassured. by the support and follow-up of the various projects carried out by the Secretariat.

Thus, the possibility **to negotiate a Climate Finance Regional Strategy and Program with all donors gathered around the table**, in the manner of a single window of information on climate finance, a hotline, would position the Secretariat as a reference for information on the issue at the regional level, and to best serve the interests of its members.

The issue of launching a regional climate finance facility has been raised regularly in the UFM discussions. In general, this type of system maintains a bureaucracy which, even if it is effective, continues not to **respond to the specific needs of each country taken in its logic of domestic organization**.

As such, an evaluation of the UPFI initiative could be conducted, but without forgetting that **each country must propose a pipeline of projects much larger than a dozen projects** that an extraterritorial facility could follow-up.

In that sense, **enhancing the value of existing national players**, made up of professional teams familiar with the legal environments, the domestic networks of actors and the logic linked to the orientations defined at national level, may seem more relevant and more accessible to a Secretariat such as that of the UPM's.

The valorization of the domestic actors, of the various existing networks and initiatives, through widely disseminated and capitalized interviews within UFM, will also allow to engage the trust of the stakeholders, and to allow them in turn to initiate a relevant dialogue with the country's focal points, who are often overwhelmed and nevertheless constitute the UfMS' interlocutors: once the Secretariat's capacity to produce the opportunity has been demonstrated, the different administrations will be able to seize it (meaning mobilizing key domestic players who will support their agenda as focal points).

Finally, **the creation of UfM-labelled forums, conferences or regional events circulating as a caravan throughout the region** could mobilize actors and accelerate their coordination, as the organization of COP22 in Morocco has demonstrated - to another scale obviously-.

Study tours, peer-to-peer networks, setting up knowledge sharing platforms, close dialogue and exchanges with donors and development partners, development of rosters of expert organizations already working with Member States on some programs related to climate finance, information on the sourcing of climate finance, engagement with private but also public finance actors, matchmaking momentums, would help mainstream issues related to climate finance, , and to position the UPM as an

unavoidable supplier of climate finance information, but also potentially to set up an advocacy capable of making operational proposals worthy of advancing the climate agenda at the operational level.

Finally, the need to **strengthen the subnational level of climate action** -and therefore national associations representing local and regional governments- has been raised many times in order to contribute to the domestic alignment of stakeholders and accelerate the establishment of climate projects pipelines. On the latter, **most of local climate projects are relatively small scale (under 15m US\$)**, and require specific financing modalities. An effort on this topic shall serve both national and subnational interests.

Summary of Recommended Mechanisms and Tools

Dedicated Climate Finance Team : Cross-cutting Climate Finance Team within the Secretariat, with resources allocated by group of donors

Knowledge Sharing Platform : studies, analysis, reports ; mappings/rosters of climate finance experts, funds, players, financing models, tools made available by donors (specific screening tools, online Climate projects pipeline, technical assistance to project preparation tools, trainings, etc.), case studies, legislation/regulations/strategies/plans depository, formats for terms of reference/calls for tender, etc. Compilation of handbooks already produced by members to avoid redundancy...

Coalitions of interest: working groups or country blocks, P2P review and dialogue, decentralised leadership with follow-up by Secretariat

UfM labeling

Awareness/Training/Networking: training modules available, study tours, roadshows

Momentum events to accelerate cooperation and mobilization, matchmaking, showcasing investment opportunities

Advocacy/visibility on initiatives from different countries, such as a "climate investment marketplaces": matchmaking operations, mobilization of referent domestic financial players as « Climate Finance Champions » in international or regional forums. Set up a "Champions League" of Regional Climate Finance.

Access to Climate Financing/funding: partnership with the NDC Partnership and other similar formulas, CCFLA, Covenant of Mayors, etc. Donor Coordination (single window), project preparation facilities and firms, early-stage financing formulas, balance between small projects/large-scale projects, adaptation/mitigation, etc.



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