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MINARET II

Empowering Municipal Governance for Climate Resilience Using WEF Nexus Approach



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MINARET in a Nutshell: Aims, challenges, achievements and learned lessons

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- Water- Energy - Food nexus approach
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MENARET : Objectives and context

- **MENERAT** : Regional initiative launched in 2017 for 4 years on the nexus between water, energy and food, targeting 4 municipalities in Jordan, Lebanon and Tunisia and implemented by the Royal Scientific Society / National Research Centre.
- **MENARET II**: Second phase aiming at “Enabling Municipal Governance for Climate Resilience Using the Resource Nexus Approach”. It targets 4 additional municipalities in the 3 countries

Approach of MENARET II

- Three main Pillars:
 - Increase climate resilient of municipalities
 - Strengthening Municipal Capacity to Plan and Manage Adaptation to Climate Change
 - Promote mitigation Measures (Development of Sustainable Energy and Climate Action Plans).
- Build on the lessons and achievements from the first phase.
- Promote cooperation and experience exchanges between the first phase and the second phase targeted municipalities





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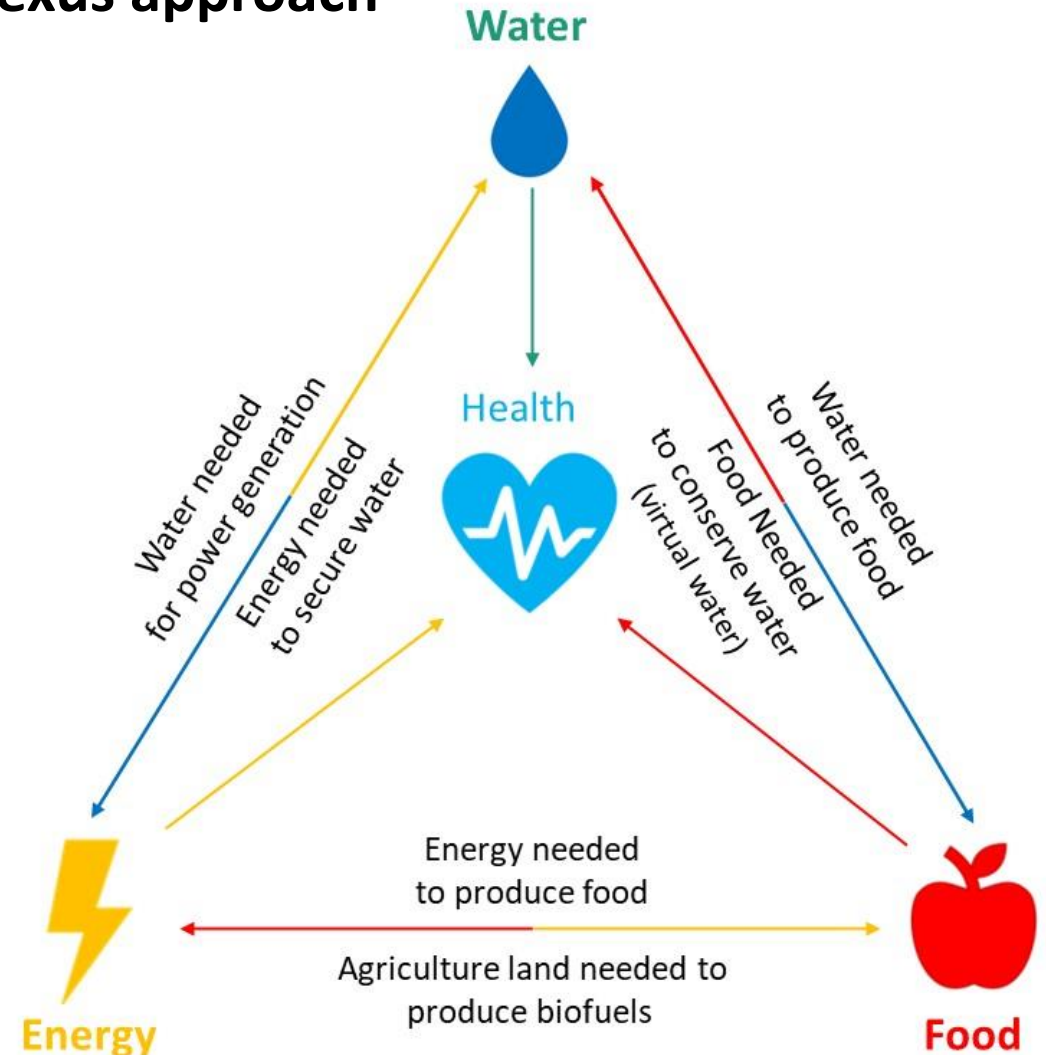
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Water- Energy - Food nexus approach

Why Water- Energy - Food nexus approach is relevant particularly in the targeted countries ?

- Strong link between water, Energy and food production
- Scarcity of Water in the targeted countries
- Increasing energy deficit
- Limited arable land for agriculture and competition on water and land uses
- Agriculture vulnerability to climate change and food security issues





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Water- Energy - Food nexus approach

Water- Energy - Food nexus approach a relevant respond to climate change

- CC mitigation
 - Energy conservation through RE and EE
 - GHG absorption increase (vegetation cover, soil)
- Adaption to CC
 - Water conservation
 - Food security
 - Protection of vulnerable population





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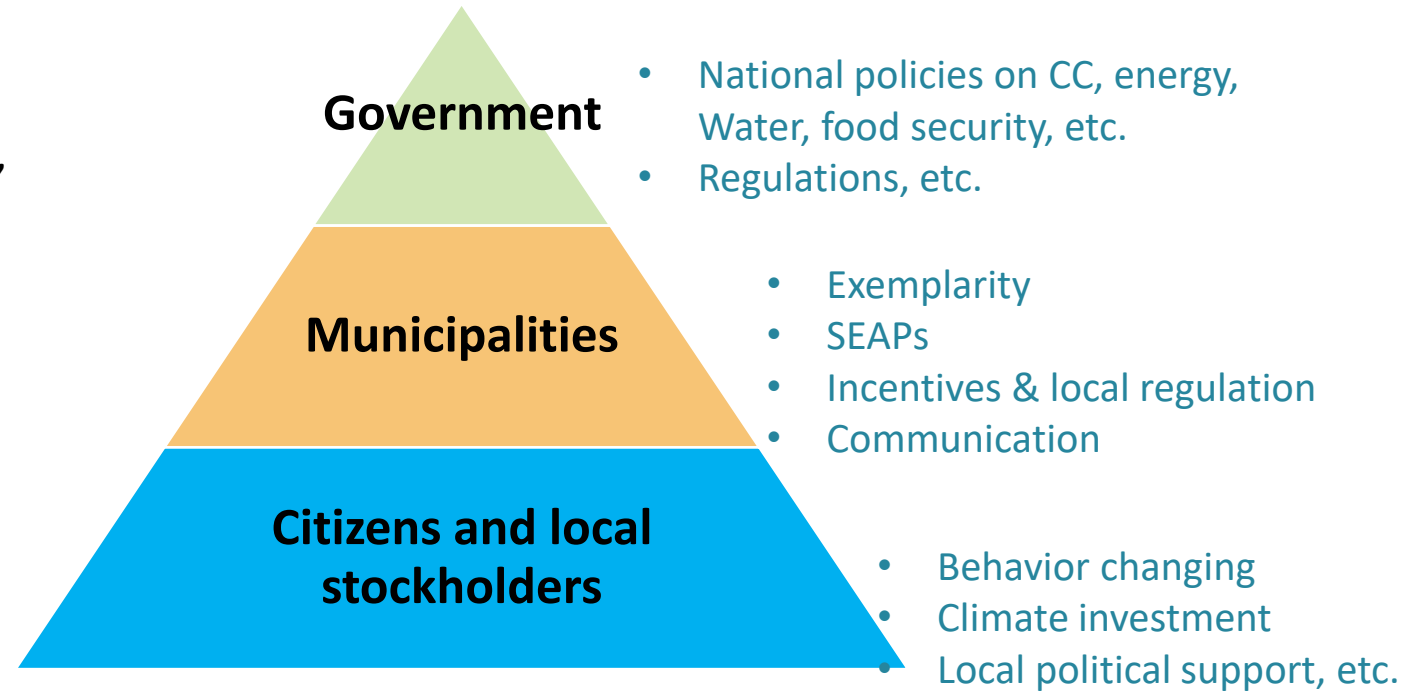


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Role of municipalities in promoting climate transition

- Essential role in the implementation of public climate policies (mitigation and adaptation): NDCs, adaptation plan, low-carbon and CC-resilient strategies, etc).
- Through major complementary ways:
 - Exemplary role by implementing climate projects in their assets and activities (building, transport, water, etc.)
 - Incentives and favourable local and regulation
 - Awareness and promotion of climate investments in their territory in partnership with key local stockholders.





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Barriers to climate investment in the municipalities

■ Lack of capacities and specific skills

- Lack of human resources
- Project identification and design
- Project assessment and financing
- Technical capacities: Energy efficiency technologies, RE, water technologies, etc.
- Complexity of nexus projects that needs high skill to design

■ Institutional and regulatory barriers

- Heavy regulation and long procedures regarding public procurement process
- Difficulties to set up PPP projects

■ Lack of citizens awareness

- Interest of citizens focusing on conventional municipality services (lighting, road and, sanitation, waste collect, etc.)
- Climate investments are not usually top priority for municipalities





Barriers to climate investment in the Municipalities

- **Access de to finance**
 - Municipalities usually bind by regulation to a sole public financial institution, regarding loans
 - Lack of creditworthiness of the major part of municipalities, hindering their access to loan for climate projects
 - Limited financial capacity of municipalities to finance projects on their own cashflow
 - Lack of capacity and skills to mobilize grants from donors under green financing
 - Difficulties to draw private investments as leverage (regulation, lack of experiences of partnership with private sector, etc.)





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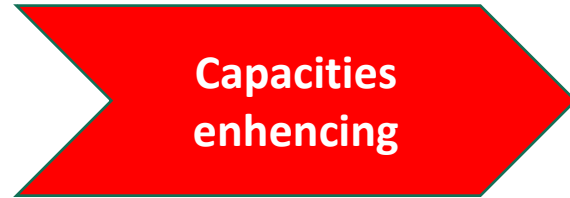
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How MENARET supported the targeted municipalities ?



- Major / elected officials
- General secretary
- Technical staff
- Development responsible
- Planning responsible
- Budget responsible
- **Partner NGOs**



- Nexus and CC general training
- Steps and methodology of project development
- Project economic assessment
- Project financing structuring
- Climate financing and opportunities



- Identification of project ideas and project pipeline constitution
- Project prioritization according to rational criteria
- Development of Project Identification Notes (PIN)
- **NINARET 1: SEAPs development**



- Identification of financing sources
- Presentation of the PINs to donors to start dialogue on identified project financing
- **NINARET 1: Demonstration projects financing and implementation**





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Financing opportunities and sources

- **Conventional financing:**
 - Available, whenever the project and the municipality are bankable
 - Access limited to the municipalities public bank, by regulation
- **Innovative financing**
 - Project finance instrument within PPP approach
 - Bended financing
 - Green bonds, etc.
- **Climate / green finance**
 - **Definition :** "Climate finance covers all local, national or regional financing, which may come from public, private or alternative sources of financing relating to the mitigation of greenhouse gases (GHGs) and adaptation to climate change" *UNFCCC*.
 - **The objective :** is to **de-risk of climate projects** in order to enable their implementation.





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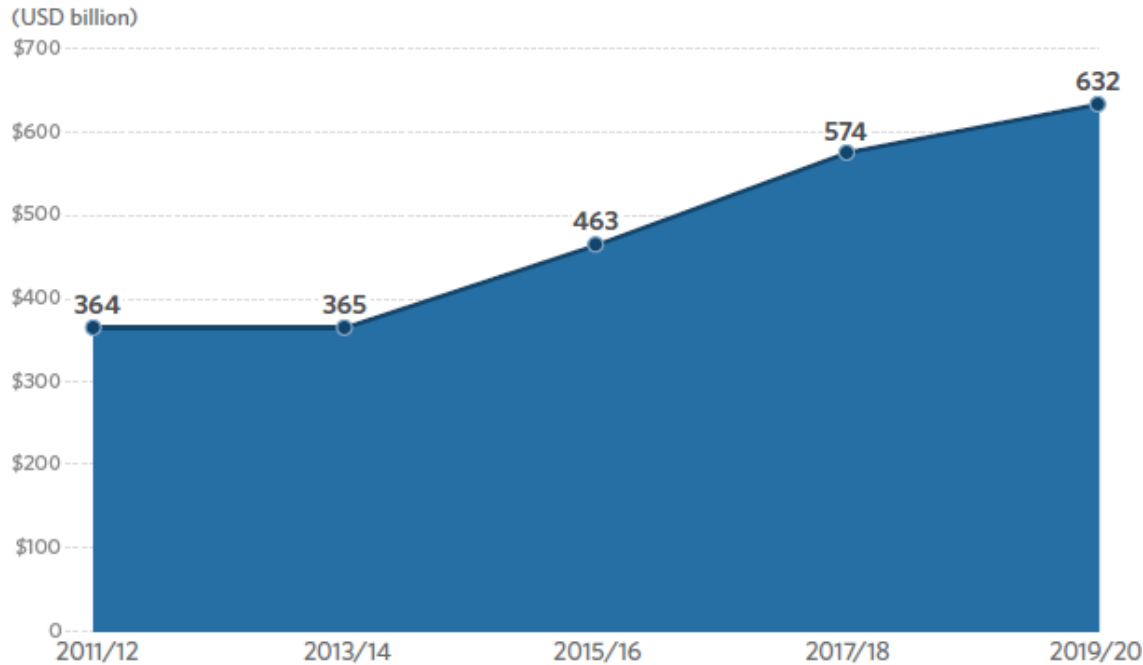


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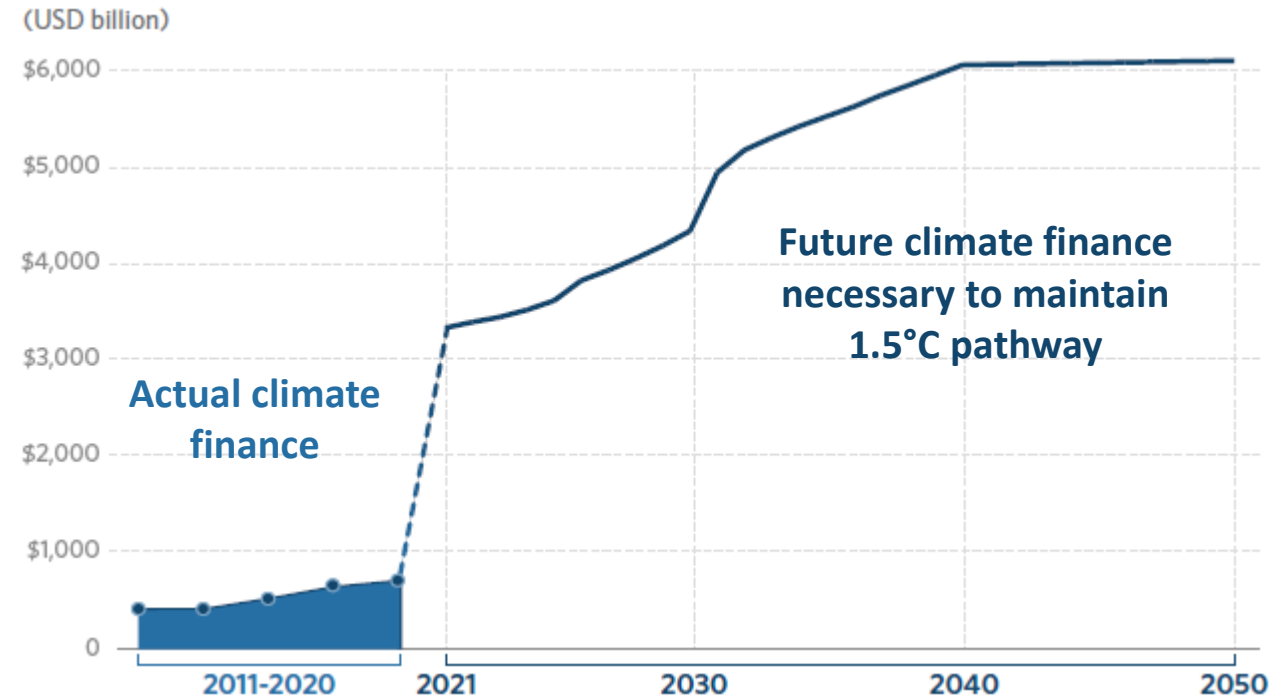


Climate / green Financing

Global climate finance flows between 2011– 2020, biennial averages



Global tracked climate finance flows and the average estimated annual climate investment need through 2050



Source: Global Landscape of Climate Finance 2022



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Climate / green Financing

Funding sources

- Development banks and bilateral initiatives: e.g. AFD, DFID/DECC, GIZ, KfW, etc.
- Multilateral development banks: World Bank, AfDB, EBRD, EIB, etc.
- Multilateral climate funds: for example the Global Environment Facility (GEF) and the **Green Climate Fund (GCF)**
- Climate funds created by developed countries: e.g. the French Fund for the Global Environment (FFEM), NAMA Facility, IKI, etc.

Example: the Green Climate fund

- Applicable to large projects, because of high transaction costs
- Need to demonstrate the investment criteria of the fund (paradigm shift, impact potential, Sustainable development potential, efficiency, etc.)
- The contact to the GCF has to be through the country GCF Focal Point
- Project needed to be approved by the National Designated Authority
- Need to go through an Accredited Entity





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Learned lessons and recommendations

- The role of municipalities is essential in the implementation of public climate policies (mitigation and adaptation).
- They should show the way and give the example to citizens and local stockholders
- To be efficient, the municipalities should cooperate with strategic local stockholders to identify and develop smart and relevant projects: NOGs, local governmental administration, etc.
- Major municipalities are too small to rise interesting funding from climate funds : need to develop common also larger projects
- Municipalities need capacity building and initial support to develop climate / nexus projects: the results of MENARET show it
- The countries / donors should build on the results of MENARET to go further.





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Many thanks

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