
A Review of The Climate Change Funding under the United Nations Framework Convention on Climate Change (UNFCCC)

With reference to the case of Algeria

Dr. Khalida Abi

Echahid Hamma Lakhdar University, El Oued, Algeria

abi-khalida@univ-eloued.dz

Received: 17/04/ 2018

Accepted: 20/05/ 2018

Published: 30/06/2018

Abstract:

The aim of this study is to give a review of the framework of multilateral climate funds which represent a funding mechanism under the United framework convention on climate change (UNFCCC), through its establishment, funding status and The World Bank's important role across the provision of financial intermediary services, as Trustee of the funds. as well as providing a set of agreed financial services that involve receiving, holding and investing contributed funds, and transferring them under the financial intermediary funds governing body.

Moreover, we look to highlight the role of the multilateral climate change funds, to assist developing countries to combat climate change effects, through the promotion of its investments in the field of combating climate change effects, like renewable energies investments and to benefit from the funding of climate funds within UNFCCC. With reference to Algeria's current situation and the extent to which it benefited from funding in this framework.

Key words: *Climate change, The United Nations Framework Convention on Climate Change (UNFCCC), Multilateral climate funds, Adaptation fund, Global environment facility, Green climate fund, Algeria.*

(JEL) Classification : *Q54, H87, R58.*

I. Introduction

The next decade will be critical if the world is to prevent the most catastrophic impacts of climate change. Especially after the historical Paris Agreement on climate change established ambitious targets to limit the increase in global average temperature to well below 2 degrees Celsius (2°C) above preindustrial levels while aiming to limit it to 1.5°C. The agreement also has a goal of increasing the ability to adapt to climate change and fostering resilience. However, the amount of investment needed to achieve these goals lies in the trillions of dollars. By far the largest financing framework is represented through the private foreign investment and climate funds with the financial schemes and enhancing adaptation and mitigation to climate change, as well as renewable energies goals are key.

Developed countries are more responsible for climate change effects. in the same time, it's less vulnerable to current climate sensitivity. they are betting on sustainable energy which is no longer an exception. Germany, for example, is aiming at a nearly complete conversion of its energy sector towards renewable energies by 2050. The United States and China have installed significant local capacities in renewable energies. Smaller countries, such as Latin America's Costa Rica, have been the first in the region to announce an ambitious target to transition to 100% renewable energy.¹

By contrast, in comparison with developed countries, developing countries are the most vulnerable to current climate change effects, with huge economic impacts, and this vulnerability is exacerbated by existing developmental challenges such as endemic poverty, complex governance, and institutional dimensions, limited access to funding under climate change framework. In addition, the countries which enjoyed by oil revenues, are now suffering by the effects of falling oil prices in few last years, on their financial balances and the worsening fiscal deficit.

Above all, under UNFCC, the focus should be on supporting the capacities of developing countries to cope with the effects of climate change in the first place, in terms of their access to finance under the climate change funds. In this context, we will discuss the UNECCC in various dimensions, such as financial mechanism. In addition, we will give an analytical review of the multilateral climate funds (Adaptation fund, Global environment facility, and green climate fund), with a review of the Algerian experience with climate funds.

II. United nations framework convention on climate change (UNFCCC) Climate Funds.

The United Nations Framework Convention on Climate Change (UNFCCC) was signed by about 150 countries in Rio de Janeiro in June 1992 indicating widespread recognition that climate change is potentially a major threat to the world's environment and economic development.² The ultimate objective of the Convention is to stabilize greenhouse gas concentrations in the atmosphere at a level that would not jeopardize the global climate. The Convention also requires all Parties to develop, periodically update, publish and make available to the Conference of the Parties (COP) their national inventories of anthropogenic emissions of all greenhouse gases not controlled by the Montreal Protocol. Where, the Kyoto Protocol entered into force in February 2005 and the first commitment period started in 2008 and ended in 2012. During this period, members agreed to reduce GHG emissions to an average of 5% against 1990 levels. Moreover, during the second

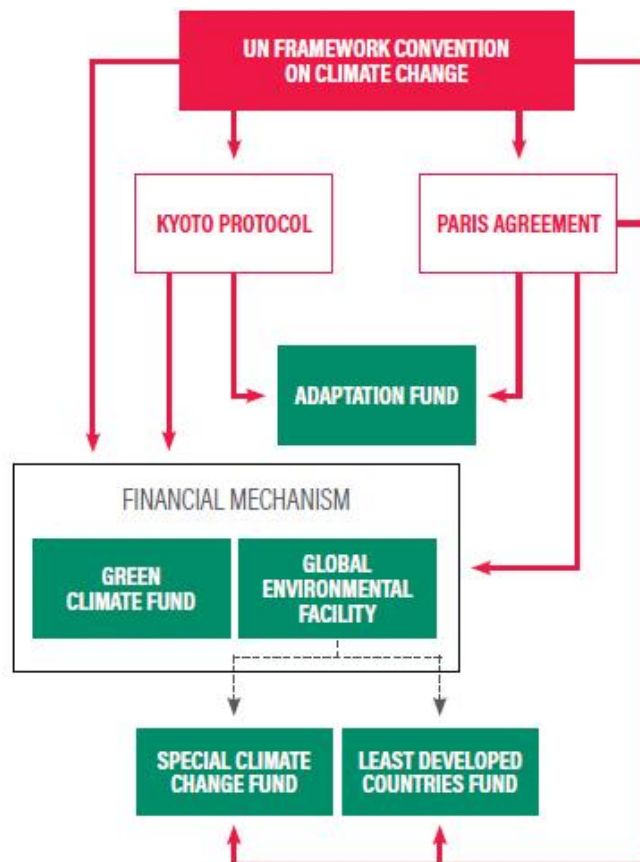
commitment period (from 2013 to 2020), Parties committed to reduce GHG emissions by at least 18% below 1990 levels in the eight-year period.³

The UNFCCC, states that the operation of the Financial Mechanism is entrusted to one or more existing international entities. The operation of the Financial Mechanism is partly entrusted to the Global Environment Facility (GEF). At COP 17 Parties decided to designate the Green Climate Fund (GCF) as an operating entity of the Financial Mechanism of the Convention, in accordance with Article 11 of the Convention. The Financial Mechanism is accountable to the COP, which decides on its climate change policies, program priorities and eligibility criteria for funding. Moreover, The Kyoto Protocol also recognizes, under its Article 11, the need for the Financial Mechanism to fund activities by developing country Parties.⁴

In addition to providing guidance to the GEF, Parties have established four special funds: The Special Climate Change Fund (SCCF), the Least Developed Countries Fund (LDCF), both managed by the GEF, and the GCF under the Convention; and the Adaptation Fund (AF) under the Kyoto Protocol.

At the Paris Climate Change Conference in 2015, the Parties agreed that the operating entities of the financial mechanism (GCF and GEF). As well as the SCCF and the LDCF shall serve the Paris Agreement. Regarding the Adaptation Fund serving the Paris Agreement negotiations are underway in the Ad hoc Working Group on the Paris Agreement. See *Figure 1*

Figure 1 UNFCCC Bodies and funds



Note: The dotted arrows indicate that the LDCF and SCCF are administered by the GEF.

Source: WRI.2018. & UNFCCC 2018. <https://unfccc.int/>

The UNFCCC Countries member were urged to continue scaling up their financial contributions towards the 2020 goal of \$100 billion. There was much discussion regarding the need to balance mitigation and adaptation funding, with particularly vulnerable countries fighting for stronger wording on this to ensure adaptation efforts are supported. Many delegates, including Canadian negotiators, discussed the need to simplify climate financing and attempt to combine both mitigation and adaptation funds under one roof (i.e. the Green Climate Fund). However, the Parties ultimately decided that the Adaptation Fund, a body that was originally set up to serve the Kyoto Protocol, should serve the Paris Agreement. Notably, Belgium, Germany, Italy, and Sweden together pledged \$81 million in new contributions to the Adaptation Fund, surpassing its fundraising target for 2016.⁵ Furthermore, the Paris Agreement requires developed countries to provide biennial reports on financial support provided or mobilized through “public interventions” and on projected levels of future support. In Marrakech, Parties began considering how to account for public finance; for instance, whether the accounting should apply only to flows from developed to developing countries or to broader flows of public finance. Moreover, that with a USA administration less likely to contribute to the \$100B goal, the onus on private investors to fill the finance gap will be even heavier.⁶

A. *Multilateral climate funds*

There are a number of routes through which climate finance can flow. Public climate finance is often provided to multilateral climate funds, pools of resources from donors and other sources that are dedicated to addressing climate change. These funds usually have a finite lifetime and a specific sector/regional focus.

B. *The trustee of funds.*

Trust funds are vehicles for channeling aid resources from governmental and nongovernmental donors to be administered by a trustee organization such as the World Bank or other development organization. Trust funds are not programs in themselves; rather, they are dedicated sources of funding for programs and activities agreed between the donor(s) and the trustee organization.⁷ Trust funds administered by the World Bank are highly varied. They comprise single-donor and multi-donor funds and may provide financing to single or multiple recipient countries in support of a specific issue. They include Financial Intermediary Funds (FIFs), for which the Bank holds, invests, and disburses funds when instructed by another body without Bank supervision or oversight of the use of the resources. as well as trust funds whose programs and activities are managed by the Bank.⁸

C. *COP and CMP:*

The Conference of the Parties (COP), considered us the ultimate decision-making body of the Convention (UNFCCC). Moreover, The COP meets every year to review the implementation of the Convention. Also, the COP adopts COP decisions and resolutions, published in reports of the COP. Furthermore, the successive decisions taken by the COP make up a detailed set of rules for the practical and effective implementation of the Convention. In another hand, The Kyoto Protocol

supplements and strengthens the Convention and provides a further framework for action. The Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP) adopts CMP decisions and resolutions on the implementation of the provisions of the Kyoto Protocol, published in reports of the CMP.⁹

D. The world Bank as trustee for climat funds :

1) Financial Intermediary Funds

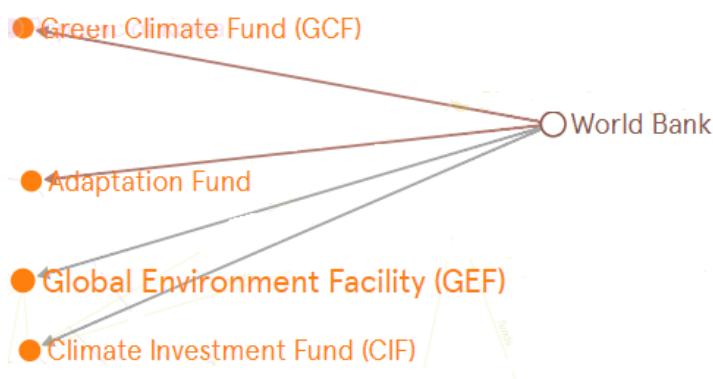
Financial Intermediary Funds (FIFs) are financial arrangements that typically leverage a variety of public and private resources in support of international initiatives, enabling the international community to provide a direct and coordinated response to global priorities. Most FIFs have supported global programs often focused on the provision of global public goods, preventing communicable diseases, responses to climate change, and food security.

The world Bank as a FIF trustee provides an agreed set of financial intermediary services that include, for example, a receiving funds, holding funds, investing funds, and transferring them to recipients or other agencies for implementation as directed by the governing/decision-making body.

In addition, the world Bank can offer additional trustee services, like tracking, forecasting and matching the timing and amount of fund inflows and outflows.

Furthermore, The Bank carries out these additional duties for the Global Environment Facility (GEF) and Climate Investment Funds (CIFs) among others. In some cases, the Bank's trustee role may involve active participation in donor relations/replenishments, cash management, and financial modeling or customized financial management services, e.g., for FIFs like the International Finance Facility for Immunization (IFFIm) (bond issuance), AMC (financial platform), the Adaptation Fund (monetization of certified emission reductions) and the. See **Figure 2**

Figure 2 The climate funds trusted by the world bank



Source: UNFCCC 2018. <https://unfccc.int/>

2) The World Bank role as trustee

The World Bank's distinctive role across FIFs is the provision of financial intermediary services, as Trustee of the funds. For all FIFs, the World Bank provides a set of agreed financial services that involve receiving, holding and investing contributed funds, and transferring them when instructed by the FIF governing body. Under some FIFs, the Bank also provides customized

treasury management or other agreed financial services; some examples include bond issuance, hedging intermediation and monetization of carbon credits. In addition to its trustee role, the Bank may also be involved as an implementing agency responsible for appraisal and/or supervision of projects or programs financed by the FIF; by providing secretariat services to the FIF; and as a FIF donor.¹⁰

III. Adaptation Fund (AF).

The Adaptation Fund was established in 2001 at COP7 of Marrakech, as a financial institution of the Kyoto Protocol.¹¹ The AF aims to help developing countries in managing the adverse impacts of climate change, and gives developing countries full ownership of adaptation projects, from planning to implementation.¹²

The Adaptation Fund is financed by a 2% share of the proceeds from certified emission reductions issued by the Executive Board of the Clean Development Mechanism and from other sources of funding. Cumulative resources received into the AF Trust Fund through CER sales proceeds and donations was USDeq. 721.65 million as of December 31, 2017. Since the start of the CER monetization program in May 2009, the Trustee has generated revenues of USDeq. 198.58 million through CER sales. As of December 31, 2017, cumulative donations received amounted to USDeq. 513.96 million.¹³

The AF as a pioneer in climate adaptation financing has approved US\$ 462 million for 73 countries with approved Adaptation Fund initiatives.

The World Bank serves as a trustee of the Adaptation Fund on an interim basis, which is administered by the GEF concerning the secretariat services. In accordance with the Trustees role in the Adaptation Fund Trust Fund as set forth in paragraph 23 in the Appendix of the Decision 1/CMP.4.¹⁴

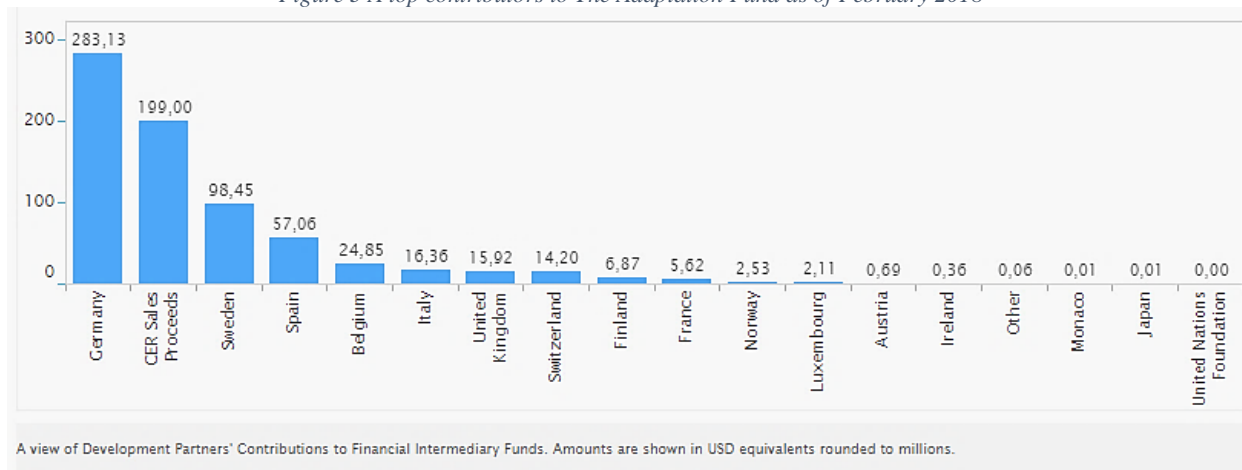
It is worth mentioning, that the AF's main revenue source is CER sales, but the collapse of carbon markets means new resources are needed. Furthermore, this peculiar feature is among the major challenges of the Fund, as the heavily oversupplied market of Certified Emission Reductions (CERs) has progressively shrunk in volume and value, with the price of CERs steadily floating below EUR 1 per ton since 2013 (from EUR20/t in 2008). In the past years, the resulting revenue crunch has been partially covered by contributions from donor countries.¹⁵

A. Adaptation fund balance

The fund balance of the adaptation fund estimated of USD 202.95 million, with a total contribution of USD 705.86 million, total commitments of USD 504.50.95 million and total cash transfers of USD 303.25 million in February 2018.¹⁶ See *Figure 3*

A Review of The Climate Change Funding Under the United Nations Framework Convention on Climate Change (UNFCCC) - With reference to the case of Algeria

Figure 3 A top contributors to The Adaptation Fund as of February 2018



** Amounts are shown in USD equivalents rounded to millions.
Source: The world bank, 2018, <http://fiftrustee.worldbank.org>*

Table 1 Contributors to The Adaptation Fund as of 31/12/2017

Donor	Currency	Contribution	Donation	Receipts in Currency of Contribution	Receipts in USDeq. a/
Austria	EUR	500,000	500,000	500,000	690,250
Belgium	EUR	1,500,000	1,500,000	1,500,000	1,645,500
Belgium (Flanders)	EUR	7,250,000	7,250,000	7,250,000	7,806,813
Belgium (Walloon Region)	EUR	8,500,000	4,500,000	4,500,000	4,881,100
Belgium (Brussels Capital Region)	EUR	4,801,575	4,801,575	4,200,000	4,867,650
Corporacion Andina de Fomento	USD	56,000	56,000	56,000	56,000
Finland b/	USD	67,534	67,534	67,534	67,534
Finland	EUR	5,000,000	5,000,000	5,000,000	6,803,000
France b/	USD	53,340	53,340	53,340	53,340
France	EUR	5,000,000	5,000,000	5,000,000	5,564,000
Germany	EUR	240,000,000	240,000,000	240,000,000	283,131,200
Ireland	EUR	300,000	300,000	300,000	356,550
Italy	EUR	14,000,000	14,000,000	7,000,000	7,756,800
Japan b/	USD	8,088	8,088	8,088	8,088
Luxembourg	EUR	2,000,000	2,000,000	2,000,000	2,105,296
Monaco	EUR	10,000	10,000	10,000	12,197
Norway b/	USD	87,700	87,700	87,700	87,700
Norway	NOK	15,000,000	15,000,000	15,000,000	2,439,381
Spain	EUR	45,000,000	45,000,000	45,000,000	57,055,000
Sweden	SEK	750,000,000	750,000,000	750,000,000	98,450,081
Switzerland b/	USD	77,668	77,668	77,668	77,668
Switzerland	CHF	13,000,000	13,000,000	13,000,000	14,125,926
United Kingdom	GBP	10,000,000	10,000,000	10,000,000	15,915,000
United Nations Foundation	USD	-	1,528	1,528	1,528
Others	GBP	-	326	326	504
Others	EUR	-	412	412	566
Total Donations Received					513,958,673

a/ Represents actual USD receipts.
b/ Donation corresponds to the Donor's pro-rata share of the balance in the Administrative Trust Fund

** Amounts are shown in USD equivalents rounded to millions.
Source: The world bank, Financial Intermediary Funds, 2018. <http://www.worldbank.org/>*

B. Paris Agreement and the adaptation fund

During the COP21, the Fund has received new pledges totaling about US \$75 million from Sweden, Germany, the Wallonia region of Belgium and first-time donor Italy.¹⁷ In 2017 the Fund has surpassed its fundraising goals for 2016 set during the COP 22.¹⁸

C. Algeria and AF.

Algeria is a member of Sahara and Sahel Observatory (OSS), which is a Regional Implementing Entity (RIE) of the adaptation fund.¹⁹

Notably, the adaptation fund has approved 99 projects from 2010 to 2017. Beginning From the first two projects of USD 14 million approved in 2010 for the Senegal and Honduras²⁰. To the last project of USD 25,000 approved to Morocco in 2017.²¹ However, Algeria haven't any projected approved by the fund during this period. Furthermore, referring to the proposals listed during the thirty-first Board meeting held in Bonn, Germany on 2018, Algeria still not listed in projects Proposals Currently Under Review.²² In contrast, Algeria was represented as a membership for the bodies of the UNFCCC and the Kyoto Protocol from 2006 to 2018. See **Table 2**

Table 2 Algeria membership for the bodies of the UNFCCC and the Kyoto Protocol

BODIES	MEMBERS	TERM
Members of the Adaptation Committee (AC)	Zemmouri Zoubir (Algeria) *	2012 to 2014/2015
Membership in the Compliance Committee of the Kyoto Protocol (as at 12 February 2018)	Hadj Sadok (Algeria) (1st term); resigned eff. 2 Feb 2011; replaced by Hiahemzizou (Algeria) (1st term); resigned eff. 1Dec 2012; replaced by KYARUZI (United Rep. of Tanzania) (1st term)	1 Jan. 2010 to 31 Dec.2013 (four-year term) Elected at CMP 5, Copenhagen (2009)
CDM EB membership from 2001 TO 2018	Djemouai (Algeria) (1st term)	2007 and 2008 (2 year term) Elected at CMP2, Nairobi (2006)
	Djemouai (Algeria) (1st term) Resigned effective 3 Aug 2010 Replaced by Hadj-Sadok (Algeria)	2008 and 2009 (2 year term) Elected at CMP3, Bali (2007)
Members of the Consultative Group of Experts from 2000-2018	Ménouer Boughedaoui (Algeria)	2010/2011/2012
	Kamel Djemouai (Algeria)	2013 to 2016
	Athmane Mehadji (Algeria)	2018
Historical membership chart of the Technology Executive Committee (TEC)	Mokhtar Boudina (Algeria), resigned in February 2013, replaced by Amel Zouaoui (Algeria)	2011 to 2014 **
<i>Source: UNFCCC: Officers of the COP/CMP bureaux COP 1 to COP 23, CMP 1 to CMP 13, and CMA 1.1 to CMA 1.2. (Version: 28 February 2018).</i>		
<i>* - Election held in 2015.</i>		
<i>** - Initial term of four years, on an exceptional basis, for half of TEC members, as per decision 4/CP.17, paragraph 9. Election for new coming members held in 2014 at COP 20. https://unfccc.int/resource/docs/2011/cop17/eng/09a01.pdf</i>		

IV. Global Environment Facility (GEF).

Two proposals at the Annual Meetings in 1989 of the Board of Governors of the World Bank and the International Monetary Fund gave political momentum to the creation of the Global Environment Facility. firstly, the French Prime Minister suggested establishing a fund of

voluntary grants devoted to the global environment. He also committed France to a contribution of 900 million French francs over a three-year period.²³ Secondly, at the same session, the Federal Republic of Germany also pledged its support for this initiative.²⁴ It was proposed that this fund be endowed with an amount up to 1 billion SDR.²⁵

Moreover, The Montreal Protocol Multilateral Fund, established in 1991 and made permanent in 1992, was a stimulus for the promotion of the GEF, where the GEF can be used to provide monies to countries that may not qualify for funds under the Montreal Protocol.²⁶

Since the inception of the GEF in 1991, it has committed \$4.5 billion in grants and leveraged \$14.5 billion in co-financing to support over 1,300 projects in more than 140 developing countries. GEF's Small Grants Program, implemented by UNDP, has also provided more than 4,000 small grants directly to community groups and NGOs.²⁷

The Global Environment Facility (GEF) is currently the entity entrusted with the operation of the financial mechanism of the UNFCCC, and as such provides the instruments for the transfer of financial resources from developed to developing countries.²⁸

Presently, the GEF finances climate change adaptation interventions through two funds: The Least Developed Countries Fund (LDCF) and the Special Climate Change Fund (SCCF), both created under the Climate Convention. These funds now hold the most mature portfolios of adaptation projects with the largest coverage across the developing world.²⁹

The active GEF portfolio comprised 818 projects that had begun implementation on or before June 30, 2016 and that were under implementation during at least part of fiscal year 2017 (FY17, July 1, 2016 to June 30, 2017), accounting for a total of USD 3,681 million in GEF project financing. Asia had the largest share of the GEF funds committed towards projects under implementation, USD 1,218 million (33% of total), followed by Africa (26%) and Latin America and the Caribbean (22%). Europe and Central Asia accounted for 11% of the funding, and Global and Regional projects received 6% and 2% of the funding respectively. [24]

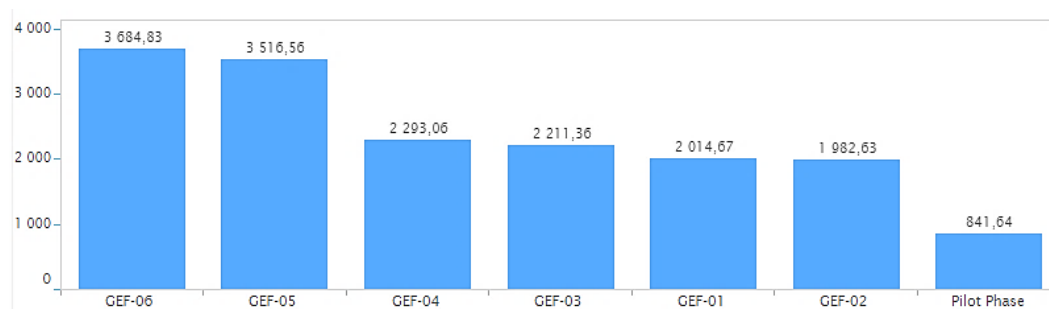
A. *The GEF partnership*

The GEF partnership includes 10 agencies: African Development Bank (AfDB); Asian Development Bank (ADB); European Bank for Reconstruction and Development (EBRD); Inter-American Development Bank (IDB); International Fund for Agriculture Development (IFAD); UN Development Program (UNDP); UN Environment Program (UNEP); UN Food and Agriculture Organization (FAO); UN Industrial Development Organization (UNIDO); and World Bank. The Scientific and Technical Advisory Panel (STAP) oversees the technical and scientific quality of the GEF's policies and projects.³⁰

B. *The Global Environment Facility balance*

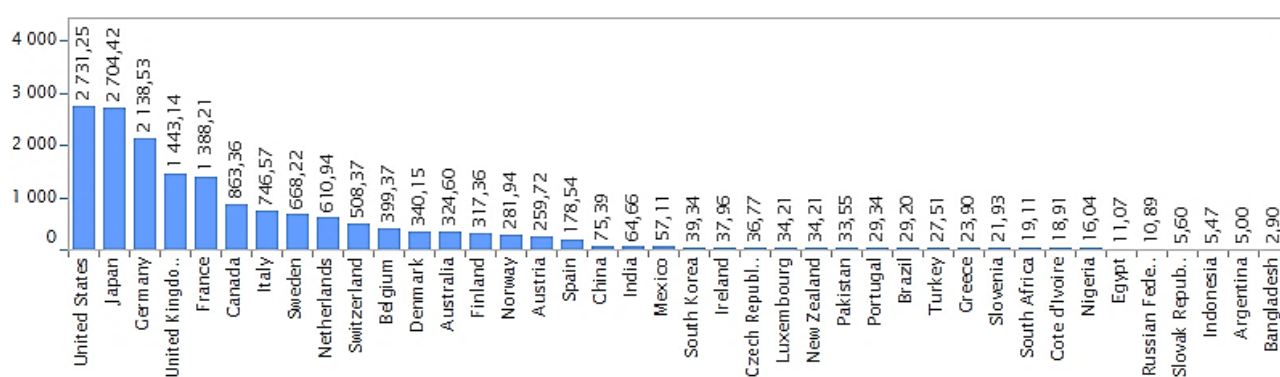
- The fund contribution of the Global Environment Facility (GEF) estimated of USD 16544.75 million, with a total contribution of USD 705.86 million, total commitments of USD 504.50.95 million and total cash transfers of USD 303.25 million in February 2018.³¹

Figure 4 The Global Environment Facility periods as of February 2018



Source: The world bank, Financial Intermediary Funds, 2018. <http://www.worldbank.org/>

Figure 5 A top contributors to The Global Environment Facility as of February 2018



Source: The world bank, Financial Intermediary Funds, 2018. <http://www.worldbank.org/>

Table 3 Algeria projects funding by (GEF).

Focal Areas	Grant and Cofinancing	Implementing Agencies	Period	Status
Persistent Organic Pollutants	\$181,592 \$235,000	United Nations Industrial Development Organization	GEF - 5	Project Approved
Persistent Organic Pollutants	\$6,300,000 \$19,550,000	United Nations Industrial Development Organization	GEF - 5	Cancelled
Persistent Organic Pollutants	\$494,000 \$0	United Nations Industrial Development Organization	GEF - 2	Project Approved
Climate Change	\$3,187,671 \$14,200,000	United Nations Development Programme	GEF - 5	Cancelled
Climate Change	\$3,620,000 \$7,260,000	The World Bank	GEF - 5	Cancelled
Climate Change	\$8,240,000 \$22,000,000	United Nations Environment Programme	GEF - 4	Project Approved
Climate Change	\$100,000 \$0	United Nations Development Programme	GEF - 2	Project Approved
Climate Change	\$194,670 \$0	United Nations Development Programme	GEF - 1	Project Approved
Biodiversity, Land Degradation, Climate Change	\$7,407,408 \$24,000,000	The World Bank	GEF - 5	Project Approved

Biodiversity, Land Degradation	\$3,411,644 \$23,737,811	Food and Agriculture Organization	GEF - 6	Concept Approved
Biodiversity, Land Degradation	\$5,387,142 \$21,325,910	United Nations Development Programme	GEF - 4	Project Approved
Biodiversity	\$1,940,000 \$5,284,320	United Nations Development Programme	GEF - 5	Project Approved
Biodiversity	\$220,000 \$321,600	United Nations Development Programme	GEF - 5	Project Approved
Biodiversity	\$100,000 \$0	United Nations Development Programme	GEF - 2	Project Approved
Biodiversity	\$3,540,620 \$2,525,100	United Nations Development Programme	GEF - 2	Completed
Biodiversity	\$725,000 \$1,373,000	United Nations Development Programme	GEF - 2	Project Approved
Biodiversity	\$14,000 \$0	United Nations Development Programme	GEF - 2	Project Approved
Biodiversity	\$230,500 \$0	United Nations Development Programme	GEF - 1	Project Approved
Biodiversity	\$9,200,000 \$2,360,000	The World Bank	Pilot Phase	Completed
National Capacity Needs Self-Assessment (NCSA)	\$198,000 \$60,000	United Nations Environment Programme	GEF - 3	Project Approved

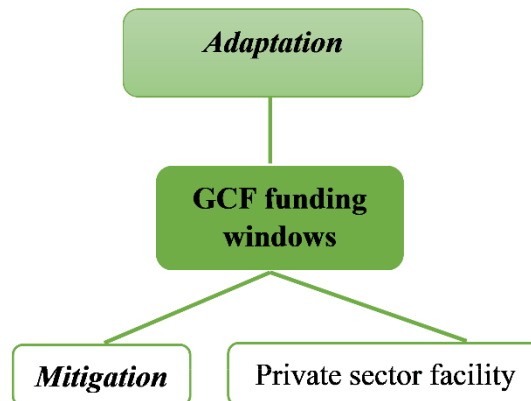
Source: Global Environment Facility 2018. www.thegef.org

V. Green Climate Fund (GCF).

The GCF is an international climate fund designed to help developing countries respond to climate change by investing in low-carbon resilient development. Countries can access GCF finance through three funding windows: **Figure 6**

- Adaptation.
- Mitigation.
- private sector facility.

Figure 6 The GCF funding windows



Source : GCF 2018.: www.greenclimate.fund.

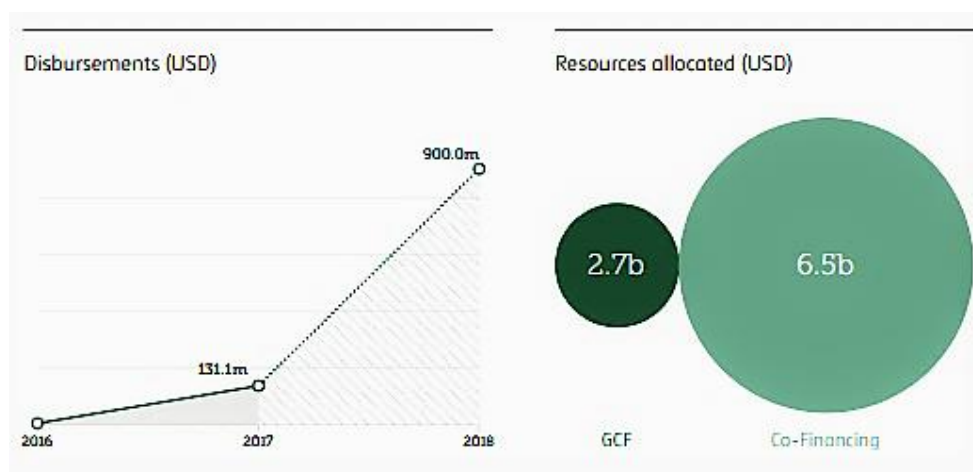
While funding developing countries, GCF aims to balance its allocation between adaptation and mitigation while significantly allocating resources to engage the private sector. Furthermore, nearly

half of the ‘adaptation’ pool is expected to be allocated to Least Developed Countries, Small Island Developing States and African states. In other words, the Fund promotes a paradigm shift towards low-emission and climate-resilient development pathways by providing support to developing countries to limit or reduce their greenhouse gas emissions and to adapt to the impacts of climate change.

The GCF is an operating entity of the financial mechanism of the Convention and is accountable to and functions under the guidance of the COP. It is governed by a Board comprising 24 members (with equal numbers from developed and developing country Parties) and is intended to be the main fund for global climate change finance in the context of mobilizing USD 100 billion by 2020.³² The GCF was established by the COP 16 by decision 1/CP.16.³³ designed throughout 2011 by a Transitional Committee and launched at COP 17 through decision 3/CP.17.³⁴ as well as including the governing instrument for the GCF.

The Green Climate Fund (GCF) Resources allocated and disbursements allocation of the Green climate fund is shown. See **Figure 7**

Figure 7 Resources allocated and disbursements allocation of the Green climate fund 2016-2018

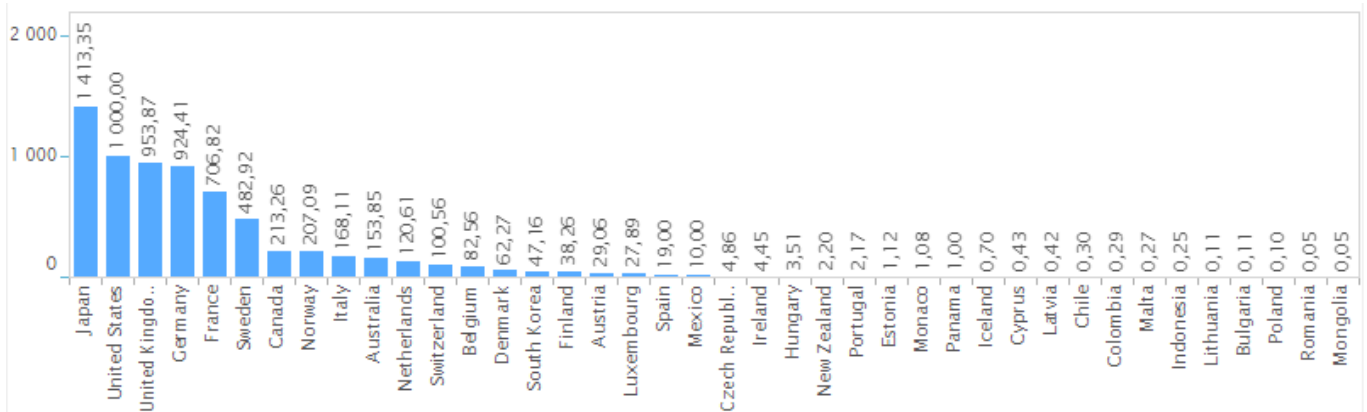


Source : GCF. 2018. : www.greenclimate.fund.

A. The Green Climate Fund balance

The fund balance of GCF estimated of USD 3548.64 million, with a total contribution of USD 6784.58 million, and total cash transfers of USD 155.05 million, in February 2018.³⁵ for A top contributors to The Global Environment Facility See **Figure 8**

Figure 8 A top contributors to The Green Climate Fund as of February 2018



Source: The world bank, Financial Intermediary Funds, 2018. <http://www.worldbank.org/>

B. Guidance provided by COP 23 to the GCF:

Guidance was provided by COP 23 to the GCF, as contained in decision 9/CP.23 Report of the GCF to the COP and guidance to the GCF.³⁶ Moreover, additional guidance to the GCF, as an operating entity of the Financial Mechanism, was provided in the following COP 23 decision: Decision 11/CP.23 Sixth review of the Financial Mechanism.³⁷ Those guidance focused two points:

- Requests the Board to ensure that all developing country Parties have access to all the financial instruments available through the Green Climate Fund, in line with the eligibility criteria referred to in the governing instrument and relevant decisions of the Conference of the Parties and to ensure application of the agreed policies of the Green Climate Fund.
- Confirms that the Green Climate Fund will finance agreed full and agreed incremental costs to enable and support enhanced action by developing countries to tackle climate change.

In the line of This Guidance, The GCF has set a proposal template, as a readiness and preparatory support to enable countries to access technical support to take advantage of, and learn from, some of the tools and best practices developed by the Fund (such as the recently developed initial best practices options for country coordination and multi-stakeholder engagement).

C. Algeria and the GCF :

Algeria Has presented its attention to collaborate with the GCF for the first time on 20 November 2017 with its readiness proposal to the GCF.³⁸ coupled with its INDC, which include adaptation and mitigation programming priorities. The readiness support seeks primarily for two activities, in order to strengthen the capacity of its Focal Point and help in identifying a suitable institutional arrangement.

Furthermore, on 29 June 2018 Algeria has launched an Approval Process (concept note), with the GCF, for the program of the Renewable energy for agricultural entrepreneurs in Southern Algeria.³⁹ This program aims to foster the transition to low-carbon agriculture in the South through the deployment of off-grid renewable energy systems for water pumping and the dissemination of smart agriculture practices to adapt to climate change. ANCC will be the Executing Entity in close partnership with the Accredited Entity (AfDB), agricultural entrepreneurs and key stakeholders (all concerned ministries, international organizations, farmers associations, investors, and academia).

VI. Special Climate Change Fund

The Special Climate Change Fund (SCCF) was established in response to guidance from the Conference of the Parties (COP7) in Marrakech in 2001.⁴⁰ The Special Climate Change Fund (SCCF) aims to finance activities, programs and measures relating to climate change, that are complementary to those supported by other funding mechanism for the implementation of the Convention. The Global Environment Facility (GEF) has been entrusted to operate the SCCF.⁴¹

In addition, it funds a wider range of activities related to climate change. As of 2017, the SCCF has a portfolio of nearly US\$350 million in voluntary contributions supporting 77 projects in 79 countries.⁴²

The SCCF complements the Least Developed Countries Fund (LDCF). Unlike the LDCF, the SCCF is open to all vulnerable developing countries. Adaptation is the top priority. But the SCCF also funds, through separate financing windows, technology transfer, mitigation in selected sectors including: energy, transport, industry, agriculture, forestry and waste management; and economic diversification.

The SCCF is the only adaptation fund open to all vulnerable developing countries. Not surprisingly, the demand for resources far outstrips what's available. Each year, the GEF receives about US\$250 million in requests for adaptation support.

The Demand for the SCCF continues to grow. But the funds available represent only a tiny fraction of the estimated costs needed for global adaptation. The World Bank, for example, estimates that US\$70-100 billion will be required each year by 2050.

VII. Least Developed Countries Fund

The Least Developed Countries Fund (LDCF) was established under the implementing Article 4.9 under the UNFCCC in COP2001, to fund the preparation and implementation of National Adaptation Programs of Action (NAPAs) and a Least Developed Countries (LDC) Expert Group to provide technical support and advice to the least developed countries (LDCs).⁴³

As part of (LDCF) mandate, it helps countries prepare and implement National Adaptation Programs of Action (NAPAs). NAPAs are country-driven strategies that identify the most immediate needs of LDCs to adapt to climate change.⁴⁴ Moreover, The LDCF is the only existing fund whose mandate is to finance the preparation and implementation of the NAPAs.

The Global Environment Facility (GEF) has been entrusted to operate the LDCF.⁴⁵

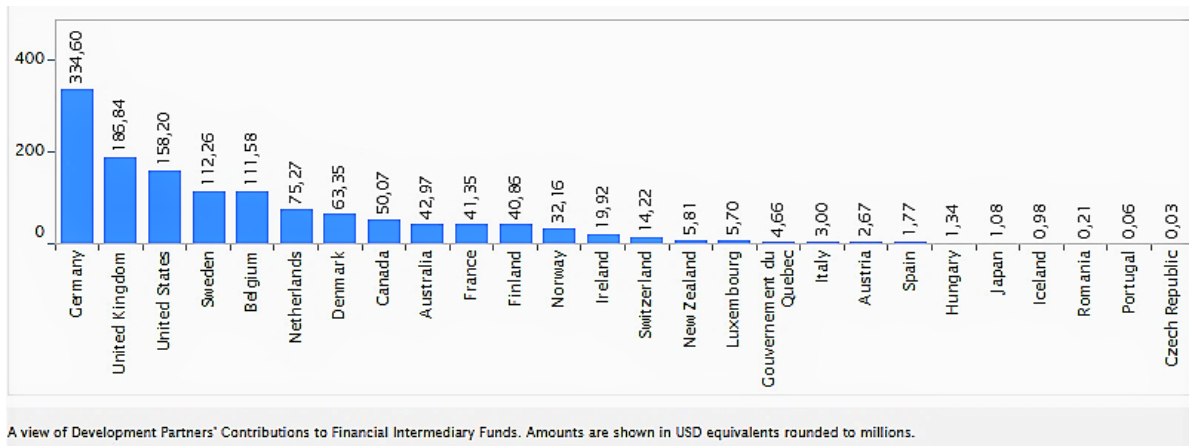
A. Utilization by LDCs:

By 2016, the Fund had approved around US\$1 billion for the funding of projects and programs, leveraging almost US\$4 billion in financing from partners. The Fund has enabled 49 of the world's most vulnerable countries to access resources for NAPA preparation. As of 2015, the Fund supported 140 projects and programs in 46 of the least developed countries, the largest portfolio of adaptation projects of its kind.

B. The Least Developed Countries Fund balance

The fund balance of The Least Developed Countries Fund estimated of USD 689.58 million, with a total contribution of USD 1310.97 million, total commitments of USD 1015.18 million and a total cash transfers of USD 621.30 million in February 2018. See Figure 9 for a top contributor to The Least Developed Countries Fund (LDCF)

Figure 9 A top contributors to The Least Developed Countries Fund (LDCF)



** Amounts are shown in USD equivalents rounded to millions.
Source: The world bank. 2018. <http://www.worldbank.org/>*

VIII. Conclusion

As outlined in the 4th and 5th IPCC report, Africa, and particularly the region of northern Africa's, the major economic sectors are vulnerable to current climate sensitivity, with huge economic impacts, and this vulnerability is exacerbated by existing developmental challenges such as endemic poverty, complex governance, and institutional dimensions; limited access to capital, including markets, infrastructure and technology; ecosystem degradation; and complex disasters and conflicts.⁴⁶ These, in turn, have contributed to weak adaptive capacity, increasing vulnerability to projected climate change. Importantly, Paris Agreement instructs that developed country Parties shall provide financial resources to assist developing country Parties with respect to both mitigation and adaptation in continuation of their existing obligations under the Convention.⁴⁷ Although, the Paris Agreement and related COP Decision. Beyond recognizing that the GEF funds and GCF shall "serve" the Agreement, but the Paris outcome does not address the institutional architecture of the financial mechanism and delaying the deferring vital questions of implementation to other forums. Given the growing political importance of finance and the need for more widespread participation, an efficient finance regime is more important than ever.

After the Paris agreement, the view is clear for toward Global Stock Taking for Climate Finance. As well as, the decentralized and complex nature of the finance regime is not likely to change in the near term. Even in this context, however, UNFCCC Parties can reduce the costs of participation and improve assessment by setting uniform standards and supplying valuable information.

Financial resources to tackle climate change are growing but far from adequate. The financial mechanism should be an important focus of the global stocktaking exercise envisioned.

The GCF, GEF, and AF under UNFCCC should set A uniform standards for accreditation of implementing agencies, procedures and approval criteria for project proposals, and requirements and indicators for monitoring and performance evaluation. However, Despite the complexity, there are potential benefits to having a variety of institutions, with somewhat distinct approaches and advantages, to maximize experimentation and serve the varied interests of donors and recipients. Fully capturing these benefits requires more active coordination across institutions and a broad perspective on their relationship and performance.

Algeria Considering all those facts, has Significantly gradually included the environmental dimension in its economic development process and put in place an ambitious program of developing sustainable energy and energy efficiency that aims to provide in the energy mix 40% of renewable energy by 2030.⁴⁸ It signed up to the UNFCCC as a non-Annex 1 Party in 1993 and ratified the Kyoto Protocol in 2004, stating publicly its willingness to take part in the international effort to tackle climate change and its potential effects, particularly on the climatic system, the natural ecosystems and the durability of the economic development. Furthermore, Algeria as a part of CCPI countries has ratified the Paris Agreement, which was achieved on October 5, 2016. and helped bring the Paris Agreement into force in November 9, 2016.⁴⁹

Algeria's mitigation strategy in term of climate change covers mainly energy, forests, housing, transport, industry and waste sectors. Arguably, in term of mitigation strategy we can say that its focused generally on the renewable energies' promotion, under the national programs for renewable energies and energy efficiency. This translate its willingness to pursue its commitment on adaptation and mitigations to climate change. Furthermore, the renewable energies investments trends in Algeria, not only required Foreign to finance the investments but also to provide technical know-how. With most research and development focused on local knowledge of renewable technologies is limited. How forthcoming foreign investors will be in doubt, however. The investment climate remains difficult, and cumbersome bureaucracy deterring investors and delaying projects. To make meaningful progress towards the 2030 Algeria's renewable energies trends.

Should be noted, that Algeria has not benefited a lot from funding of international climate finance so far and hasn't little expertise in attracting such financing; therefore, the readiness activities will increase the capacity of the Algeria stakeholders in mobilizing such financing to face the increasing climate challenges in the country. Hence forward the multilateral climate funds under UNFCCC will allow the country to overcome and cope with the anticipated challenges associated with climate change, effectively coordinating the various stakeholders in order to develop a country program.

IX. bibliography

- ¹ O'sullivan, Meghan, Overland, Indra, et Sandalow, David. The geopolitics of renewable energy. 2017. http://www.kas.de/wf/doc/kas_44379-1522-2-30.pdf?160810183759
- ² UNFCCC. Text of the (UNFCCC). <https://unfccc.int/resource/docs/convkp/conveng.pdf>
- ³ UNFCCC. Text of the Kyoto Protocol. <https://unfccc.int/resource/docs/convkp/conveng.pdf>
- ⁴ Bodansky D. The legal character of the Paris Agreement. *Review of European, Comparative & International Environmental Law*. 2016 Jul;25(2):142-50.
- ⁵ World Federation of Engineering Organizations, COP 22 Report, January 16, 2017 http://www.wfeo.org/wp-content/uploads/stc-environment/Cop_22_Report-Zizzo_Strategy.pdf
- ⁶ Westphal, M., Canfin, P., Ballesteros, A., & Morgan, J. (2015). World Resources Institute. Retrieved from <http://www.wri.org/publication/getting-100-billion-climate-financescenarios-and-projections-2020>
- ⁷ IEG (Independent Evaluation Group). 2011. Trust Fund Support for Development: An Evaluation of the World Bank's Trust Fund Portfolio. Washington, DC: Independent Evaluation Group. <https://www.oecd.org/derec/worldbankgroup/48081370.pdf>
- ⁸ Clemens, M. A., & Kremer, M. (2016). The new role for the world bank. *Journal of Economic Perspectives*, 30(1), 53-76.
- ⁹ Carlarne, C. P., Gray, K. R., & Tarasofsky, R. (Eds.). (2016). *The Oxford handbook of international climate change law*. Oxford University Press.
- ¹⁰ Reinsberg, Bernhard. "The implications of multi-bi financing for multilateral agencies: the example of the World Bank." In *The Fragmentation of Aid*, pp. 185-198. Palgrave Macmillan, London, 2016.
- ¹¹ Dessai, Suraje: The special climate change fund: origins and prioritization assessment, *Climate Policy* 3, N. 3, 2003, 295-302.
- ¹² The Marrakesh Accords. 2001. http://unfccc.int/cop7/documents/accords_draft.pdf
- ¹³ World bank: Adaptation Fund Trust Fund, Financial Report Prepared by the Trustee as of December 31, 2017. http://fiftrustee.worldbank.org/SiteCollectionDocuments/ADAPT/Trustee%20Reports/AF_TR_12_17.pdf
- ¹⁴ UNFCCC: Decision 1/CMP.4. 19 March 2009. <http://unfccc.int/resource/docs/2008/cmp4/eng/11a02.pdf#page=1>. Jan 2018.
- ¹⁵ Aurora D'Aprile: The Adaptation Fund from Kyoto to Paris, *International Climate Policy Magazine*, N.45, March 2017. <http://www.iccgov.org/wp-content/uploads/2017/04/ICCG-International-Climate-Policy-Magazine-45.pdf>
- ¹⁶ UNFCCC. Financial Intermediary Funds. <http://fiftrustee.worldbank.org>
- ¹⁷ UNFCCC: COP 21. <http://unfccc.int/resource/docs/2015/cop21/eng/10.pdf>
- ¹⁸ UNFCCC: CMP 13. <http://unfccc.int/resource/docs/2017/cmp13/eng/06.pdf>
- ¹⁹ OSS Members. 2018. <http://www.oss-online.org/en/membres>
- ²⁰ Senegal: Adaptation to Coastal Erosion in Vulnerable Areas. <https://www.weadapt.org/placemarks/plain/view/442>
- ²¹ Morocco: Technical Assistance Grant for ESP and Gender. <https://www.adaptation-fund.org/project/technical-assistance-grant-esp-gender-7/>
- ²² AF Proposals & Concepts Currently Under Review. <https://www.adaptation-fund.org/projects-programmes/proposals-concepts-under-review/>
- ²³ World bank, Summary Proceedings, Annual Meetings of the Board of Governors. Washington, D.C.: World Bank, 1989, p79.

- ²⁴ Freestone, David: *The World Bank and Sustainable Development: Legal Essays*, Martinus Nijhoff Publishers, 2012, p114.
- ²⁵ World bank, *Summary Proceedings, Annual Meetings of the Board of Governors*. Washington, D.C.: World Bank, 1989, p79.
- ²⁶ Patlis Jason M, *The Multilateral Fund of the Montreal Protocol: a prototype for financial mechanisms in protecting the global environment*, *Cornell Int'l LJ* 25, 1992, 181, p206.
<http://scholarship.law.cornell.edu/cilj/vol25/iss1/5>
- ²⁷ Boisson de Chazournes, Laurence. *The Global Environment Facility as a Pioneering Institution: Lessons Learned and Looking Ahead*, 2003, P34. <https://archive-ouverte.unige.ch/unige:43422/ATTACHMENT01>
- ²⁸ Paterson, Matthew. "Networks and Coordination in Global Climate Governance." *The Paris Agreement and Beyond: International Climate Change Policy Post-2020* (2016): 83.
- ²⁹ GEF: Funding, <http://www.thegef.org/about/funding#>
- ³⁰ Tengberg, Anna, Frank Radstake, Kebin Zhang, and Bruce Dunn. "Scaling up of sustainable land management in the western People's Republic of China: Evaluation of a 10-year partnership." *Land degradation & development* 27, no. 2 (2016): 134-144.
- ³¹ *Financial Intermediary Funds* . <http://fiftrustee.worldbank.org>
- ³² Fridahl, Mathias, and Björn-Ola Linnér. "Perspectives on the Green Climate Fund: possible compromises on capitalization and balanced allocation." *Climate and Development* 8.2 (2016): 105-109.
- ³³ UNFCC.Cop16. 2010. <http://unfccc.int/resource/docs/2010/cop16/eng/07a01.pdf#page=2>
- ³⁴ UNFCC.Cop17. 2011. <http://unfccc.int/resource/docs/2011/cop17/eng/09a01.pdf#page=55>
- ³⁵ *Financial Intermediary Funds* . <http://fiftrustee.worldbank.org>
- ³⁶ UNFCC.Cop23. 201. http://unfccc.int/files/meetings/bonn_nov_2017/in-session/application/pdf/cop23_auv_i10c_gcf.pdf
- ³⁷ UNFCCC. *Report of the Conference of the Parties on its twenty-third session*, 2018.
<https://unfccc.int/sites/default/files/resource/docs/2017/cop23/eng/11a01.pdf>
- ³⁸ GCF: *READINESS PROPOSAL with the National Agency on Climate Change for Algeria*. 2017.
https://www.greenclimate.fund/documents/20182/466992/Readiness_proposals_Algeria_National_Agency_on_Climate_Change_NDA_Strengthening_and_Country_Programming.pdf/17419e06-e7ed-4392-bb81-f882a7b164ff
- ³⁹ GCF: *Approval Process (concept note). the Renewable energy for agricultural entrepreneurs in Southern Algeria*. 2018.
https://www.greenclimate.fund/documents/20182/894112/20150_Renewable_energy_for_agricultural_entrepreneurs_in_Southern_Algeria.pdf/7fcad09e-e463-04a7-aeaf-6c6778f901fe
- ⁴⁰ GCF, "The green climate fund," Available: <https://www.greenclimate.fund/>.
- ⁴¹ "The global environment facility," Available: <https://www.thegef.org/results>.
- ⁴² "The global environment facility," Available: <https://www.thegef.org/results>.
- ⁴³ UNFCCC. *National Adaptation Programs of Action - Background information*. As of November 2013.
http://unfccc.int/adaptation/workstreams/national_adaptation_programmes_of_action/items/7572.php
- ⁴⁴ UNFCCC. *Submitted NAPAs*. As of February 2017.
https://unfccc.int/adaptation/workstreams/national_adaptation_programmes_of_action/items/4585.php
- ⁴⁵ UN. *Least Developed Countries Fund (LDCF)*. 2016. <https://www.un.org/ldcportal/least-developed-countries-fund-ldcf/>

⁴⁶ N. Chourghal, F. Huhard. Observed and future changes in precipitations and air temperatures in the central region of Algeria. *J. Bio. Env. Sci.* 11(1), 247-256, July 2017.

<https://innspub.net/jbes/observed-future-changes-precipitations-air-temperatures-central-region-algeria/>

⁴⁷ UNFCCC. Cop 21. 11/12/2015. <http://unfccc.int/resource/docs/2015/cop21/eng/l09r01.pdf>

⁴⁸ Fateh, Serdouk, and Abi Khalida. "Analytical review of renewable energies framework in Algeria: Financing schemes and funds." In *Renewable Energy Congress (IREC), 2018 9th International*, pp. 1-6. IEEE, 2018.

⁴⁹ Fateh, Serdouk. A legal framework of renewable energies and climate change in Algeria. 15th International Conference on Mechanisms of Environmental Protection. 26-27/12/2017. Tripoli. Lebanon.