

Exploring Climate Finance Opportunities for Afghanistan

Video Conference Summary Report

Video Conference took place on March 27, 2017

Background

The discussion was jointly organized by the Ministry of Agriculture, Irrigation and Livestock (MAIL), Department of Natural Resources Management (DNR), and the World Bank. The objective of this Video Conference was to convene major national government stakeholders dealing with climate change, take stock of current climate-related issues, and explore climate finance opportunities for Afghanistan. The Video Conference was prepared for the senior officials and technical specialists of Government organizations directly involved with preparation and implementation of the Afghanistan's INDC and related activities.

Welcome and Introductions

Ms. Kseniya Lvovsky, Practice Manager, World Bank cordially welcomed participants from across the various agencies to the Video Conference. She acknowledged great interest in the subject and invited everyone to introduce themselves. See the full list of participants and contact information in the Annex.

After the introductions, Ms. Lvovsky briefly acknowledged the scope of vulnerability of Afghanistan to the ongoing climate change, which threatens lives and development agenda in the country. She noted that Natural Resources Management (pasture, water, forest management) is important in adaptation and mitigation measures because majority of the poor in Afghanistan depend on natural resources for food security and their livelihoods. She also acknowledged that the World Bank recognizes the importance of NRM and Climate Change (CC) in Afghanistan, streamlines CC into its operations, and now opens up the dialog on CC with relevant stakeholders.

Video Conference Objective

Mr. Mohammad Rafi Qazizada, Director General, MAIL and *Ms. Kseniya Lvovsky* then briefly explained the purpose of this Vide conference, which was to convene the relevant Government stakeholders dealing with climate change, take stock of current climate-related issues, and explore climate finance opportunities for Afghanistan. *Mr. Qazizada* stressed that the impacts of the CC are felt across the country and mostly by the poor people who depend on the natural resources. Droughts, extreme precipitation, flash floods, changed patterns of snow melting cause unpredictable and often devastating impacts. He noted that DNR has prepared Afghanistan's National Natural Resource Management Strategy (2017-2021) that is designed to help alleviating CC impacts. It is based on 4 pillars: forest, rangeland, medicinal plants, and biodiversity / Protected Areas, with capacity building being a cross-cutting theme. He noted that financing of the activities under the NRM Strategy is the key factor for its successful implementation that

would significantly advance adaptation measures identified in the Afghanistan's Intended Nationally Determined Contributions (INDC¹).

Ms. Kseniya Lvovsky added that measures towards adaptation to CC will have to be addressed in a cross-sectoral manner, but NRM and pasture management will have to lead the efforts. As INDC's GHG emission figures demonstrated, the NRM-related GHG emissions account for 86% of the total GHG emissions in Afghanistan. She noted that despite high vulnerabilities, so far opportunities to bring CC finance to Afghanistan have been limited, with capacity constraints often cited as the barrier. This is the 1st VC, with the objective to bring relevant to CC players at the table and explore opportunities for climate finance, help the GoA to build its understanding and necessary capacity for successful policy changes and investments.

Overview of the World Bank's Capacity Development Activity for Natural Resources Management

Mr. Mohammad Arif Rasuli and *Mr. Andrew Zakharenka*, team co-leaders, World Bank briefly outlined the objectives and scope of the analytical work aiming to help assess technical and institutional capacity of key institutions involved in implementation of the Afghanistan's NRM Strategy, with the focus on forests, forest landscapes, and rangelands. The activity aims to assess the available capacity to support the implementation of the newly adopted NRM Strategy and identify key needs and provide recommendations, including with respect to specific capacity to step-up access to climate finance. This will be done through the consultations with the Government stakeholders and identification of the priority needs and questions raised (Video Conference 1), in-depth follow up discussion with the Government stakeholders and development partners (Video Conference 2) and prepared recommendations based on these consultations and discussions.

Overview presentation on Afghanistan's INDC

Mr. Ghulam Hassan Amiry, Director of Climate Change and Adaptation, NEPA briefly introduced the recently prepared and adopted Afghanistan's Intended Nationally Determined Contributions (INDC). He outlined the following key messages:

- NEPA has overarching mandate in the Government of Afghanistan to coordinate governmental agencies in the areas of climate finance, fundraising, capacity development and awareness raising;
- the Paris Agreement was ratified in Afghanistan in February 2017;
- the INDC targets energy, natural resource management, agriculture, waste management and mining sectors;
- the set target of 13.6% reduction in GHG emissions by 2030 is conditional on external support;
- bulk of the current GHG emissions are coming from agriculture/ pasture (53%) and land use change / forestry (another 33%) sectors, see the table;

¹ http://www4.unfccc.int/Submissions/INDC/Published%20Documents/Afghanistan/1/INDC_AFG_Paper_Eng_20150927.docx%20FINAL.pdf

- financial needs for Afghanistan in climate finance are identified at the level of US\$17.4 billion, with US\$10.8 billion required for adaptation measures and US\$6.6 billion – for mitigation measures.

Table 1. Current level of GHG emissions in Afghanistan

GHG emission sector ²	CO2 Equivalent, Gg				%
	CO2	CH4	N2O	Aggregated	
Energy	2,910	736	130	3,776	13%
Industry	312			312	1%
Agriculture		9,296	5,813	15,109	53%
Land use change & forestry	9,341	81	9	9,431	33%
Waste		130	-	130	0%
Total	12,563	10,244	5,952	28,758	100%

Opening Remarks to Climate Finance Session

Ms. Karin Shepardson, Program Manager, World Bank opened the technical session on climate finance. She thanked the participants for the great interest in the issues and acknowledged that climate change and climate finance is a truly inter-sectoral issue. Climate Finance is one of the top priorities for the World Bank and the Paris Agreement helped to elevate the interests and increase the climate finance commitments. The World Bank Group (WBG) committed to increase the level of its financing that would be relevant to the climate change activities to 28% by 2020. She noted that the WB screens its projects for CC-related activities and finances not only specific CC projects but also mainstreams CC components into projects in sectors, such as transport, agriculture, energy and mining, and others. Also, IDA is relevant and is contributing to the climate finance. The WBG works on high level actions as well, such as price on carbon and transfer of technologies.

Ms. Shepardson stressed that analytical work is extremely important for the future implementation of the CC activities. Concessional funds and donors would like to see that the climate finance is invested into priority, game-changing actions, hence the analytical work and prioritization is very important preparation stage.

The WBG has a comparative advantage in sharing experience of other countries on how they advanced its capacity and climate related financing. The WBG has a repository of such experiences and good practices. It is to the advantage of Afghanistan to explore such good practices from other countries and we would like to share such experience.

Mr. Jagjeet Singh Sareen, Senior Climate Finance Specialist, made a PowerPoint presentation (attached) on Climate Finance, Funds, and Processes. The key points he made are as following:

1. Government of Afghanistan is well-aware of the CC impacts and is well-advanced in its understanding of the scope and challenges it faces in adaptation and mitigation measures required;

² Source: Afghanistan INDC, WB

2. The WBG has prepared Climate Change Action Plan (CCAP) that helps the client Governments to accelerate the efforts in tackling the CC over the next 5 years;
3. Climate finance can be obtained from both public and private sources;
4. Criteria for accessing the climate finance vary but in general these are:
 - a. Linkages with ongoing national efforts to address climate change impacts;
 - b. Transformational impact of the proposed project; theory of change;
 - c. Cost effectiveness and prioritization of the actions;
 - d. Rationale and additional cost argument; and
 - e. Results based management and logical framework.
5. The WBG has been working with various multilateral and bilateral climate funds and have implemented a number of climate finance instruments over the years. However, for the Government of Afghanistan, the following climate funding mechanisms maybe most accessible and applicable for the NRM related climate activities:
 - a. Green Climate Fund (GCF)
 - b. Global Environment Facility (GEF) - from the country allocation system in the GCF-7 replenishment cycle; and
 - c. Least Developed Countries Fund (LDCF).

Facilitated Stocktaking of Current Climate-Related Issues

Mr. Mohammad Arif Rasuli and Mr. Andrew Zakharenka, World Bank facilitated this session in order to take stock of the various climate-related issues, and views on potential types of climate adaptation and mitigation priority activities relevant to Afghanistan. Representatives of the following organizations expressed their views: Ministry of Agriculture, Irrigation and Livestock, Ministry of Finance, NEPA- National Environment Protection Agency, Ministry of Energy and Water, State Ministry on Disaster Management and Humanitarian Affairs/ANDMA, and Kabul University. The following groups and **key priority issues** were identified by the participants:

1. Physical: drought, desertification, deforestation, watershed degradation, water deficiency, soil erosion, loss of biodiversity & natural resources, flash floods, landslides, decrease in plant cover;
2. Awareness & Capacity: the need of mainstreaming CC into national policies;
3. Community: low awareness, poverty, jobless, lack of alternative livelihoods;
4. Monitoring: low investments into baseline & research, lack of technical capacity;
5. Finance: limited access to climate finance, lack of investments.

The second part of the facilitated discussion was directed towards identifying **the key questions** that the Government agencies would like to understand in-depth. The participants identified the following questions for the follow up discussion with climate finance donors and partners:

1. Access to climate finance, capacity: How can we access to LDCF? How can Afghanistan improve its national budget for climate change? How WB can support Afghan national agencies to access global climate financial resources (GCF, GEF, etc)? What are the procedures and main criteria to access the climate finance? How a pipeline for a project is

followed up? What are the Requirements of major donors (i.e. GCF, GEF, UNCCCF, etc.)? For how long is the climate finance for Afghanistan? How to identify potential joint projects?

2. Coordination among the Government agencies and donors: What are WB's priority area & how do you link it with the Afghanistan national priorities? How will the WB build its partnership with its partners? What are the coordination mechanism with major relevant donors in Afghanistan? How to ensure appropriate synergy and coordination among relevant stakeholders? How to effectively and efficiently should we use this opportunity for synergies between Disaster Risk and adaptation projects?
3. Technical, M&E: How to enhance Watershed Management, Afforestation, Reforestation, Range Lands Conservation? How can measure the impact of climate change on the environmental?

Summing up and identifying the follow-up activities

For the follow up activities, it was recommended to:

1. Invite to the discussion donors and partners;
2. Assess technical capacity areas, including those needed for climate finance, for implementation of the Afghanistan's NRM Strategy at a technical capacity workshop;
3. Prepare in-depth discussion for the 2nd Video Conference jointly with other donors and partners (tentatively in June, 2017) based on the issues and questions raised by the representatives of the Government agencies, and
4. Make this report public and share with all interested parties.

For additional information please contact Mr. Mohammad Arif Rasuli, mrasuli@worldbank.org and Andrew Zakharenka, azakharenka@worldbank.org

Annex 1

List of Participants from Government Agencies for participation in change in Climate finance for Afghanistan

No	Name	Designation	Phone No	Email Add
Ministry of Agriculture, Irrigation and livestock				
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12	Mo. Zamir Tokhi	Forests value chain Development Master Trainer		zamirtokhi@gmail.com

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19	Sayed Naseer Ahmad	Budget Policy Manager		sayed.naseer.a@gmail.com
NEPA- National Environment Protection Agency				
20	Abdul Azim Doosti	Program Manager ACT		azim.doosti@actiononclimate.today
21	Ahmad Bilal Akbari	Technical Specialist Climate Finance Unit		ahmad.bilal3@gmail.com
22	Miss Noor Bibi Gauhari	Coordination officer Climate Finance Unit		gauhari_noor@yahoo.com
23	Ghulam Hassan Amiry	Director of Climate Change and Adaptation		Not Provided
24	M.Solaiman Bakhshi	Climate Finance Expert		Not Provided
25	M.Naqib Sidiqi	Green House Gases Mitigation officer.		Not Provided
Ministry of Energy and Water				
26	Mohmmad Gul Hameedi			Not Provided
Ministry of Rural Rehabilitation and Development				

No	Name	Designation	Phone No	Email Add
27	Ajmal Hamraz			Not Provided
	State Ministry on Disaster Management and Humanitarian Affairs/ANDMA			
28	Ezattullah Sediqi	Advisor to the Minister		Not Provided
	World Bank Group			
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30	Karin Shepardson	Practice Manager, Climate change		kshepardson@worldbank.org
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