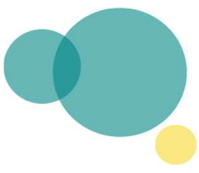


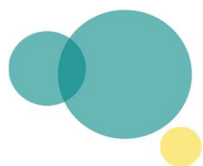


PRACTICAL GUIDE ON CLIMATE FINANCE

Intended for regional councilors of the Kingdom of Morocco

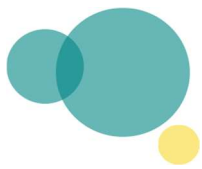


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Foreword

We are at a critical juncture in human history. The climate emergency continues to intensify, with greenhouse gas emissions reaching alarming levels. The devastating impacts of climate change are already being felt, underscoring the imperative to act immediately to preserve a viable future for future generations.

As subnational governments, we are called upon to play a key role in the fight against climate change. We are often on the front line of the consequences of climate change. But our in-depth understanding of the particularities of our territories positions us at the forefront of anticipating and responding effectively to climate challenges.

However, many obstacles remain to fully mobilize the potential for action of subnational actors in favor of a transition to a low-carbon territorial development model that is resilient to the effects of climate change. The critical question of financing this transition is acute, despite the progress made in making the funds available. Accessibility remains a major challenge at the sub-national level.

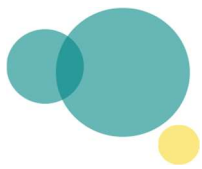
It is with this in mind that we have designed this guide with the financial support of the Under2 Coalition to provide elected officials and regional executives with a comprehensive methodological and operational framework to navigate the complex climate finance landscape.

We hope that this guide will inspire and equip every Regional Council in the Kingdom, not only to fully seize the opportunities offered by climate finance, but also to pave the way for a future where sustainability and development go hand in hand.

Together, we can turn this existential challenge into an opportunity to build stronger, more resilient, and more equitable communities for all.

Mbarka Bouaida

President of the Association of Moroccan Regions (ARM)



Introduction

The fight against climate change is one of the most pressing challenges facing the international community today. The Paris Agreement set out an ambitious path to limit global warming to 1.5°C above pre-industrial levels. Despite the efforts made, current climate policies are still too timid to reverse the upward trajectory of global temperatures and avoid the devastating effects of climate change.

In this critical context, the ability to mobilize climate finance is of paramount importance to sustain and scale up climate action. Developing countries, often the most exposed to the effects of climate change, need not only to build resilience to immediate climate disruptions, but also to invest in long-term projects to reduce their greenhouse gas emissions. This implies the mobilization of considerable financial resources, often inaccessible without adequate financing mechanisms.

This difficulty in accessing climate finance is not limited to states; it also affects subnational governments. On the frontline of climate impacts, subnational governments are key actors in the implementation of concrete adaptation and mitigation measures. Thanks to their proximity to local realities, they are well positioned to offer innovative solutions, adapted to the particularities of their territories, whether it is climate risk management or emission reduction on a more territorial scale.

To address this situation, it is imperative to strengthen their capacity to mobilize the necessary resources, in order not only to translate climate policies into concrete mitigation and adaptation actions, but also to empower their countries climate ambition.

It is from this perspective that this guide is elaborated, with the ambition of bridging the gap in understanding climate financing for local territories. It aims to facilitate the identification and design of projects eligible for climate finance, to clearly present the different types of financing available, the selection criteria, as well as the modalities and procedures to be followed to submit a funding request.

The remainder of the guide is organized as follows:

- The first chapter presents the framework for mobilizing and accessing climate finance.
- The second chapter deals with the process of developing territorial climate projects.
- Finally, the third chapter analyses the sources and instruments of climate finance.



Chapter 1

What is the framework
for mobilizing and
accessing climate
finance?

Chapter 1: What is the framework for mobilizing and accessing climate finance?

1.1. International climate finance environment

- What is the current state of global climate finance?

Average annual climate finance flows reached nearly USD 1300 billion in 2021/2022, almost double the levels of 2019/2020. This increase is mainly due to an increase in funding for greenhouse gas mitigation actions, notably in renewable energy and transport. Despite this growth, this represents only about 1% of global GDP.

- ☐ Mitigation finance reached USD 1150 billion in 2021/2022, with investments concentrated in the energy and transport sectors.
- ☐ Adaptation finance remains insufficient, at USD 63 billion in 2021/2022, well below the estimated needs of USD 212 billion per year for developing countries, with a predominance of public actors (98%) and a limited contribution from the private sector.
- ☐ Dual-use finance for both mitigation and adaptation reached USD 51 billion in 2021/2022.

Climate finance is also geographically concentrated, with 84% of flows directed to East Asia, the United States, Canada, and Western Europe, while the least developed countries received only 3 per cent of global climate finance.

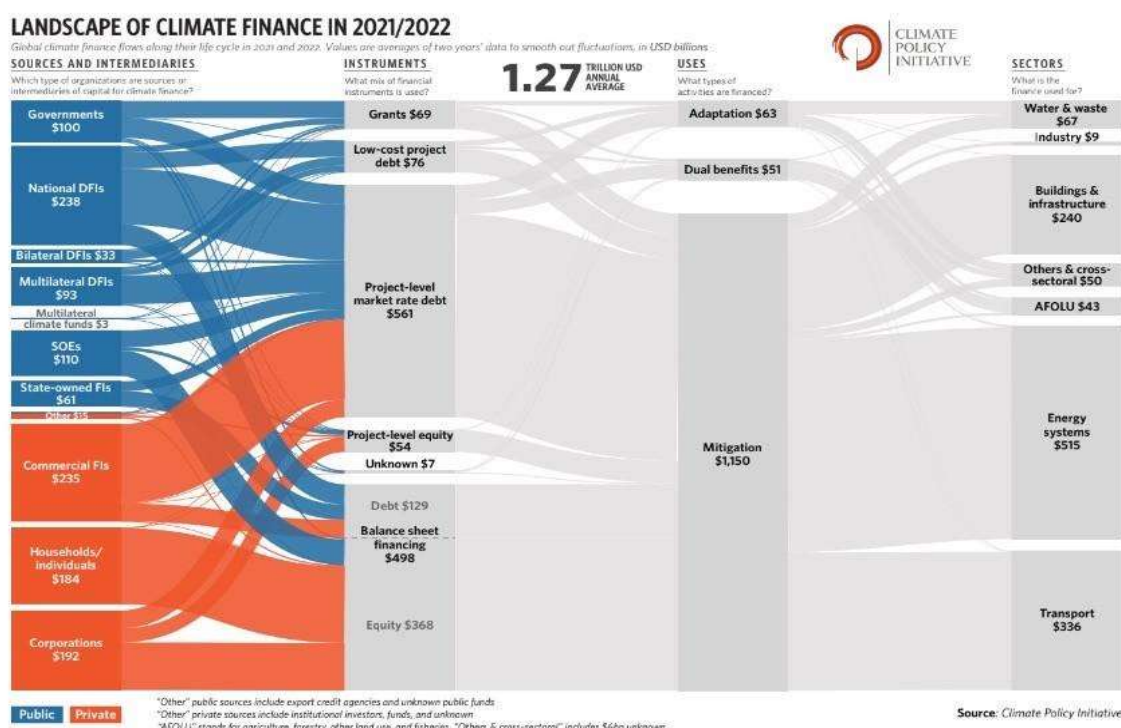


Figure 1: Climate Finance Landscape 2021/2022 (Climate Policy Initiative, 2023)

- **What will be the future needs for climate financing?**

Annual climate finance needs will reach USD 9 trillion by 2030 and will exceed USD 10 trillion per year between 2031 and 2050. This means that to avoid the worst impacts of climate change, it is necessary to increase funding by at least five times a year. The cost of inaction would lead to much higher economic losses and irreversible impacts on ecosystems and societies.

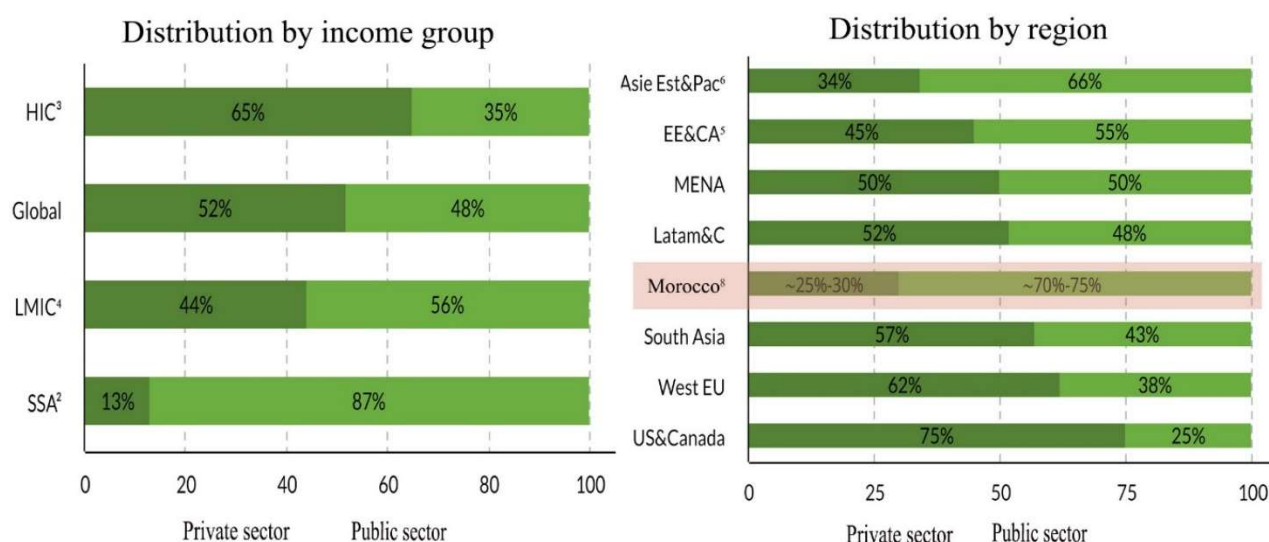
1.2. National context of climate finance

Climate finance is of crucial importance for a country like Morocco, which is heavily impacted by climate change and has considerable needs, estimated at \$4.5 billion per year between 2025 and 2030, to succeed in achieving the climate commitments it has set for itself.

Morocco's financial sector took the lead by adopting a roadmap in 2016 to align financial institutions and banks with the Sustainable Development Goals. Since then, significant progress has been made, particularly in financing solutions for green investments and the development of innovative financial instruments. In 2024, a Climate Finance Strategy was put in place with the support of the World Bank to consolidate and strengthen these efforts.

- **State of play of Climate Finance in Morocco**

Between 2011 and 2019¹, climate finance in Morocco was mainly from public sources, with private participation ranging from 25% to 30%, well below the 50% observed in MENA and comparably income countries.



1) Average 2017 to 2022, 2) Sub-Saharan Africa 3) High-income countries, 4) Low- and middle-income countries (including Morocco), 5) Eastern Europe and Central Asia, 6) East Asia and the Pacific, 7) Average over 2021 and 2022, 8) Morocco as an average 2011-2019, figures from the CDG Report as a baseline: 26% (period 2011-2019). According to the report's methodology, the private sector includes: commercial banks (~12%), private companies (~6%), farmers (~6%), households (~2%), the bond market (~1%). Source: Climate Policy Initiative, CDG

Figure 2 : Breakdown of climate finance flows by source

¹ Study by the Caisse de Dépôts et de Gestion (CDG) "2021 Panorama of Climate Finance in Morocco"

Although the trajectory set by Morocco in its Nationally Determined Contribution (NDC) by 2030 aims to balance mitigation and adaptation financing with 49% for mitigation and 51% for adaptation to the effects of climate change, reality shows that 75% of investments have so far been directed towards mitigation projects.

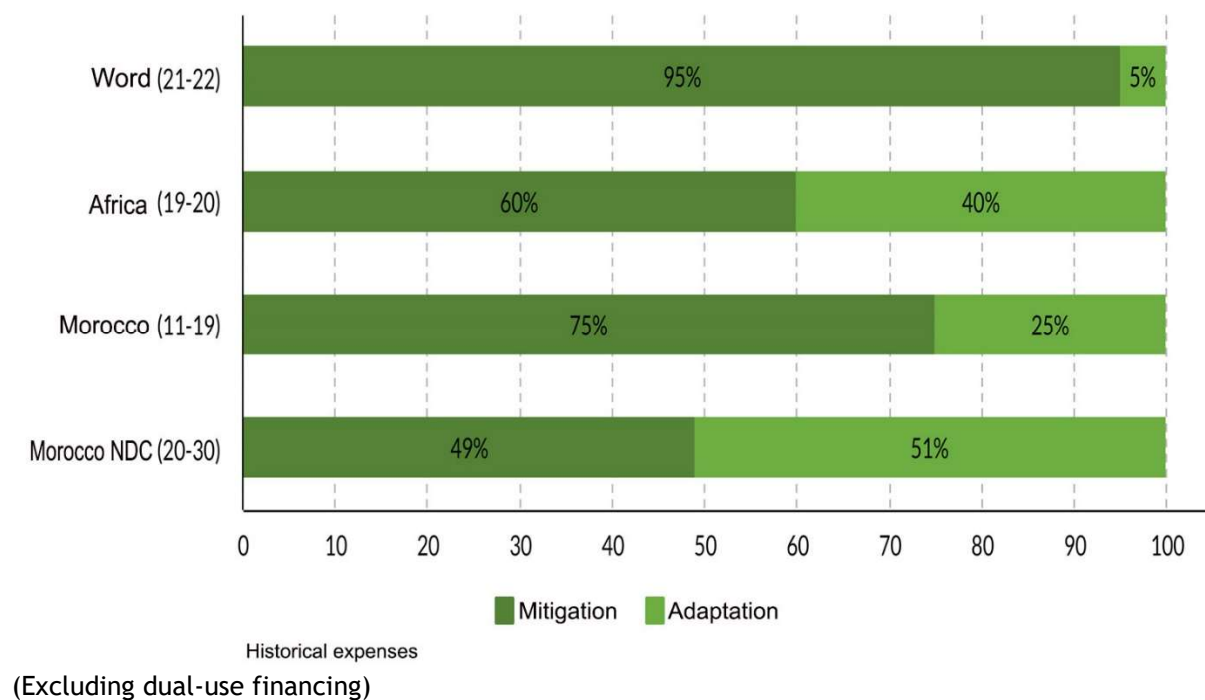


Figure 3 : Breakdown of climate adaptation/mitigation financing (Morocco Climate Finance Strategy)

The main sectors that have benefited from climate finance are energy and networks (38%), transport (30%) and agriculture (21%).

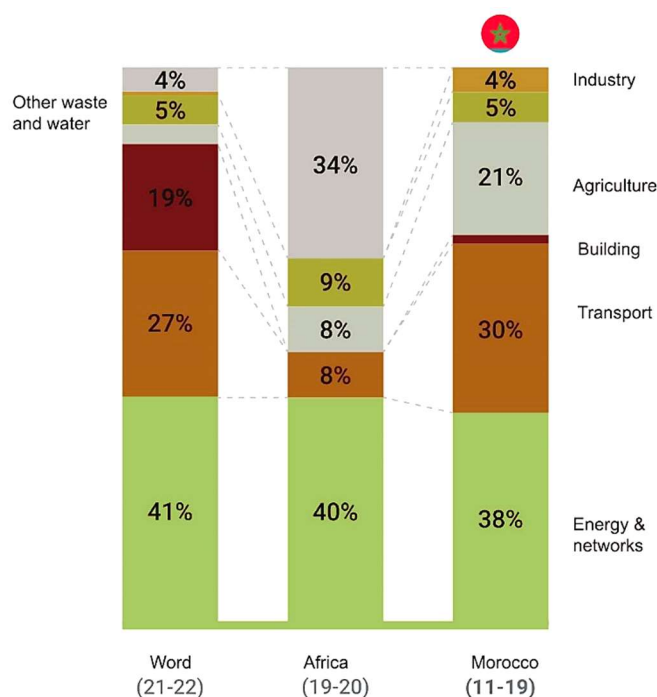
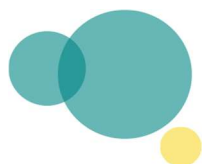


Figure 4 : Breakdown of climate finance by economic sector (Morocco Climate Finance Strategy)

- **Climate finance instruments available in Morocco**

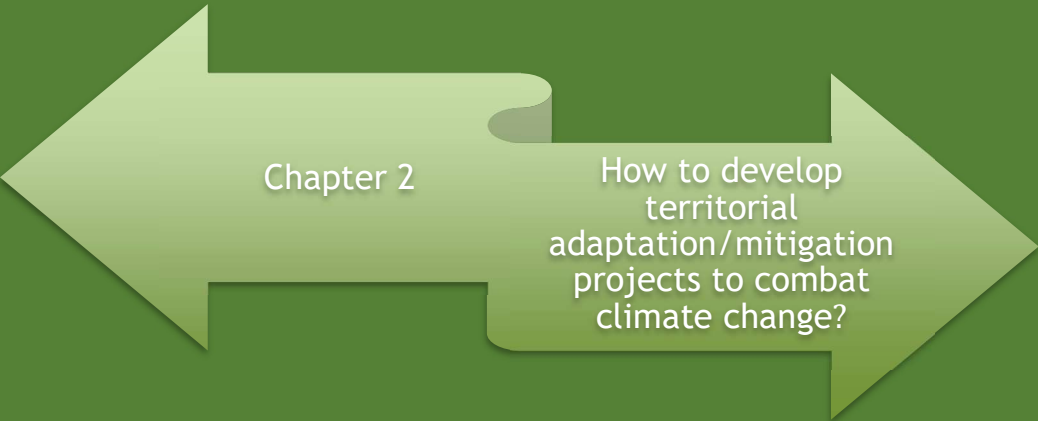
As far as green financing instruments are concerned, Morocco already has an almost complete range of instruments and mechanisms, be they debt instruments such as green bonds, equity instruments or blended finance.

1.3. Territories and the challenge of climate finance

Territories, which play a key role in the climate transition, have been suffering for decades from extreme weather events, such as floods, heat waves, and droughts causing significant economic losses.

Globally, only to mitigate the effects of climate change, territories need USD 4,300 billion per year by 2030, and USD 6,000 billion per year from 2031. However, the lack of funding is slowing down the ambitions of territorial actors.

In Morocco, regional councils face similar challenges, including limited access to climate finance. Strengthening their capacity to prepare well-structured projects aligned with the requirements of international donors appears to be a priority. Exploring innovative financial tools such as public-private partnerships and green bonds could also be opportune to complement the potential of traditional financing. In addition, better coordination with national authorities will be key to creating an enabling environment for climate investments, facilitating access to funds and effective management of resources.



Chapter 2

How to develop
territorial
adaptation/mitigation
projects to combat
climate change?

Chapter 2: How to develop territorial adaptation/mitigation projects to combat climate change?

2.1 What are the steps for the development of adaptation and mitigation projects?

The development of regional adaptation/mitigation projects is carried out in four phases:



Figure 5: Project Phase

2.1.1 Project idea phase and listing

The identification of climate change adaptation and mitigation projects by the regional councils can be done according to two scenarios:

Scenario 1: Identify projects by analyzing climate change adaptation or mitigation needs in existing territorial planning documents (RSPS, RDP, etc.).

Scenario 2: Engage local stakeholders, including communities, businesses, non-governmental organizations, and researchers, to understand their concerns and needs.

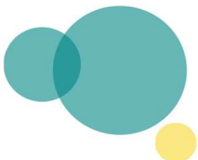
Once the projects have been identified, it is important to list them in a table specifying the type of project, the title, the localities concerned and the potential partners.

Table 1: List of potential projects for climate change adaptation and mitigation.

Project Type	Project Title	Region/localities concerned	Potential Partners
Resilient agriculture	Development of drought-tolerant crops		
Resilient infrastructure	Construction of flood dikes		
Renewable energies	Development of solar and wind farms		
Energy efficiency	Energy efficiency in public Buildings		
Sustainable transport	Establishment of green public transport networks		
Waste management	Recovery of household waste		
Water resources management and conservation	Development of desalination plants for sustainable water Supply		

2.1.2 Phase: prioritization and selection of projects

After identifying climate projects, it is crucial to prioritize them using multi-criteria analysis (MCA). This method makes it possible to quantify and compare projects thanks to a scoring system. To do this, it is necessary to weight each criterion on a scale of 0 to 1, in order to



reflect its relative importance in the decision. Then, each project should be rated on a scale of 1 to 5.

Criteria to consider include:

- Alignment with national climate strategies (NDC, SNBC, PNSA, ...);
- Alignment with national and sectoral strategies;
- Alignment with territorial development strategies (RDP, RSPS);
- Potential for mitigating greenhouse gas emissions (ton of CO2 avoided, energy saving, etc.);
- Adaptation potential (number of beneficiaries, protected areas or volumes, resilient infrastructure, or reduction of economic losses);
- Co-benefits of sustainable development (preservation of ecosystems, job creation, reduction of social inequalities, access to essential services, etc.)
- Paradigm shift potential (catalyzing impact beyond one-time project or program investment, replication potential, scalability potential);
- Stakeholder engagement;
- Private sector involvement;
-

Other criteria may also be added or modified, depending on the specific requirements of the fund to which the project/programme is subject.

Examples of projects carried out in Morocco and meeting these criteria are given below:

- **Projects must be aligned with national climate targets and international commitments.**

Example: Energy efficiency in public lighting - Fez-Meknes region

National commitments: At the national level, this project aligns with the National Energy Strategy, National Energy Efficiency Strategy, PNEP and other related strategies.

International commitments: The project supports Morocco's international commitments to reduce greenhouse gas emissions, in particular through the energy efficiency program in public lighting, included in Morocco's Nationally Determined Contribution (NDC).

- **Alignment with territorial planning** is an essential criterion for the selection of climate projects in Morocco. Regional plans provide a comprehensive view of development in each region, identifying priorities, needs and opportunities.

Example: Construction of Hill Dams - Guelmim Oued-Noun Region

The project to build hill dams is in line with the strategic vision of the territorial development of the region outlined in the Regional Development Plan (RDP):

- Accelerated process of catching up in the face of critical delays In the region: Hill dams provide an immediate and lasting solution to the challenges of managing water, a particularly critical resource in a region often hit by droughts and floods. The project thus makes it possible to secure the water supply and control floods, responding to an urgent need to strengthen local infrastructure.
- Strengthening social inclusion: The hill dam project plays a key role in improving the living conditions of local populations. By facilitating access to water for agricultural irrigation and human consumption, it contributes to reducing social inequalities in rural areas.
- Enhancing the region's economic potential: The project supports agriculture by improving irrigation, which helps to stimulate local economic development.

- **Impact potential:** Quantitative and qualitative information on the impact of the project, such as the tonnes of CO₂e avoided or reduced and the number of beneficiaries affected by the project/programme actions.

Example: Reducing Vulnerability to Flooding - Tangier Tetouan-Al Hoceima Region

Flooding is now a major and unpredictable risk in the Tangier-Tetouan-Al Hoceima region, with serious socio-economic and environmental consequences. For example, the 2008 floods in Tangier caused the death of 30 people and led to considerable economic losses. More recently, in 2021, floods caused the death of 24 people in a textile workshop in Tangier, as well as significant damage to homes and road infrastructure. An analysis in Tetouan and Martil shows that in the event of a high hazard, 60.78% of the study area, i.e. 7930 hectares, could be flooded, and 34.2% of the urban area is highly vulnerable.

The project aims to improve resilience to flooding in the Tangier-Tetouan-Al Hoceima region. It foresees, on the one hand, the establishment of a flood risk management framework at the local level, including feasibility studies, the development of participatory risk reduction plans and the creation of a database accessible to local communities. On the other hand, it supports infrastructure investments, particularly in the Boussafou-Chajra plain, to reduce the risk of flooding, while facilitating access to more resilient housing through appropriate financial mechanisms.

The potential impact of the project lies in its ability to strengthen the resilience of local populations to floods, which are likely to increase in frequency and intensity with changes in rainfall patterns, on the one hand, and to reduce the vulnerabilities of populations and infrastructures to hydrometeorological hazards, on the other.

- **Sustainability co-benefits:** these refer to the additional benefits, beyond the reduction of greenhouse gas (GHG) emissions, generated by climate projects. These benefits can affect various economic, social and environmental aspects.

Example: Strengthening sustainable mobility at the level of the conurbation - Rabat-Salé - Kenitra Region

The project aims to extend the main network of the Rabat-Salé tramway to include the outlying districts of Salé and Témara, as well as their satellite centres. This expansion will be accompanied by the addition of 120 electric and hybrid buses to improve mobility options in the region. The environmental, social and economic co-benefits of the project are:

1. **Reduction of greenhouse gas (GHG) emissions :** The extension of the tram network, as well as the introduction of electric buses, will significantly reduce transport-related CO₂ emissions.
2. **Improved air quality:** The adoption of electric transportation (buses and trams) will contribute to the reduction of air pollutants such as fine particulate matter (PM₁₀) and nitrogen oxides (NO_x), improving air quality in the region.
3. **Increased accessibility and social inclusion:** The extension of the tramway will improve access to public transport infrastructure for populations living in peripheral areas, such as Salé and Témara. This will reduce inequalities in mobility and social inclusion.
4. **Long-term economic efficiency:** The use of trams and electric buses, although a significant initial investment, allows for long-term savings in operation and maintenance.

A similar project has been funded by the Green Climate Fund (GCF): Light Rail Transit (LRT) for the Greater San José metropolitan area in Costa Rica, which stretches 85 km and uses 98% renewable energy. Ultimately, this project will reduce greenhouse gas (GHG) emissions by 7.6 million tonnes of CO₂. The Green Climate Fund (GCF) provided significant support with a \$250 million loan and a \$21.3 million grant, representing about 14.5% of the total project cost of \$1.9 billion.

- **Paradigm shift potential:** Paradigm shift is about instituting transmutations that last beyond investments.

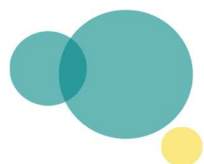
Example: Use of non-conventional water through the reuse of treated wastewater - Souss-Massa region

The Souss-Massa region has been in water shortage since 1970, with a water capital of 350 m³/inhabitant/year and which could increase in 2080 to 192 m³/inhabitant per year according to the optimistic scenario or 123 m³/inhabitant/year according to the pessimistic scenario.

The Liquid Sanitation and Reuse of Treated Wastewater Project in the Souss-Massa Region aims to respond to the water crisis by reusing 90 million cubic meters of wastewater by 2030, thereby reducing pressure on water resources.

The real paradigm shift lies in the transformation of water resources management: rather than relying solely on limited natural resources, the region is adopting a sustainable approach by recovering treated wastewater for uses such as irrigation. This strategy reduces pressure on groundwater, while maintaining agricultural productivity and preserving the environmental balance in the long term. Thus, water becomes a reusable good, which is a major break with traditional water management practices.

The following box provides a concrete illustration of the methodology for prioritizing climate projects in the Marrakech-Safi region, using three projects as examples, in order to clarify the selection process.



Example of prioritization of climate projects in the Marrakech-Safi region

Three climate projects in the fields of energy, agriculture and transport, specifically for the Marrakech-Safi region, have been selected. These projects are prioritized according to a multi-criteria scoring system (MCA) with weightings on a scale of 1 to 5.

Transport: Development of urban electric bus lines in Marrakech

- **Description:** Implementation of electric bus lines to serve Marrakech, with fast charging stations in the main depots. The aim is to reduce CO2 emissions from public transport, improve air quality and modernise urban mobility.
- **Evaluation criteria:**
 - Greenhouse gas mitigation potential: Significant reduction in CO2 emissions through electrification.
 - Adaptability: Improved quality of life for thousands of transit users.
 - Co-benefits of sustainable development: reduction of air pollution, creation of jobs for the maintenance and operation of buses.
 - Potential for paradigm shift: a model that can be replicated for other cities in Morocco.
 - Stakeholder engagement: collaboration between the municipality, citizens and transportation companies.
 - Private sector involvement: partnership with electric bus manufacturers and transport operators.

Energy: Solar Park Project for Rural Electrification

- **Description:** Development of a 50 MW photovoltaic solar park to provide electricity to rural areas of Marrakech-Safi. The project aims to reduce dependence on fossil fuels and improve access to clean energy.
- **Evaluation criteria:**
 - Greenhouse gas mitigation potential: significant reduction in CO2 emissions by replacing diesel generators.
 - Adaptation potential: improved energy resilience for thousands of households.
 - Co-benefits of sustainable development: creation of local jobs, improved access to energy.
 - Potential for paradigm shifting: Possible scaling up in other rural areas.
 - Stakeholder engagement: collaboration with local communities.
 - Private sector involvement: private company investments in solar infrastructure.

Agriculture: Drip irrigation systems for olive plantations

- **Description:** Installation of drip irrigation systems for 10,000 hectares of olive groves, optimizing water consumption and strengthening crop resilience to drought.
- **Evaluation criteria:**
 - Greenhouse gas mitigation potential: moderate reduction in the use of fuel pumps.
 - Adaptation potential: significant improvement in agricultural productivity and resilience to water scarcity.
 - Co-benefits of sustainable development: preservation of water resources, improvement of food security.
 - Paradigm shift potential: can be extended to other cultures.
 - Stakeholder engagement: involvement of farmers and cooperatives.
 - Private sector involvement: suppliers of irrigation equipment.

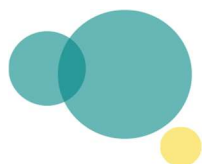
Multi-Criteria Scoring Analysis

multi-criteria scoring analysis Project	Greenhouse gas mitigation potential	Potential for adaptation	Co-benefits of sustainable development	Potential for a paradigm shift	Stakeholder engagement	Private sector involvement	Score Total
Development of urban electric bus lines in Marrakech	5	4	5	4	4	4	26/30
Solar Park Project for Rural Electrification	5	4	4	3	4	3	23/30
Drip irrigation systems for olive plantations	3	5	4	4	4	3	23/30

Project Ranking:

1. **Development of urban electric bus lines in Marrakech:** 26/30
2. **Solar Park Project for Rural Electrification:** 23/30
3. **Drip irrigation systems for olive plantation:** 23/30

The transport project stands out for its significant impact on the reduction of CO2 emissions, thus contributing to the improvement of air quality in Marrakech. In addition to its role in the energy transition of the transport sector, it generates notable co-benefits such as the creation of jobs in infrastructure maintenance and bus operation, while providing better accessibility to a clean mobility service for residents. This project is also a model for modernizing urban mobility, paving the way for the establishment of similar networks in other Moroccan cities, and strengthening the engagement of local and private stakeholders.



2.1.3 Feasibility analysis phase

Once the regional councils have prioritized their projects, the next step is to detail the components of the selected priority projects through:

- The pre-feasibility study, which is a preliminary analysis to verify whether a project is viable, with a summary assessment of costs, risks and constraints. It helps to decide whether to continue with the project or not.
- The feasibility study, which is much more detailed, confirms the full feasibility, including accurate estimates, a thorough technical analysis and a risk management plan. It defines the concrete steps for the implementation of the project.

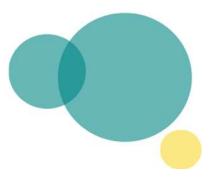
The table below highlights some differences in the content of these two studies:

Table 2: Main differences between feasibility and pre-feasibility studies

Pre-feasibility study	Feasibility study
Preliminary analysis to verify overall viability. Summary assessment of costs, benefits, risks and constraints. Identification of potential environmental and social impacts. Summary analysis of technical and regulatory aspects. Used to decide whether to invest in a feasibility study.	In-depth analysis to confirm full feasibility. Accurate costing, return on investment, and detailed financial analysis. Comprehensive environmental and social impact assessment, including a risk management plan. In-depth technical study, including on-site testing and evaluation. Precise definition of the project milestones and timeline for implementation.

Table 3: Consistency of the technical, financial and environmental assessments

Consistency	
Technical Evaluation	It consists of a detailed presentation of adaptation and mitigation options, as well as the characteristics of the equipment and infrastructure to be put in place. It is essential to prove that the options offered are the most appropriate for the specific context of your region. In addition, it is important to describe how the project invests in technologies that are both sustainable and adapted to local realities.
Economic and/or financial viability	Its purpose is to demonstrate the economic and financial viability of the project. It consists of an evaluation of costs and benefits in order to determine the profitability of the project. The main elements to be implemented are: - Total Capital Cost: The total amount required to implement the project, including upfront development, installation, and operating costs. - Economic benefits: The direct or indirect financial benefits that the project is expected to bring, etc. - Internal Rate of Return (IRR): - Net Present Value (NPV): This is the discounted sum of all cash flows in and out of the project over its entire term. A positive NPV indicates that the project is creating added value. - Sensitivity to variations in economic parameters: This is the analysis of the effects on the profitability of the project in the event of variations in



	key economic parameters, such as raw material costs, energy prices, interest rates, taxation, etc. - Risk analysis: This analysis evaluates potential risks that could affect the profitability of the project, such as fluctuations in raw material prices, regulatory changes, political risks, operational risk, etc.
Environmental and social assessment	The environmental and social impact study highlights the potential impacts (positive and negative) of the interventions planned by the project and proposes an environmental and social management plan. For programmes, it is recommended to develop an Environmental and Social Management Framework (ESMF), adapted to national specificities, and to define the environmental and social measures to be followed throughout the identification and implementation of sub-projects.

For a regional council wishing to conduct a pre-feasibility/feasibility study, it has the following options:

Options for implementation	The Regional Council may request a service provider to carry out the feasibility study.
	The Regional Council may request technical assistance from a climate fund (subsidies) to carry out the feasibility study and set up the project.
	Use your own teams and resources to carry out the study

If the Board deems it appropriate to have recourse to external technical assistance, the following are the main funds that provide such assistance:

Examples of climate funds that provide technical assistance:

The GAP Fund provides technical assistance to local authorities for the preparation of new projects by supporting pre-feasibility studies, such as: technology assessment, preliminary financial analysis and climate impact assessment.

The TAP fund supports local authorities throughout the project cycle, including the preparation of the project in the initial phase, in addition to supporting the search for project funding from financial partners.

The TAF Technical Assistance Fund: Builds the capacity of municipalities to foster sustainable and resilient urban development. This fund can also help identify and develop viable investment projects to attract additional financing.

2.2 What are the elements of the project document for the funding application?

To apply for funding from a climate finance fund, Regional Councils must draw up a project document justifying their climate change adaptation/mitigation projects. The project document should be comprehensive and structured in order to present the information in a clear and accessible manner to potential funders.

2.2.1 Key elements of a project document for a funding application

A project document must include the following:

- A description of the project: it explains the diagnosis carried out, the problems

identified and the solutions proposed to address them.

- The logical framework of the project: specific and general objectives, results and proposed activities
- The mode of governance (the steering system, the stakeholders involved and the management mechanisms)
- The budget: planned expenditures and expected resources
- The project timeline

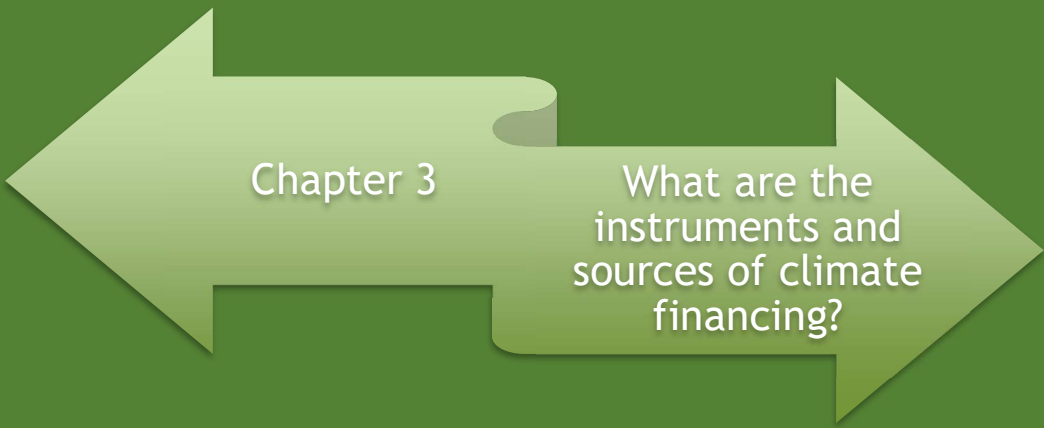
2.2.2 How detailed is the project document?

A well-detailed project document allows donors to assess its feasibility and coherence and decide on funding.

The table below provides detailed (exhaustive) project reporting elements that must be submitted to a funder. It should be noted that some financing funds have their own forms:

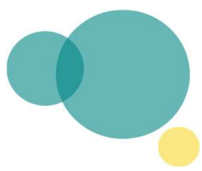
Table 4: Elements of the project report

Proposed Project Report Structure		
1	Profile of the region and project area	Geographic and Climate, Socio-Economic, Link to Project Focus, and Governance and National, Regional Climate Action Targets
2	Project Background	Institutional framework of the sector of intervention Policy and regulatory framework sector of intervention Political situation on climate action in relation to the project Adaptation or mitigation funding in the project area Integration of the project in line with the country's strategic development plans and programs
3	Study Methodology	Data Collection Tools and Analysis Approach and Method
4	Climate justification of the project	Analysis of current (and future) climate risks related to the project Analysis of current (and future) climate change impacts related to the project Analysis of current (and future) vulnerability related to the project (community, infrastructure, natural resources, etc.) Analysis of the perception, dynamics and community logics of climate change in relation to the project
5	Evaluation of the intervention according to the investment criteria of the requested fund	Argue this part according to the eligibility criteria of each funding fund
6	Project Objective	Theory of Change, Paradigm Shift, Logical Framework, and Identification of Direct and Indirect Beneficiaries
7	Assessment of the feasibility of each component of the project	Analysis of the current situation in relation to the activities of the component (SWOT, Screening, etc.) Technical Evaluation Environmental, Economic and Social Assessment Financing Options Rationale for requesting funding Description of Capital and Operating Expenses Economic and/or financial viability Exit strategy and sustainability
8	Estimation of Co-benefits	Environmental (mitigation theory, circular economy, and sustainable production and consumption, etc.) Economic Social
9	Institutional arrangement for the implementation of the project	Project Management Unit, Executing Technical Entity/Institution, and Beneficiary Entities
10	Monitoring and evaluation mechanism	Mid-term monitoring methodology and Long-term monitoring methodology
11	Project impact	Environmental, Institutional, Economic and Social evaluation



Chapter 3

What are the
instruments and
sources of climate
financing?



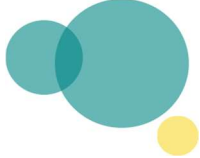
Chapter 3: What are the Instruments and Sources of Climate Financing?

3.1. Climate finance instruments

Several financial instruments can be used to fund climate change projects, including:

- **Green Bonds:** Debt securities issued to finance environmental or climate projects with a positive impact.
- **Resilience Bonds:** Bonds used to finance projects to strengthen the resilience of infrastructure to climate risks.
- **Blended finance:** Combining public and private finance to reduce risk and attract private capital to climate projects.
- **Concessional loans:** Loans with a reduced interest rate or with advantageous terms.
- **Debt swap:** an agreement where a country has part of its debt cancelled in exchange for its commitment to finance projects to combat climate change, such as environmental protection or the transition to clean energy.
- **Grants:** Non-repayable funds to support climate change adaptation or mitigation projects.
- **Collateral:** A commitment to cover the repayment of a debt in the event of default, reducing the risk for investors in climate projects.
- **Insurance/Risk Management:** Risk transfer tools to protect against economic losses due to climate disasters.
- **PPP "Public-Private Partnership":** Collaboration between the public and private sectors to co-finance climate projects.
- **Cap and Trade :** A system that sets an overall cap on greenhouse gas emissions and assigns tradable permits to participants, incentivizing them to reduce their emissions to save money or sell excess permits.
- **Carbon market:** A market where carbon credits are traded, allowing players to buy or sell emission reductions to offset their own environmental impact.

Some subnational governments have already used several climate finance instruments, including:



Madrid, Spain- Green Bonds: In 2022, the Community of Madrid became the first public entity in Spain to issue a green bond in line with the EU principles for an environmentally sustainable economy. The €500 million bond, with a maturity of 7 years, was sold with an interest rate of 2.822%, bringing the Community's total green bond issuance for the year to €1.5 billion.

Seychelles Islands - Debt-for-Nature Swap: Debt swap to finance the protection of marine areas and develop a sustainable blue economy. Part of the country's debt, amounting to USD 21.6 million, was cancelled in exchange for the implementation of marine conservation projects. These funds are then redirected to programs to protect marine ecosystems, thus ensuring better management and sustainability of ocean resources.

Climate Insurance: Urban Infrastructure Insurance Facility transfers climate risks of cities in Latin America and the Caribbean to the private sector through a mutualized risk pool between insurers and reinsurers, reducing insurance costs for cities. Balance sheets are relieved from directly covering losses after natural disasters. The goal is to provide insurance coverage worth €100 million and reach more than 7.5 million people by 2025. To date, 10 cities are participating in this initiative, funded by KfW Development Bank and implemented by ICLEI. **Ulaanbaatar - Mongolian Grants and concessional loans** aims to transform 100 hectares of ger neighborhoods - originating from rural migration due to climate change - into eco-neighborhoods of 10,000 green, climate-resilient and low-carbon housing units. This project, worth a total of USD 544 million, is financed by the Green Climate Fund with USD 95 million in concessional loans and USD 50 million in grants.

As-Samra- Jordan Blended Finance This project used blended finance to improve wastewater treatment capacity to 365,000 m³/day, with a view to reusing it for irrigation needs. The total cost is USD 225 million, including a grant of USD 93 million from the Millennium Challenge Corporation (MCC), a contribution of USD 20 million from the Jordanian government, which served as "viability gap funding". This public financing was crucial in attracting an additional €110 million in private debt raised by local Jordanian banks, such as Arab Bank, as well as €8 million in equity from the company responsible for operating the project, Samra Wastewater Treatment Plant Company (SPC).

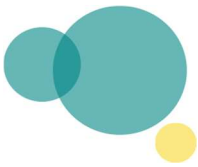
Catalonia - Carbon Pricing: Catalonia is one of the few European regions to have implemented carbon pricing, starting with a tax on CO₂ emissions from vehicles in 2021. The revenue from this tax, estimated at around €140 million per year, is allocated equally to the Natural Heritage Fund and the Climate Fund.

California - Cap and Trade: California's Emissions Trading System (ETS) is one of the most successful in terms of revenue generation (per unit of GDP), and much of this success is due to its broad coverage. It covers the transport, buildings, industry and energy sectors. In 2020, these sectors emitted a total of 334.2 million tonnes of CO₂e, or 90.5% of the state's total emissions.

Figure 6: Examples of the use of climate finance instruments

3.2. Sources of climate finance

This section examines the various sources of international financing that can be requested by regional councils to launch low-carbon and climate-resilient projects.



GREEN CLIMATE FUND (GCF)

Why should the Regional Council apply for funding by the GCF ?

The Green Climate Fund (GCF) is a global financing platform of the United Nations, attached to the United Nations Framework Convention on Climate Change (UNFCCC). It was created at COP16 in Mexico in 2010 and became operational in 2014.

➡ **Simplified GCF Approval Process (SAP) is an opportunity for Regional Councils**

This process will allow regional councils easier access to GCF resources for smaller-scale activities.

Simplification:

- The documentation to be provided with the funding proposal is reduced.
- Review and approval processes are streamlined.

Requirements:

- Project ready to scale up and with the potential to transform to adapt to and/or mitigate the effects of CC.
- Require a GCF contribution of up to US\$25 million.
- With a minimum of environmental and social risks and impacts.
- The GCF Secretariat will assess the concept note or funding proposal to determine if it is eligible under the SAP.

Projects already funded in Morocco

- Development of argan orchards in degraded environments - DARED - USD 39.3 million of grant from the GCF (direct access by ADA)
- Development of irrigation and adaptation of irrigated agriculture to climate change in the semi-arid regions of Morocco - USD 23 million in GCF grant (international access by FDA which mobilizes USD 45.9 million in the form of a loan and USD 1.1 million in the form of a grant)
- Water Conservation Project in the Saiss Region - USD 36.5 million GCF grant (international access by the EBRD which mobilizes USD 137.8 million in the form of a loan and USD 1 million in the form of a grant)

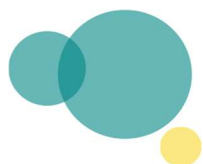
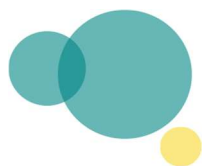


Table 5: Financing modalities of the Green Climate Fund

Contact Information	Green Climate Fund Songdo Business District 175 Art center-daero Yeonsu-gu, Incheon 22004 Republic of Korea https://fr.irm.greenclimate.fund
Eligible sectors and activities	The GCF's eight focus areas are: energy production, low-emission transport, low-emission buildings/industries, forests, resilient infrastructure, resilient ecosystems, livelihoods of vulnerable populations, food security/water/health.
Eligibility criteria	- Potential impact - Potential for a paradigm shift - Potential for sustainable development - Beneficiary Needs - Country ownership - Effectiveness and efficiency
Funding Scale	- Micro (less than 10 M USD) - Small (between 10 and 50 M USD) - Medium (between 50 and 250 M USD) - Large (over 250 M USD)
Type of funding	- Subsidy - Ready - Capital contribution (Equity) - Guarantee
How to apply for it	Via an accredited national entity: ADA, Attijariwafa Bank, CDG Capital and MASEN
Some projects funded around the world	- Haiti: project to strengthen climate resilience in the region of Trois Rivières (2023) - Cambodia: Project to help smallholder farmers, especially women, prepare for growing climate threats in the Tonle Sap basin. (2023)



GAP FUND FOR URBAN CLIMATE FINANCE (GAP FUND)

Why should the Regional Council apply for funding by the GAP Fund?

The Gap Fund does not directly finance climate projects, but rather complements technical expertise and ability of cities to implement projects. Thus, the GAP Fund supports cities with technical assistance for the development of low-carbon and climate-resilient urban development plans and projects.

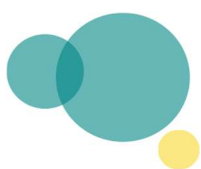
Thanks to this technical assistance, the regional council can use the GAP Fund to support it in the implementation of climate projects financed by other funds.

The Gap Fund supports 183 cities in 67 developing countries. In Morocco, 3 cities have already benefited from the GAP fund: Casablanca, Chefchaouen, Fez. In 2023, the city of Chefchaouen benefited from the technical assistance of the GAP Fund to carry out a pre-feasibility study to evaluate, recover and organize waste management, in accordance with the city's master plan.

The GAP Fund is particularly relevant for regional councils as it offers technical assistance and capacity building to foster climate-smart planning and investments.

Table 6: Financing terms of the Gap Fund

Contact Information	Gap Fund for Urban Climate Finance https://www.citygapfund.org
Eligible sectors and activities	Energy efficiency (buildings and street lighting), green buildings, sustainable cooling, nature-based solutions, local renewable energy, sustainable mobility, circular economy and water and wastewater management.
Eligibility criteria	- Projects must be located in low- and middle-income countries - Projects must be located in or functionally related to an urban area. - Candidates must be a representative of the city or government; or a third party that formally submits the proposal on behalf of the city or local government. - Projects should be in the early stages of climate investment planning and project preparation, such as developing climate strategies, defining projects or feasibility studies.
Funding Scale	- Not specified
Type of funding	- Donation in the form of Technical Assistance
How to apply for it	Cities and local governments can apply for assistance through the https://www.citygapfund.org/apply-for-support website
Some projects funded around the world	- Cuenca, Ecuador: support the analysis of the existing hydrometeorological network as well as the assessment of climate change scenarios and possible solutions to combat and prevent floods. - Naucalpan, Mexico: Assessing the institutional capacity to design a light rail line connecting the city of Naucalpan to downtown Mexico City.



TRANSFORMATIVE ACTION PROGRAMME (TAP)

Why should the Regional Council apply for funding by the TAP funding?

The TAP aims to improve access to capital flows for cities and regions, by catalyzing investments in sustainable urban development and maximizing financing for climate-resilient projects.

The TAP can provide technical assistance to the Regional Council for:

- Setting up a transformative project of the territory by supporting capacity building, developing feasibility studies
- Seeking funding for the project from financial partners

Requesting the TAP by the Regional Council makes it possible to catalyze transformative actions for sustainable development. Innovative initiatives that address local climate, environmental and social challenges, build regional resilience and promote the transition to a greener economy are potentially eligible for TAP funding. In this context, the TAP provides a platform to mobilize partnerships and resources for high-impact projects.

Table 7: TAP funding modalities

Contact Information	Transformative Actions Program https://tap-potential.org
Eligible sectors and activities	ambitious, cross-cutting, inclusive and innovative mitigation and adaptation
Eligibility criteria	Projects submitted for the TAP must have transformative potential, in particular meet the "ATI" criterion - Ambitious, Transversal and Inclusive -
Funding Scale	Not specified
Type of funding	Technical Support
How to apply for it	Directly on the TAP platform https://tap-potential.org/apply
Some projects funded around the world	Balti, Moldova: The city of Balti, faced with a lack of reliable data on the energy consumption of its Soviet-era public buildings, is looking to improve energy efficiency. The Gap Fund supports the conceptualization of a public investment program for the energy efficiency of municipal buildings, accompanied by energy audits. Salvador, Brazil: Salvador wants to transform the former Canabrava landfill, located in a disadvantaged neighborhood, into a sustainable project integrating clean energy, nature-based solutions and solid waste management. The Gap Fund provides support to develop an integrated concept and identify sustainable business models adapted to local stakeholders.

ADAPTATION FUND

Why should the Regional Council apply for funding by the Adaptation Fund?

The Adaptation Fund was established in 2001 to finance concrete adaptation projects and programmes in developing country Parties to the Kyoto Protocol that are particularly vulnerable to the adverse effects of climate change

The Regional Council may submit proposals to the fund through the accredited institution: ADA

- There are two forms of adaptation funds, which are (i) adaptation programs and projects; and (ii)- Grants under the Readiness Program.
- The fund finances small-scale projects up to \$1 million; and large-scale projects over \$1 million.
- Projects must be in the following sectors: Food Security, Agriculture, Water Management, Disaster Risk Management, Multi-Sectoral, Rural Development, Coastal Management, Urban Development and Forestry

This fund has already financed the "Climate Change Adaptation in Oasis Areas, PACC-ZO" project managed by ADA - US\$9.97 million.

Applying for the Adaptation Fund by the Regional Council makes it possible to strengthen the resilience of the regions to climate change. This funding supports adaptation projects, such as climate risk management and the preservation of natural resources, helping to protect local populations, promote sustainable development and ensure regional environmental security.

Table 8: Modalities of financing of the adaptation fund

Contact Information	AF Secretariat: c/o Global Environment Facility Mail stop: N 7-700 1818 H Street NW Washington DC 20433, United States https://www.adaptation-fund.org AF Focal Point in Morocco: Director of the Communication and Cooperation Partnership Secretariat of State for Sustainable Development N°9, Avenue Araar, 420/1 Sector 16, Hay Riad, Rabat Kingdom of Morocco T: +212 (0) 5 37 57 66 37 dpcc@environment.gov.ma
Eligible sectors and activities	Adaptation in the following sectors: Food Security, Agriculture, Water Management, Disaster Risk Management, Multi-Sectoral, Rural Development, Coastal Management, Urban Development and Forestry.
Eligibility criteria	- Consistency with national strategies - The economic, social and environmental benefits of the projects; - Comply with national technical standards, as appropriate; - The cost-effectiveness of projects and programmes; - Accommodation management, including finance and risk; - Monitoring and evaluation system and impact evaluation; - Avoid overlapping with other sources of funding for the adaptation of the same project activities; - Move towards a programmatic approach, if necessary
Funding Scale	- Small-scale projects (requiring up to US\$1 million) - Large-scale projects (requiring > US\$1 million).
Type of funding	- Subsidy
How to apply for it	Direct, regional and multilateral access Indirect access via an accredited national entity: the ADA
Some projects funded around the world	Cambodia: Building climate resilience (flooding and saltwater intrusion) through small-scale infrastructure investments and improving the adaptive capacity of vulnerable communities in Cambodia's Kampot and Koh Kong provinces. Funded at US\$10 million (2024)

CLEAN TECHNOLOGY FUND (CTF)

Why should the Regional Council apply for funding by the CTF?

The Clean Technology Fund (CTF) is a large-scale financing mechanism to support clean technology projects in developing countries. It contributes to the demonstration, deployment and transfer of low-carbon technologies, with a high potential for long-term greenhouse gas emission reductions.

This fund has already supported projects in Morocco:

- Noor-Midelt Project: This solar power generation project received a \$25 million loan from the CTF in June 2017.
- OCP Pipeline: The OCP pipeline is another project that has received support from the CTF

The regional council can apply for a CTF loan to participate in the financing of regional projects for several reasons: Projects financed by the Clean Technology Fund (CTF) facilitate the energy transition by adopting renewable technologies while stimulating innovation, creating jobs in the clean technology sector, and promoting regional economic development by attracting investment in sectors of the future.

Table 8: CTF Funding Terms and Conditions

Contact Information	Clean Technology Fund https://www.cif.org/topics/clean-technologies
Eligible sectors and activities	- Renewable - Energy efficiency (buildings, agriculture, industry) - Clean Transportation
Eligibility criteria	The CTF evaluates projects based on their GHG reduction potential, cost-effectiveness, scalability, development impact, feasibility, and associated additional costs.
Funding Scale	- Not specified
Type of funding	- Concessional Loans / Grants / Guarantees
How to apply for the	Indirect access through multilateral development banks (World Bank Group, African Development Bank, European Bank for Reconstruction and Development, etc.) acting as implementing partners.
Some projects funded around the world	Philippines: The Philippines Transport Modernization Project involves replacing diesel public transport vehicles with electric buses in major urban areas, helping to reduce greenhouse gas emissions. The project received \$105 million in funding from the CTF, in partnership with the World Bank and other international financial actors.

TECHNICAL ASSISTANCE FACILITY (TAF)

Why should the Regional Council apply for funding by the TAF?

The Technical Assistance Facility (TAF) is managed by the United Nations Capital Development Fund (UNCDF) and aims to support and provide a stream of projects ready for financing by the International Municipal Investment Fund (IMIF). The role of the TAF is to facilitate the preparation and structuring of climate projects. This technical assistance facility is designed to support cities with investment projects of less than \$25 million.

The regional council may apply to the TAF for several reasons:

- ☐ Helps local governments better plan and finance their projects.
- ☐ Creates an enabling environment to attract financing through local reforms.
- ☐ Supports projects in key sectors, such as urbanization and climate, while attracting domestic and international investors.

Table 9: Financing modalities of the TAF

Contact Information	Technical Assistance Facility of International Municipal Investment Fund (TAF) https://www.uncdf.org/mif/imiftaf queries@uncdf.org
Eligible sectors and activities	Solid waste management, water supply and sanitation, urban development, industrial sector, transport, food security, energy efficiency, land use planning and digital infrastructure.
Funding Scale	projects must have an investment amount of less than US\$25 million
Type of funding	Technical Support
How to apply for it	Submit an "Expression of Interest" for the International Municipal Investment Fund, Technical Assistance Facility (IMIF TAF), managed by UNCDF https://apply.uncdf.org/prog/IMIF-TAF/
Some projects funded around the world	TAF enabled the Town Development Fund (TDF) to borrow on the market to finance drinking water and sanitation projects in cities. It also helped structure investment proposals and assess the ability of municipalities to repay these funds. As a result, Nepal was able to secure USD 130 million in funding to improve access to water in urban areas.

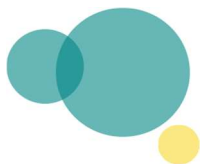
AFRICA CLIMATE CHANGE FUND (ACCF)

Why should the Regional Council apply for funding by the AfDB's ACCF?

The Africa Climate Change Fund (ACCF), established in 2014 by the African Development Bank, aims to strengthen the resilience of African countries to climate impacts and support a transition to sustainable, low-carbon growth. The ACCF has approved 28 projects for a total amount of US\$17.38 million for 43 African countries.

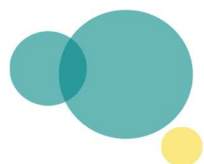
Table 10: Funding arrangements for the ACCF

Contact Information	ACCF Secretariat africaclimatechangefund@afdb.org https://www.afdb.org/fr/topics-and-sectors/initiatives-partnerships/africa-climate-change-fund
Eligible sectors and activities	Climate Change Preparedness and Preparedness; Project preparation and financing and adaptation and mitigation strategies in the context of NDCs; institutional capacity building; Gender equality and climate resilience.
Eligibility criteria	- Agreement with the themes of the call for projects - Consistency of the project with the priorities of the ACCF and the Bank (five key priorities and the 10-year strategy) - Alignment with national priorities - Quality (impact and credibility) of the logical framework methodology - Transformative impacts and catalysts - Technical, administrative and financial capacity of the project leader - Cofinancing
Funding Scale	\$250,000 to \$1,000,000
Type of funding	Subsidy Project entities must contribute 5% of the total cost of the project, either in kind and/or in cash.
How to apply for it	Calls for proposals and demand-driven window
Some projects funded around the world	Rwanda: Promoting climate-smart agriculture to improve rural livelihoods and climate resilience in the climate-vulnerable Eastern Province (USD 883,457). Mozambique: Synthetic agriculture to foster resilience, climate change adaptation and recovery of 10 vulnerable coastal communities (USD 596,283).



List of abbreviations

ADA	Agricultural Development Agency
ACCF	Africa Climate Change Fund
AF	Adaptation Fund
AFDB	African Development Bank
ARM	Association of Moroccan Regions
CC	Climate change
CDG	Caisse de Dépôt et de Gestion
COP	Conference Of Parties
CPI	Climate Policy Initiative
CTF	Clean Technology Fund
DGCT	General Directorate of Local Authorities
DNA	Designated National Authority
FDA	French Development Agency
GCF	Green Climate Fund
GHG	Greenhouse Gases
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
IPCC	Intergovernmental Panel on Climate Change
MCA	Multi-criteria analysis
MENA	Middle East & North Africa
NDC	Nationally Determined Contribution
NGO	Non-Governmental Organization
OECD	Organisation for Economic Co-operation and Development
RDP	Regional Development Plan
RSPS	Regional Spatial Planning Scheme
SDG	Sustainable Development Goals
SWOT	Strengths, weaknesses, opportunities and threats
UNFCCC	United Nations Framework Convention on Climate Change

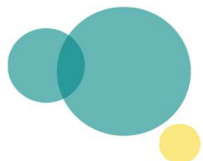


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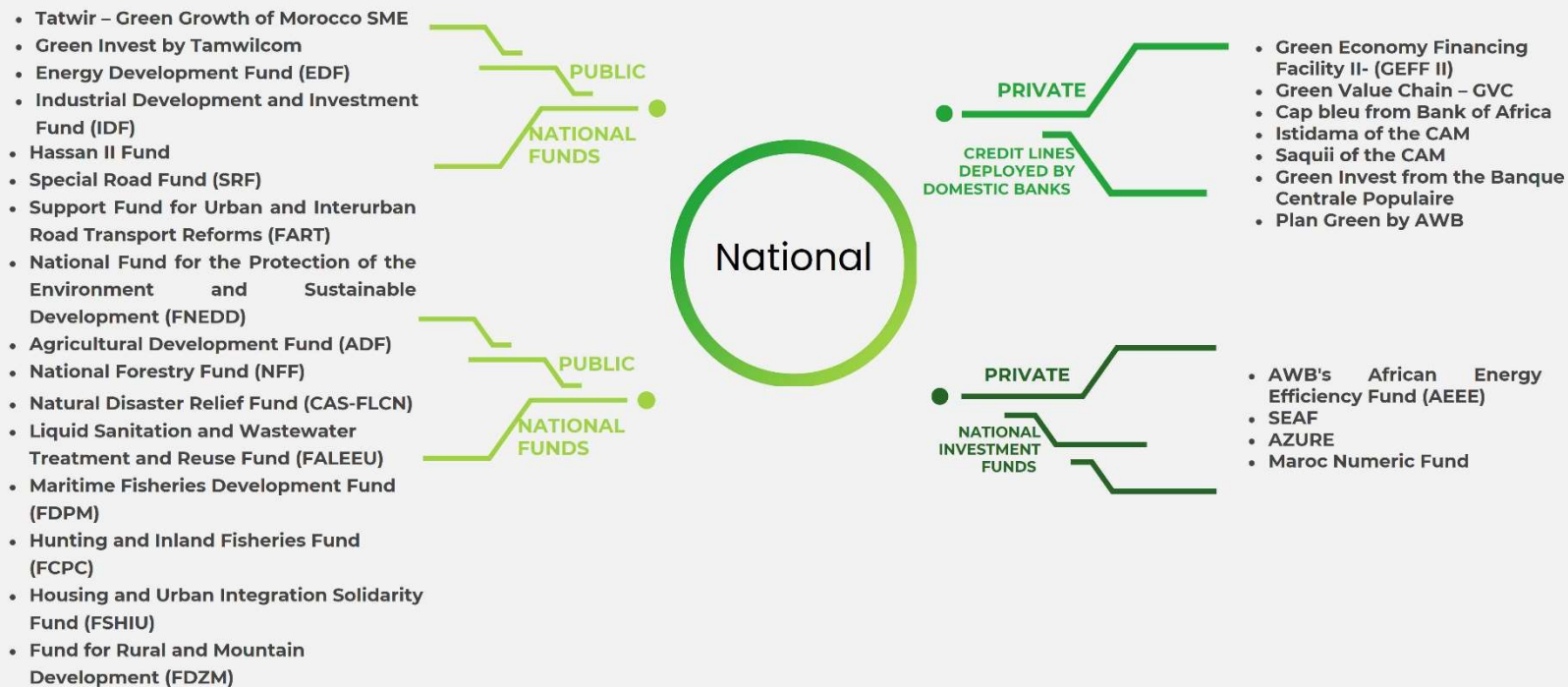


ANNEX 1: OVERVIEW OF DOMESTIC AND INTERNATIONAL CLIMATE CHANGE FINANCING SOURCES AND MECHANISMS

ANNEX 1: OVERVIEW OF NATIONAL AND INTERNATIONAL CLIMATE CHANGE FINANCING SOURCES AND MECHANISMS



At the national level



ANNEX 1: OVERVIEW OF NATIONAL AND INTERNATIONAL CLIMATE CHANGE FINANCING SOURCES AND MECHANISMS

At the international level

- GEF 7 Sustainable Cities Impact Programme
- C40 Cities Finance Facility
- Transformative Urban Mobility Initiative (TUMI)
- Global Fund for Cities Development (GFDV)
- City Climate Finance Gap Fund
- Urban Projects Finance Initiative (UPFI)
- Urban and Municipal Development Fund (UMDF)
- City Finance Lab
- Climate Support Facility
- European Local Energy Assistance (ELENA)
- Financing Energy for Low-Carbon Investment – Cities Advisory Facility (FELICITY)
- Global Infrastructure Facility (GIF)
- Global Platform for Sustainable Cities
- InfraCo Africa
- Green Cities
- Mobilize Your City (MYC)

- Green Climate Fund (GCF)
- Global Environment Facility (GEF)
- Adaptation Fund (AF)
- GEF Least Developed Countries Fund (LDCF)
- GEF Special Climate Change Fund (SCCF)
- Carbon Finance under Article 6 of the Paris Agreement (PA)

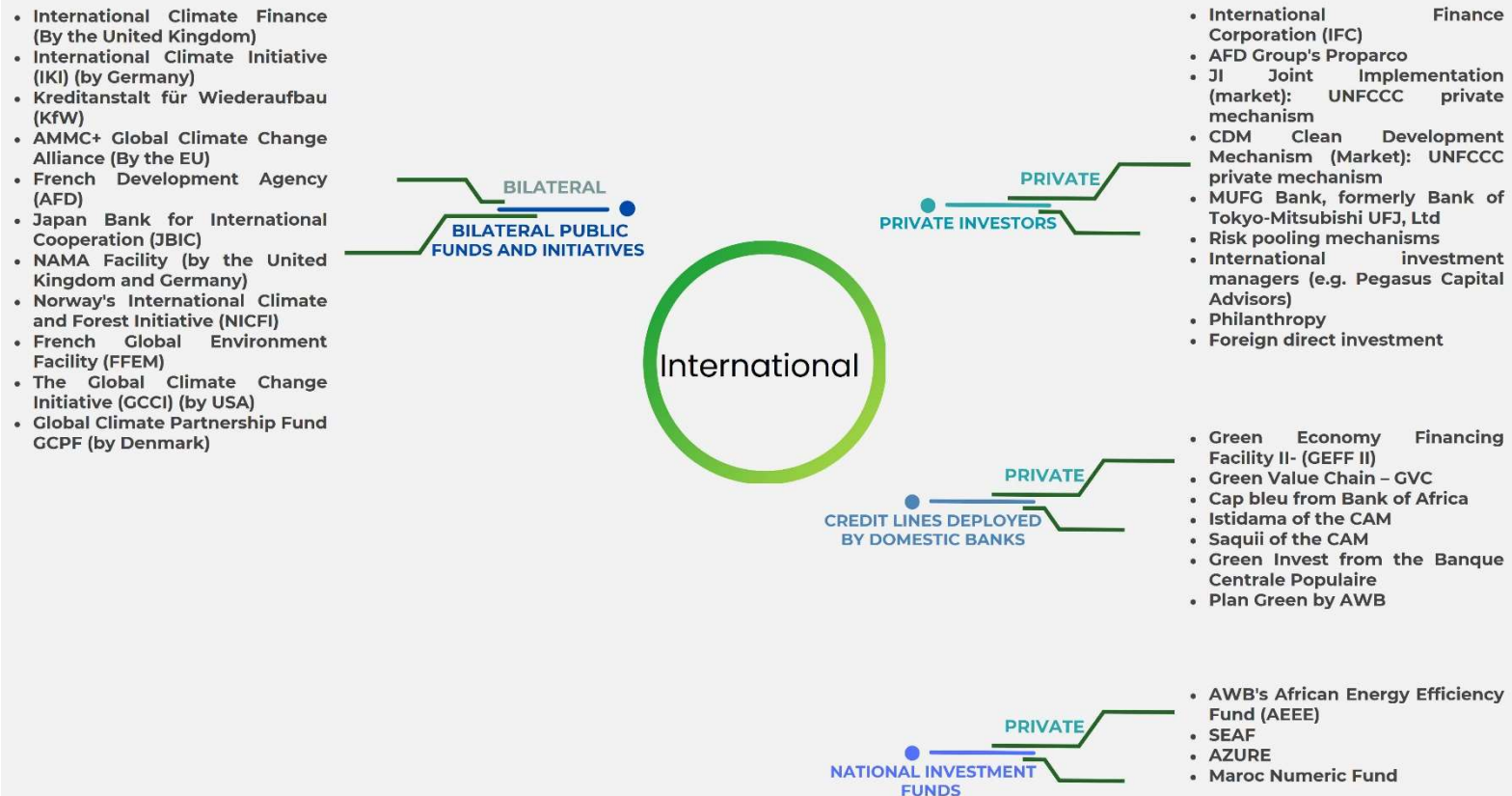


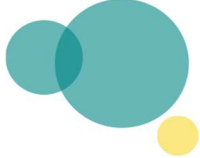
- European Bank for Reconstruction and Development (EBRD)
- European Investment Bank (EIB)
- World Bank (WB)
- Islamic Development Bank (IDB)
- African Development Bank (AfDB)
- AfDB Africa Climate Change Fund (ACCF)
- AfDB Africa50
- World Bank Forest Carbon Partnership Facility (FCPF)
- Climate Investment Funds (CIFs) (Administered by the World Bank)
 1. Clean Technology Fund (CTF)
 2. Climate Resilience Pilot Program (PPCR)
 3. Forest Investment Program (FIP)
 4. Climate-Smart Cities (CSCP) Programmes (new)
 5. Industry Decarbonization Program (IDP) (New)
 6. Nature, People and Climate Investment Programme (NPC) (New)
 7. Renewable Energy Integration Programme (REI) (New)
- BioCarbon Fund (by the World Bank Group on Carbon Finance)
- International Fund for Agricultural Development's (IFAD) Expanded Adaptation Programme for Smallholder Agriculture (ASAP+)
- PMR Partnership for the Preparation of the Carbon Market (managed by the World Bank)
- Programme for Energy Efficiency in Buildings (PEEB)
- Sustainable Urban Development Project Investment Pipeline Facility – The Cities Investment Facility
- Technical Assistance Facility of International Municipal Investment Fund
- Transformative Actions Program (TAP)
- Urban Investment Support (URBIS)
- Urban Projects Finance Initiative (UPFI)

ANNEX 1: OVERVIEW OF NATIONAL AND INTERNATIONAL CLIMATE CHANGE FINANCING SOURCES AND MECHANISMS



At the international level





ANNEX 2: GLOSSARY OF KEY DEFINITIONS RELATED TO CLIMATE CHANGE, INCLUDING CLIMATE FINANCE.

A

Accreditation: Accreditation to the Green Climate Fund allows entities accredited by the Board of Directors to access the fund's resources, in accordance with paragraph 45 of its governance instrument. This process evaluates and approves entities, defining the terms of access, funding limits, types of funding, and acceptable levels of environmental and social risk for funding proposals.

Accredited Entities (EAs): institutions or organizations accredited by the Green Climate Fund to carry out a range of activities, in particular the development and submission of project/program funding proposals and the supervision of their management and implementation.

Adaptation : All actions aimed at reducing the vulnerability of natural and human systems to the effects of climate change. This can include measures such as building dikes, setting up early warning systems, and promoting resilient agricultural practices.

Adaptation strategy : A detailed plan developed by a government, company or community to reduce vulnerability to climate change and build resilience. Adaptation strategies can include measures such as improving infrastructure, managing natural resources, and raising public awareness.

C

Climate change : Long-term variation in average weather patterns and climate patterns, attributed largely to human activity. This includes increases in the Earth's average surface temperature, changes in precipitation, more intense storms, and extreme weather events.

Climate finance: Allocation of financial resources to support projects, policies and initiatives to mitigate the effects of climate change and adapt to its impacts. This can include investments in renewable energy, infrastructure resilience, ecosystem protection, and clean technology research.

Climate strategy : A blueprint developed by a government, company, or organization to achieve specific climate change goals. Climate strategies can include mitigation, adaptation, public awareness, and international cooperation.

Climate vulnerability : The susceptibility of a natural or human system to damage or disturbance due to climate change. Climate vulnerability is influenced by factors such as sensitivity, exposure and adaptive capacity.

Concept Note (NC): This is the first step in the process of applying for funding from the Green Climate Fund. It is a document that provides basic information about a project or program. It also allows accredited entities to obtain feedback from the Fund Secretariat on whether their proposal aligns with the Fund's objectives and mandate.

Country Program (CP): A Green Climate Fund Country Program (CP) is a document that presents a country's climate change priorities to the Green Climate Fund, including a list of projects that the country would like to develop with the Fund. The PYP provides an action plan that details how projects and programmes should be developed, the type of entity to partner with, and the support needed for project preparation and readiness.

Designated National Authority (DNA): is the government institution that serves as an interface between each country and the Green Climate Fund. They oversee activities financed by the Fund and communicate national priorities for low-emission and climate-resilient development.

E

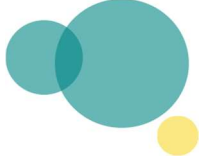
Energy transition : Shift from an economy based on fossil fuels to an economy based on clean and renewable energy. The energy transition involves decarbonizing the energy sector, reducing GHG emissions, and promoting environmental sustainability.

Environmental and Social Safeguard Policy : A set of guidelines and principles established by the Green Climate Fund to ensure that funded projects and programs comply with environmental and social standards, and avoid negative impacts on local communities.

G

Gender policy : The Green Climate Fund's updated gender policy, adopted by the Board of Directors in Decision B.24/12, aims to ensure that the Green Climate Fund contributes to gender equality by adopting a gender-responsive approach, resulting in greater and more sustainable results in addressing climate change.

Greenhouse gases (GHGs): Atmospheric gases that absorb and re-emit infrared heat emitted by the Earth's surface, contributing to global warming. Major human-caused GHGs include carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O) and hydrofluorocarbons (HFCs).



Intergovernmental Panel on Climate Change (IPCC): A group of experts founded in November 1988 by the United Nations Environment Programme (UNEP) and the World Meteorological Organization (WMO) to summarize the state of academic research on climate change and its possible environmental, social and economic impacts. The IPCC assessment reports combine the results of knowledge on climate processes, climate change impacts and adaptation, and mitigation. The reports are produced over a period of five to seven years; More than 1000 researchers from all over the world contribute as authors or editors.

Kyoto Protocol : An international agreement adopted in 1997 under the United Nations Framework Convention on Climate Change (UNFCCC), establishing greenhouse gas emission reduction targets for developed countries. The protocol introduced mechanisms such as emissions trading and the clean development mechanism (CDM).

Loss and damage : An issue that has been discussed in the UNFCCC since the establishment of the Warsaw Mechanism on Loss and Damage in 2013, which aims to "address loss and damage related to the impacts of climate change, including extreme weather events and slow-onset events, in developing countries that are particularly vulnerable to the adverse effects of climate change".

M

Mitigation : Actions aimed at reducing or preventing the emission of greenhouse gases in order to limit global warming.

Mitigation : In terms of climate policy, techniques, processes or practices that contribute to mitigation, such as the use of renewable energy, waste reduction or the use of public transit.

Mitigation : Reducing greenhouse gas (GHG) emissions or increasing carbon sinks to limit climate change. This can be achieved through actions such as transitioning to renewable energy sources, improving energy efficiency and reforestation.

Mitigation Project: An initiative to reduce greenhouse gas emissions or sequester carbon to mitigate the effects of climate change. Mitigation projects can include activities such as reforestation, energy efficiency, carbon capture and storage (CCS), and waste management.

Mitigation scenario : A plausible representation of the future response of the system (studied) to the implementation of mitigation policies and measures.

N

National Adaptation Plan (NAP): The UNFCCC has established National Adaptation Plans (NAPs) for countries to formulate and implement national plans as a means of identifying medium- and long-term adaptation needs and developing and implementing strategies and programmes to address those needs.

National Climate Action Plan (NAP): A strategy developed by a country to reduce greenhouse gas emissions and adapt to the impacts of climate change in accordance with international commitments. NAPs set out specific policies, measures and targets to achieve national climate goals.

Nationally Determined Contributions (NDCs): are plans that each country prepares, communicates and updates every five years, in line with the Paris Agreement. They contain objectives, policies and measures to reduce GHG emissions and adapt to climate change, as well as information on finance, technology and capacity building needs

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P

Paris Agreement : International agreement adopted in 2015 at COP21 to limit global warming to below 2°C above pre-industrial levels. It also sets a target for continued efforts to limit warming to 1.5°C.

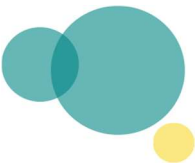
R

Renewable energy: Energy sources from renewable natural resources, such as solar, wind, water, and biomass. This includes solar, wind, hydroelectric, geothermal, and biomass energy, which are often used as alternatives to fossil fuels to reduce GHG emissions.

Resilience: The ability of social, economic, and environmental systems to cope with a shift, disruption, or dangerous event, allowing them to respond to it or reorganize themselves in a way that retains their fundamental function, identity, and structure, while maintaining their capacity to adapt, learn, and transform.

S

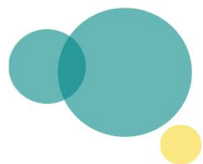
Social vulnerability : The susceptibility of individuals, communities, or social groups to harm or disruption due to climate change, poverty, or social exclusion. Social vulnerability is influenced by factors such as income, gender, age, ethnicity, and geographic location.



Sustainable Development Goals (SDGs): A set of 17 global goals adopted by the United Nations in 2015 to eradicate poverty, protect the planet, and ensure prosperity for all by 2030. The SDGs include specific targets related to combating climate change, preserving biodiversity and promoting access to clean energy.

T

United Nations Framework Convention on Climate Change (UNFCCC). This international convention, adopted in 1992 at the Earth Summit in Rio de Janeiro, aims to address the problem of climate change on a global scale. Its main objective is to stabilize greenhouse gas concentrations in the atmosphere at a level that prevents dangerous anthropogenic interference with the climate system. The UNFCCC establishes a framework for international climate negotiations and has resulted in other major agreements, such as the Kyoto Protocol and the Paris Agreement.



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