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Climate Change Regional Policy Dialogue: Learning from the COVID-19 Pandemic

Governance for Climate Finance in Asia – Maldives status

Virtual Policy Workshop, ADBI, CAREC

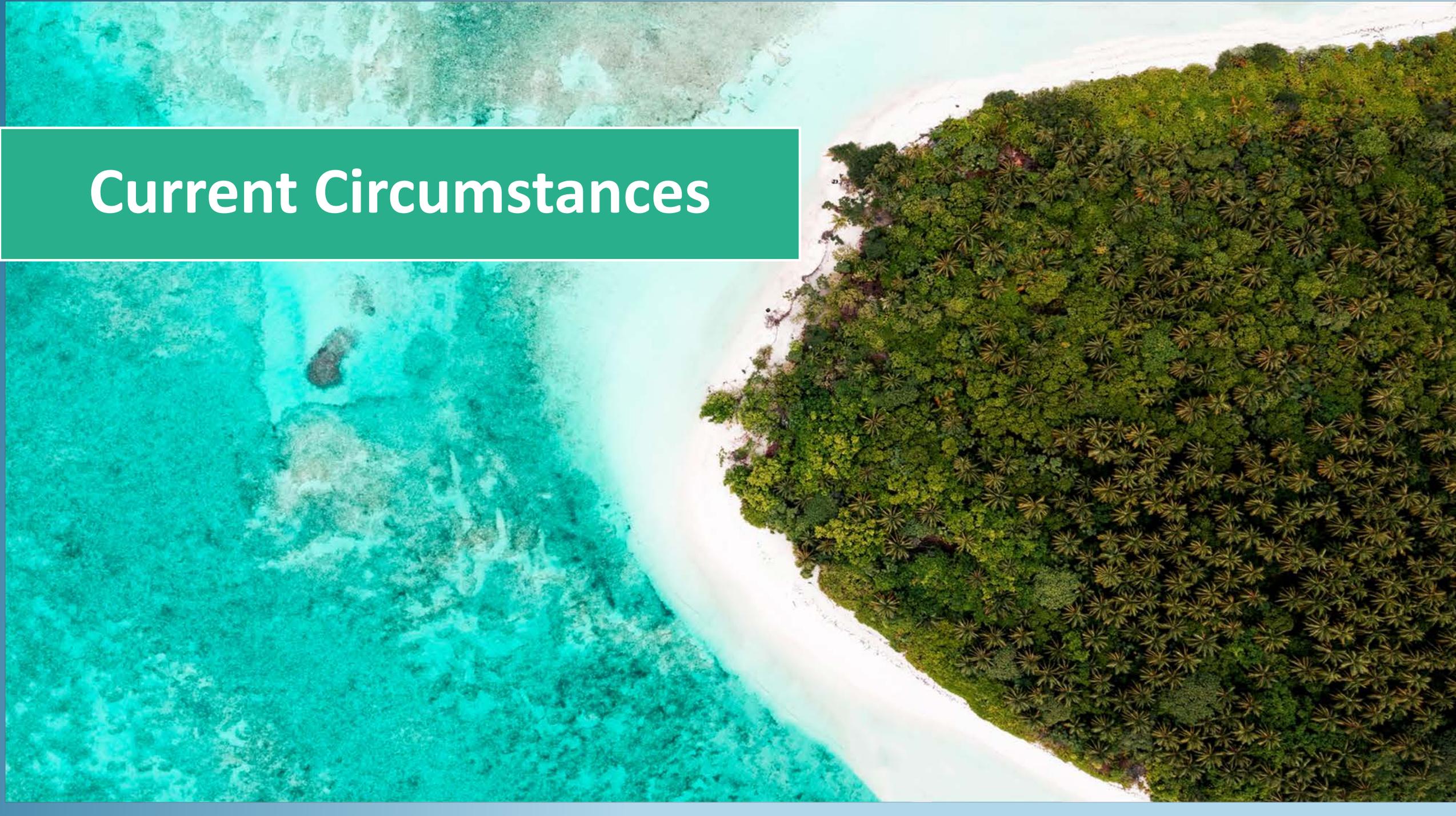
18 -19 June 2020



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Ministry of Environment



Current Circumstances

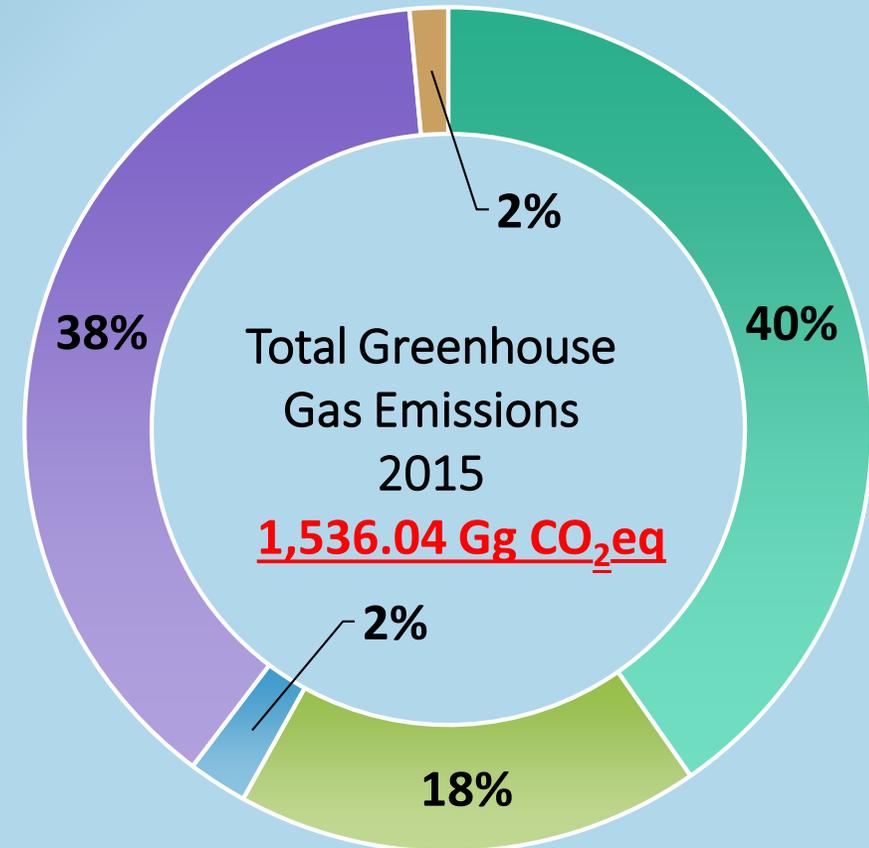


Greenhouse Gas Emissions



Emissions by national sectors

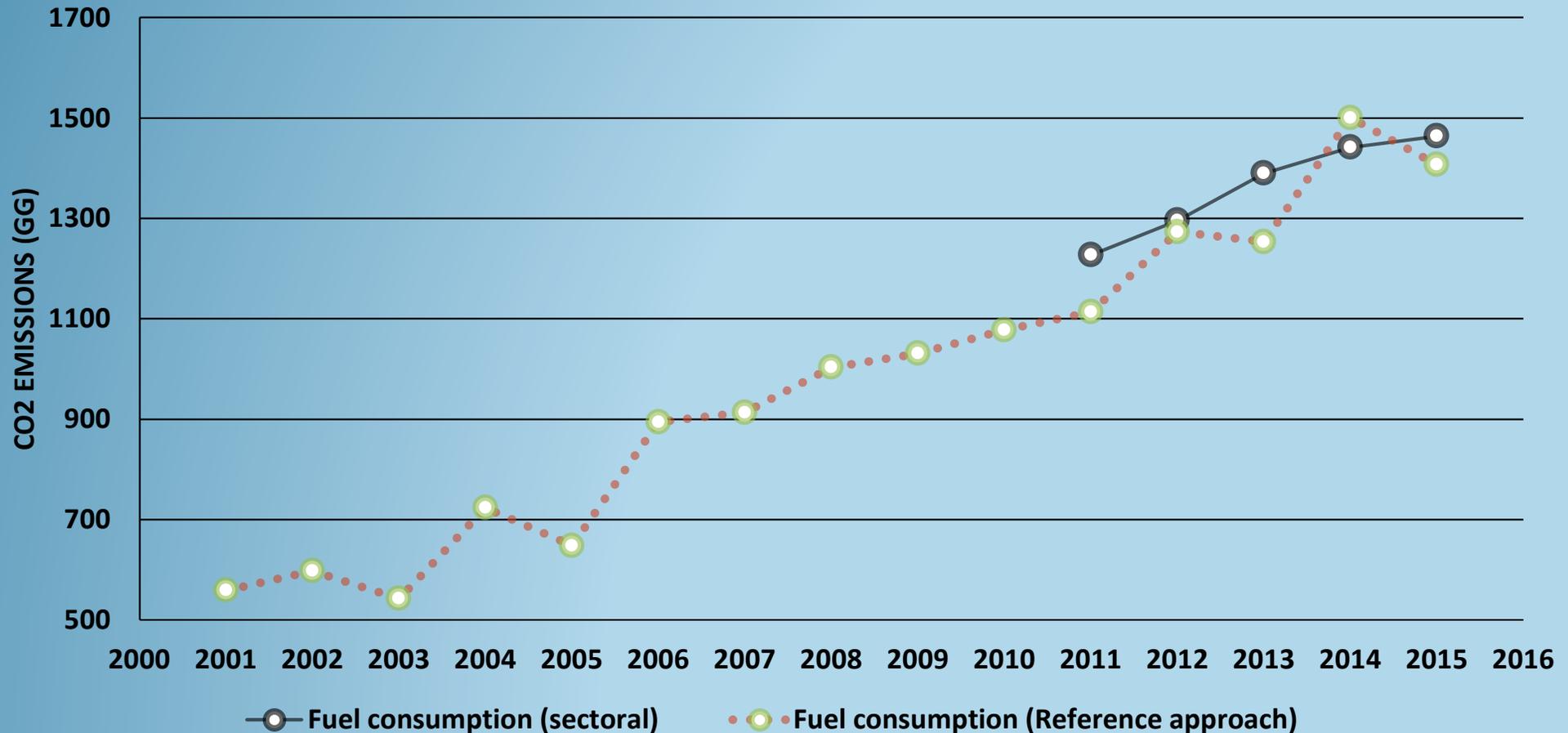
- National Sectors considered in planning
 - Tourism
 - Transport
 - Fisheries
 - Residential
 - Commercial
- 40% of national emissions from Tourism sector
- 38% from residential sector
- 18% from Transport sector



■ Tourism ■ Transport ■ Fisheries ■ Residential ■ Commercial

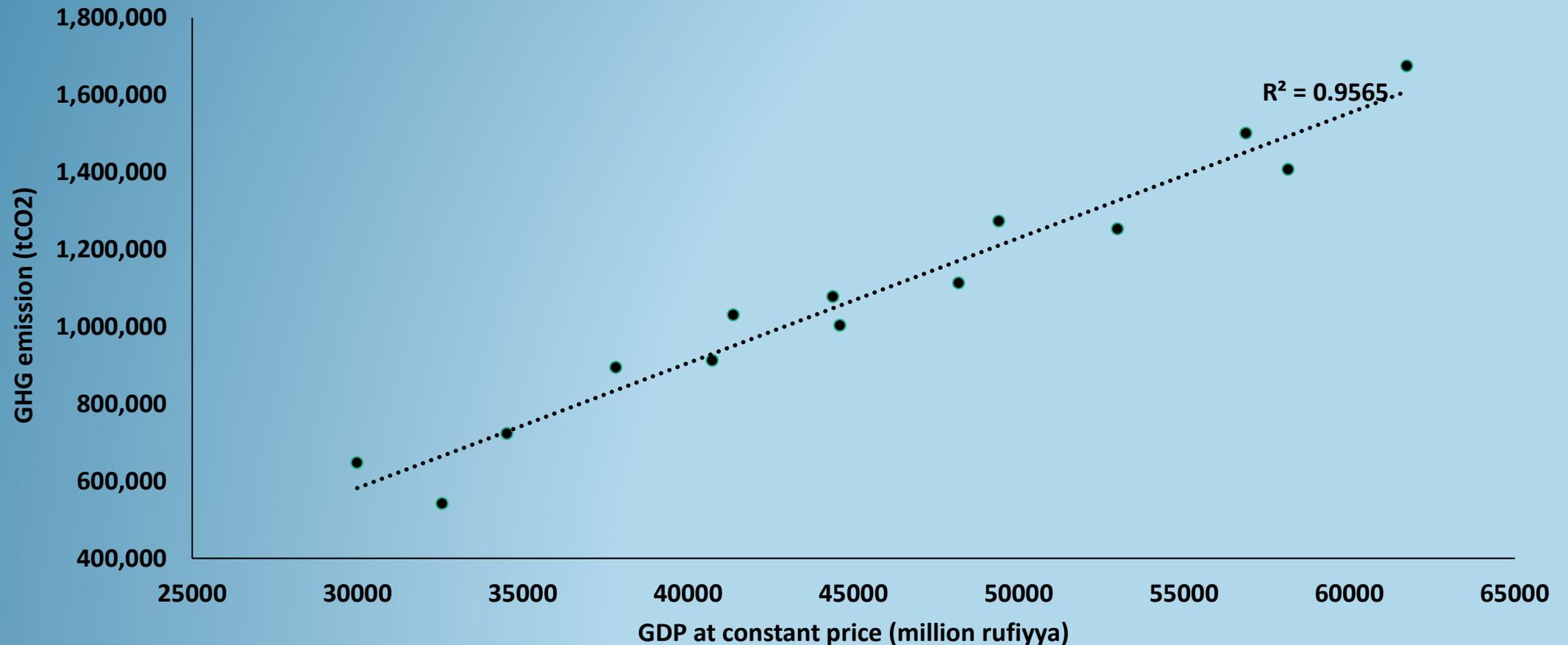
Trend of GHG emissions

- Reference approach used for 2000 – 2015
- Sectoral approach for 2011 – 2015



Baseline projection

- Maldives NDC given as deviation from Business As Usual (BAU)
- Long-range Energy Alternative Planning system (LEAP) model used for new projection including non-energy sectors in contrast to previous GCMO model

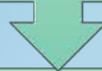


Climate Change Policy Framework (2015)

ENSURE AND INTEGRATE SUSTAINABLE **FINANCING** INTO CLIMATE CHANGE ADAPTATION OPPORTUNITIES AND LOW EMISSION DEVELOPMENT MEASURES



LOW EMISSION DEVELOPMENT FUTURE AND ENSURE ENERGY SECURITY FOR THE MALDIVES



STRENGTHEN **ADAPTATION** ACTIONS AND OPPORTUNITIES AND BUILD CLIMATE – RESILIENT INFRASTRUCTURE AND COMMUNITIES



FOSTER **SUSTAINABLE DEVELOPMENT** WHILE ENSURING SECURITY, ECONOMIC SUSTAINABILITY AND SOVEREIGNTY FROM THE NEGATIVE CONSEQUENCES OF THE CHANGING CLIMATE

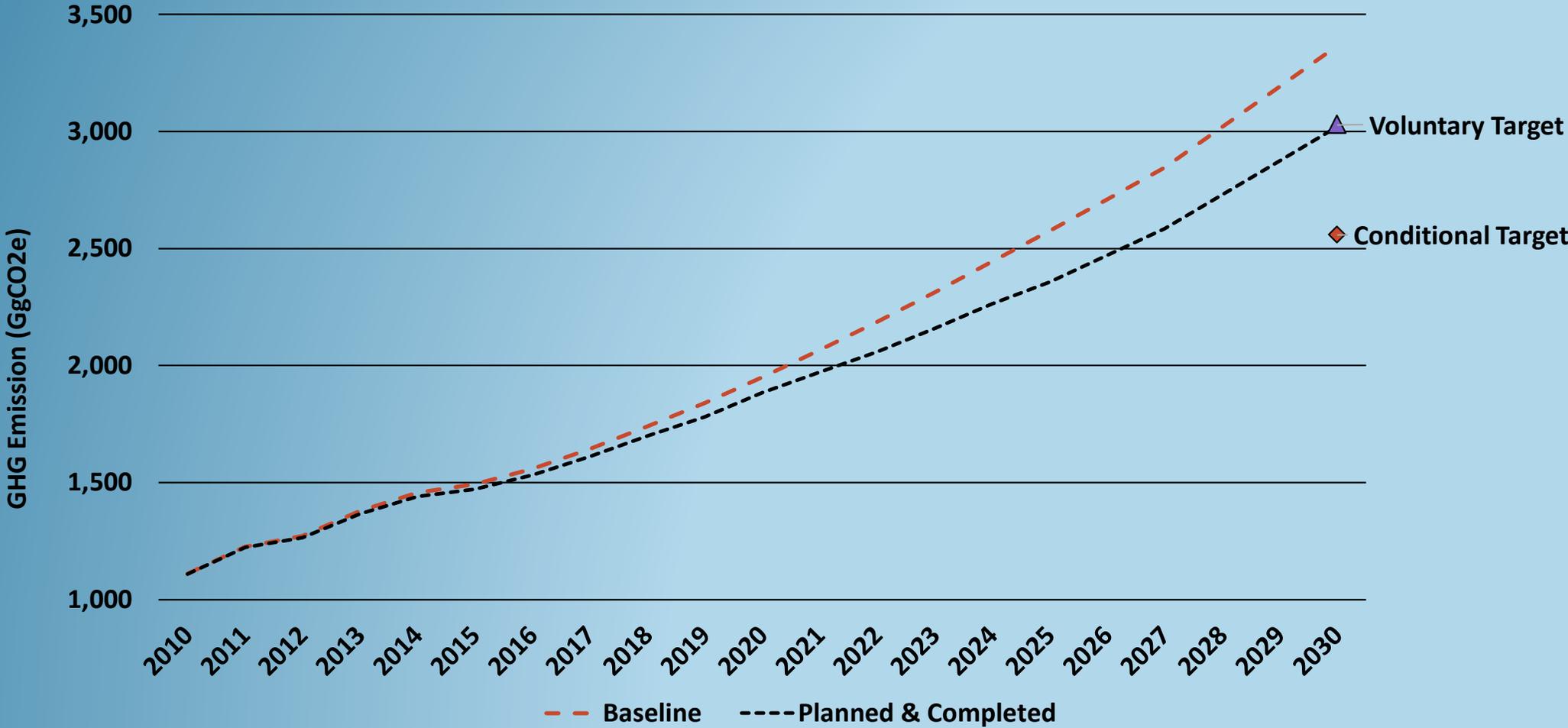


INCULCATE NATIONAL, REGIONAL AND INTERNATIONAL CLIMATE CHANGE **ADVOCACY** ROLE IN LEADING INTERNATIONAL NEGOTIATIONS AND AWARENESS IN CROSS SECTORIAL AREAS IN FAVOR OF THE MOST VULNERABLE AND SIDS.

Maldives Nationally Determined Contribution (NDC)

	Un-conditional	Conditional
Contribution	10% of the BAU	24% of the BAU
Time period	2021 to 2030	2021 to 2030
Base year	2011	2011
Means of Implementation	Transform of the energy sector through renewable energy and energy efficiency	Donor assistance in the form of Low cost financial resources, technology transfer and capacity building

Emission reduction scenarios



Maldives Nationally Determined Contribution (NDC)

- Maldives NDC not only focused on the mitigation sector.
- Country among the low lying and subject to higher risks due to climate change
- Adaption was included as part of the NDC
- Includes all areas from Tourism, health, fisheries, agriculture, health etc...

Overall Climate Finance Landscape

At the national level and apart from the Public Sector Investment Programme (PSIP), the following financing mechanisms exist which could constitute sources of climate finance as well:

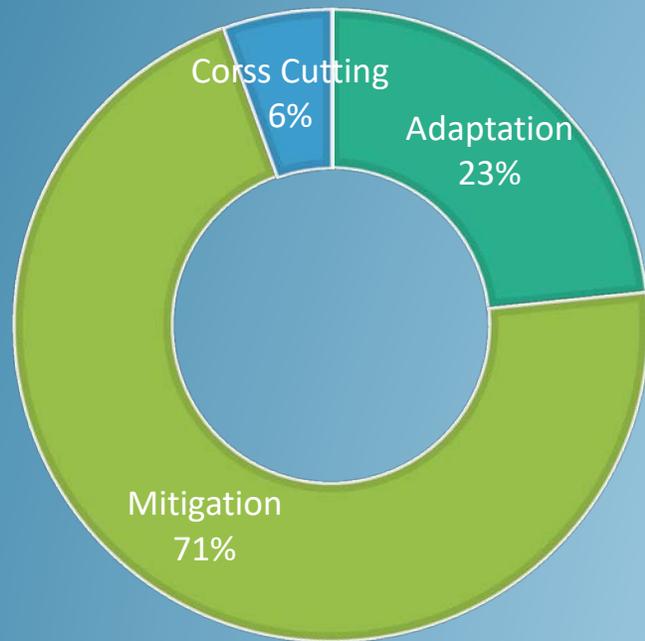
- The Maldives Green Fund, capitalized through the Tourist Green Tax and operated by the ME since 2019. The exact details of this Fund are being worked out at present. The Green tax on average has generated over USD 4 million in revenue per month.
- The Green Loan scheme¹ operated by the Bank of Maldives provides up to MVR 20 million (approximately USD 1.3 million) for individuals and businesses to invest in green technology and resources.
- The Fund for Renewable Energy System Applications (FRESA Fund) is a revolving fund operated by the ME and hosted by the Bank of Maldives. The fund focuses on small scale private sector investment through concessional loans.
- The Renewable Energy Development Fund (RED fund) supports utility scale renewable energy investments.
- The Baa Atoll Conservation Fund is a regional fund for Baa Atoll operated by ME in partnership with Baa Atoll Council and the tourism industry.

Overall Climate Finance Landscape

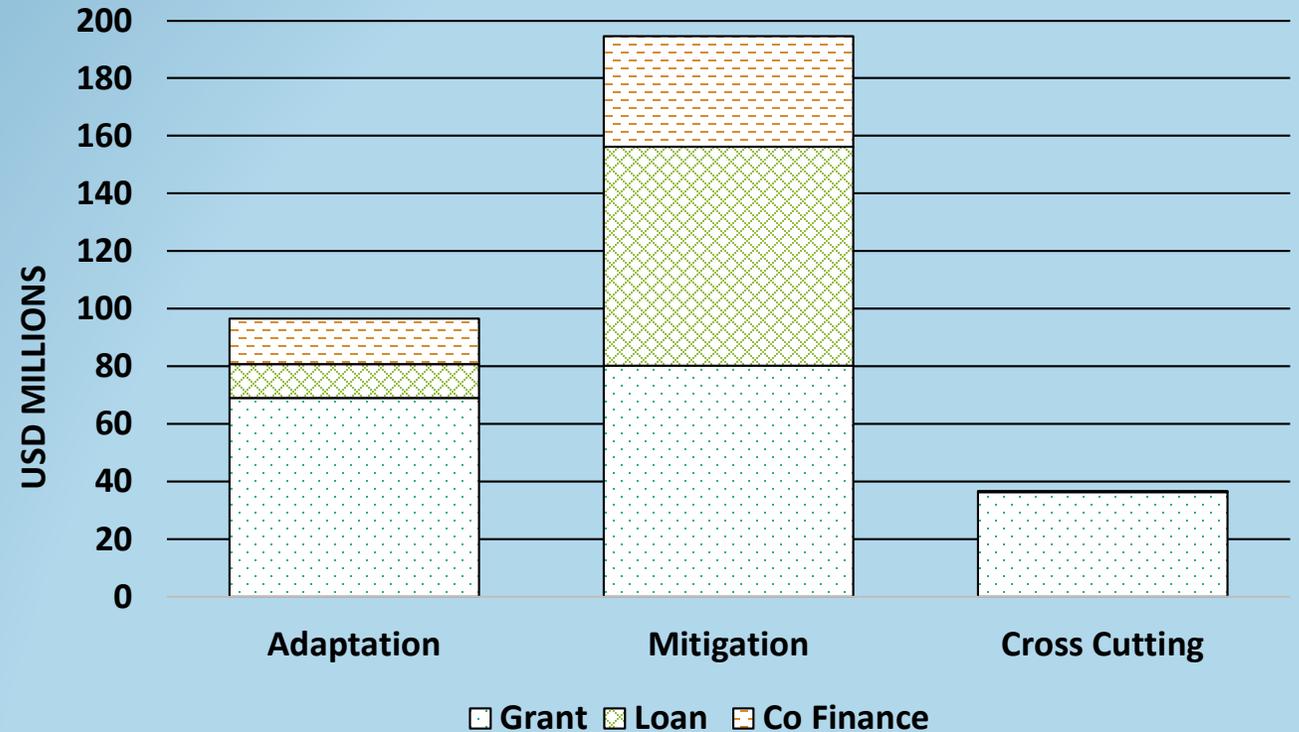
- Of the financing of climate change related actions and investments
 - ~35% stems from the national budget of the Maldives.
 - ~34% is made up of concessional loans, i.e. financing that the Maldives eventually will repay.
 - ~31% is donor grant financing
- 85% of investments relates to physical infrastructure
- The annual climate finance attribution corresponds to about 2.4% of GDP (4.6 billion USD in 2017)
- Have established the Green Climate Fund country pipeline projects
- Identified 22 different priority areas more than approx. USD 633 million

Summary of Donor Funded Climate Support

Period covered; 2014 – 2017



Percentage share of donor funded climate finance in the Maldives



Summary of type and amount (USD) of support received towards adaptation, mitigation and cross cutting donor funded projects

Looking Forward after COVID19



Beyond COVID19

- Re-visiting the NDC
 - Review the existing commitments under the current NDC and working towards enhancement of the NDC
 - Establish an implementation framework for the NDC
- Formulate the National Adaptation Plan (NAP)
 - Draw the actions based on science and evidence.
 - Vulnerability of the entire economy (across all sectors), especially with the COVID situation gave a good experience on the magnitude of the impacts should there be a hard hit climate disaster.
 - Strong focus on a bottom-up approach - the real problem lies there
- Streamline the climate plans in the national planning process

Beyond COVID19

- Revisit the GCF country pipeline portfolios
 - 26 areas were identified
 - With COVID19, are there changes in these priorities
 - Does the current portfolios account for “COVID-able” situations
- Resorts keep pace with 70% peak Solar PV goal
- **Green Bonds** to be issued – help the private sector for the investments
- Complete the direct access entity process to access the climate finance
- An aggressive Standard Labelling and incentive schemes for Energy efficiency
- Needs ease of access to the donor finance. Relaxation of some of the rules and consideration of the special circumstances of the small islands.



Thank you