

Concept note on the Financing for Development Conference.

Background on the conference

1. The third edition of the Financing for development conference will be hosted by the Government of Rwanda in **May 2009 in Kigali (21-22)**. Previous conferences have been organized in Nigeria and Ghana, in 2006 and 2007 respectively.
2. The main theme of the 2009 Financing for development conference is: **Climate change: financing opportunities and challenges to achieve the MDGs in Africa** It marks a new landmark in our efforts to achieve the MDG targets following the 2006 and 2007 Financing for development conferences that focused on education and energy.
3. This high level meeting will be attended by African Ministers of Finance and selected Environment Ministers and is aimed at engaging them in better sourcing new financing opportunities. The 3 F crisis emergence (Food, Fuel and recently Financial crisis) the last few months have provided an additional challenge for African governments to intensify their efforts in the search for innovative yet more predictable funding sources for development.. Mobilization of resources for climate change become a necessity because such funds are counted usually counted separately from ODA or existing financial flows.

Objectives

The objectives of the meeting are twofold:

- a. Assess the current situation with regards to climate change and its direct consequence on **economic growth**;; how it affects growth projections , its impacts on the livelihood of the poor thereby inhibiting efforts to attain the MDGs; and to showcase some non cost methods and tools to address those impacts.
 - b. To review the **financing opportunities** offered by the carbon market, and other global facilities and mechanisms for climate change adaptation and mitigation, including capacity-building for developing countries, reducing emissions from deforestation (REDD), technology transfer and adaptation etc.
4. The key message for to the target audience needs to be articulated in such a way that it is accessible to Ministers of finance: up to now, the climate change debate has been fairly limited

to the environment technical and scientific communities while the financing facets have not been sufficiently exploited.

Two Critical issues for Ministers of Finance:

5. Agriculture remains the mainstay in most African countries, accounting for a large portion of Africa's GDP, and with 70% of the continent's population depending on the subsistent farming for their sources of livelihood. Production is subsistence in nature with a high dependence on the rain. The utmost concern should therefore be a better understanding of the potential impact of the current and anticipated climate changes on Africa's agriculture sector and to identify ways and means of adapting and mitigating these impacts.. It should be flagged that even when that is done an extreme weather events as was witnessed in Mozambique in 2000/2001 could a devastating effect on economic infrastructure and lower GDP by a few percentage points.

6. The UNFCCC Conference in Poland has just ended, largely attended by only Environment Ministers. There was no agreement on funding the Adaptation Fund and this should be a concern to our Finance Ministers. It is also important that the outcomes of the UNFCCC Conference in Poland are linked to the Kigali meeting to get the Finance Ministers more involved.

7. Development Partners must ensure that resources for adaptation are additional to their long term aid commitments. African countries have not taken advantage of the existing financing facilities: how do we access them? Do we have concrete examples to present to them? This is precisely what Ministers of Finance and Environment will need to hear from experts: **innovative** and **additional** financing can be raised and accessing them is potentially beneficial to the environment **and** public finances.

Expected output.

8. We expect this high level conference to provide a catalyst for Ministers of finance to better grasp the impacts and implications of climate change on African economies. It is expected that the outcome of the meeting, in particular the recommendations taken by African Ministers would have integrated/reflected the outcomes of the COP 14 in Poznan and would represent the "African Voice " to be fed into the plan of action and programs of the Copenhagen UNFCC Conference next year.