

# **Financing**

Assistance and Financing for International Aviation Emissions Reductions

Blandine Ferrier Environment













# **OVERVIEW**

## Assembly Resolution A38-18 required ICAO Council

Facilitate access to existing and new financial resources, technology transfer, and capacity building for developing countries

Consolidate and build on the partnership with other International Organizations to meet the assistance needs of ICAO's member States

Initiation of specific measures to assist developing Sates

Synergies and constructive engagement among ICAO, Member States, stakeholders and other international organizations

Assistance to Members States through dissemination on best practices and the provision of guidance













## ICAO ENVIRONMENT SOURCES - ADAPTATION FINANCING

#### **Adaption Measures:**

Those activities undertaken by stakeholders to manage the consequences of climate change.

Fund	Purpose	Administered by
Least Developed Countries Fund (LDCF)	Support the preparation and implementation of NAPAs (National Adaptation Program of Actions)	Global Environment Facility (GEF)
Adaptation Fund (AF)	Support long term adaptation measures to impacts of climate change	Global Environment Facility (GEF)
Global Climate Change Alliance (GCCA)	Bilateral initiative of the European Union to support most vulnerable countries to adapt to the effects of climate change	European Commission (EC)
Green Climate Fund (GCF)	Mechanism to transfer money from the developed to developing countries to assist them in their adaptation and mitigation measures	UNFCCC

2012 Adaptation Financing was USD \$20-24 billion as part of the total USD \$ 359 billion for **Annual Global Climate Finance** 







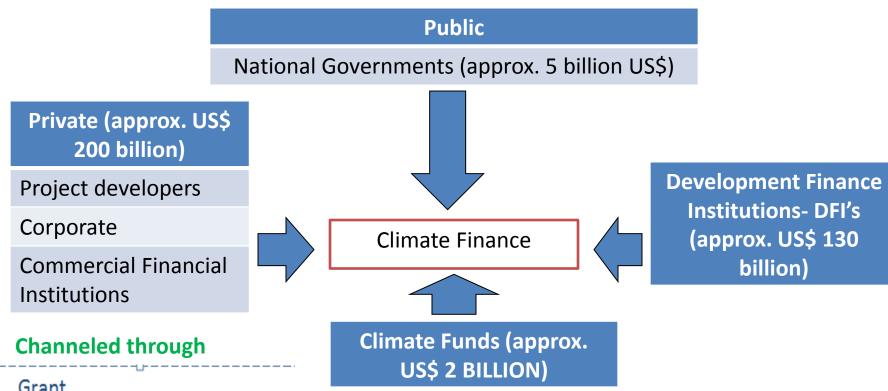






### ICAO ENVIRONMENT Sources and Channels – Mitigation Financing

2012 Annual Global Climate Finance for Mitigation in all Sectors USD \$ 340 billion (Source CPI)



- Grant
- Low Cost debt
- Market rate debt (Loans , Bonds)
- Equity, Venture Capital.
- Infrastructure Funds













**TSKB** 

VEB

Industrial Development Bank of Turkey

Vnesheconombank, Russia

# ICAO ENVIRONMENT Sources for Mitigation Finance (DFI's)

	MULTILATERAL DEVELOPMENT BANKS		
AfDB	African Development Bank		BILATERAL FINANCE INSTITUTIONS
AsDB	Asian Development Bank		
IADB	Inter-American Development Bank	AFD	- Agence Française de Développement
EBRD EIB	European Bank for Reconstruction and Development European Investment Bank	7110	- Proparco
IFC	International Finance Corporation	BIO	Belgian Investment Company for Developing Countries
WB	World Bank (IDA and IBRD)	CDC	CDC Group plc - UK
NIB	Nordic Investment Bank		
NATIO	NAL & SUB-REGIONAL DEVELOPMENT BANKS	COFIDES	Compañía Española de Financiación del Desarrollo
BANOBRAS	Banco Nacional de Obras y Servicios Publicos SNC	DEG	KfW Deutsche Investitions- und Entwicklungsgesellschaft
BNDES	Brazilian Development Bank	FINNFUND	Finnish Fund for Industrial Cooperation Ltd
CAF	Development Bank of Latin America	FMO	Netherlands Development Finance Company
KfW	KfW Mittelstandsbank; KfW Privatkundenbank; KfW Kommunalbank; KfW Ipex-Bank	JBIC	Japan Bank for International Cooperation
CDB	-	— JICA	Japan International Cooperation Agency
CDB	China Development Bank	KfW	KfW Entwicklungsbank
BANCOLDEX	Banco de Comercio Exterior de Colombia S.A.		
BCIE/CABEI	Central American Bank for Economic Integration	NADB	North American Development Bank
BE	Banco del Estado de Chile	Norfund	Norwegian Investment Fund for Developing Countries
BSTDB	Black Sea Trade and Development Bank of Greece	OeEB	The Development Bank of Austria
CDG	Caisse de Dépôt et de Gestion, Morocco	OPIC	Overseas Private Investment Corporation
Exim	Indonesia Exim Bank	SIFEM / OBVIAM	Swiss Investment Fund for Emerging Markets
HBOR	Croatian Bank for Reconstruction and Development		Società Italiana per le Imprese all'Estero
KoFC	Korea Finance Corporation	— SINIEST SOCIETA ITALIANA PEL LE IMPLESE ALI ESTETO	
NAFIN	Nacional Financiera		
SIDBI	Small Industries Development Bank of India		

### **Some Climate Funds**

### **CLIMATE FUNDS**

Adaptation Fund (AF)

Clean Technology Fund (CTF)

Congo Basin Forest Fund (CBFF)

Forest Carbon Partnership - Readiness Fund (FCPF-RF)

Forest Investment Program (FIP)

GEF Trust Fund (GEF 5)

Global Climate Change Alliance (GCCA)

Global Energy Efficiency and Renewable Energy Fund

Least Developed Countries Fund (LDCF)















# **Some GEF Focal Points**

### **Example of GEF Focal Point**

http://www.thegef.org/gef/focal\_points\_list

#### **United Arab Emirates**

Ms. Meshayel OMRAN ESSA

**Operational Focal Point since 2014-12-05** 

**Head of Climate Change** 

**Ministry of Energy** 

**Ministry of Energy** 

**Dubai, P.O. Box 99979** 

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# What States Can do

- Have a mitigation Project
- Use the Action Plan Platform and guidance to Request for Assistance
- Coordinate with ICAO for assistance and facilitation
- Independently or using ICAO assistance tap Sources of Mitigation Finance to secure financing.













2 Action Plans ICAO GENERAL ASSEMBL Programme

ICAO GENERAL ASSEMBLY
Submitted /
80%
emissions

Partnerships Agreement between ICAO and Other Organizations















# ICAO's work on Assistance

#### **Global Assistance: ICAO-EC**













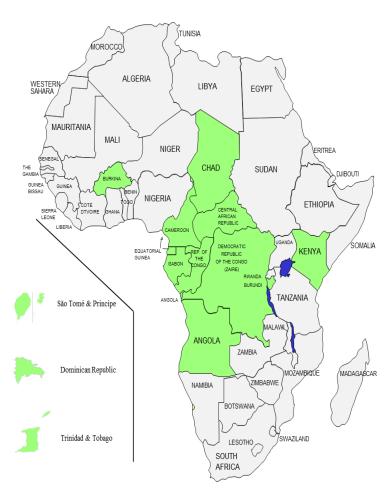


# ICAO ENVIRONMENT ICAO- EC Joint Assistance Project

ICAO-EC partnership to assist 14 Member States –

6.5 Million Euros

ICAO	ICAO
African	Caribbean
Region	Region
10 ECCAS	Dominican
States	Republic
Burkina	Trinidad and
Faso	Tobago
Kenya	















To contribute to the mitigation of CO<sub>2</sub> emissions from international aviation in the selected States, by implementing capacity building activities that will support the development of low carbon air transport and environmental sustainability













# **ICAO-EC Project objectives**

#### **SPECIFIC OBJECTIVE 1:**

**ACTION PLANS DEVELOPMENT** 

Improved capacity of the National Civil Aviation authorities to develop their Action Plan on CO2 emissions reduction from international aviation.

#### **SPECIFIC OBJECTIVE 3:**

IMPLEMENTATION OF MITIGATION MEASURES

Priority mitigation measures identified, evaluated and partly implemented.



#### **SPECIFIC OBJECTIVE 2:**

AVIATION ENVIRONMENTAL SYSTEMS (AES)

Efficient CO2 emission monitoring system for international aviation developed in each selected Member State.













# **ICAO-EC Project results**

#### **AREA OF ACTIVITY 1**

# Capacity building for the development of State Action Plans

National Action Plan teams built in at least 10 selected Member States. Including at least 2 members of staff in each national aviation authority/relevant stakeholder organizations trained to develop Action Plans.

Country specific ICAO Action Plans developed in at least 5 selected Member States and submitted to ICAO.













# **ICAO-EC Project results**

#### **AREA OF ACTIVITY 2**

Setting up aviation environmental systems and creating national emissions inventories for aviation

Aviation environmental system (AES) developed in the selected Member States.

At least 2 members from national authorities/relevant stakeholder organizations per selected Member State trained to work with the AES and to have the capacity to report on aviation emissions for States inventories.













## ICAO – EC current Status

- States selected and committed to participate
- State Focal Points for the project already nominated
- ICAO Project consultants and local consultants for Africa and the Caribbean recruited
- Inception report, new budget, new timeline/ work plan developed and approved
- National Action Plan Teams officially established in 11 States
- 1rst Steering Committee in January 2015: Positive feedback received on the project progress
- Purchase/Installation of equipment for the State Focal Points
- Projects 'Kick-off seminars' in the Caribbean and in Africa

### Next steps:

- AES to be finalized and implemented in selected States
- Action Plans submitted by September 2015









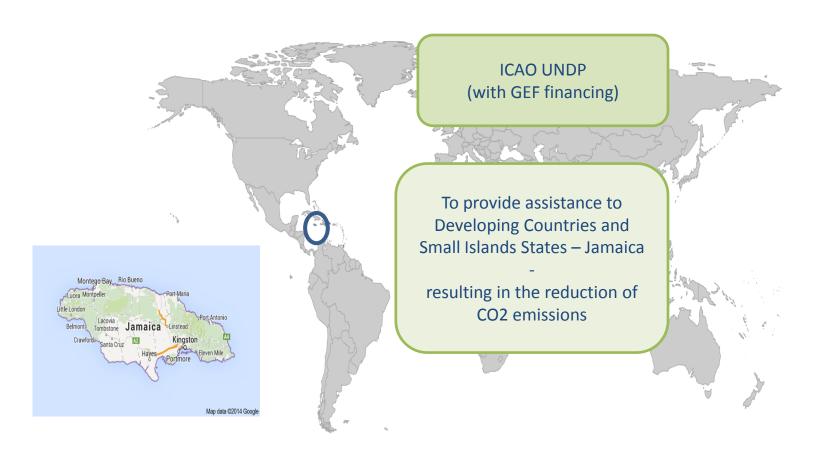






# ICAO's work on Assistance

### **Global Assistance: ICAO-UNDP-GEF**













# ICAO -UNDP/GEF Project

# Objective:

To provide assistance to Developing Countries and Small Islands States resulting in the reduction of CO2 emissions

- ICAO developed a Project Identification Form (PIF)
- PIF approved by GEF in 2013
- 50.000 USD allocated to develop Project Description Document
- 2 Million dollars assistance project













# Project components:

- 1-Identification of low emissions aviation measures in developing States and SIDS;
- 2-Support developing States and SIDS to strengthen their national capacities and to improve their national processes and mechanisms for the reduction of aviation emissions;
- 3-Establishment of a technical support platform for the implementation of low emissions measures;
- 4-Demonstration of low emissions aviation measures in developing States and SIDS Pilot Project in Jamaica

# ICAO – UNDP with GEF financing Project components

1

Identification of low emissions aviation measures in developing countries and SIDS 2

Supporting developing States and SIDS to strengthen their national capacities and improve their national processes and mechanisms for the reduction of aviation emissions 3

Establishment of a technical support platform for the implantation of low emissions measures - 4

Demonstration of low emission aviation measures

V

More developing States and SIDS identify low emissions measures that are feasible for them

Instruments are made available to support the development of a legal and regulatory environment that facilitates States in the financing of feasible low emissions mitigation measures in States W

The cost and resources expended by ICAO developing States and SIDS to have access to updated technical information on low emission mitigation measures is greatly minimized ...

The feasibility of implementation low emissions aviation measures is demonstrated through the pilot project and lessons learnt are made available to facilitate the replication in developing States and SIDS

Ψ

Development of guidance on the costs and environmental benefits of the basket of measures indicated in the ICAO Doc

Identification of regulatory and organizational improvements to promote lowemissions aviation in developing States and Establishment of technical support platform, in partnership with airlines and other international a viation stakeholders, to support the implementation of low emission me asures in the

aviation sector

Implementation of pilot/demonstrati on emissions reduction

Ψ

Dissemination of the information on costs and benefits Development of guidelines and policy recommendations that developing States and SIDS can adopt to facilitate/accelerate financing and implementation activities for reducing emissions from

international aviation

Dissemination of information on the portal through appropriate outreach programs Measurement of emission reductions from aviation resulting from implementation of pilot/ demonstration measures

Ψ

Dissemination of information to facilitate replicability of the pilot project in other developing States and SIDS

Development of 2 technical guidelines on the use of a)Drop- in bio fuels for international aviation and b)Renewable energy for airport ground operations in developing states and SIDS







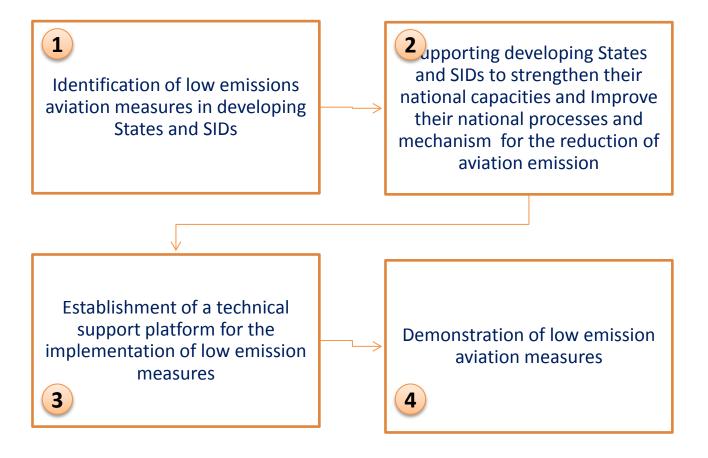




Note - Salient features of the project are subject to change as the

# ICAO-UNDP PROJECT GEF Financing USD\$2 Million

### Salient features of Project















- Project Description Document submitted to UNDP in July 2014
- Approved by UNDP in August 2014
- Project Description Document approved by GEF in November 2014

Project expected to start Spring 2015















# **ICAO'S Key Role**















# **ICAO's Assistance Strategy**

- ✓ Knowledge sharing
- ✓ Capacity Building
- ✓ Facilitating green financing
- ✓ Enhanced implementation & emissions reductions.













# **QUESTIONS?**

# Thank you!











