

Dr Mahmoud Mohieldin in the fifth regional forum before COP27:

PPPs and collaboration with international finance institutions is the way to mobilize climate action finance

Dr Mahmoud Mohieldin, UN Climate Change High Level Champion for Egypt and UN Special Envoy on Financing 2030 Sustainable Development Agenda, said that public and private sectors partnerships and enhancing collaboration with regional and international development and finance institutions is the way to mobilize funds for climate action in the light of the huge raise of the required finance and the weak available funds.

His remarks came during his participation in the opening session of Europe and Central Asia Regional Forum for Climate Action, held by Egypt presidency of COP27, UNECE and HLCs in Geneva, with the participation of Ambassador Sameh Shoukry, Minister of Foreign Affairs (virtually), Amina Mohammed, UN Deputy Secretary General (virtually), Mark Carney, UN Special Envoy for Climate Action and Finance (virtually), Olga Algayerova, UNECE Executive Secretary, beside a number of ministers and high level officials from the region countries and officials of regional and international development and finance institutions.

Mohieldin stated that the developed countries did not fulfill to the moment their Copenhagen conference pledge to finance climate action in the developing countries by 100\$ billions per year, and even if this sum has been fulfilled it will not represent more than 3% of the climate action required finance, stressing the importance of the role of states budgets, private sector, partnerships with different financing entities in mobilizing climate action required finance.

Mohieldin highlighted the necessity of dealing attentively with the private sector and investors expectations and suspicions shown by international reports regarding investing in emerging markets, which revealed that 88% of emerging markets -including some European and Central Asian markets- are beneath investment grade, and facing problems of institutional instability, non transparent economic data and unstable currency, saying that this requires from governments and international organizations to work together in order to reduce investment risks in the emerging markets and build a suitable environment for implementing sustainable development projects including climate ones.

"Financing climate action requires intensive local, regional and international collaboration considering the daunting challenges in the last couple of years, the negative impacts of COVID-19 on health sector, the food insecurity and energy shortage resulted from the Ukraine crisis, beside the expectations of the IMF and other related institutions that the next year will witness a rise in inflation, economic performance deterioration, and growth rates retreating all over the world." Mohieldin said.

According to Mohieldin, these challenges highlighted the importance of the five regional forums initiative that aims not only to generate development and climate projects, but it also discusses the mechanisms of financing these projects, brings governments, private sector and financing entities representatives under one roof, and keen to find solutions and remove obstacles that may face the implementation process.

"This is the pragmatic approach that Egypt presidency of COP27 already adopted and calling for." Mohieldin added.

In this context, Mohieldin said that the previous four regional forums discussed around 400 climate and development projects that have been filtered into 50 projects which are ready for financing and will be showcased during Sharm El Sheikh conference, while 100 projects will be posted on the COP's, HLC's and related websites to discuss their future financing and implementing, saying that many of these projects will benefit from the GFANZ 130\$ trillions finance.

Mohieldin expected that Europe and Central Asia Regional Forum will result in another number of development and climate projects that go with Paris agreement and aim to achieve both mitigation and adaptation goals, and finding the suitable way to finance and invest in these projects considering the investing in the human capital and countries infrastructures, stressing that there is no conflict between implementing Paris agreement and achieving SDGs.

"The forum is expected to discuss also the challenges of investing in vital raw materials that are required for energy sector and technological development in the light of the extractives initiative adopted by UNECE." Mohieldin stated.

In the end of his speech, Mohieldin said that climate action opportunities are in hand, different governments are working on adjusting their economic policies to build a safe environment for finance and investment, and the regional forums also reflects a big interest of private sector, regional and international development and finance institutions in participating in financing and implementing climate projects, saying that this should be well invested in order to achieve different development goals including climate ones.

The regional roundtables is an initiative launched by Egypt presidency of COP27, UN regional economic commissions and HLCs, with the aim of enhancing the regional dimension of climate action, finding the best applicable, bankable and investable projects, and mobilizing sufficient finance for these projects.

During the last weeks, four of the five regional forums took place in Africa, Asia and Pacific, Latin America and the Caribbean, and the Arab world, they all resulted in more than 70 projects that their financing is under negotiations, and all projects will be showcased during COP27 in Sharm El Sheikh as a model of regionalizing climate action.