SPARC
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SUMMARY
CLIMATE FINANCE TECHNICAL AND POLICY NOTES

Bridging the WAEMU climate policy gaps to access climate finance

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Motivation

Countries of the West African Economic and Monetary Union (WAEMU) – which include Benin, Burkina Faso, Côte d'Ivoire, Guinea Bissau, Mali, Niger, Senegal and Togo – remain among the most exposed nations to climate change impacts. At the same time, they are among the lowest emitters globally. Significant investments in climate adaptation and mitigation measures are needed to overcome this structural inequality and to balance the funding required by WAEMU countries with the volumes available and accessible.

Purpose

Gaps and challenges exist in the measurement of climate finance needs in the WAEMU region. This stems from the absence of standard verification and common methodologies, lack of quantitative data, high variability in mitigation costs, inadequate private sector investment, poor local capacity to improve socioeconomic conditions and a weak enabling environment. Thus, there is an urgent need to establish a standard approach to measure climate finance needs.

Approach and methods

Based on donor strategies that tend to be closely linked to vulnerability to climate change and state fragility, we chose to carry out a differentiated analysis of climate finance issues by focusing at three levels: the overall WAEMU region, coastal countries and Sahelian countries of the WAEMU. We conducted an in-depth literature review and processed climate finance data available via national, regional and international databases. A public presentation and informal discussions with several stakeholders during the United Nations Climate Change Conference (COP 27) in Egypt led to further development and refinement of our differentiated analysis.

Findings

The study confirms that WAEMU countries cover landscapes that are some of the most exposed to global warming while contributing only 0.54% to global emissions. WAEMU's climate finance needs amount to $7.9 billion annually, representing 35.5% of West Africa's needs and 3.2% across the continent. However, climate finance flows to the WAEMU region stood at only $3.5 billion in 2020, leaving a wide gap that needs to be filled. An agro-ecological perspective shows that the desired interventions in coastal countries focus more on mitigation (57% of needs) and that those in Sahelian countries pay attention to adaptation-related issues (53% of needs). To address the gaps in climate finance, WAEMU countries must reach a common understanding of what constitutes adequate support. They must also strengthen their institutional and policy frameworks around climate finance, increase domestic resource mobilisation, improve access to international climate finance and implement bankable climate investments. Furthermore, they must explore innovative market solutions such as debt-for-nature swaps or debt relief for climate finance to stimulate private sector investments and concessional financing.

Policy implications

Consistent policy-making and implementation, plus the enforcement of regulations, could strengthen standard coping mechanisms and reduce vulnerability in the WAEMU region. More specifically, the agriculture, forestry, livestock and other land use (AFLOLU) sector should be prioritised in the climate finance agenda. Mainstreaming climate change into national policies and budgets must become a requirement, with cross-cutting gender-sensitive climate change and climate finance an urgent necessity.

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