



Vehicles for Implementation: Climate Finance Readiness

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From Global Policy to Local Project: Managing Water through NDCs

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Challenges for implementing NDCs

- Diversity of NDCs
 - Different levels of detail
 - Not all NDCs include adaptation
 - Not all NDCs consider the perspective of climate funds
- Even NDCs which suggest concrete and well justified activities do not automatically translate into bankable projects
 - Need for an established institutional structure depending on finance mechanism (e.g. NDA, NIE)
 - Demonstration of transformational change
 - Need for an M&E System etc.



Understanding the climate funds' perspective

What about
the
transboundary
impact?

Don't forget
the SDGs!

Start
Implementing
NDCs!

That's not
adaptation,
that's
relabeling!

We need
direct access!

Where is the
paradigm
shift?

ENVIRONMENT

Green Climate Fund faces slew of criticism

First tranche of aid projects prompts concern over operations of fund for developing nations.

BY SANJAY KUMAR

Major questions are swirling around the operations of a United Nations fund that is supposed to channel billions of dollars to help developing nations adapt to climate change and slow its pace.

The Green Climate Fund (GCF) was established at UN talks in Cancún, Mexico, five years ago, and developing nations see it as one of their prime hopes for financial assistance in tackling a warming world.

Yet the fund, which is administered by a team in Incheon, South Korea, is struggling to raise cash from rich nations. And though it approved its first aid commitments in November at a meeting in Livingstone, observers say they are concerned that the fund has cut corners so as to announce aid before international climate talks in November.

Observers are also worried about the fund's social and environmental safeguards, consultation processes, accountability mechanisms and transparency. Brandon Wu, a policy analyst who focuses on climate finance at the non-governmental organization (NGO) ActionAid in Washington DC, said he attended the Zambia meeting.

The Cancún agreement recommended that climate aid total US\$100 billion a year

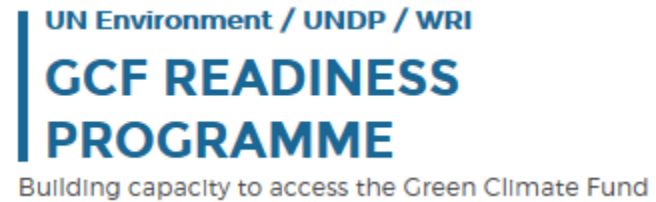


Flood barriers in Bangladesh could find support from a United Nations climate fund.

is included, hundreds of billions of dollars already flow round the globe each year, says the Climate Policy Initiative (CPI), an international think tank. Still, the GCF is the largest international public climate fund. The fund's initial target was to collect to \$9.1 billion. But only \$5.83 billion had been formally agreed, and just \$852 million had reached the fund's pocket. The United States is the most significant missing name from the list of donor countries: last year it promised \$3 billion, but it has yet to sign an agreement to contribute money.



The good news: There is help





Climate Finance Readiness Programme (CF Ready)



- **Vision**

Improve the conditions needed to achieve results-oriented, transformational and efficient use of climate finance (– in particular from the GCF)



- **Implementers**

GIZ and KfW

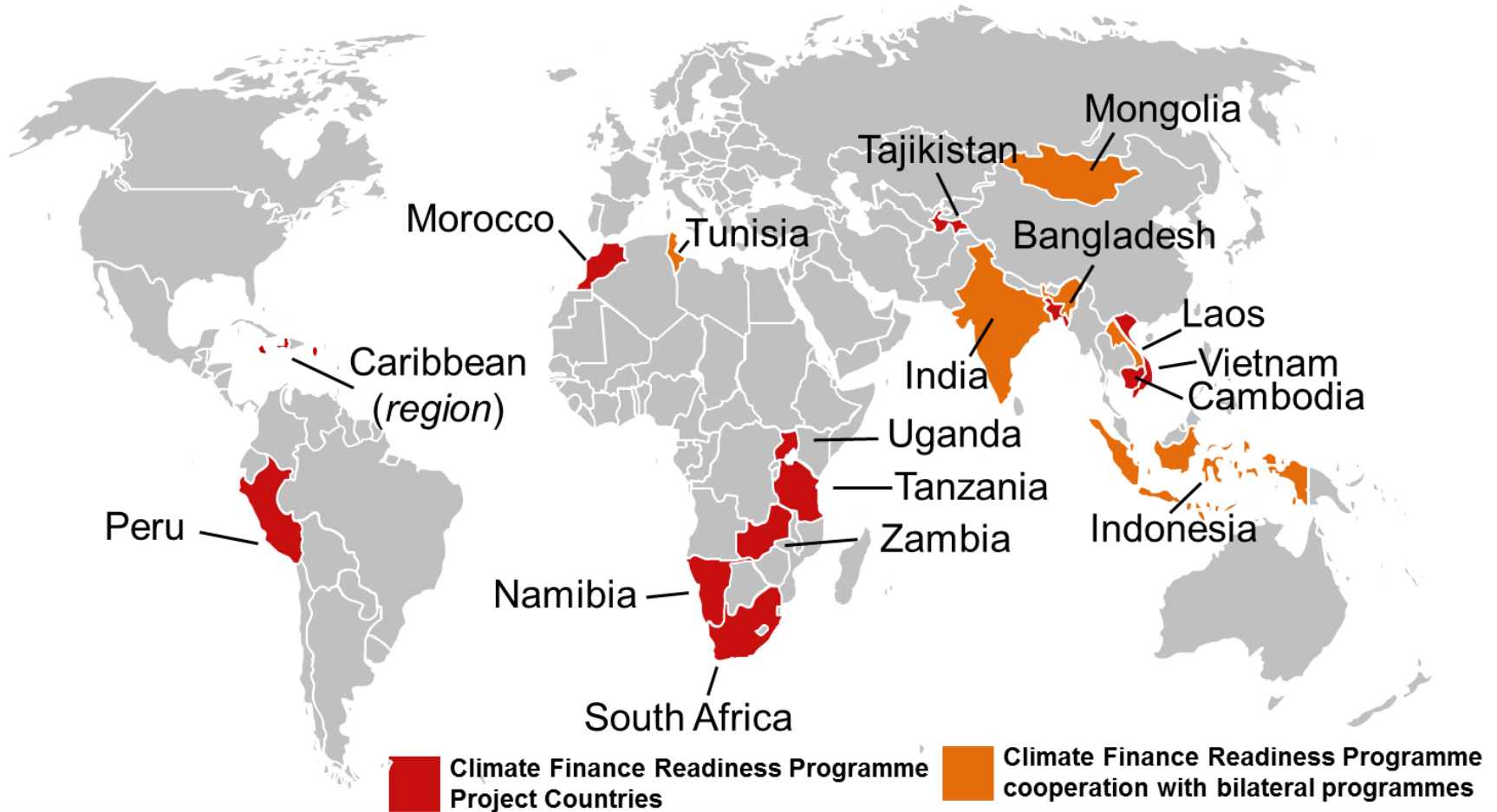
- **Volume (GIZ) and Time frame**

€ 15 million, 2013 – 2019

- **Co-financed** by USAID, the Czech Ministry of Environment



CF Ready - Countries





CF Ready – support areas

Based on a **country's** needs:

- 1. Supporting national and regional climate finance institutions (NDAs & NIEs)**
- 2. Providing strategic and conceptual advice (NAMAs, NDCs, NAP)**
- 3. Green Climate Fund knowledge exchange** through international information and regional exchange
- 4. Support in the project and pipeline development**



CliFit Training

Cross sector coordination (e.g. climate focal points)

- Overview on funding options and criteria
- Role of public and private sectors
- National Climate Funds
- Climate Change Strategies, country programmes, financing strategies
- Options for GCF access: accreditation and alternatives
- Pipeline preparation

Sector experts

- Climate finance landscape, funding options and criteria
- Key criteria of climate finance and climate projects (measuring climate effects, transformation, theory of change etc.)
- Stakeholders and roles in climate finance- whom to address;
- Project preparation and proposal development (targeted to the GCF)





CF Ready toolbox

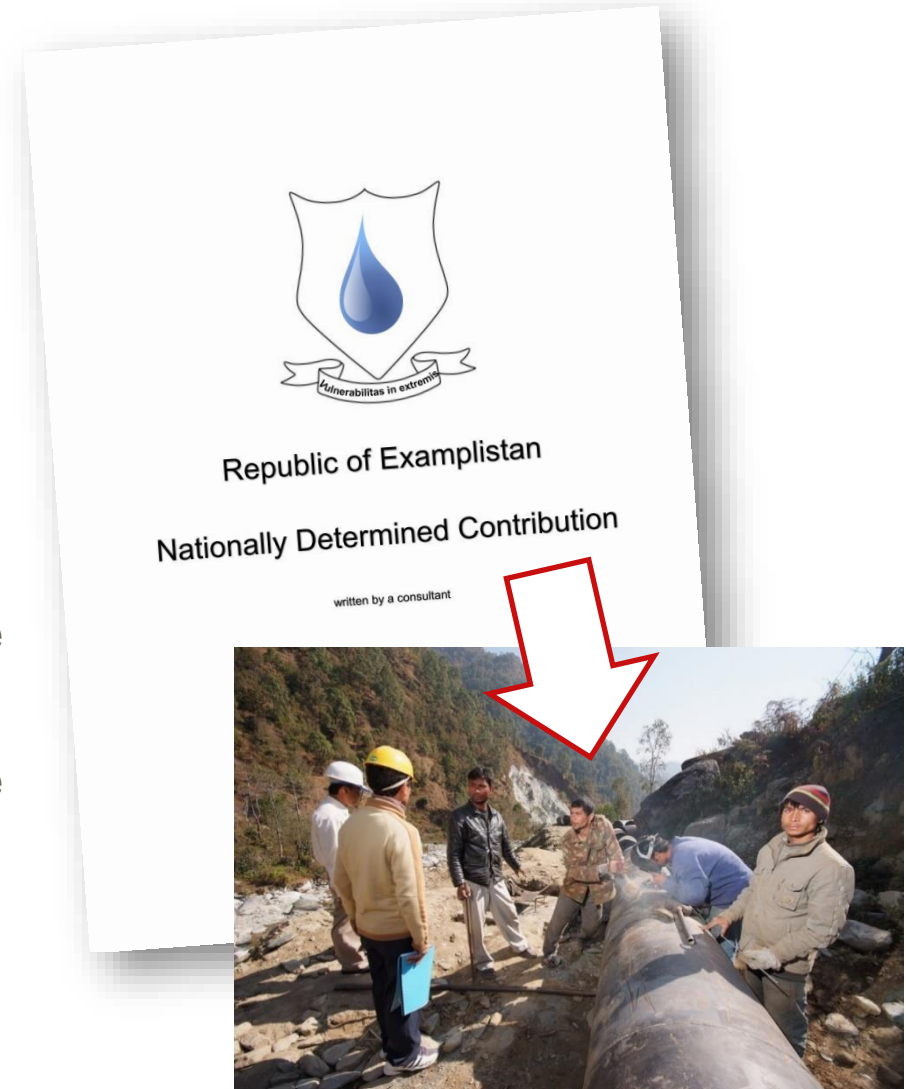
- **Climate Finance Training (CliFiT)**
- **Climate Finance Reflection Tool (CliFReflect):** Assessment of strengths and gaps in national CC-coordination and management systems
- **GCF Accreditation Self Assessment Tool:** Checklist for national entities interested in accreditation
- Training on **Environmental and Social Safeguards (ESS)**
- Manual for **Project Development for accredited entities**
- **Various fact sheets**, e.g. on financing strategies, transformative change, transparency and climate finance

Please consult: <https://www.giz.de/expertise/html/19709.html>



Key Messages

- Increased cooperation with climate change institutions is needed
- NDCs can be updated, but not every year
- Also consider other climate change plans: e.g. NAP
- Tools for accessing climate finance exist and can be adapted to the needs of the water sector





Thank you for your attention



CF Ready – examples for support

- Institutional support for **strengthening of National Designated Authorities** (e.g. development of no-objections procedures, Country Programmes etc.)
- **accreditation support for national institutions for direct access to the GCF/AF**
- **Support to the NAP-processes**
- Development of **financing strategies / linking climate change planning to financing**
- **Support to project preparation and proposal writing**
- **public-private dialogue** on climate finance
- **Support for private sector /finance sector engagement in climate finance**



Photo: © GIZ



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Target group 1: government officials from various sectors (e.g. climate focal points from key ministries) who need to decide upon a structure to coordinate and manage climate change related activities, e.g. vis-à-vis the GCF

- Content:
 - broad overview on funding options and funding criteria;
 - Role of public sector, private sector and finance sector in climate finance
 - National climate funds
 - CC-strategies, country programmes, financing strategies
 - GCF: institutions and strategic framework required, accreditation and alternative options, funding criteria
 - Pipeline preparation

Target group 2: sector experts and sector ministries who want to assess the climate finance option for their project idea

- Content:
 - Context: climate finance landscape, funding options and criteria
 - Key criteria of climate finance and climate projects (measuring climate effects, transformation, theory of change etc.)
 - Stakeholders and roles in climate finance- whom to address;
 - Project preparation and proposal development (targeted to the GCF)



Other Readiness initiatives

CF Ready coordinates and cooperates closely with **other related initiatives**

- **UNEP/UNDP/WRI**, working jointly on behalf of German Environment Ministry on GCF Readiness in Benin, Colombia, El Salvador, Fiji, Kenya, Ghana, Nepal, Philippines, Uzbekistan
- Worldbank and African Development Bank provide readiness support
- The Adaptation Fund as well as the Green Climate Fund (GCF) provide specific Readiness Programmes, aiming at facilitating access to their funds.
- **There are various bilateral and international Programmes with activities on climate finance**, e.g. CDKN, USAID ADAPT

GCF provides a Readiness Coordination Mechanism.



GCF Readiness Programme

The GCF provides support for countries to facilitate access to its funds. Support is provided for, e.g.:

- Setting up a cooperation and coordination mechanism between the country and the GCF (= **National Designated Authority (NDA)** or **Focal Point**)
- **Accreditation support** for national entities
- Support for developing strategic investment priorities for the engagement with the GCF (country programmes)

Additionally,

- Accredited entities can receive support for project preparation from the “**Project Preparation Facility**”.

The GCF website provides a good overview on support opportunities and access to funds, e.g. via the GCF 101 website:

<http://www.greenclimate.fund/gcf101>



Important initial steps

- Check, if the subject matter of concern is climate change relevant (Reduction of emissions possible? Contributing to the adaptation to CC, to the resilience of the population?)
- Is the subject matter covered by national NDCs? – Other relevant national strategies?
- Get in touch with the climate focal point of your ministry, and/or the NDA/Focal Point of your country (mostly, the NDA is part of the Ministry of Environment, or the Ministry of Planning, or in the Ministry of Finance)