



READY FOR CLIMATE FINANCE – GIZ APPROACH

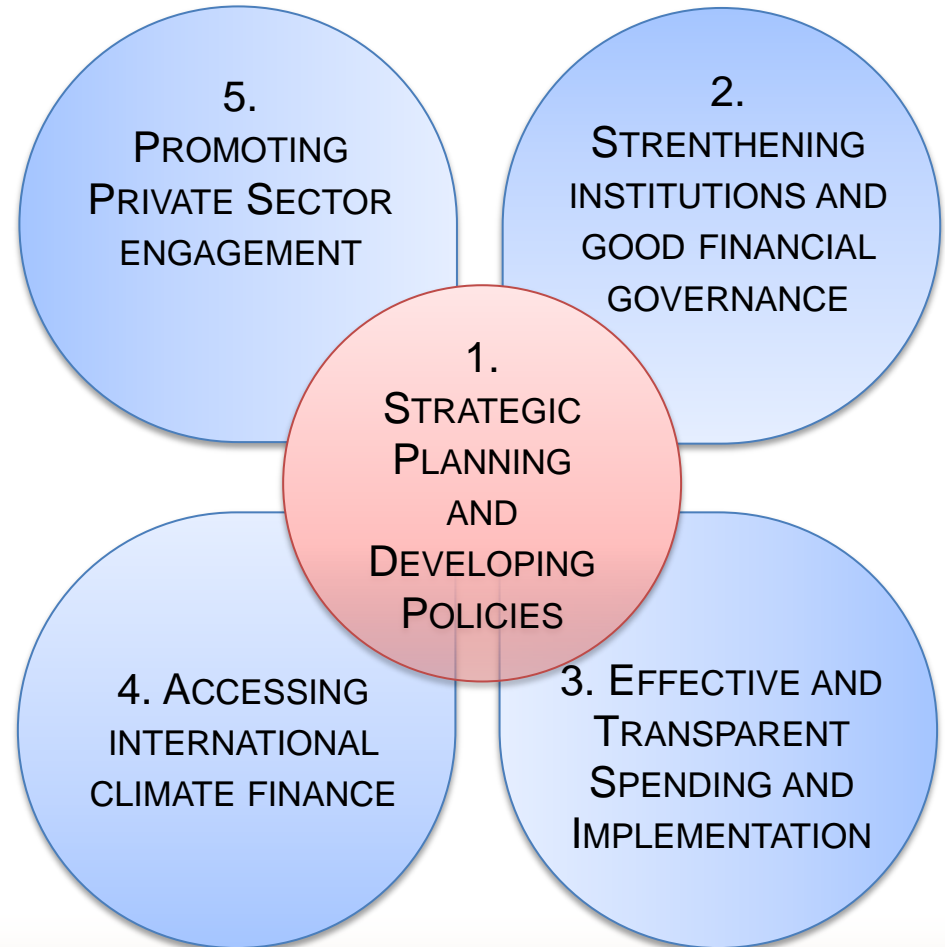




READY FOR CLIMATE FINANCE

1. Strategic Planning and Developing Policies

- Using **climate change data** (e.g. climate change projections, vulnerability assessments, greenhouse gas (GHG) emission forecasts).
- Developing and updating effective **cross-sectoral climate change strategies**
- Identifying **appropriate public policy instruments and interventions and prioritising action** on all levels through quantitative and qualitative cost-benefit analysis

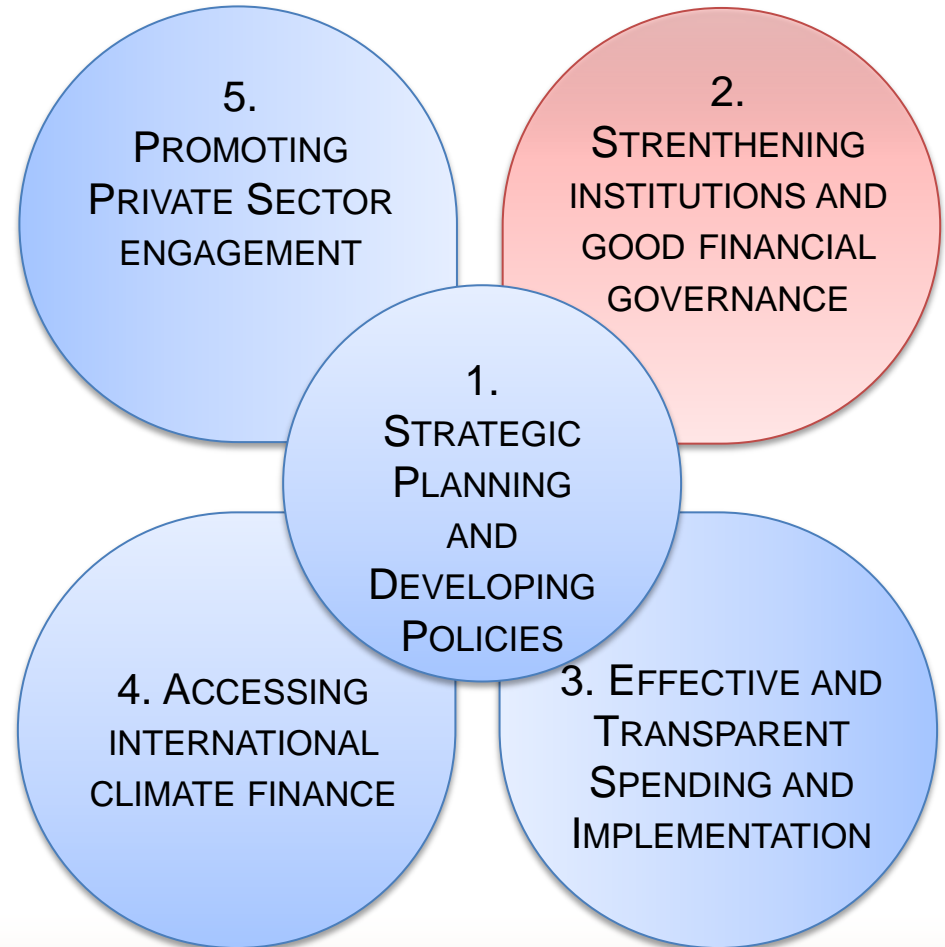




READY FOR CLIMATE FINANCE

2. Strengthening Institutions and Good Financial Governance

- Setting up a coherent **national climate finance architecture**
- Establishing and operating **national climate funds**
- Integrating climate change into **public finance systems**
- Improving **good financial governance**
- Strengthening **financial oversight** to audit and evaluate the proper use and efficiency of climate finance.

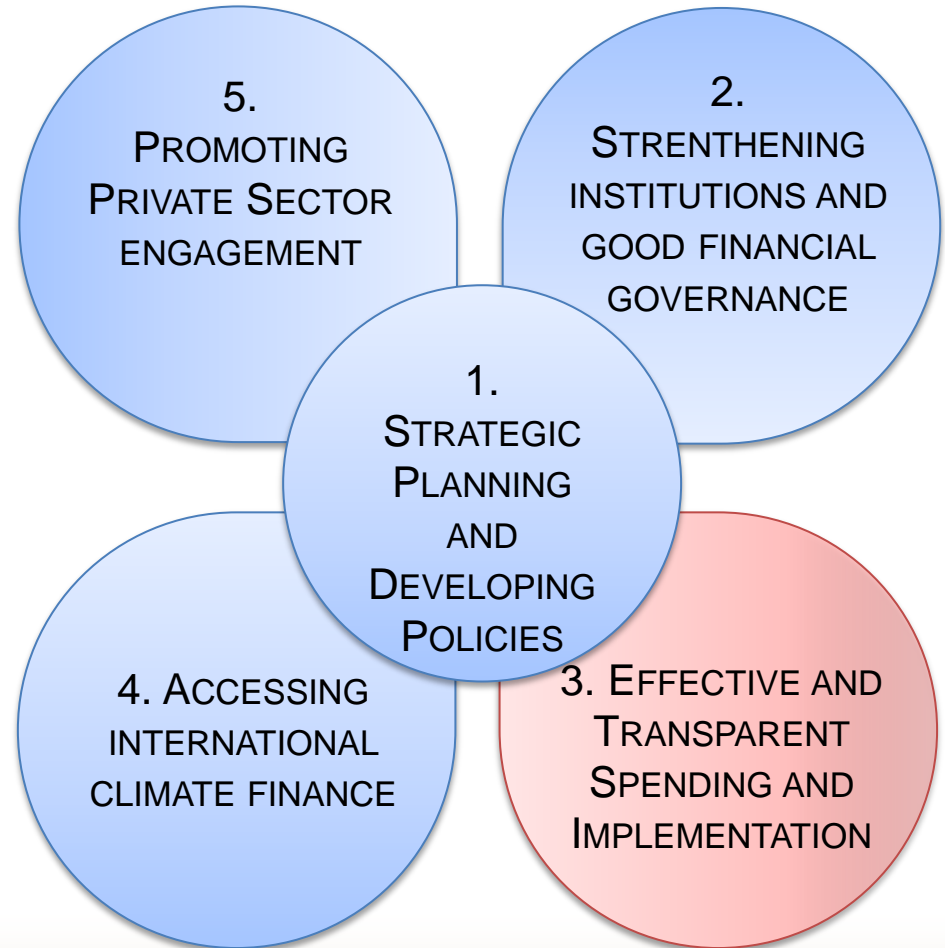




READY FOR CLIMATE FINANCE

3. Effective and Transparent Spending & Implementation

- Developing **programmes and project pipelines**
- Designing impact **monitoring and evaluation systems**
- Improving **internal integrity management systems** and internal control mechanisms of implementing partners

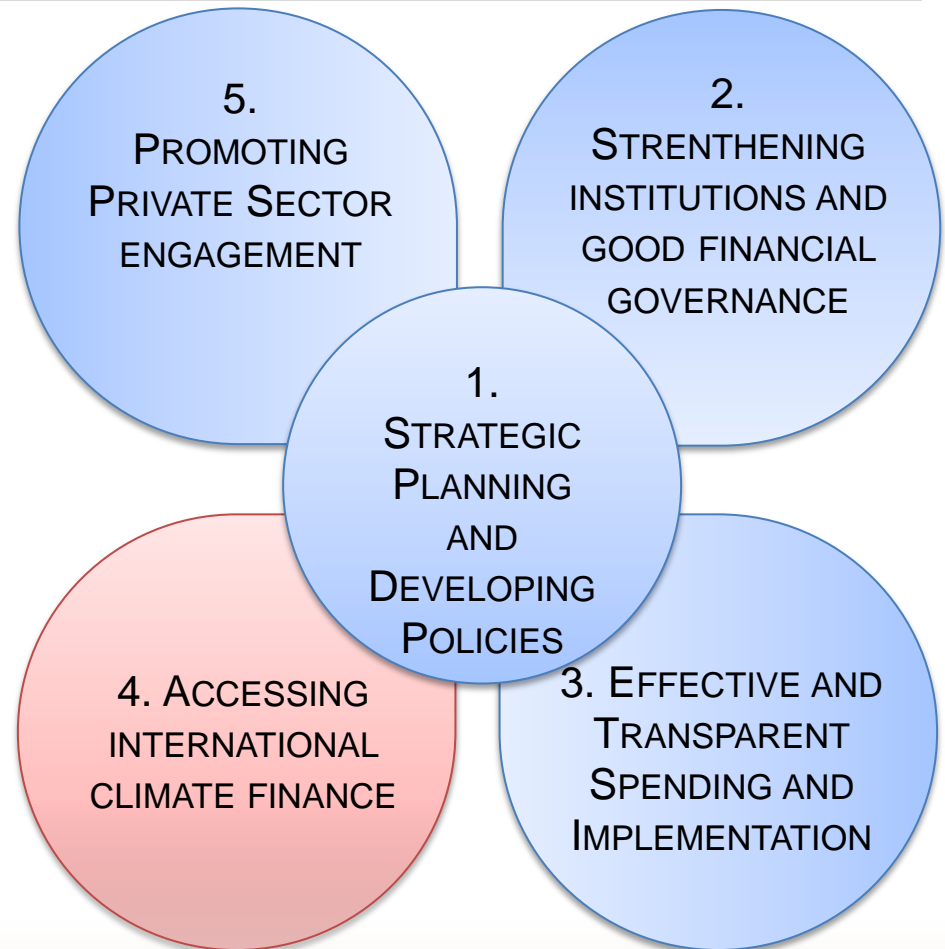




READY FOR CLIMATE FINANCE

4. Accessing International Climate Finance

- Supporting national institutions with **direct access**:
 - Helping to identify appropriate institutions
 - Building administrative and technical capacities
 - Supporting access to bi-/multilateral climate funds
- **Providing information on the landscape of international climate finance**
- Understanding the **specific requirements of individual international funds**

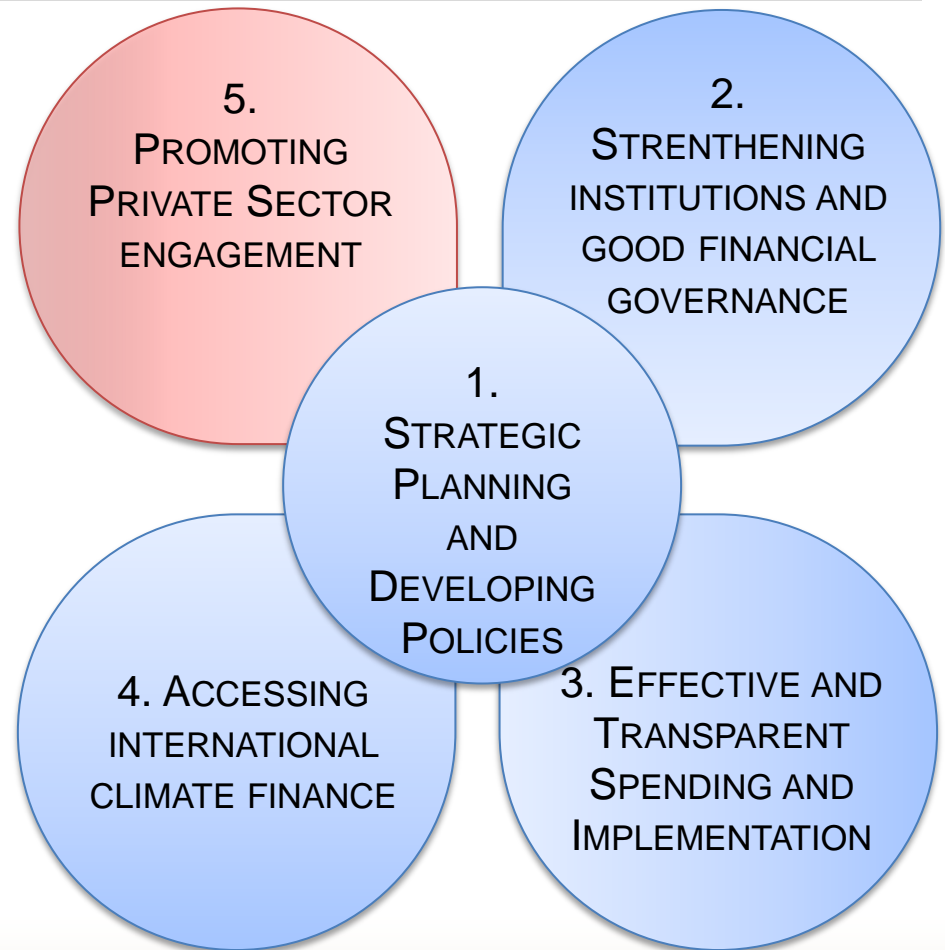




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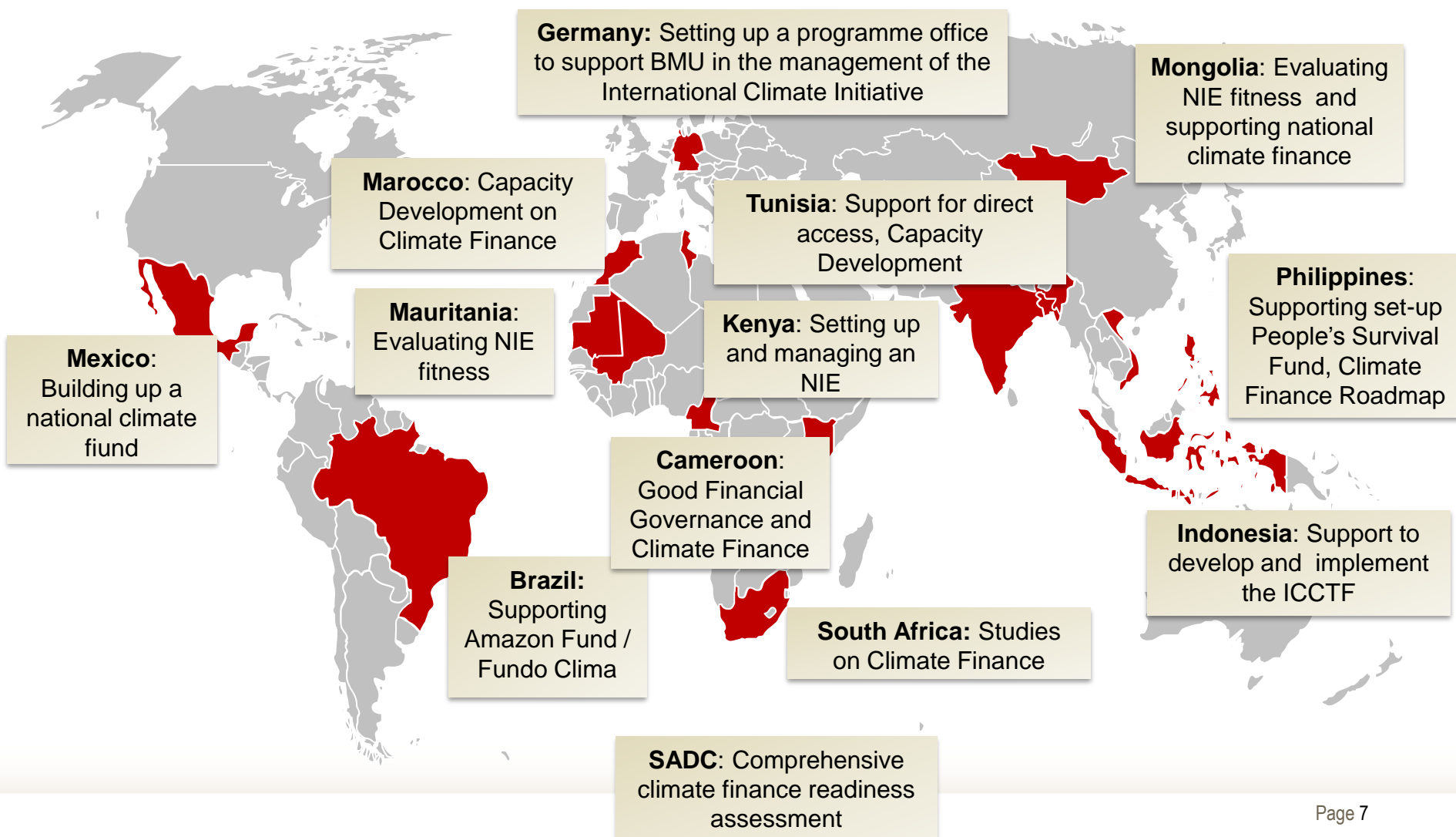
5. Promoting Private Sector Engagement

- Improving the **overall investment climate** and designing, implementing and monitoring **special financial sector regulation**
- Developing **green financial products**
- Facilitating relevant **public-private policy dialogues**
- Developing **products and services to implement sustainable value chains**
- Integrating climate and environment risks in **corporate risk management schemes**





GIZ'S SUPPORT FOR CLIMATE FINANCE READINESS (SELECTION)





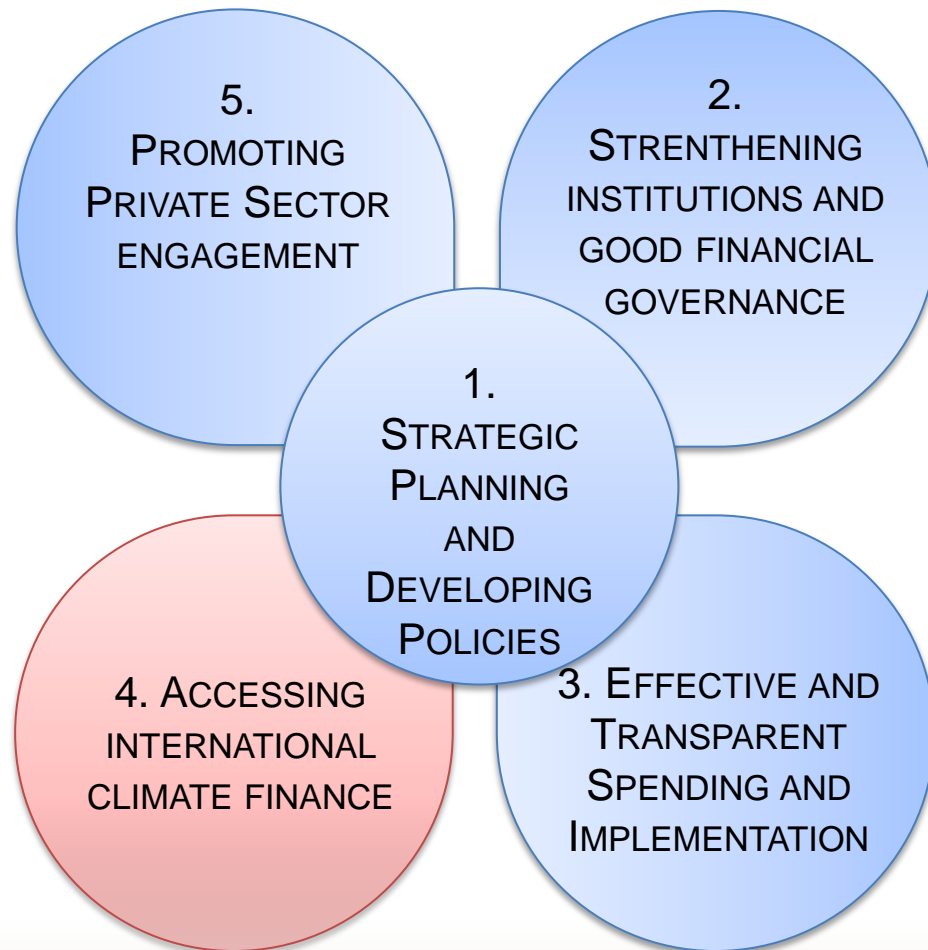
BREAKOUT GROUP EXERCISE 1

What is the climate finance readiness situation in your country?

Participants share experiences in small break-out groups (15 min) and present to the whole group afterwards



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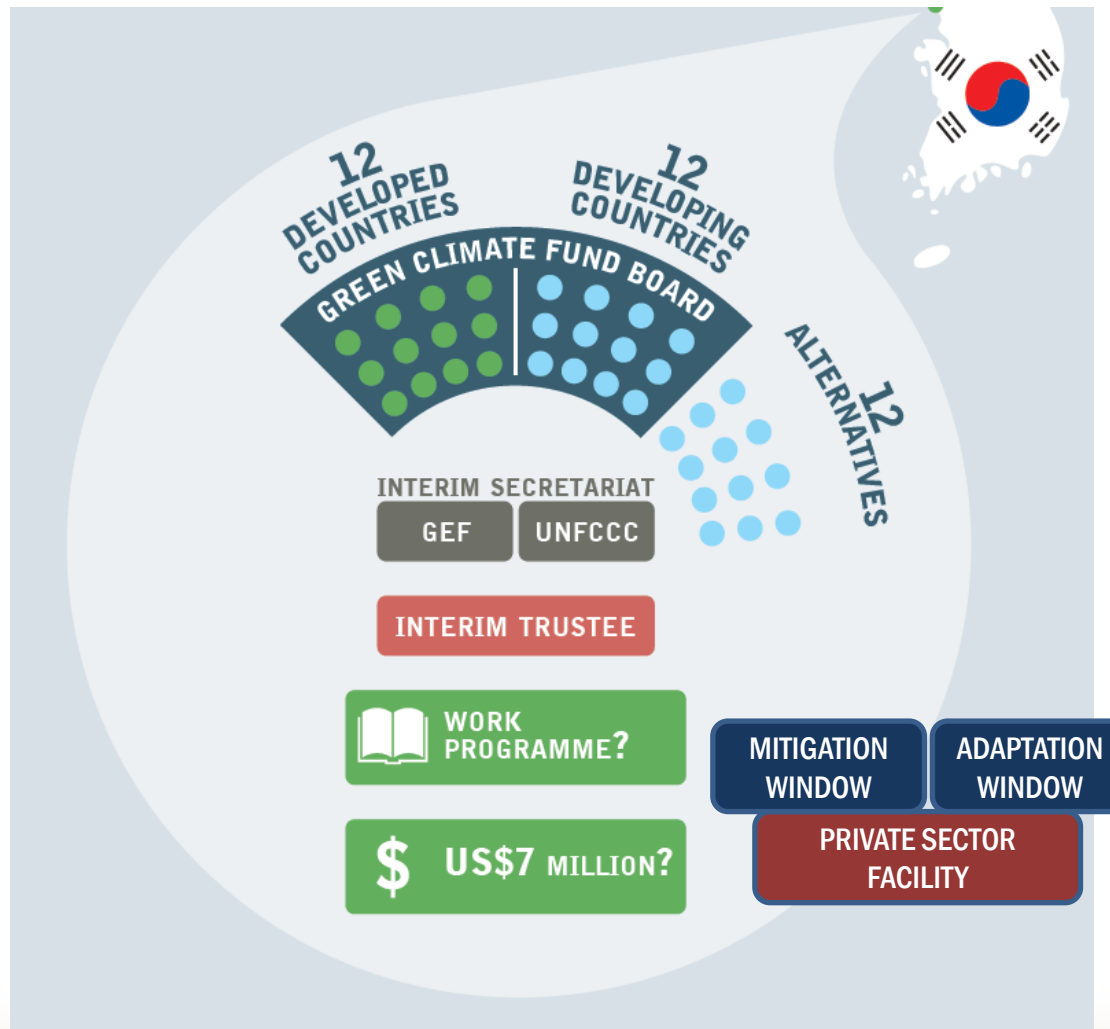


4. ACCESSING INTERNATIONAL CLIMATE FINANCE – THE GCF





4. ACCESSING INTERNATIONAL CLIMATE FINANCE – THE GCF





Objectives and Guiding Principles

- Support a “paradigm shift towards low-emission and climate-resilient development pathways by providing support to developing countries to limit or reduce their greenhouse gas emissions and to adapt to the impacts of climate change.”
- Balanced funding for mitigation and adaptation
- Only mitigation and adaptation windows at present, although the board can add more (e.g. REDD+, technology, capacity and readiness)



Green Climate Fund: Operational Modalities

- Recipient country institutions will have **direct access** to the GCF
- **through accredited subnational, national and regional implementing entities, building on the precedent piloted by the Adaptation Fund.**
- National development banks also likely to play a role.
- Accredited entities will need to meet strong fiduciary standards
- Access through accredited multilateral agencies such as MDBs and UN agencies in keeping with the dominant practices of the GEF and the CIF will also be possible



Recap – direct access under the UN Adaptation Fund



ADAPTATION FUND

Accessing the UN Adaptation Fund

- To have “direct access” to funding from the AF a country needs to accredit a national institution as National Implementing Entity (NIE) which must meet fiduciary standards
 - a) Financial management and integrity,
 - b) Institutional capacity (for project development and management)
 - c) Transparency, Self-Investigative Powers and Anti-Corruption Measures
- NIE bears full responsibility for the overall project or program management
- NIE carries out financial, monitoring and reporting responsibilities on behalf of the adaptation fund



Country	Entity
Uruguay	Agencia Nacional de Investigacion e Innovacion
Senegal	Centre de Suivi Ecologique
Mexico	Mexican Institute of Water Technology (IMTA)
Rwanda	Ministry of Natural Resources (MINIRENA)
Jordan	Ministry of Planning and International Cooperation
India	National Bank for Agriculture and Rural Development
Benin	National Environment Fund
Kenya	National Environment Management Authority (NEMA)
Jamaica	Planning Institute of Jamaica
Belize	Protected Areas Conservation Trust (PACT)
South Africa	South African National Biodiversity Institute
Argentina	Unidad para el Cambio Rural (Unit for Rural Change - UCAR)
Costa Rica	<u>Fundecooperacion Para el Desarrollo Sostenible</u>
Morocco	<u>Agency for Agricultural Development</u>
Chile	<u>Agencia de Cooperación Internacional de Chile</u>



Key lessons learnt from the AF direct access modality



ADAPTATION FUND

- **Look at autonomous institutions** : independent agencies within government with a separate budget structure and specific mandate to work on CC had best chance to get accredited
- **Choose experienced institutions**: the likelihood of accreditation of an autonomous entity (government or other) that has worked with either multilateral development organizations or foreign donors has been higher than that for government ministries.
- **Applying has co-benefits**: Applying for direct access to the Adaptation Fund is helping countries prepare to receive project financing from the Global Environment Facility (GEF) and – potentially - the direct access modality of the Green Climate Fund (GCF) by enhancing their visibility and expertise.



Different than the AF the Green Climate Fund can support climate finance readiness activities!

- GCF Board agreed to provide resources for readiness and preparatory activities and technical assistance
- Coverage: preparation or strengthening of low emission development strategies or plans, NAMAs, NAPs, NAPAs, and in country institutional strengthening including the strengthening of capacities for country coordination, and to meet fiduciary principles and standards and environmental and social safeguards in order to enable countries to directly access the fund (paragraph 40)



GCFIT – GIZ GLOBAL GCF READINESS PROGRAM

ACTIVITIES CARRIED OUT

- **Support for national institutions**, e.g. for performing the necessary tasks and accrediting for GCF direct access modality, supporting the work of national climate finance coordination bodies
- **Strategic advice and Capacity Development** for accessing finance and implementing projects and programmes
- **South-south knowledge exchange**, sharing best-practices and knowledge management



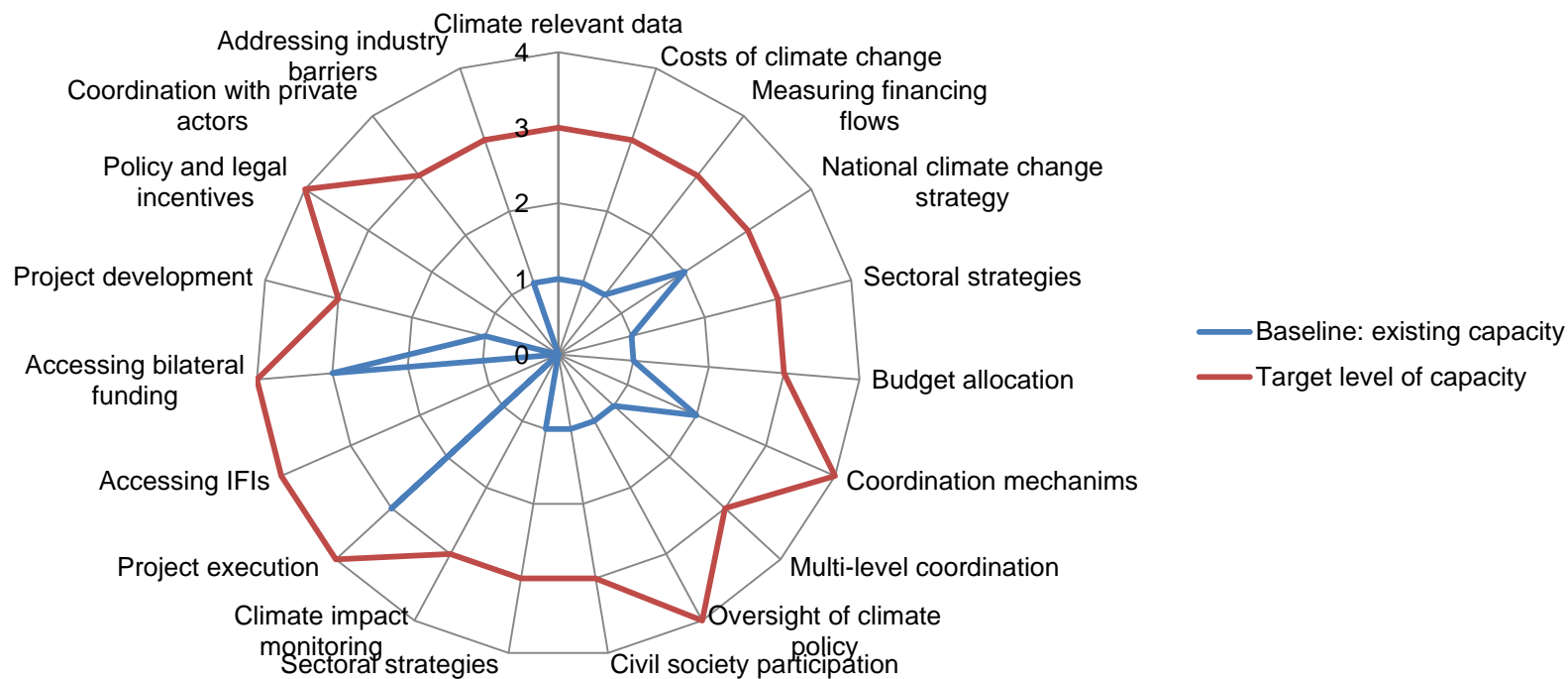


GIZ CLIMATE FINANCE READINESS ASSESMENT TOOL

	Success factors	Guiding questions	N.	Action items	existing capacity	capacity (verbal)	existing capacity	level of capacity	of capacity (verbal)
7	Strategic planning	Is recent comprehensive climate data available?	1	Climate relevant data	1			3	
8	Strategic planning	Have climate change costs and financing needs been assessed?	2	Costs of climate change	1			3	
9	Strategic planning	Have climate financing flows and financing sources been assessed?	3	Measuring financing flows	1			3	
10	Strategic planning	To what extent is there government strategy or plan with clear strategies to address climate change?	4	National climate change strategy	2			3	
11	Strategic planning	To what extent are there sectoral strategies with clear investment priorities?	5	Sectoral strategies	1			3	
12	Strategic planning	To what extent does budget allocation reflect climate priorities?	6	Budget allocation	1		1,166666667	3	
13	Institutional architecture for climate finance	To what extent are there effective government coordination mechanisms for climate change policy-making?	7	Coordination mechanisms	2			4	
14	Institutional architecture for climate finance	Is coordination happening at various level of government (national, regional, community)?	8	Multi-level coordination	1			3	
15	Institutional architecture for climate finance	To what extent are national control and oversight bodies (SAI etc.) engaged in overseeing climate finance?	9	Oversight of climate policy	1			4	
16	Institutional architecture for climate finance	To what extent is civil society participating to the coordination mechanism?	10	Civil society participation	1		1,25	3	
17	Spending and implementation	Are climate change activities integrated into sectoral programs?	11	Sectoral strategies	1			3	
18	Spending and implementation	Are there institutions using a monitoring and evaluation system for climate impacts and able to calculate results and estimate impacts (GHG impacts, Adaptation hypotheses)?	12	Climate impact monitoring	0			3	
19									



GIZ CLIMATE FINANCE READINESS ASSESSMENT TOOL







Thank you !