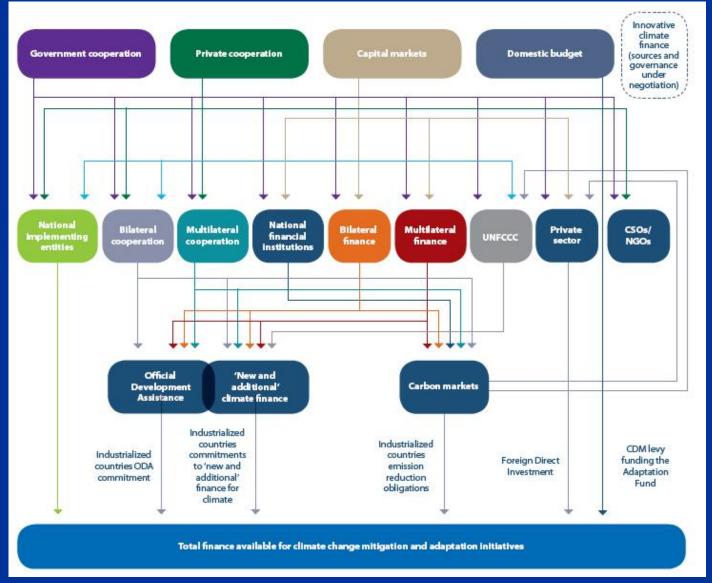


UNDP Support for the Formulation,
Financing, Implementation and Reporting on
Inclusive, Resilient and Low Emission
Development Strategies

Low Carbon Growth in East Asia and Japan's Efforts 18 May, 2012, SB 36

Sources, Agents and Channels of Climate Finance – a complex picture





The "Climate Finance Readiness" Challenge



Despite growing volume/variety of resources (international & domestic, public & private), **3 key challenges to climate finance readiness:**

- National capacities to navigate complex landscape and allow countries to access/deliver different forms of finance
- **2.** Need to catalyze private finance given public finance alone is insufficient to meet demands
- 3. <u>Limited alignment between climate and development</u> policy to drive economy-wide transformation

Approach to assist countries to plan for, access, deliver and report on finance for low emission growth



Prepare Green LECRDS

- Assess needs and priorities, and identify barriers to investment
- Identify policy mix and sources of financing

Green Markets Formation

- Directly access finance
- Blend and combine finance
- Formulate project, progamme, sectorwide approaches to access finance

Development of Implementation Capacities

- Implement and execute project, programme, sector-wide approaches
- Build local supply of expertise and skills
- Coordinate implementation

Monitor, Report & Verify

 Allows to formulate transparent sectorwide approaches

Supporting national systems through this process for climate finance helps countries to use finance effectively

Building capacities for planning, accessing, delivering and MRV ensures climate finance is available and effective in all countries

Financial planning: Preparing Green Low-Emission Climate-Resilient Development Strategies (Green LECRDS)



Develop Partnership & Coordination Structure

Prepare Climate Change Scenarios

Climate scenarios
Vulnerability scenarios
GHG emissions scenarios

Identify Mitigation & Adaptation Options

Identify priority M&A options through a multistakeholder consultative process

Assess Priority Climate Financing Needs

Assess existing financing
Undertake cost-benefit
analysis of priority options
Identify Financial flow
requirements
Identify financing options

Finalize
comprehensive Low
Emission & Climate
Change Resilient
Policy Development
and Investment
Roadmap

Robust strategic planning must underpin financial decision-making



Develop Green LECRDS

UNDP supports:

- Technical and Policy Advice
- Developing and Applying Methodologies
- Oversight and Financial Management
- Training
- Multi-stakeholder Dialogues
- Convening and Coordination

Determine appropriate "policy-mix" and financing options

Establish Enabling Environment to Catalyze Capital

Catalyze Finance

Generate & Share Knowledge

Components of Climate Finance Readiness and Associated Capacities Required



Levels of national capacities	Financial Planning	Accessing Finance	Delivering Finance	Monitoring, Reporting & Verifying
Policy Level	Formulation of green, low-emission and climate-resilient development strategies and implementation plan, including costing	Sectoral policy incentives and regulations to catalyze private investments		
Institutional Level	Effective national multi- stakeholder coordination mechanisms	Implementing entities with fiduciary systems and safeguards; national banking institutions	Implementing & executing entities with fiduciary systems and safeguards; project-level multistakeholder mechanisms; climate-aware public financial management systems	Centralized unit to compile data and for quality control reporting; communications unit
Individual/ skills level	Baseline assessments; I&FF assessments; expenditure reviews; costs-benefit analyses	Financial management (combining/ blending) skills; project/programme formulation skills; expertise in private sector pricing incentives	Specialist technology skills (e.g. wind energy technologies installation); project management skills	Expenditure review methodologies; GHG inventory skills; independent verification skills

UNDP's support in China



Formulate provincial strategies

- UNDP supported formulation of 32 provincial climate change programmes to implement national strategy
- Identified priority mitigation and adaptation priority measures and associated costs

Green Markets Formation

- UNDP supported development of 2 energy efficient roadmaps
- Assisted efforts to gradually develop a carbon market including a national emissions trading scheme

Develop Implementation Capacities

 UNDP contributed to the design of China's first climate change think-tank – National Centre for Climate Change Strategy and International Cooperation

Monitor, Report & Verify

- UNDP supported development of national GHG inventory in framework of National Communications
- Critical for emission trading systems and formulation of transparent sectoral NAMAs

UNDP relevant support for Green LECRDS in Asia



- National Communications: 24 countries
- Low Emission Capacity Building: 7 countries
- Mitigation: 24 countries
- Adaptation: 38 countries (incl. regional projects)
- Capacity Development: 28