THE COMMONWEALTH NDC WEBINAR SERIES #4: RESOURCE MOBILIZATION FOR NDC IMPLEMENTATION

NDC INVESTMENT PLANNING GUIDE
NDC INVESTMENT PLANNING GUIDE AND CHECKLIST

WHY DID WE DEVELOP A GUIDE?

The State of Climate Action 2021 estimates that global climate finance needs of USD 5 trillion annually by 2030.

CHALLENGE FROM THE PERSPECTIVE OF FINANCIERS:
Finance is available, it just isn’t flowing where needed
• Limited coordination among financiers
• Limited insight into countries' NDC investment needs and projects, as well as a lack of understanding of country contexts, risks and opportunities
• Requirements and processes limit swift action and matchmaking

CHALLENGE FROM THE PERSPECTIVE OF COUNTRIES:
Finance is not accessible at speed or scale
• Need for coordination across stakeholders
• Limited capacity to make NDCs investment-ready
• Limited insight into funding requirements and innovative finance mechanisms to attract diverse finance sources
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TRENDS AT THE NDC PARTNERSHIP

10 member countries with NDC Investment Plans

3 Countries currently using the Guide as a blueprint

73% Growth in related requests

Countries requesting support for enacting and revising national strategies and plans almost tripled over the last few years, from 26 to 73.
NDC Partnership Support Unit has developed an NDC Investment Planning Guide derived from country best practices, international literature and expert/partner input.
The NDC Investment Planning Guide combines the traditional project-based approach with a programmatic approach to leverage available foreign resources and promote economy-wide systemic transformation towards NDC-aligned investment mobilization.
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NDC INVESTMENT PLANNING IS NOT ONE-SIZE FITS ALL

It is a process anchored within the country’s unique institutional arrangements and NDC commitments, which outline the scope, scale and ambition for required investment.

The investment planning process in each country should be:

1. Built on a strong foundation of identified climate priorities
2. Unique to each country context
3. Reflect different needs based on the stage countries are in
4. Dynamic and iterative, reflecting efforts to raise ambition over time
Overview of the stages

TRANSLATING NDC COMMITMENTS INTO ACTION

INVESTMENT PLANNING CAPACITY (CROSS-CUTTING)

INVESTMENT NEEDS IDENTIFICATION AND PRIORITIZATION

INVESTMENT MOBILIZATION

Use identified prioritized projects, investment needs and financing gap to mobilize investment.

Leverage identified barriers to investment, policy actions, selected sources of financing and project pipeline to review and refine the institutional arrangement and monitoring and reporting tools and strategies.

Leverage clear roles and mandates as well as stakeholder engagement mapping to develop NDC investment plan and implementation structures.
STAGE 1: INVESTMENT PLANNING CAPACITY (CROSSCUTTING)

Sets out the institutional arrangements that facilitate identifying and prioritizing investment needs (stage 2) and mobilizing investment (stage 3) across sectors.

Also sets the foundations for monitoring and reporting tools and strategies to maintain NDC investment planning as a live exercise with periodic review.

Example from the Partnership:

Belize developed its National Climate Finance strategy through extensive stakeholder consultation, and close engagement with relevant partners through inception workshops, topic-specific consultations, and validation workshops.
The second stage for NDC investment planning is identifying the country’s investment needs. Investment needs can then be costed, the financing gap determined and prioritized.

Example from the Partnership:

Rwanda identified priority investment needs, presented as actions and projects, for a 5-year period (2020-2025) to achieve Rwanda’s updated NDC, including a list of outcomes with associated key performance indicators (KPIs) and a list of prioritized projects.
The final stage of an NDC investment planning sets out how specific investment needs will be met, and creates the enabling environment required to facilitate the match.

**Overview of the stages**

**Example from the Partnership:**

Saint Kitts and Nevis identified sector specific barriers to financing and implementation of the NDC. These were matched with capacity needs, drawing out the type of technical assistance and financial instruments to target barriers.
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THE FULL PICTURE

STAGE 1: INVESTMENT PLANNING CAPACITY (CROSS-CUTTING)

1. Institutional arrangement
2. Multi-stakeholder engagement
3. Monitoring and reporting

STAGE 2: INVESTMENT NEEDS IDENTIFICATION AND PRIORITIZATION

1. Identifying the NDC investment needs
2. Costing and financing gap analysis
3. Investment and supporting activity prioritization

STAGE 3: INVESTMENT MOBILIZATION

1. Barriers for investment
2. Policies, regulations and financial instruments
3. Matching sources of financing
4. Project preparation
5. Pipeline and project road mapping

Overview of the stages
Thank you for your attention

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