

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

NDC INVESTMENT PLANNING GUIDE



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



NDC INVESTMENT PLANNING

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.





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DRAWING FROM NDC PARTNERSHIP EXPERIENCE

NDC Partnership Support Unit has developed an **NDC**Investment Planning Guide derived from country
best practices, international literature and
expert/partner input.





TOWARDS A PROGRAMMATIC NDC INVESTMENT PLANNING APPROACH

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





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



TRANSLATING NDC COMMITMENTS INTO ACTION





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

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

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.



STAGE 2: INVESTMENT NEEDS IDENTIFICATION AND PRIORITIZATION

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.

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

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



STAGE 3: INVESTMENT MOBILIZATION

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.

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

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.



THE FULL PICTURE





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