

NATIONAL CLIMATE FINANCE PLANS: FINAL PRESENTATION

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STRATEGIC ANALYSIS,
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START CENTER OVERVIEW



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AGENDA

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Project Background & Objectives

02

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Findings

Document Details

Diversity, Equity, and Inclusion

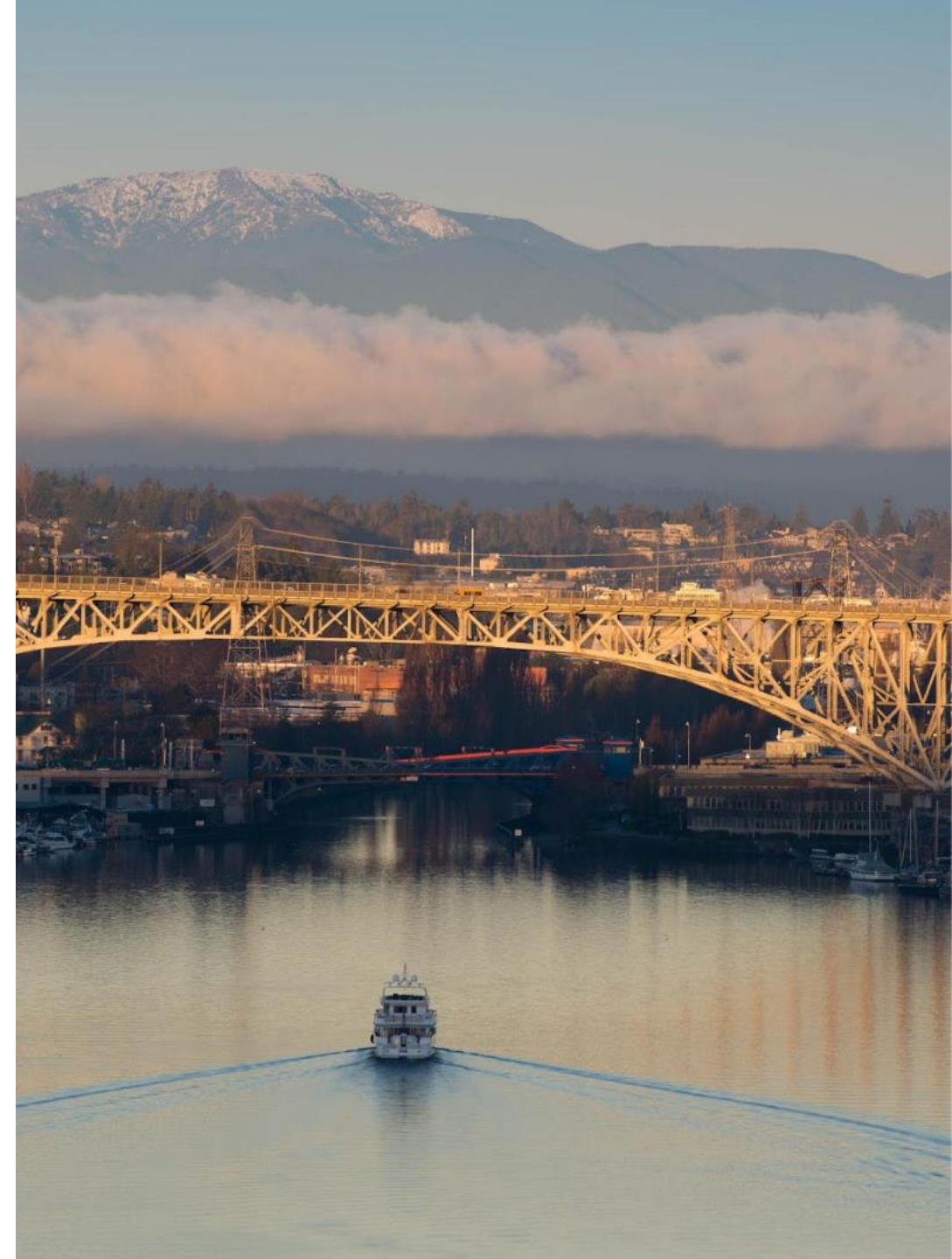
Context-Setting

Financing

Sector Keywords

04

Conclusion



CRITERIA SPREADSHEET (14 PLANS)

NATIONAL CLIMATE FINANCE PLANS

REPORT TO THE BILL & MELINDA GATES FOUNDATION

FEBRUARY 2023

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	Income Group (VBI)	Region (VBI)	Hyperlink to plan (if present)	Language
Benin	LMIC	Sub-Saharan Africa	https://www.fino-benin.org/docs/FIS-2021-2025-FINEC.pdf	French
Ghana	LMIC	Sub-Saharan Africa	https://www.undp.org/ghana/publications/ghana-nso-financing-strategy	English
Kenya	LMIC	Sub-Saharan Africa	https://www.kenganwkeis.org/wp-content/uploads/2019/02/NCCAP-2018-2022-Online-.pdf	English
Lesotho	LMIC	Sub-Saharan Africa	https://www.clif.org/test/clif_enclifefsrp_investment_plan_lesotho.pdf	English
Liberia	LC	Sub-Saharan Africa	https://www.gilbertai.org/publication/national-policy-and-response-strategy-climate-change	English
Rwanda	LC	Sub-Saharan Africa	https://www.environment.gov.rw/fileadmin/user_upload/MoEFPublications/Reports/Rwanda_NDC_Implementation_plan.pdf	English
Cambodia	LMIC	East Asia & Pacific	https://adcs.iiso.org/docstore/dcid/cam75163.pdf	English
Micronesia	LMIC	East Asia & Pacific	https://ism-data.sprep.org/system/files/Federated States of Micronesia Climate Change and Disaster Risk Finance Assessment FY.pdf	English
Philippines	LMIC	East Asia & Pacific	https://www.doi.gov.ph/downloads/available-finance-framework/	English
Solomon Islands	LMIC	East Asia & Pacific	https://reliefweb.int/report/solomon-islands/solomon-islands-climate-change-and-disaster-risk-finance-assessment-plan	English
Vanuatu	LMIC	East Asia & Pacific	https://www.forumcof.org/wp-content/uploads/2019/05/Vanuaatu_Climate_Change-2.pdf	English
Vietnam	LMIC	East Asia & Pacific	https://openknowledge.worldbank.org/handle/10339/62204	English
Nepal	LMIC	South Asia	https://www.undp.org/enrhe-atp/publications/climate-change-financing-framework	English
Pakistan	LMIC	South Asia	https://www.climatefinance-developmentefficiencytrust.org/sites/default/files/publication/atashpaik-in-COFF-Oct-2017.pdf	English

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PROJECT BACKGROUND

REASON FOR RESEARCH REQUEST

- Less than half of developing countries include cost estimates of climate mitigation and adaptation in their NDCs. How are members of the Paris Agreement setting their priorities, and planning to **finance their climate goals?**
- Want a landscape analysis of existing climate finance plans, to inform **strategic engagement** with potential future investments on climate finance.

THE CHALLENGES

- Of those climate investment plans that exist, quality varies significantly, and there is **no common template** for reporting.
- There have been **limited efforts** to assess all of them comprehensively, and there is no central registry, unlike for NDCs.
- Different countries or regions may use **differing terms**, may publish reports through **different government bodies**, and may publish in **languages other than English**, making traditional search strategies less useful.
- **There are discrepancies** in proposed vs. committed funding for these climate investment plans.

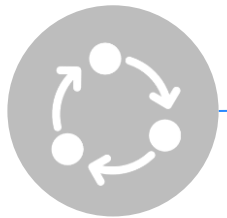
PROJECT OBJECTIVES



To gain a clearer picture of existing climate investment plans and their key features, strengths, and weaknesses



To engage with content experts and review literature in order to determine which features might make climate finance plans most effective and valuable



To address as many of the specified research questions as is relevant, and to explore other relevant research questions through our work

METHODOLOGY

THE APPROACH



Identifying Plans



Criteria Spreadsheet



Key Informants



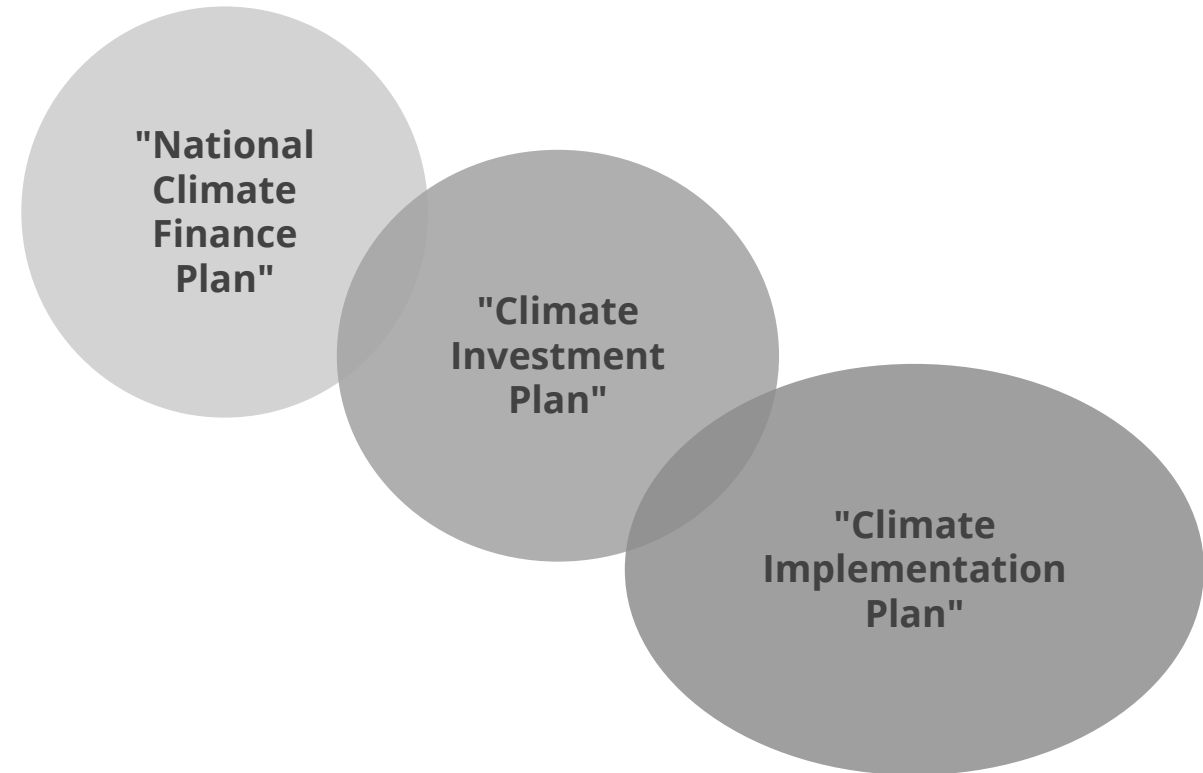
Review of Key Documents

IDENTIFYING PLANS

THE SEARCH CRITERIA

- 01 LICs and LMICs
- 02 SE Asia, Africa, and the Pacific
- 03 Published by government entity
- 04 English & French

KEY SEARCH PHRASES



CRITERIA SPREADSHEET

CRITERIA CATEGORIES

1. Document
Details

2. DEI

3. Context-
Setting

4. Financing

5. Sector
Keywords

6. UW START
Assessment

"CRITERIA DICTIONARY" TAB

Theme	Criteria Name	Description	Notes on Inclusion
1. Document Details	a. Title	States the full title of the document.	N/A
	b. Year	States the month (if available) and year the document was published.	N/A
	c. Publishing Authority	States the publishing authority as specified in the plan.	Includes financiers or consultants who supported the drafting of the plan itself.
	d. External Consultants	Describes to what extent external consultants and non-central government actors contributed to the plan.	Includes NGOs, civil society organizations, private sector players, subnational gov
2. Diversity, Equity, and Inclusion	a. Women	Describes to what extent women or women's groups were included in the drafting of the plan.	Includes references to future efforts to include and consult with women in national c implementation. Does not include references in the context of climate change, education, or employ
	b. Marginalized Populations	Describes to what extent marginalized populations were included in the drafting of the plan.	Includes references to future efforts to include and consult with marginalized popula development and/or implementation. Does not include references in the context of climate change, education, or employ Marginalized populations include ethnic or religious minorities, refugees or the inter adolescents.

FINDINGS

DOCUMENT DETAILS

COUNTRY	1. DOCUMENT DETAILS			
	a. Title	b. Year	c. Publishing Authority	d. External Consultants
Benin	Plan Strategique 2021-2025 Du Fonds National pour l'Environnement et le Climat (FNEC) ("National Environment and Climate Fund Strategic Plan 2021-2025")	August 2020	Ministère du Cadre de Vie et du Développement Durable, République du Bénin ("Ministry of the Living Environment and Sustainable Development, Republic of Benin").	None
Ghana	Nationally Determined Contributions Implementation Plan: Financing Strategy Report	November 2021	Ministry of Environment, Science, Technology and Innovation, Government of Ghana.	UN Development Programme (UNDP)
Kenya	National Climate Change Action Plan (NCCAP) 2018-2022	2018	Ministry of Environment and Forestry, Republic of Kenya.	National Climate Change Action Plan Taskforce (p.4) includes: Kenya Climate Change Working Group, Kenya Private Sector Alliance, Kenya Association of Manufacturers, WWF-Kenya

DOCUMENT DETAILS



- Most common phrases: "**Financing Framework**" and "**Implementation Plan**"
- 8 of the 14 plans specified "**Climate Change**" in the title
- 2 titles specified "**Nationally Determined Contributions**"

- Almost all plans published between **2017 and 2021** (Vietnam's published in 2015)
- Most frequent external partners:



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NDC CLIMATE FINANCE PLANNING

NDC BEST PRACTICES SIMPLIFIED PROCESS



STEP 1

A political
commitment of
nationally
determined
contributions

STEP 2

Outlines the NDC
implementation
strategy and
necessary technical
assistance

STEP 3

Detailed financial
document for NDC
implementation

STEP 4

Greater NDC
Climate Financing

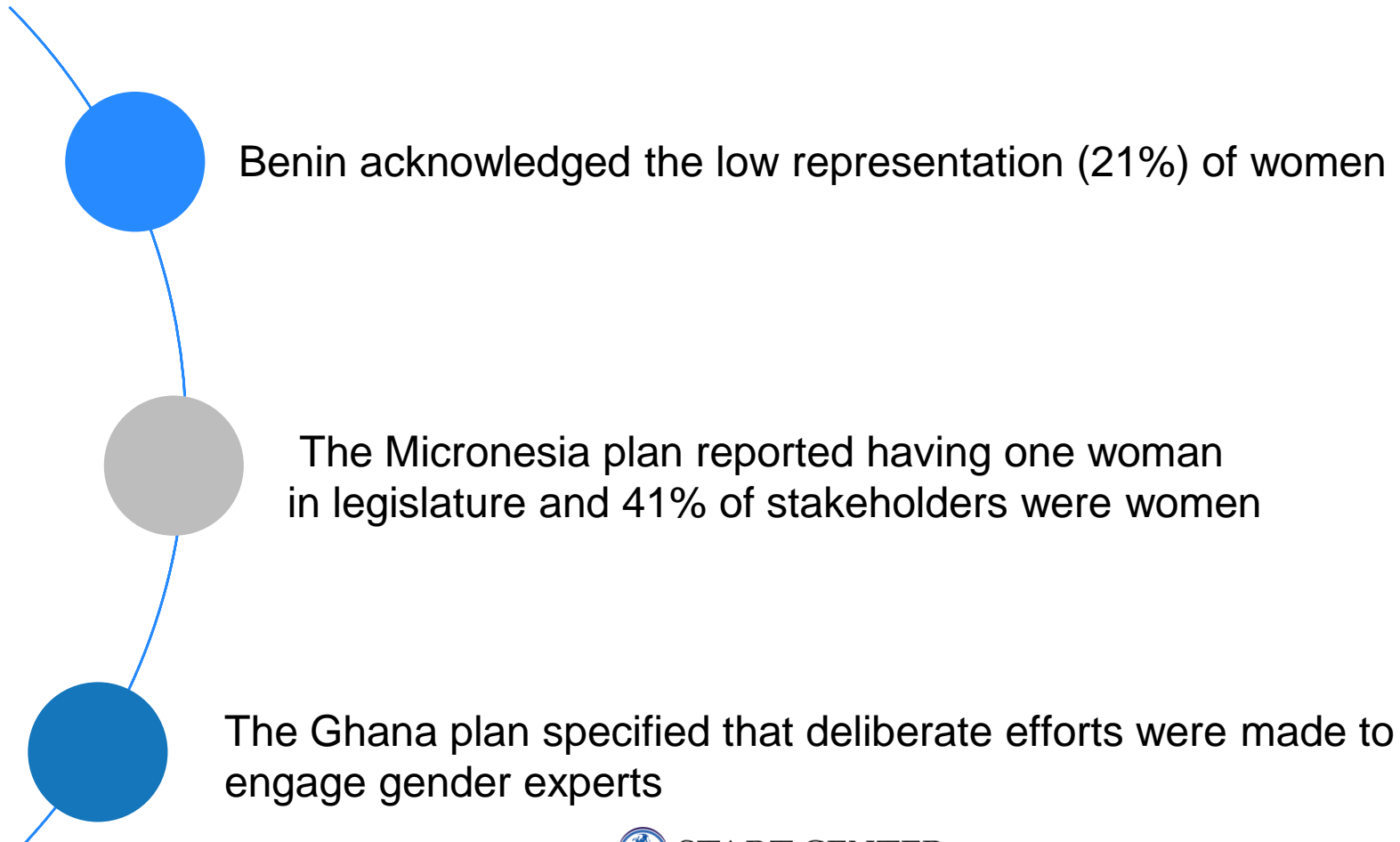
DIVERSITY, EQUITY, & INCLUSION (DEI)

COUNTRY	2. DEI	
	a. Women	b. Marginalized Populations
Benin	Acknowledges low representation of women on FNEC team (21%) (p.31), with some reference throughout to FNEC's Gender Policy ("politique genre") ¹ .	None
Ghana	Referenced primarily as a vulnerable group in the context of climate impact, and as one of eleven adaptation Programmes of Action (POA) (p.32).	References "the vulnerable," though never defines which groups this includes, aside from women. Role of "the vulnerable" in planning also not clear.
Kenya	National Gender and Equality Commission included in NCCAP Taskforce ~50% women. Secretariat/Climate Change Directorate is ~16% women. To ensure gender equity on the Council, groups recommending nominations for representatives from the private sector, civil society, marginalized communities; academia requested to account for gender equity in the context of the broader membership (p.117).	Marginalized group issues discussed throughout document, identified as beneficiaries for priority actions, etc. "Over 1,000 stakeholders, including representatives from the National and County Governments, civil society, the academia, women's groups, youth groups, marginalized and minority groups, and the private sector, were consulted" (p.117). Generally referred to as underprivileged/marginalised; National Climate Change Council (NCCC) Membership includes: a representative of the marginalized community (p.117).

DIVERSITY, EQUITY, AND INCLUSION

REPRESENTATION OF WOMEN

Many countries had low representation of women in the development of the plan, but some specifically stated that they plan to increase women involvement



DIVERSITY, EQUITY, AND INCLUSION

REPRESENTATION OF MARGINALIZED POPULATIONS

There was less of a discussion around marginalized populations compared to women

The Liberia plan referred to marginalized groups as youth, children, people with disabilities, and people living with HIV/AIDS

The Kenya plan referred to marginalized groups as underprivileged populations such as women, youth, and minorities

DIVERSITY, EQUITY, AND INCLUSION

NDCs BEST PRACTICES



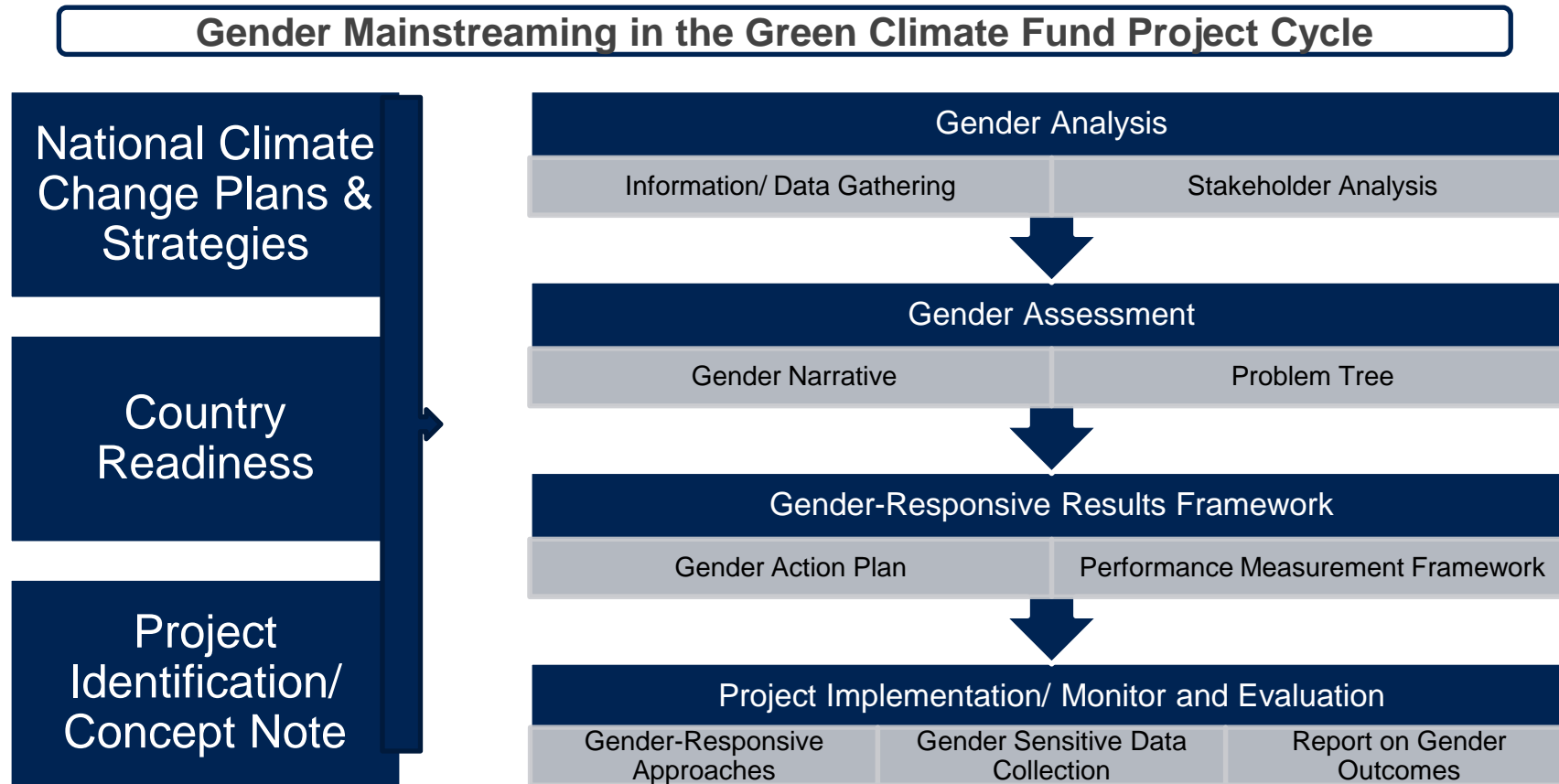
The NDC Partnership's document on the best practices identifies focusing on gender inclusion at various stages of the investment planning as a priority

Mainstreaming Gender and Social Inclusion of Other Marginalized Groups, Gender Analytical Framework Domain, Vanuatu Islands

DIVERSITY, EQUITY, AND INCLUSION

GREEN CLIMATE FUND

The Green Climate Fund maintains a set of requirements related to gender and social inclusion for countries to secure funding



CONTEXT-SETTING

COUNTRY	3. CONTEXT-SETTING		
	a. Local Needs	b. Broader Development	c. Adaptation/Mitigation
Benin	Reports ongoing support for the LoCAL (Local Climate Adaptive Living Facility) initiative, with plans to expand from 9 to all 77 municipalities (p.19); listed as one of three modes of intervention for reducing climate-related risks and disasters (p.36). Since 2017, ~325,000 USD in financing for the initiative (p.37).	Intent to scale impacts from local levels, including of the LoCAL initiative; plan described as being "in perfect alignment" with the priorities set in the 2018-2025 National Development Plan (PND) and with the 2030 Sustainable Development Goals (p.8). Partnership with local authorities up to national level identified as one of six guiding principles for the FNEC (p.46). Ministry of Sustainable Development is the primary document author.	Focus on adaption and frequent mention of "Fonds d'Adaptation" (Adaptation Fund).
Ghana	Government structure seeks to decentralize development, references to inclusion/mobilization of local governments, and adherence to structures set by the Ministry of Rural Development & Local Government (p.20).	Variety of national ministries and organizations are identified as key implementing partners initiatives and development of plan, National Development Planning Commission (NDPC) works across all of them to integrate climate issues into the national development plans (p.20,28).	Focus on adaptation (\$12.79 billion USD) over mitigation (\$9.81 billion USD) (p.19,28,63).
Kenya	Kenyan government is devolved and empowers self-governance and local role in climate change (p.23, 37 and 95). NCCC Membership includes: a civil society representative (p.117). County assemblies and governments also included in legislative mainstreaming of climate change framework and identified as "relevant institutions" for strategic objectives.	Strategic objectives clearly linked to Sustainable Development Goals (SDGs). President's Foreword describes integration of NCCAP into broader development planning. Sustainable development discussed throughout document. Inclusion of diverse group of federal ministers on NCCAP Taskforce. Legislative structure to "mainstream climate change"/institutions established in the Climate Change Act (p.117).	Prioritizes adaptation (p.ii).

CONTEXT-SETTING

CRITERIA SPREADSHEET



CONTEXT SETTING

INCLUSION OF LOCAL NEEDS

Most countries plans had detailed information on the inclusion of local needs



Cambodia highlighted how local authorities are uniquely positioned to identify needs of the local communities



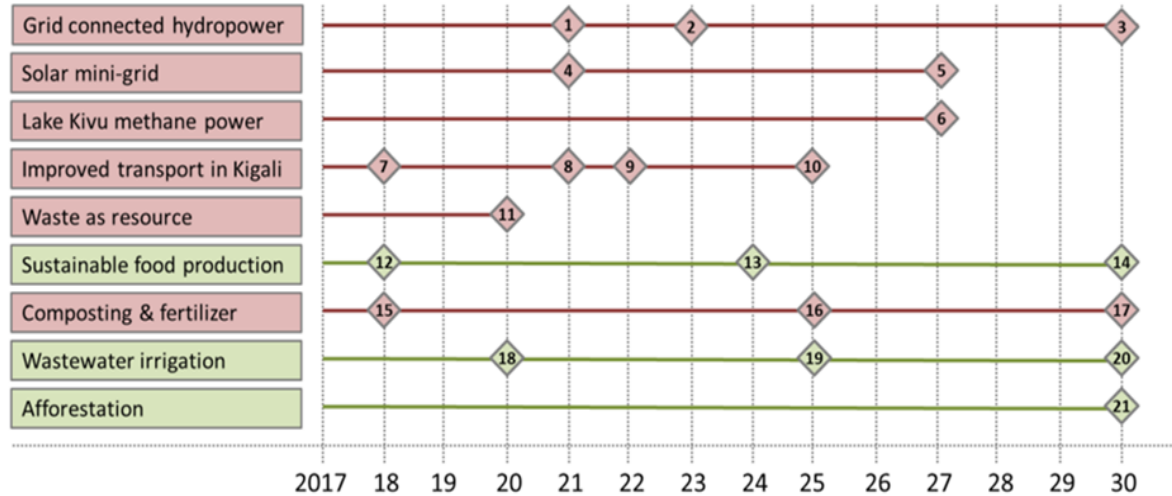
The Kenyan Government is focusing on decentralization to improve self-governance at the local level

Local Climate Adaptive Living (LoCAL) Facility promotes integration of climate adaption into local governments planning and budgeting systems








CONTEXT SETTING

LINKAGES TO BROADER DEVELOPMENT PLANS

Figure ES 2: Timelines for implementation of NDC measures provided financing is available



All countries linked their climate finance plan to other plans and priorities, including their NDC and sustainable development goals

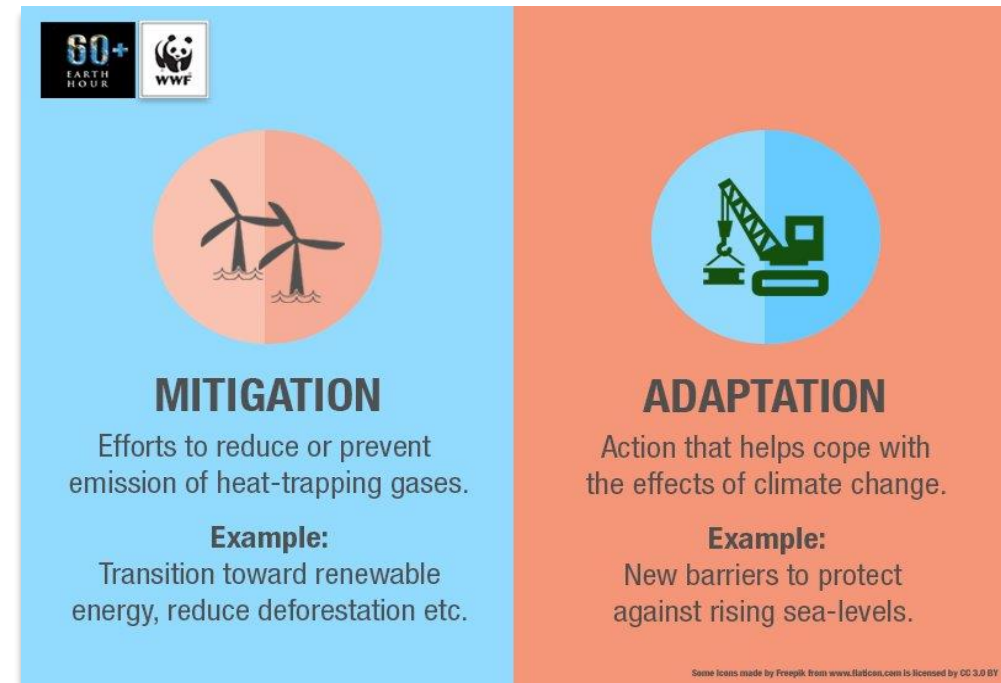
Activity Name	Sustainable food production		Priority	High		
Co-benefits	<ul style="list-style-type: none">• Provision of fuelwood• Wood production and value addition• Lower need for pesticides					
Relevant Sustainable Development Goals						
1 NO POVERTY	2 ZERO HUNGER	3 GOOD HEALTH AND WELL-BEING	6 CLEAN WATER AND SANITATION	8 DECENT WORK AND ECONOMIC GROWTH	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	13 CLIMATE ACTION
						

CONTEXT SETTING

CLIMATE ADAPTATION AND MITIGATION

Mitigation and adaptation are important when assessing climate change impacts and costing strategies, and over 50% of the country plans prioritized adaptation

- 8 Plans prioritize adaptation
- 2 Plans prioritize mitigation
- 3 Plans prioritize both adaptation and mitigation



FINANCING

COUNTRY	4. FINANCING			
	a. Gender-Climate Nexus	b. Private Financing	c. Risks & Mitigation	d. Examples
Benin	Only to the degree that FNEC's Gender Policy is referenced (see 2a); its development and implementation viewed as a means to strengthen FNEC's governance (p.19).	Identifies lack of formal partnerships between public-private sector, poor understanding of mechanisms for mobilizing public internal resources, and risk of conflict with other National Funds (e.g. Water, Development) as weakness in FNEC's framework and organization (p.21, 27).	Limited or no access to international funds due to recent re-accreditation for Adaptation Fund and Green Climate Fund (p.34).	Total environmental and climate project financing 2017-2021: 1.05 billion FCFA (p. 18). Planned 2021-2025 financing 21.8 billion FCFA, detailed in Table 10 (p.52-78)
Ghana	Enhancing resilience for gender and the vulnerable specified as a POA, but without any budget estimates (p.114).	Of the \$22.6 billion USD stated funding for the plan, Ghana expects to mobilize \$16.3 billion from international public funding and private financing, thoroughly discusses the need for and barriers to private sector engagement (p.6,25).	Emphasis on "blended finance" as a de-risking mechanism, with thorough explanation of types of risks and de-risking instruments, along with different models of blended finance (p.43-45,72).	Appendices 4 and 5 offer thorough overview of each POA (p.73-112).
Kenya	Implementation Matrix identifies women as a targeted group for a couple strategic objectives, with corresponding overall projected & annual budgets. Total budgeted amount on projects that at least partially address these issues where women are explicitly identified as beneficiaries: 90,399 million KES. Total budgeted amount on other projects that identify 'communities, households/household users, area residents, etc.' as beneficiaries: 1,738,977 million KES (p.125).	Source of funds for all initiatives identified as government funding/development partners/GCF. However, private sector investors identified as a responsible institution for initiative (in combination with multiple other actors) but funding source still listed as public (p.126). NCCAP Finance policy identifies that "access to private capital flows is crucial for Kenya," noting risk aversion and lack of enabling environment. Kenya Private Sector Alliance on NCCAP Taskforce.	Financial requirements far exceed available funding. Need to build in-country capacity so that financial institutions can have climate-related lending schemes. Security risks identified as potentially impacting financing, mitigation through overall development initiatives/planning & implementation. "The National Treasury and Planning will work with financial institutions to increase their understanding of climate finance, develop a climate risk index, and develop climate-related funding schemes in high-risk areas."	Implementation Matrix specifies multiple objectives (p.125)

FINANCING

CRITERIA SPREADSHEET TOPICS



The inclusion of each finance topic varied widely across the 14 country plans

FINANCING

CRITERIA SPREADSHEET FINDINGS

Few plans included sufficient detail on key finance topics

Gender Climate Nexus Financing

- <30% of plans included related financing, policy, and implementation details

Financial Risks and Mitigation Strategies

- ~43% of plans discussed both in-country financial risks and mitigation strategies

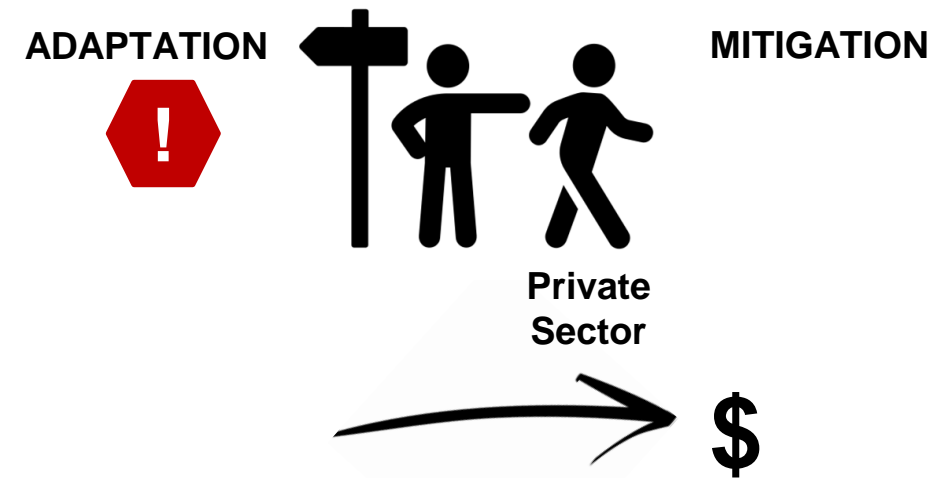
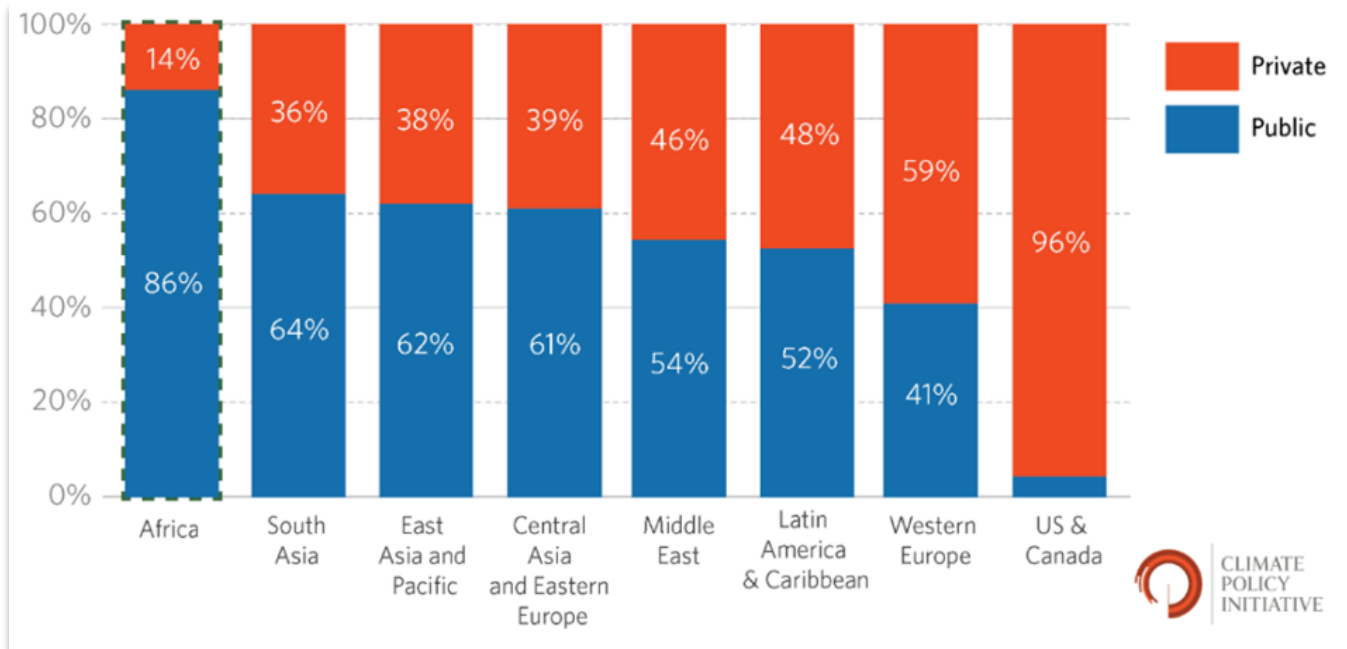
Private Sector Engagement

- ~21% of plans indicated some amount of formal private sector engagement

PRIVATE CLIMATE FINANCE

Private finance is an underutilized mechanism, but the extent of its role in LMICs is not yet clear

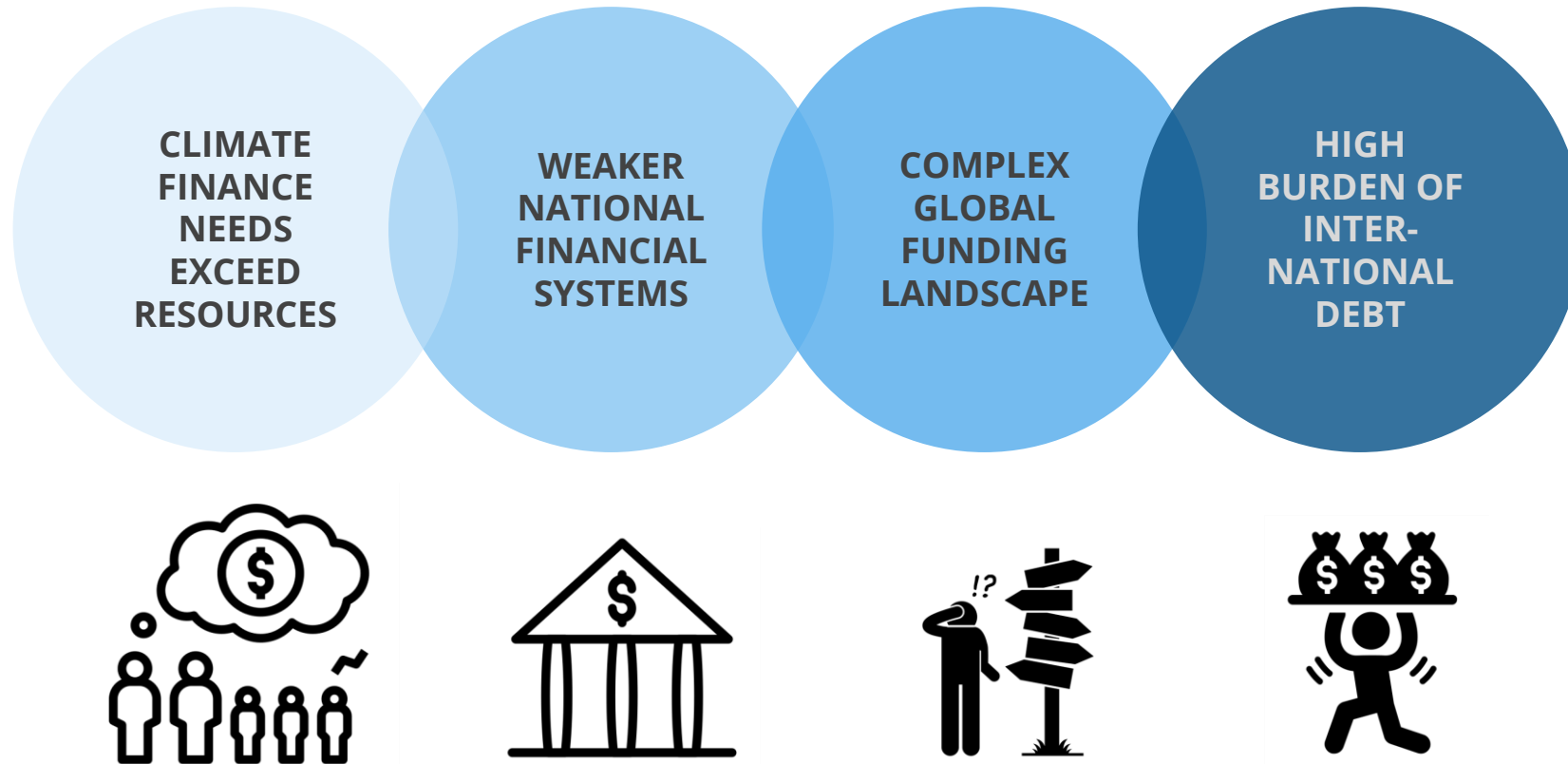
Private finance has an essential role, but requires an enabling environment which is often lacking in LMICs



Private climate finance often flows to the less urgent mitigation projects

CLIMATE FINANCE CHALLENGES FOR LMICs

Many barriers currently limit greater climate financing in LMICs

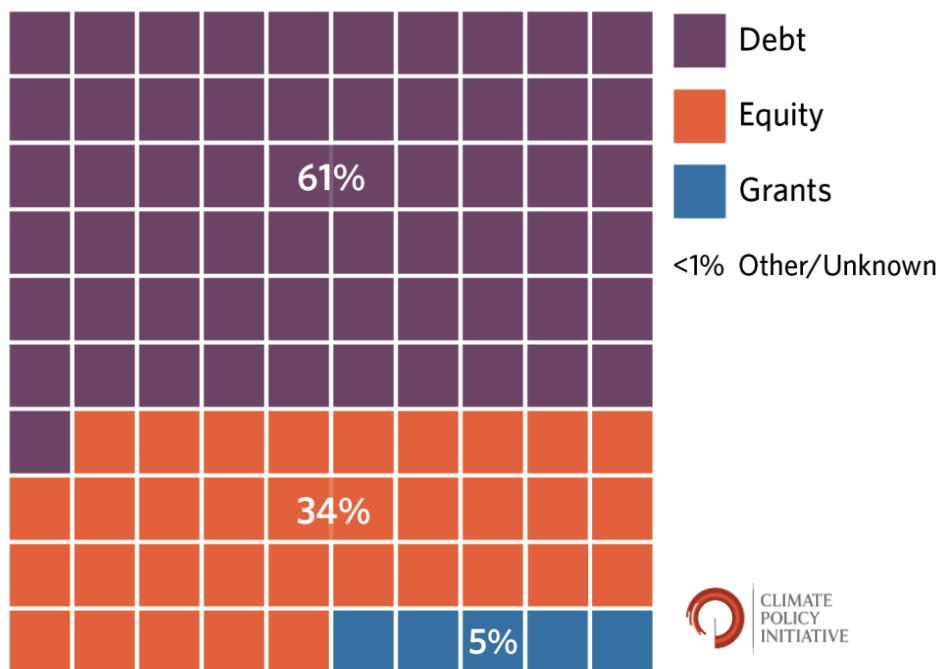




THE BURDEN OF INTERNATIONAL DEBT

Debt accounts for over ½ of climate finance in developing economies

Figure 10: Climate finance by instrument (USD bn) between 2011-2020



18x

Debt repayments represent 18 times what Small Island Developing States receive in climate finance

>1/2

In African countries especially, >50% of climate finance is from debt

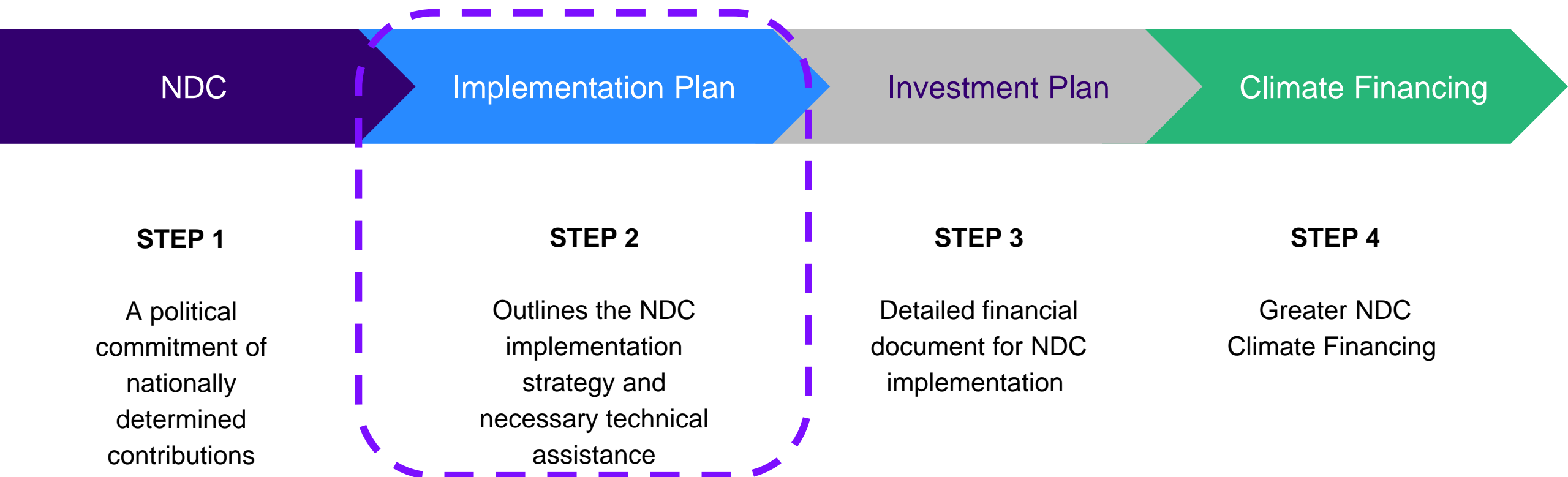


High inflation may lead to higher borrowing costs

NDC CLIMATE FINANCE PLANNING

NDC BEST PRACTICES SIMPLIFIED PROCESS

The majority of the plans we reviewed were pre-investment planning



NDC CLIMATE FINANCE PLANNING

NDC PARTNERSHIP BEST PRACTICES THEORY OF CHANGE

Most countries' plans were not positioned to mobilize investment



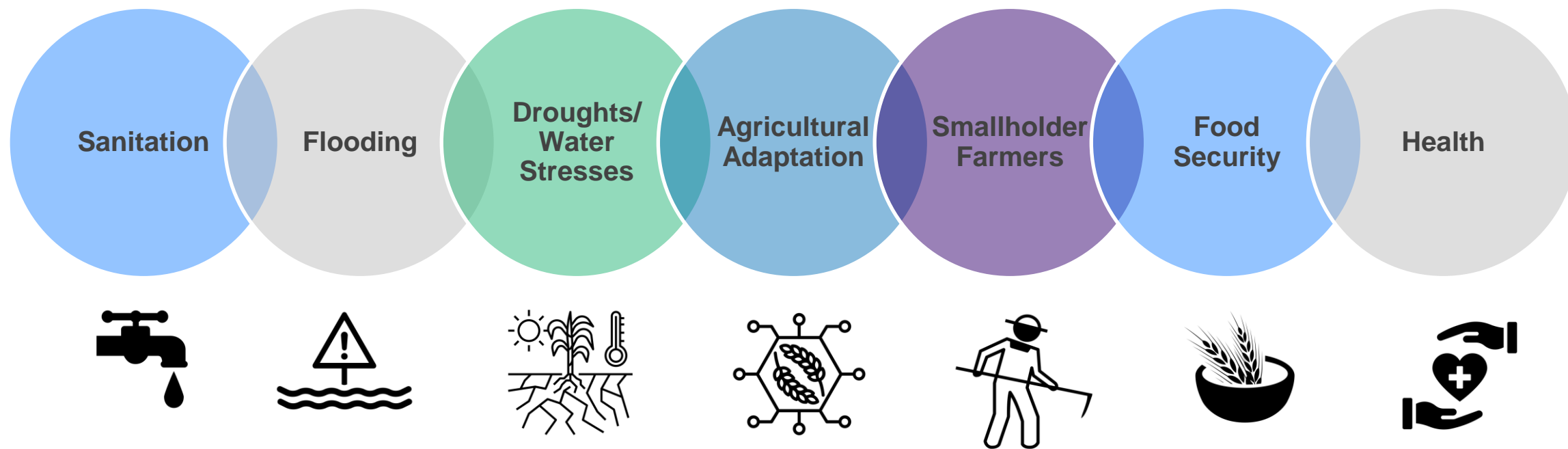
SECTOR KEYWORDS

COUNTRY	5. SECTOR KEYWORDS				
	a. "Sanitation"	b. "Flooding"	c. "Droughts & Water Stress"	d. "Agricultural Adaptation"	f. "Smallholder Farmers"
Benin	No mention of word or related words, but reference made to regulatory conflict with National Water Fund (p.27), along with sector strategies for water, health and agriculture (p.43, 44).	None	Minimal references to drought and desertification (p.43) and "National Fund to Combat Desertification" (p.24).	Financed five agricultural adaptation projects (p.38).	Financed at least one project for "agro-pastoralists" (p.38).
Ghana	Moderate references, mostly to the Ministry of Sanitation and Water Resources, acknowledgement of sanitation projects requiring long-term financing (p.42), and wastewater management (p.95).	Minimal references to \$200 million USD flood risk management project (p.111) and in relation to water sector in climate change risk communities (p.110).	None	Frequent references to "climate-smart" technologies in agricultural context, including cocoa and fisheries (p.37,40). Three programmes of action revolve around "resilient agriculture." Food and Agriculture sectors identified as top priorities in Ghana's NDCs (p.39) and adopting climate smart agriculture (\$259.5 million USD) (p.113).	Minimal references to "smallholder farmers," also in the context of Ghana's cocoa subsector (p.101-103).
Kenya	Frequent mentions of "sanitation" one of the seven identified priority areas with in-depth discussion and objectives (p.74-80).	Highly frequent references and discussed throughout the document with adaptation planning and financed actions (p.129). Central to strategic objective 1 (p.52-54).	Highly frequent references of "drought," much less frequent reference to "water stress" or "desertification," documentation with drought risk management (p.49-54). Central to strategic objective 1 (p.52-54).	Frequent references to "resilient agriculture/agricultural resilience," "climate smart agriculture/CSA," "improved agricultural extension services," or specific adaptations discussed (e.g. non-rain-fed greenhouse farming). Adaptation discussed generally (p.57-58) and included in strategic objective 2. National frameworks: "Kenya Climate Smart Agriculture Strategy (2017- 2026) & Kenya Climate Smart Agriculture Implementation Framework (KCSAIF) 2018-2027."	Frequent references to "smallholder farmers," "pastoralists/pastoralist farmers," "small-scale farmers," "underprivileged farmers." Smallholder famers "form the bulk of Kenya's agricultural sector" (p.96), featured heavily throughout the plan.
Lesotho	Minimal references to "sanitation," in context of legislation. Though, discussions around waste management & bioenergy (p.35-37), including interest of government and private sector in this space. Financial details not included, but may be available from a feasibility study that was conducted.	Minimal references, including risk of, some impacts of, and what related investment is targeted. No financial data provided. Increasingly variable rainfall and risk of drought stated as potential environmental barrier to renewable energy, along with mitigation measures (investment in flood protection measures) (p.53).	Frequent references. General commentary around impacts of drought, including on economy/GDP, but no specific details/financed interventions. Lesotho Highlands Water Project promised to provide a capital boost to GDP (p.11). Inclusion of solar water pumps, which fall below the cost of off-grid diesel generation, but is not currently financially viable (p.58).	None	None

SECTOR KEYWORDS

CRITERIA SPREADSHEET

A high-level assessment of sector keyword inclusion in each plan was conducted



SECTOR KEYWORDS

CRITERIA SPREADSHEET FINDINGS

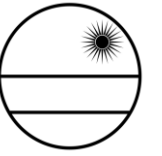
Keyword inclusion varied by country, region, and sector

The Sub-Saharan Africa region had the most detailed sector plans

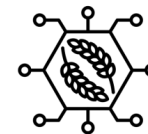


The most detailed plans according to sector keywords:

- Kenya
- Cambodia
- Rwanda



The sector keywords with the most detail across all plans were Agricultural adaptation, health, and food security



CONCLUSIONS

COUNTRY	6. UW START ASSESSMENT		
	a. Innovation	b. Gaps	c. Overall Impression
Benin	Ministry of Sustainable Development is the publishing authority. The plan includes an evaluation of the 2017-2021 FNEC strategic plan (p.17).	Intersectoral integration (e.g. health, agriculture, & water) less clear as noted in sector keywords.	Appears to be in the <i>process and implementation</i> stage of NDC Investment Planning, although could have broader sectoral alignment from the activities column.
Ghana	Appears to have excellent engagement from various national ministries and stakeholders (p.20)	Multiple other country documents from Ghana seem to address different aspects of climate finance (e.g., M&E).	Appears to be in the <i>process and implementation and investment needs</i> stages of NDC Investment Planning.
Kenya	Strong engagement with a broad range of key stakeholders. NCCAP Taskforce & NCCC includes stakeholders from the Private, Manufacturing, Academic, and Civil Society/NGO sectors. Strong legislation/governance.	Additional financing resources and details on financial implementation needed.	Appears to be in the <i>investment needs and mobilizing investment</i> stages of NDC Investment Planning.

NEXT STEPS



NDC Investment Planning: Best Practice Brief

May 2022 V2

NDC 
PARTNERSHIP

Investment Plan: Best Practice Brief

- Connecting with NDC Partnership: Best Practices Brief
- Identify if any NDC Partnership collaborating countries that are in a more advanced climate investment planning stage
- Engage in and help facilitate knowledge sharing between key stakeholders

THANK YOU



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APPENDIX

KEY INFORMANT INTERVIEWS

ORGS & AREAS OF EXPERTISE

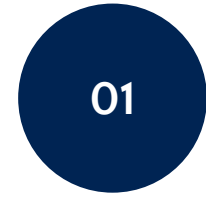


Grantham Institute
Climate Change and the Environment
An institute of Imperial College London

BILL & MELINDA
GATES *foundation*

NDC 
PARTNERSHIP

Conducted **5 interviews** from Fall 2021
to Winter 2022



Climate Change & Health



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