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Public-Private Engagement for National Adaptation Planning

Adaptation Rationale Workshop

14-17 November 2018, Cebu, Philippines



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1. Country Experiences



Speakers



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Environmental Coordinator
Fondo Accion



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Regional Director
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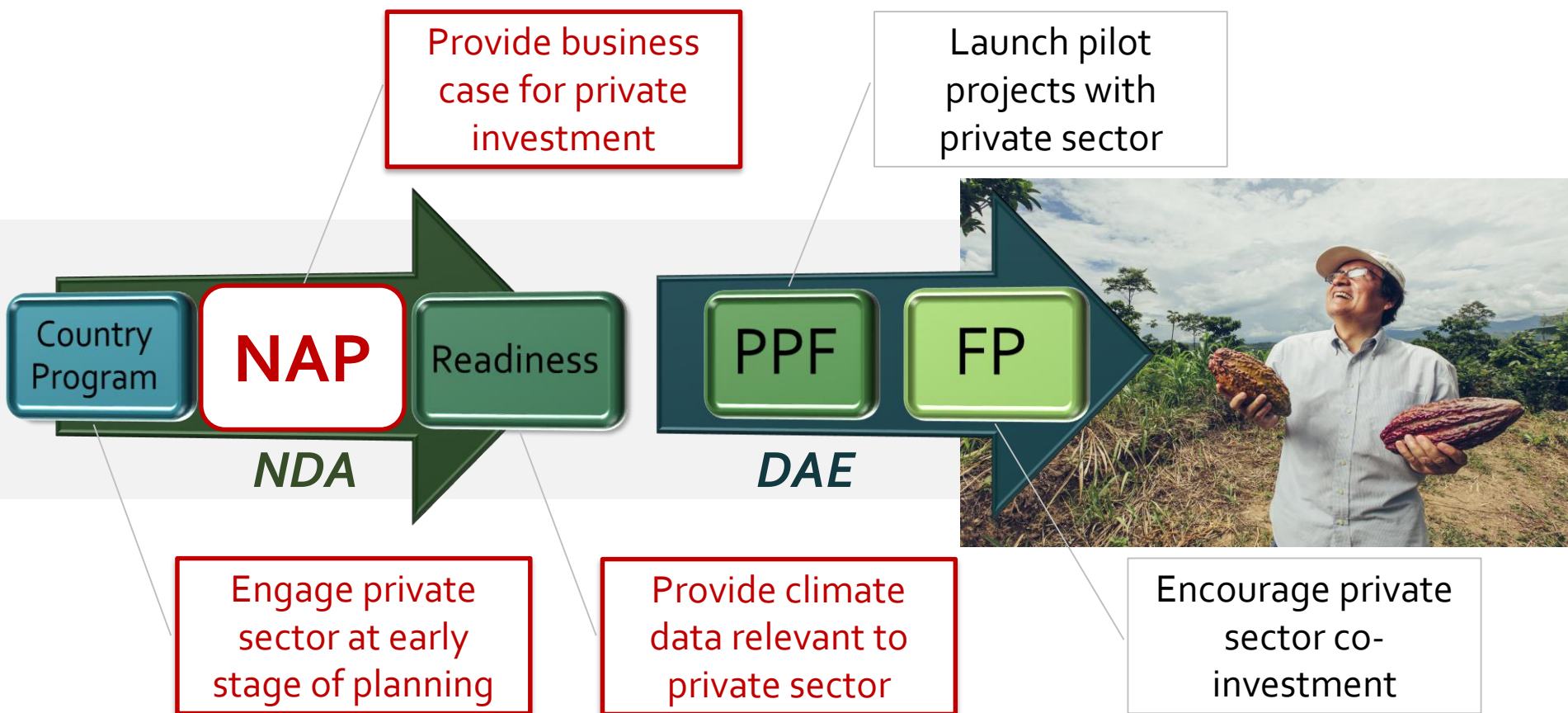
2. Private Sector Engagement in NAPs

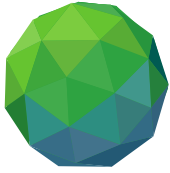


How You Can Work with Us

From Country Programs to Funding Proposals

- Use GCF's Readiness & Project Preparatory Support in each stage to engage PS





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Review of Barriers

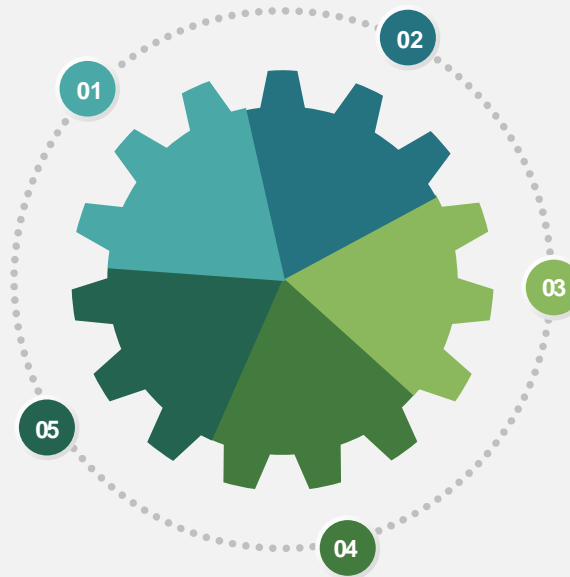
In engaging the Private Sector

Policy & regulatory

- Appropriate strategic and regulatory framework
- Consistent policy support and incentive systems

Region & country related

- Different barriers across regions and countries (e.g. fragmented local PS)



Knowledge & education

- Lack of awareness and training
- Local financial institutions' lack of capacity

Access to climate finance and local market

- Limited market capabilities
- Limited range of financial instruments
- Demand-supply mismatch

Affordability & technology

- High technology and upfront costs
- High cost of capital
- Access to technology



GCF's NAP support

Designed to address barriers

<GCF Review Criteria>

I.	Strategic focus of the proposal within a national vision
II.	Plan to address specific vulnerabilities and climate impacts
III.	Adaptation financing strategy
IV.	Theory of Change
V.	Avoidance of duplication of effort
VI.	Stakeholder engagement
VII.	Gender considerations
VIII.	Private sector investment strategy
IX.	Monitoring and evaluation
X.	Coherence and complementarity with other Funds

<Examples of good practice>

- Producing evidence base to support **business case for private investment**
- Defining sustainable **finance sector strategy**
- Communicating **climate information** to attract private investment & raise awareness
- Engaging with finance sector to develop **new financial products**
- Catalyzing **public-private partnerships** for adaptation



NAP Best Practices

To engage the Private Sector

I. Stakeholder Engagement / Capacity Building

- › E.g. Engaging the microfinance sector to determine needs for reaching BoP customers

II. Pipeline Development

- › E.g. Mapping best available technologies for crop and soil management

III. Financing Strategy / Climate Data

- › E.g. Exploring PPP options with local banks

IV. Regulatory

- › E.g. Concessional loan terms for adaptation project from central bank

Each item should be tailored to national context with specific outcomes



Sample NAP Action Item

To engage the Private Sector



Less effective

- Engage private sector for climate change
- Outcome: Workshop for private sector actors



Better

- Engage private sector stakeholders to develop needs assessment to encourage investment in priority sectors.
- Outcome: Semi-annual forum with feasibility study



Best

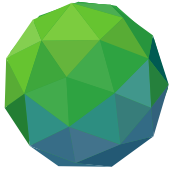
- Engage central bank, national banking association and microfinance associations to develop needs assessment to encourage investment in agriculture sector.
- Outcome: Semi-annual forum with working group and knowledge management center.
- Outcome: Proposed policy changes to improve adaptation investment environment.

Will require working knowledge of the private sector context in your country



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3. Workshop – Peer NAP Review



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NAP Workshop

Peer Review

I.

- General questions for the group?



II.

- Review NAPs with peers and switch every 10 minutes with the goal of:
 - Identify stakeholders and delivery partners
 - Compare practices and identify more specific action items for your NAP in each category:
 - 1) Stakeholder Engagement / Capacity Building
 - 2) Pipeline Development
 - 3) Financing Strategy / Climate Data
 - 4) Regulatory
 - Utilize technical specialists and delivery partners that are here





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Annex

I. Stakeholder Engagement / Capacity Building

- Engaging with the finance sector to develop new financial products, blended finance approaches, and/or service markets that accelerate uptake of climate -smart technologies
- Catalyzing private-public partnerships for adaptation action
- Engaging private sector and public decision-makers, including at local levels, in planning based on accessible climate impact and vulnerability information.

II. Pipeline Development

- Developing a prioritized pipeline of adaptation programs and project ideas, as well as concepts notes for submission to GCF, drawing relevant prioritization criteria as needed from existing methodologies. To avoid any possible conflict of interest deriving from the Delivery Partner's role as an AE to the GCF, the prioritization of projects for GCF funding should be made through a broad consultation process with relevant stakeholders, under the leadership of the NDA.
- Mapping of best available technologies and suppliers in targeted sectors.

III. Financing Strategy / Climate Data

- Developing a strategy that defines high potential funding sources for specified areas of adaptation action, including private and public, domestic and international sources
- Producing the evidence base that supports the business case for private investment in climate resilience.
- Defining a sustainable finance sector investment strategy.
- Communicating tailored climate information to attract private sector investment for adaptation.
- Exploring blended finance options to use development finance or philanthropy to mobilize private financing for adaptation.

IV. Regulatory

- Developing financial sector policy guidelines or regulations to incentivize climate/adaptation investment from the private sector
- Considering a combination of funding options from taxes (public resources), tariffs (private payments), and transfers (international cooperation); as well as financing of up-front capital to be repaid over a period of time. Financing may make use of instruments such as loans, bonds, equity and others.



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