

CONVERTING INDCS INTO INVESTMENT STRATEGIES

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Dialogue. Insight. Solutions.



ABOUT CCAP



CENTER FOR CLEAN AIR POLICY

Since 1985, CCAP has been a recognized world leader in climate, energy and air quality policy. Headquartered in Washington, DC, we are an independent, nonprofit think tank working at the local, U.S. national and international levels.

Our Objective

Use our policy and market expertise to help policymakers and stakeholders worldwide advance air quality, energy and climate change solutions that transform our economy and ensure resiliency.

PROJECTS & EVENTS DELIVERED IN 25+ COUNTRIES



PROJECT & EVENT LOCATIONS

North America

Canada United States

Latin America

Argentina Dominican Republic
Brazil Mexico
Chile Panama
Columbia Peru
Costa Rica

Asia Pacific

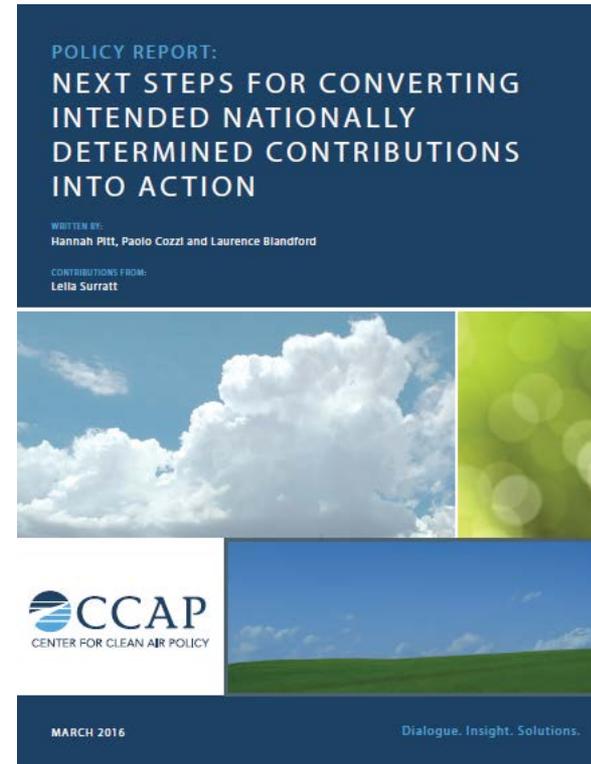
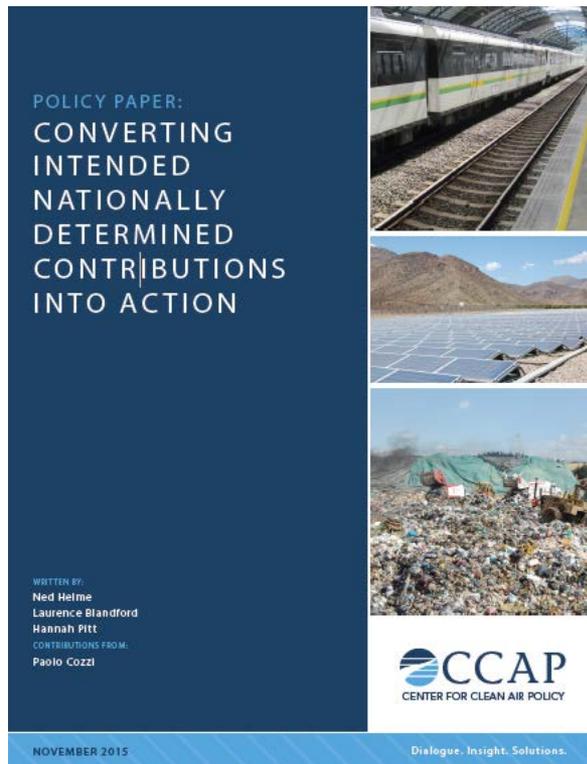
China Pakistan
India Philippines
Indonesia Thailand
Malaysia Vietnam

EMEA

Belgium Poland
Denmark Saudi Arabia
Germany South Africa

INDC CONVERSION

- For INDCs to achieve real impacts, they must be **converted** into policies, measures, and financeable investment strategies





WHY CONVERT AN INDC?

Promote ambition

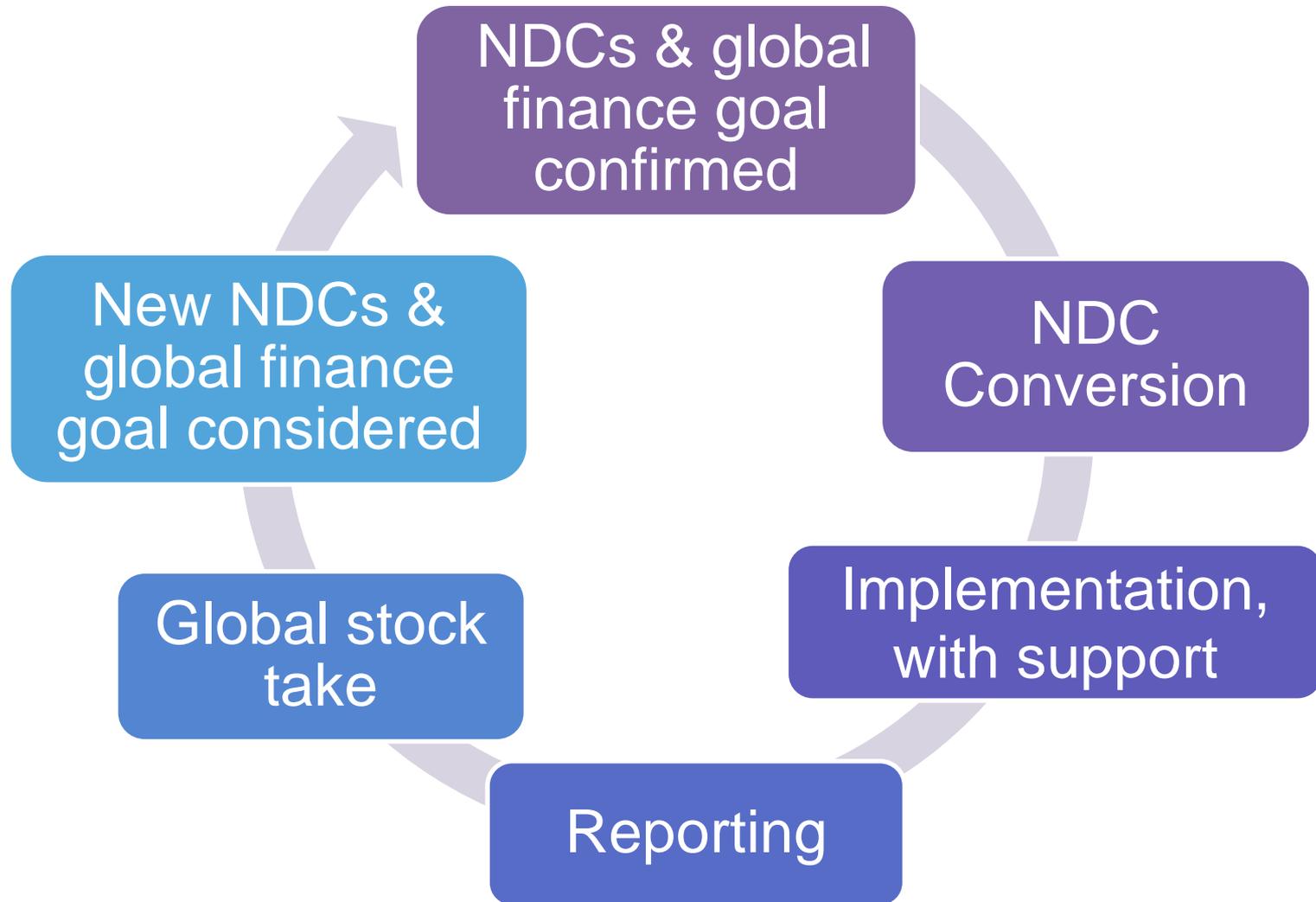
Achieve synergy - mitigation and development

Optimize use of domestic resources

Attract private sector investment

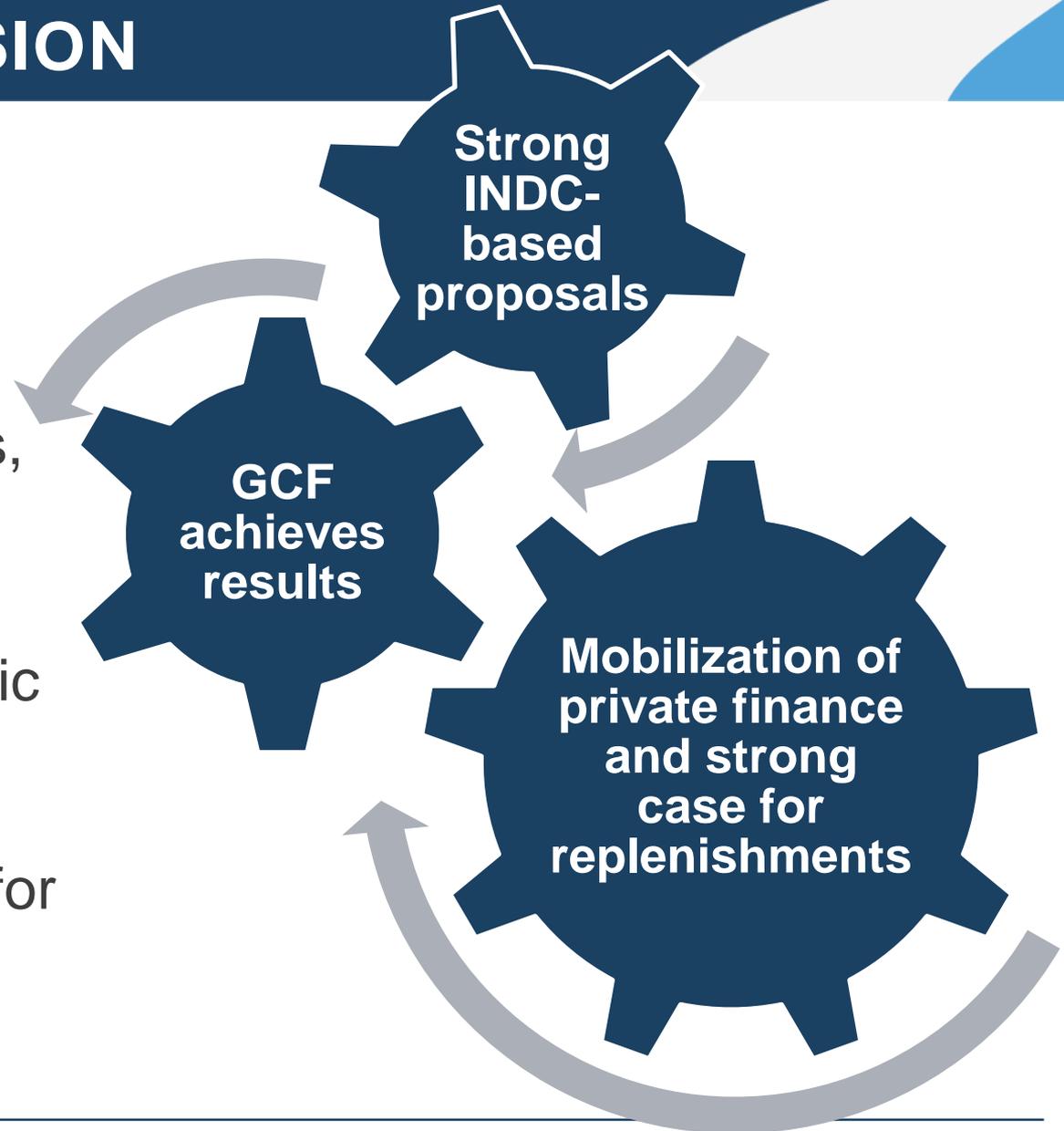
Make proposals more attractive to funders

INDC CONVERSION AND INCREASED UNFCCC AMBITION



THE GCF FUNDING CYCLE AND INDC CONVERSION

- The successful conversion of NDCs will deliver strong proposals to funders, including the GCF
- Strong, programmatic proposals can accelerate financing and make the case for additional replenishments.



WHAT IS IN CONVERTED INDC?

A converted INDC is a comprehensive national plan to achieve the INDC target, achieved through a national policy-making process.

Target

- Formally confirmed

Policies and measures

- Sector-specific
- Cross-cutting

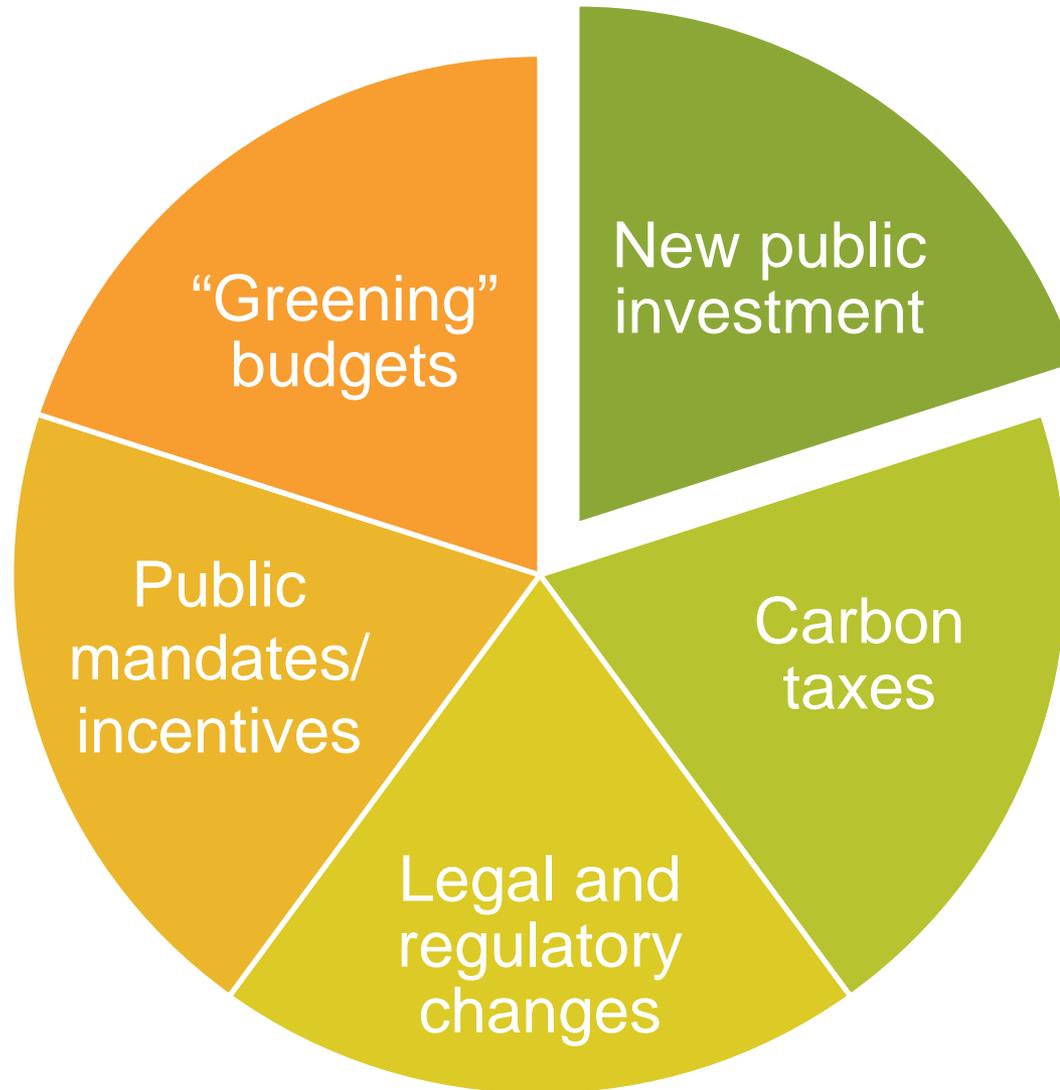
Public fin. interventions

- Fiscal outlays
- Public finance institutions

Investment strategy

- Basis for seeking support and targeting private finance

DOMESTIC CONTRIBUTION CAN COME FROM SEVERAL PUBLIC AND PRIVATE SOURCES



WILL CURRENT INDCS ATTRACT FINANCE?

- Roughly half of the 39 INDCs CCAP studied estimate total inv. costs
 - One fifth provide full costs by sector & specific measure
 - 14% present an overall financial request
- Don't fully reflect factors that will inform funding
 - Cost, availability of domestic finance
 - Info on costs and gaps relevant to programs
 - How a country will use its domestic resources
 - Basis for requesting support
- Publishing an “INDC investment” or “National Climate Finance” strategy can provide this info

INVESTMENT/FINANCE STRATEGY

An INDC investment / national climate finance strategy could aim to:

- Establish enabling environment to attract climate-compatible investment
- Encourage the financial sector to have a climate-friendly portfolio and build secondary markets for “green” instruments
- “Green” budgets and public financial institutions
- Identify opportunities for new public investments and tenders
- Identify catalytic and strategic uses of international public climate finance

WHAT SHOULD SUCH A STRATEGY ADDRESS? (1)

Understanding national circumstances

- *What is the overall picture for climate investment in the country?*
- Current flows, availability of finance, capacity of fin. sector, key economy-wide barriers

Prioritizing financial interventions

- *What investment is needed to meet INDC goals?*
- Financial flows to be transformed, Infrastructure needs, Estimation of costs of medium-term INDC measures, options to address gaps

WHAT SHOULD SUCH A STRATEGY ADDRESS? (2)

Unilateral policies and measures

- *What unilateral means will the country use to mobilize financing?*
- Policy and regulatory actions, role of public expenditure and public finance institutions, how private finance will be mobilized

Strategic basis for international support

- *How will support drive increased ambition?*
- Rationale for types of financing needed, Sources targeted, specific proposals to be pursued

KEY TAKEAWAYS

- To achieve real reductions, INDCs must be converted into **financeable investment strategies**
- This is in the interest of countries and of funders and financiers looking for project pipeline
- A clear sense of the measures and domestic spending to be undertaken in support of the INDC will help attract international financing for project implementation
- Countries may wish to publish a full **National Climate Finance/INDC Investment Strategy** on how they intend to attract finance and make the case for support
- Helping countries do this work is a good use of international support – GCF, GEF, others should do much more in this respect to drive ambition

THANK YOU

For more information,
please visit us at

www.ccap.org.