



# Catalyzing Climate Finance

Climate Policy in Action  
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## Comprehensive Transformation of the Financial System: An Opportunity for Catalyzing Climate Finance

In the [Sharm el-Sheikh Implementation Plan](#) adopted at COP27, parties historically highlighted that the mobilization of climate finance would require a transformation of the financial system, both in structure and processes, thus highlighting the crucial involvement for the broader range of financial actors in climate finance.

This new scenario explicitly calls for governments and the private sector to reform practices and priorities and expand investments with the alignment of the Paris Agreement goals. Deploying a sound set of instruments from grants to guarantees and non-debt instruments is vital for reducing the debt burden and investment risk perceived by the private sector to finance climate action. Therefore, the maximization of concessional and

risk capital financial instruments would be imperative to catalyze innovation and accelerate impact, while ensuring access to climate finance for developing countries

Catalyzing climate finance in developing countries requires a deep understanding of all variables involved for its successful implementation. Common variables include:

- Local Circumstances
- Risk Appetite
- National Indebtedness
- Market Readiness
- Capital Markets Maturity
- Presence of the Private Sector
- Leadership from Local Financial Actors
- Institutional and Political Conditions

Given that countries have different levels of readiness and resources, CCAP has been developing custom solutions aimed at accelerating public and private collaboration for climate finance mobilization, focusing on three major pillars:

1. Access to International Climate Finance Mechanisms
2. Design and Implementation of Financial Instruments and Financial Mechanisms at Regional, National and Subnational Levels
3. Mobilize the private sector towards climate change investment

As a result, CCAP works hand in hand with stakeholders, based on their needs and priorities to provide the necessary capacities for catalyzing climate finance in a timely manner.

## Our method:

### 01.

#### Two-way solutions:

##### Meaningful policy tools with market-driven opportunities

At CCAP, the experts combine high-level policy discussion, alignment to Paris Agreement goals and action-oriented implementation, delivering unique expertise for combining policy solutions with long-term market opportunities. As such, CCAP brings more than 37 years of experience in developing countries which is reflected in a profound understanding of key terminologies, sources and instruments for climate finance, multidisciplinary actors, policy solutions, market-based solutions and transparency of climate finance.

##### Equipped with knowledge and expertise surrounding

- Project Preparation ✓
- Tools and Resources ✓
- Bilateral and Multilateral Funding Windows ✓
- Eligibility criteria for funding or accreditation ✓





## 02.

### Advocacy for priority-based climate finance:

#### Ensuring alignment between donors and recipient countries

For the past 12 years, CCAP has supported developing countries to in the design, review and formulation of public policies and concept notes for the development of financial instruments and mechanisms. As such, it has advised country governments to identify and access resources from the main international climate funds, such as GEF, w, NAMA Facility, IKI Alliance, and InsuResilience Solutions Fund, to leverage and catalyze public-private investments. The expertise has been documented and disseminated through the publication of policy briefs, reports, and case studies to showcase how to better allocate resources based on countries' needs and priorities.



## NAMA Facility



## 03.

### Capacity building and knowledge sharing:

#### Dissemination of best practices and lessons learned for accessing climate finance

CCAP has organized more than 50 climate policy and climate finance dialogues, workshops, webinars, trainings, and capacity building events for country governments. In addition, CCAP has also organized workshops aimed at helping governments and private sector stakeholders to better understand the modalities for accessing the NAMA and GCF sources. This includes helping governments understand how climate funds differ from other climate finance mechanisms and their ability to take on higher levels of risk to catalyze finance. CCAP regularly develops and disseminates policy papers, case studies, and reports on lessons-learned from project implementation and also organizes dialogues and workshops to raise awareness of a broader range of stakeholders including local actors.





## Our Track Record:

### Mitigation Action Implementation Network (MAIN). 2011-2017

CCAP developed technical capacities in more than 16 countries in Latin America and Asia with the aim of structuring climate finance instruments for designing and financing ambitious climate action projects. CCAP convened more than 40 dialogues and capacity-building events in the two regions for sharing best practices of policies and finances.

CCAP organized international dialogues to discuss climate finance under the UNFCCC process and the effective use of the GCF and other sources of climate finance to support implementation in developing countries. This work led to the identification of the key features of transformational NAMAs, which in turn served as the basis for the criteria of the NAMA Facility Mechanism, as well as contributing to action on the UNFCCC related to policy support for developing countries.

Through policy dialogues, bilateral meetings, and publications, CCAP also engaged extensively with multilateral financial institutions that have been accredited by the GCF, including the Inter-American Development Bank (IDB), the International Finance Corporation (IFC), the European Investment Bank, and the Development Bank of Latin America (CAF) to promote the development and financing of transformational climate finance proposals.

### Nationally Appropriate Mitigation Actions (NAMA) Facility

Supported the development of the NAMA Facility, the first fund dedicated to climate finance. CCAP developed knowledge products, submitted recommendations

on guidance operations and potential financial sources, and supported the catalyzation of bankable low-carbon investments for transportation and waste management. CCAP also advised governments to access NAMA financing and design project development for the NAMA Facility, such as the [Transit-Oriented Development \(TOD\) in Colombia](#) and the ongoing NAMA to [Accelerate Progress Towards a Circular and Carbon-Neutral Waste Sector in Peru](#).

### Green Climate Fund (GCF)

As an observer of GCF since 2014, CCAP has provided inputs aimed at raising the ambition and impact of the UNFCCC's financial mechanism for investment frameworks, methodologies for comparing GCF proposals, usage of financial instruments to mobilize private sector investments, impact analysis methods, and the revision of the proposal approval process and simplified approach and funding framework for the measurement, reporting, and verification (MRV) of climate finance. CCAP also advised governments' prospective accredited entities (AE) to make use of the fund's unique capabilities for accessing GCF resources and programs.

### Strategic roadmap for maximizing GCF's engagement with the private sector and business plan for the Private Sector Facility (PSF). 2018-2019

CCAP provided a strategic approach to the Green Climate Fund's Private Sector Facility (PSF) programming and portfolio development to maximize private sector



participation in support of country-driven climate action. CCAP researched, mapped, and analyzed the demand and supply sides of private climate finance to identify opportunities to enhance the GCF's engagement with the private sector, including with new players and in new markets. Throughout the assessment, CCAP engaged in extensive consultations with National Designated Authorities and private sector actors at the local level in selected countries in Africa, Asia, Latin America and the Caribbean, Eastern Europe and Central Asia, and the Pacific, including the Philippines, as well as with private sector partners at the international and national level.

### **Technical Advisory Services for the Preparation of GCF Country Programmes in 6 countries. 2019 – 2021**

CCAP provided technical expertise on climate finance to enhance the quality of country programs, and NDC updates. Specific support provided under this project included:



#### **Chile**

- Policy Report to define the institutional framework for climate finance.
- Toolkit for strengthening the capacities of local banking sector to identify, manage and monitor the climate related financial risks, as well as public-private collaboration for achieving sustainability goals.



#### **Uzbekistan**

Analysis of gaps and barriers in financial sector to identify the level of understanding on the climate-related financial risks.



#### **Ghana**

- Policy Report to strengthen the banking sector's capacities to identify, manage and monitor climate related financial risks.
- Analysis of Sustainable Banking Principles, and research on how local financial institutions and regulators understand climate physical and transition risks in the financial sector.
- Toolkit of climate finance sources available in Ghana, accredited entities (AEs) and financial instruments, including in local currency.



#### **Mexico**

Capacity needs assessment on the capacity of the designated national authority (DNA) and other relevant institutions to mobilize climate finance.



#### **Nicaragua**

Report on institutional framework and local ecosystem for mobilizing and accessing climate finance.

More info

