IKI MI Programme Learnings and Key Takeaways

April 2020

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Agenda

Welcome & Overview	John Thorne
Flagship Report Overview and Key Findings	Alexia Kelly
Country Case Study: Kenya	John Thorne Edna Odhiambo
Country Case Study: Bangladesh	Areej Riaz
Q & A, Post Webinar Survey, Wrap-up	Alexia Kelly

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Low Emissions Development Strategies Global Partnership

LEDS GP is a network of public and private practitioners and institutions delivering Low Emissions Development Strategies (LEDS) and Nationally Determined Contributions (NDCs) – locally, nationally and internationally.

LEDS GP has growing membership including:

- 118+ countries, 350+ institutions, thousands of individual practitioners working in national or subnational governments

The LEDS GP Finance Working Group (FWG) supports developing countries in accelerating investment into low emission development through:

- Peer learning & collaboration
- Targeted technical resources & support
- Innovative public private partnerships

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IKI MI Learning Themes 1 & 2

Learning Theme work stream: designed to support government decision – makers develop investment mobilization measures for key sectors

Learning Theme 1: Financing Distributed Low Carbon, Climate Resilient Energy Systems of the future in Africa and Asia

Learning Theme 2: Clean Energy Demand Stimulation and Finance Across Asia and Latin America

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Mobilizing Finance for Climate Action

Informed by the International Climate Initiative’s Mobilizing Private Investment Program

Spring 2020

ECM would like to gratefully acknowledge the contributions of the entire IKI MI team and the work of the implementing partner governments for their contributions and input into the development of this report and webinar.

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Report Objectives & Methodology

Objectives

- Support government decision makers and implementing partners to rapidly identify and address key policy and regulatory challenges that are impeding finance flows, as well as lay the groundwork for developing and implementing a NDC financing mobilization strategy

Methodology

- Desk analysis of existing program outputs
- Country consultations, semi- and formal structured interviews
- Feedback on content by country teams and SouthSouthNorth
- Country program examples of the different approaches added to this document where relevant

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Key Emerging Themes

The Opportunities

- Strengthened political resolve
- Many pathways to success
- Enhanced private sector interest
- Policy and regulation matters

The Challenges

- Macroeconomic conditions
- Taxes and tariffs
- Local financing institution education
- Private sector knowledge
- Lack of data and proof points
- Vested interests

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Approaches to Developing a NDC Financing Strategy

Step 1: Prioritize Sectors

Conduct a prioritization exercise of the eligible sectors – select sector. This can be done through a top-down or bottom-up approach:

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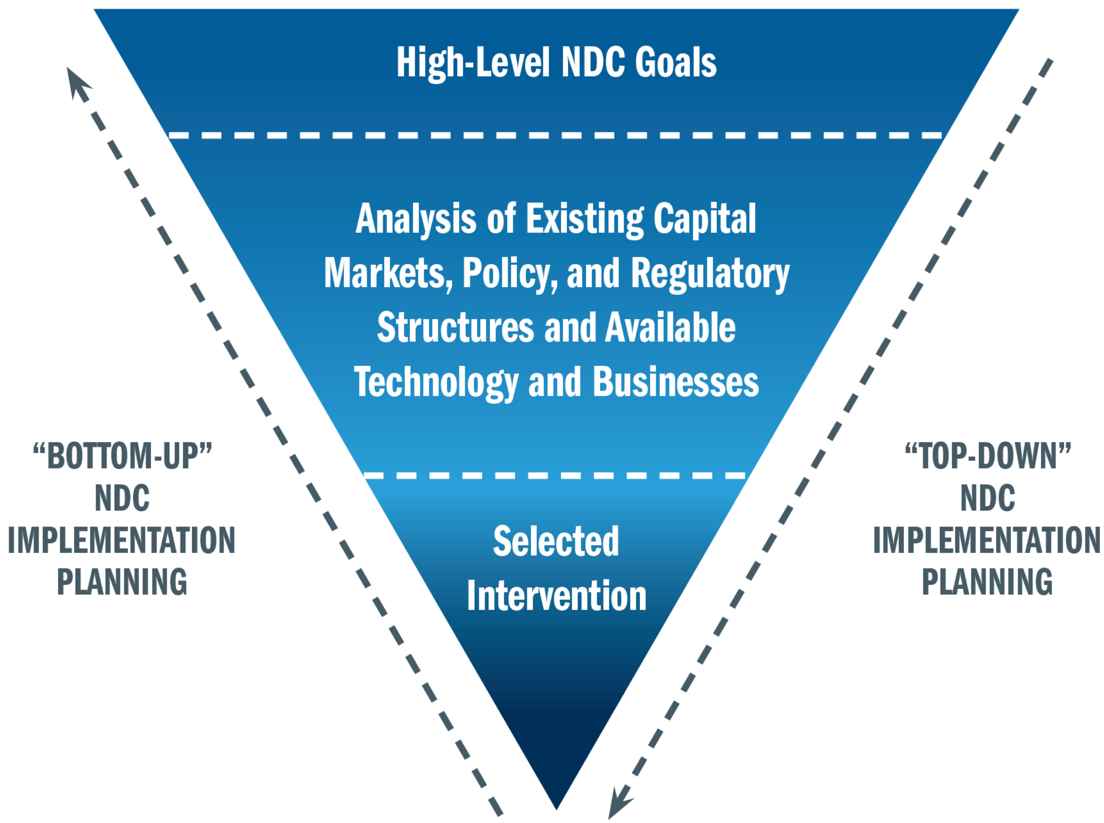
Bottom-up of Top-down?

NDC Implementation Planning Process

THE NDC IMPLEMENTATION PLANNING PROCESS



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Approaches to Developing a NDC Financing Strategy

Step 2:
Map Key
Stake -
holders

Develop a stakeholder map from the public, private, and financial sector.

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Step 2:

Landscape Assessment of Key Actors

The private sector:
Including financing institutions such as banks, entrepreneurs, and project developers, as well as potential purchasers of the good or service.

Key government agencies and regulatory bodies:
Including Ministries of Finance as well as sector-focused line ministries such as energy, water, and agriculture.

Other stakeholders:
Including other donor-funded initiatives and programs engaged in similar efforts in the country and sector in question.

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Approaches to Developing a NDC Financing Strategy

Step 3:
Identify Barriers & Challenges

Conduct a real-time diagnostic of the key regulatory, policy, and capital / financial barriers in the market.

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When conducting an analysis of a sector, ask these key questions:

1. Is the proposed solution more or less expensive than existing alternatives? If so, why?
2. Are there prevailing cultural or social norms that could impede uptake of a new product or business model?
3. At a general level, who would this change benefit?
4. Who stands to lose from this change?
5. Which are the existing incumbent businesses and technologies that might benefit or be harmed?
6. Are there political winners and losers from this change? If so, who are they and how might they be affected?
7. Is this change alone sufficient to address the barriers identified or does it need to be implemented in conjunction with other changes?
8. Is there an ecosystem of private sector players in the sector who have the potential to drive scale?

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Approaches to Developing a NDC Financing Strategy

Step 4:
Develop &
Execute
Intervention
Strategies

Identify and prioritize key interventions / strategies → execute. Troubleshoot as needed.

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Step 4 – Develop an Intervention Strategy & Execute

CAPACITY BUILDING	Capacity building through education and outreach to key sectors / businesses, trade associations, government ministries and officials, regulators, local financial institutions, etc.
POLICY CHANGE	Specific policy and regulatory reform measures to address gaps and barriers.
PILOTING	Piloting and business case testing for specific technologies, business models, and sectors.
FINANCING	Development of specific vehicles or financing tools to address identified capital markets barriers (e.g., loan guarantee facilities)

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Recommendations for Scaling Private Investment Into NDCs

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IKI MI Country Case Studies

Kenya: Promoting Bioethanol for Clean Cooking

John Thorne & Edna Odhiambo - SouthSouthNorth

Bangladesh: Promoting Off-grid Solar / Mini-grid, Solar Irrigation Pumps, and Solar Boats

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Q & A from the Audience

Post Webinar Survey

Wrap-Up & Next Steps

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