Financing Adaptation

The role of National Climate Funds in Supporting the Integrated Implementation of National Adaptation Plans
Main Climate Change Fund Goals

- Coordinate country-wide climate change activities to ensure that climate change priorities are effectively implemented
- Collect traditional and innovative sources of funds and direct them in an accountable and efficient manner toward climate change activities that promote national priorities
- Blend finance from public, private, multilateral and bilateral sources to maximize a country’s ability to advance national climate priorities
- Innovate and pilot policies/technologies
- Foster public private partnerships to catalyze climate-friendly investment
- Strengthen capacities for integrated management of off-budget mechanisms, national ownership and management of climate finance, including for “direct access” to funds
Piloting New Financing Structures for Clean Climate Projects

The initial paradigm

A future paradigm

Cross sectorial alignment

Individual Projects

Fragmenting Financing (100%)

Sector-Wide Approach Initiatives

National Fund Co-Financing (30%)

Vertical Fund Co-Financing (20%)

Private Sector Debt (50%)
Access Modalities to Climate Finance

### Multilateral Access

<table>
<thead>
<tr>
<th>INTERNATIONAL DOMAIN</th>
<th>Fund Manager</th>
<th>Implementing Body</th>
<th>Executing Body</th>
</tr>
</thead>
<tbody>
<tr>
<td>NATIONAL DOMAIN</td>
<td></td>
<td></td>
<td>Executing Body</td>
</tr>
</tbody>
</table>

### Direct Access

<table>
<thead>
<tr>
<th>INTERNATIONAL DOMAIN</th>
<th>Fund Manager</th>
<th>Implementing Body</th>
<th>Executing Body</th>
</tr>
</thead>
<tbody>
<tr>
<td>NATIONAL DOMAIN</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Enhanced Access

<table>
<thead>
<tr>
<th>INTERNATIONAL DOMAIN</th>
<th>Fund Oversight</th>
<th>Fund Manager</th>
<th>Implementing Body</th>
<th>Executing Body</th>
</tr>
</thead>
<tbody>
<tr>
<td>NATIONAL DOMAIN</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
National Climate Fund ‘Blended Finance’

Diagram showing the relationship between domestic and international sources of funding. It includes:
- Domestic Sources:
  - Innovative Sources
  - Other Sources
- International Sources:
  - Bilateral Cooperation
  - Other Sources
- Collect
- Account for
- Blend Funding Sources:
  - National Budgets
  - Other Sources
- Joint Program
- Multilateral Cooperation
- Vertical Funds
Sources of Finance

- public and private donations from national and international sources;
- budgetary allocations from Government;
- any fees, levies, taxes and fines that are specifically allocated to the Fund by national laws, regulations or executive orders;
- Innovative financing instruments such as carbon or biodiversity offsets;
- revenues from investments (from funds in trust and non grant funding when applicable);
- proceeds from services provided by the Fund.
Mali Model

Mali National Policy on Climate Change

Mali National Strategy on Climate Change (2012-2017)

STRICTEGIC VISION

Strngthening national capacities and research

Integration of climate change at the level of sector based policies

Integration of climate change at the level of territorial policies

Incite the private sector to participate in the national effort regarding climate change

PROGRAMME-RELATED FRAMEWORK

STRATEGIC PLAN 2014 (RESULT FRAMEWORK)

Mali National Climate Fund
Financing a $250 million climate resilient development strategy in Mali
National Climate Fund in Mali

- Build development on successful adaptation to the effects of climate change
  - Alternative Sources of Energy & forestry
    - NF: 2M$ / others 5M$
  - Agriculture, Livestock, Fisheries
    - NF: 2.5M$ / others 9M$
  - Water resources
    - NF: 2M$ / others 8M$
  - Economic
    - NF: 2.5M$ / others 3M$
  - Research & Capacity Building
    - NF: 1M$ / others 11M$

- Territory 1
- Territory 2
- National Initiative
Performance Management System - quantifying value for money
Mali Climate Change Fund ‘Governance Structure’

Inter-Sectoral Council (Mali Climate Committee)
- Sets strategic priorities of the Govt in line with National Climate Change Policy & Strategy

Steering Committee (Chaired by MEA, includes key Ministers)
- Provides strategic direction and oversight; establishes policy; and allocates resources.

Sectoral Groups
- Undertakes sector-level climate resilient strategy development, sets sector-level targets, prioritizes funding needs, identifies projects, sector-level monitoring and reporting against set targets

Technical Secretariat (AEDD)
- Supports SC, sets operational guidance, daily fund management, Call for Proposals, prioritization, M&E

Government Coordinating Entities (Ministries of Environment, Finance)
- Assumes accountability for funds received by National Treasury, monitor implementation by National Entities

Fund Administrator/Trustee

Transfer of contributions

Implementation Entities
- Ministries
- Other Govt Entities
- Multilateral Agencies
Lessons Learnt

- A NCF must build on and be aligned to national objectives and capacities (ex: NCF for Mali is “on budget”; “on plan” and “on treasury” ensuring an optimum resource allocation and transparency);
- The objectives of a NCF must be linked to its expected capitalization;
- A NCF takes place within a broader national finance ecosystem and must provide clear comparative advantages over existing financial instruments (budget, project-based modalities, existing trust funds, etc.);
- A NCF is best understood as a new national institution. Designing a NCF Fund takes time, political capital and money. A dedicated project might be required to support the design and initial operations of a NCF.
Multi-Partner Trust Fund Office
‘Administers 99% of UN pooled finance’

- Maintaining a public online platform for monitoring and reporting programmatic and financial performance
- Managing financial services, including treasury and investments, quality assurance, disbursements and reporting
- Auditing
- Closing joint programmes and trust funds in a timely manner

FUND ADMINISTRATION

MPTF Office SERVICE PLATFORM

FUND ARCHITECTURE DESIGN

- Assessing the rationale for fund establishment through analysing the need, relevance and financial viability
- Supporting the establishment process, including formulating fund policies and procedures
- Developing integrated quality assurance and results framework

ADVISORY SERVICES FOR FUND INITIATION

- Preparing resource mobilization strategies
- Assessing non-traditional and innovative sources of finance
- Developing fund operation manuals
- Establishing technical secretariat
The MPTF Office supports development effectiveness and UN coherence through the efficient, accountable and transparent design and administration of innovative pooled financing instruments.

Information about the Mali Climate Fund: http://mptf.undp.org/factsheet/fund/3ML00