Financing Adaptation
Supporting an integrated model: The Role of National Climate Funds
Integrated Model Main 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
- **Support** the development of domestic capital market
- **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 Strategies

The initial paradigm

The future paradigm

Cross sectorial alignment

Individual Project

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>Executing Body</td>
</tr>
</tbody>
</table>

#### National Access

<table>
<thead>
<tr>
<th>International Domain</th>
<th>Implementing Body</th>
<th>Executing Body</th>
</tr>
</thead>
<tbody>
<tr>
<td>National Domain</td>
<td>Fund Manager</td>
<td>Executing Body</td>
</tr>
</tbody>
</table>

#### Enhanced Access

<table>
<thead>
<tr>
<th>International Domain</th>
<th>Fund Oversight</th>
</tr>
</thead>
<tbody>
<tr>
<td>National Domain</td>
<td>Fund Manager</td>
</tr>
</tbody>
</table>
Integrated Model ‘Blended Finance’

Sources of Finance

- Vertical Funds
- Multilateral
- Bilateral
- Other Sources

Collect

Integrated Model

- National Climate Fund

Blend Funding Sources

- On Budget
- Projects
- Joint Program

Blended Finance Leverage Effect

Market transformation

Capital Market

Private Sector
Performance Management System
- quantifying value for money

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Quantity Based Performance**

**Average Based Performance**
Multi-Partner Trust Fund Office

**FUND ADMINISTRATION**
- 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 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
Mali Climate Fund model

Mali National Policy on Climate Change

- Strengthening 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

STRATEGIC PLAN 2014 (RESULT FRAMEWORK)

PROGRAMME-RELATED FRAMEWORK

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

**Domestic Sources**
- Innovative Sources
- Other Sources

**National Climate Fund**

**International Sources**
- Multi/Bilaterals
  - Sweden Cooperation
- Other Sources
  - Multi/Bilaterals
  - Germany (ICI)
- Other Sources
  - Vertical Funds: AF and LDCF

**Collect**

**Account for**

**Blend Funding Sources**
- National Budgets
- Other Sources

- Projects
- Joint Program
- On Budget
Mali Climate ‘Governance Structure’

**National Committee on Climate Change**
Set 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.

**Technical Secretariat (AEDD)**
Supports SC, sets operational guidance, Call for Proposals, prioritization, M&E

**N. Financial Management Entity**

**Fund Administrator/Trustee**

**National sources**

**Innovative Sources**

**International sources**

Transfer of contributions

**Local Entities**

**SCOs**

**National Entities**

**Multilateral Agencies**

**Treasury**

Provides strategic direction and oversight; establishes policy; and allocates resources.
Build development on successful adaptation to the effects of climate change.

- Alternative Sources of Energy & Forestry
  - NF: 2M $ / others 5M $
  - NF: 2M $ / others 9M $
  - NF: 1M $ / others 11M $

- Agriculture, Livestock, Fisheries
  - NF: 2.5M $ / others 9M $
  - NF: 2.5M $ / others 3M $
  - NF: 2M $ / others 8M $

- Water Resources
  - NF: 2M $ / others 9M $
  - NF: 2M $ / others 8M $
  - NF: 1M $ / others 11M $

- Economic Diversification
  - Research & Capacity Building
    - NF: 1M $ / others 3M $

- Natural

- Joint Program
  - On Budget

- Territory 1

- Joint Program
  - On Budget

- Territory 2

- Joint Program
  - On Budget

- National
National Climate Funds in Africa

- South Africa;
- Rwanda;
- Ethiopia;
- Democratic Republic of Congo;
- Others.
Key Decisions / Issues to consider in setting-up

- Do you have a strategic vision?
- Do you have a programmatic framework (IP)?
- Do you have National dedicated governance structures?
- What kind of NCF/ Integrated models will serve best your vision?
- What are your potential sources of Finance?
- Etc...
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