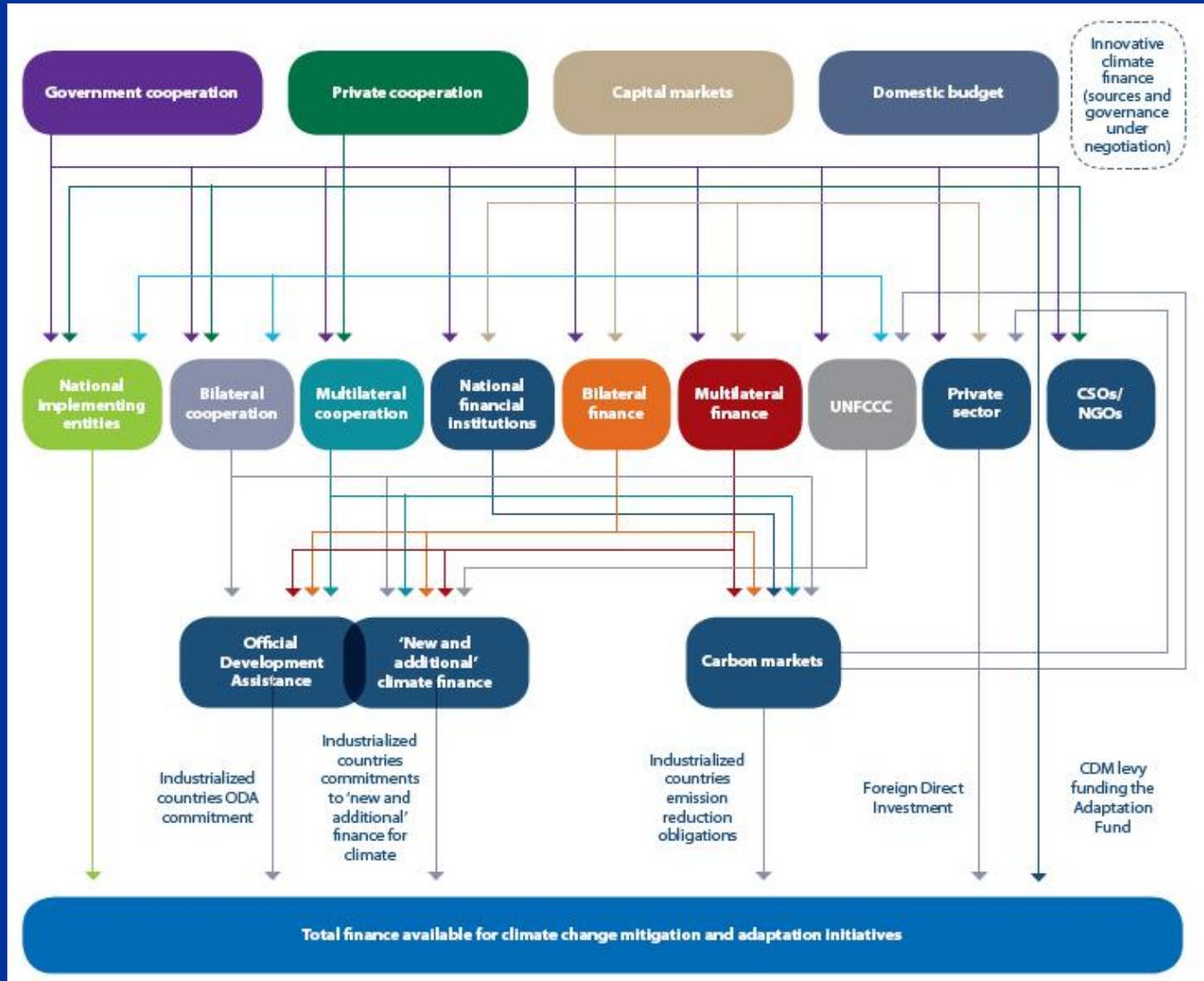




UNDP Support for the Formulation,
Financing, Implementation and Reporting on
Inclusive, Resilient and Low Emission
Development Strategies

*Low Carbon Growth in East Asia
and Japan's Efforts
18 May, 2012, SB 36*

Sources, Agents and Channels of Climate Finance – a complex picture



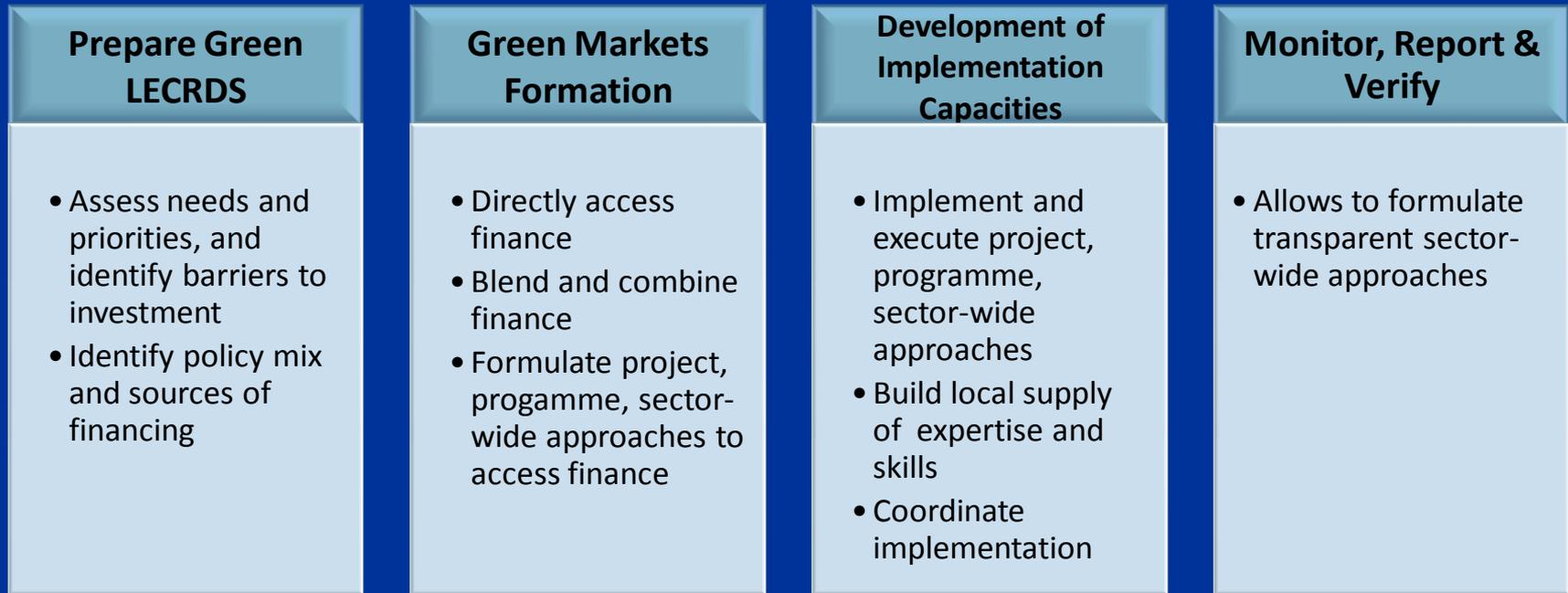


The “Climate Finance Readiness” Challenge

Despite growing volume/variety of resources (international & domestic, public & private), **3 key challenges to climate finance readiness:**

1. **National capacities** to navigate complex landscape and allow countries to access/deliver different forms of finance
2. **Need to catalyze private finance** given public finance alone is insufficient to meet demands
3. **Limited alignment between climate and development policy** to drive economy-wide transformation

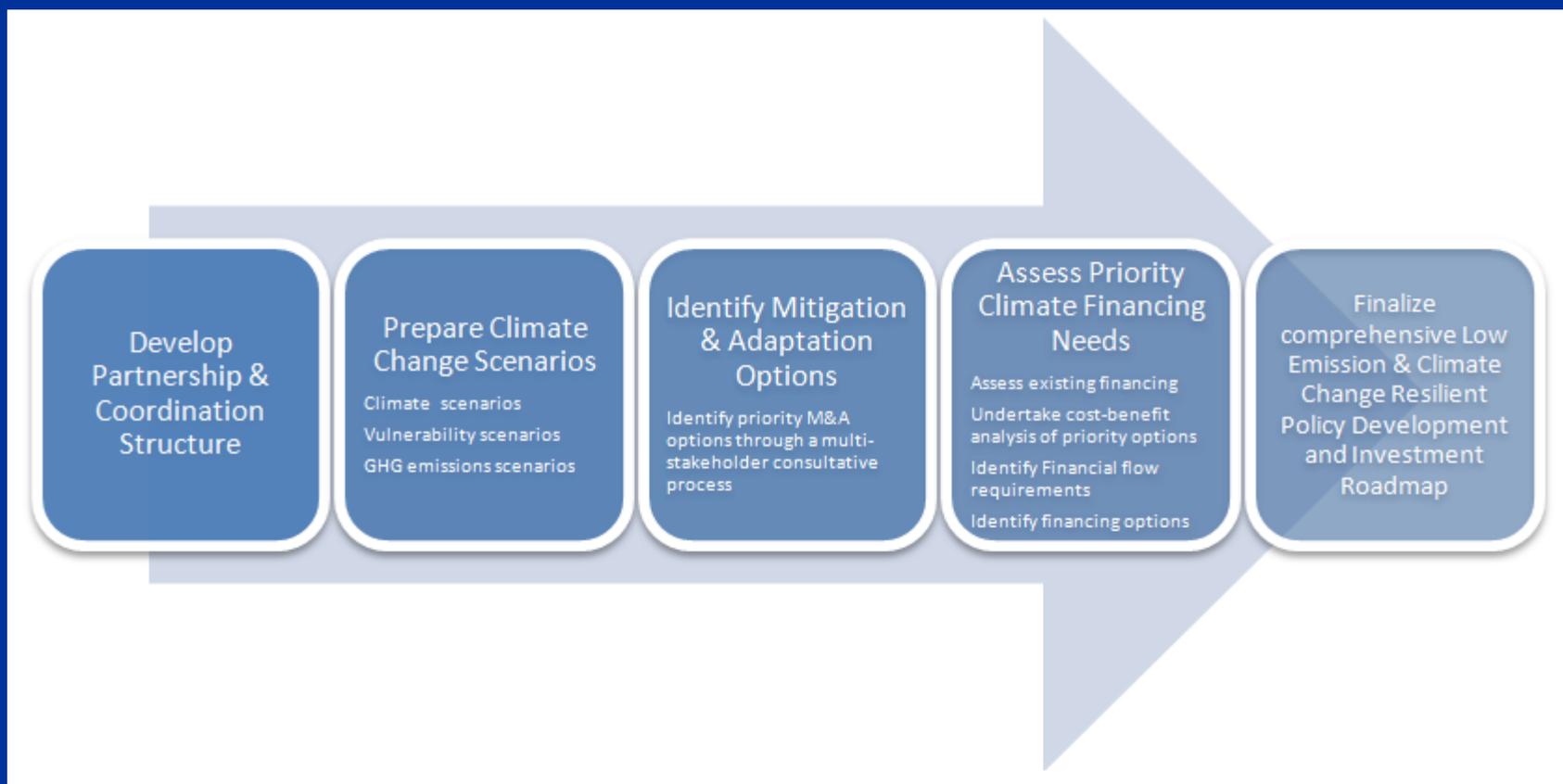
Approach to assist countries to plan for, access, deliver and report on finance for low emission growth



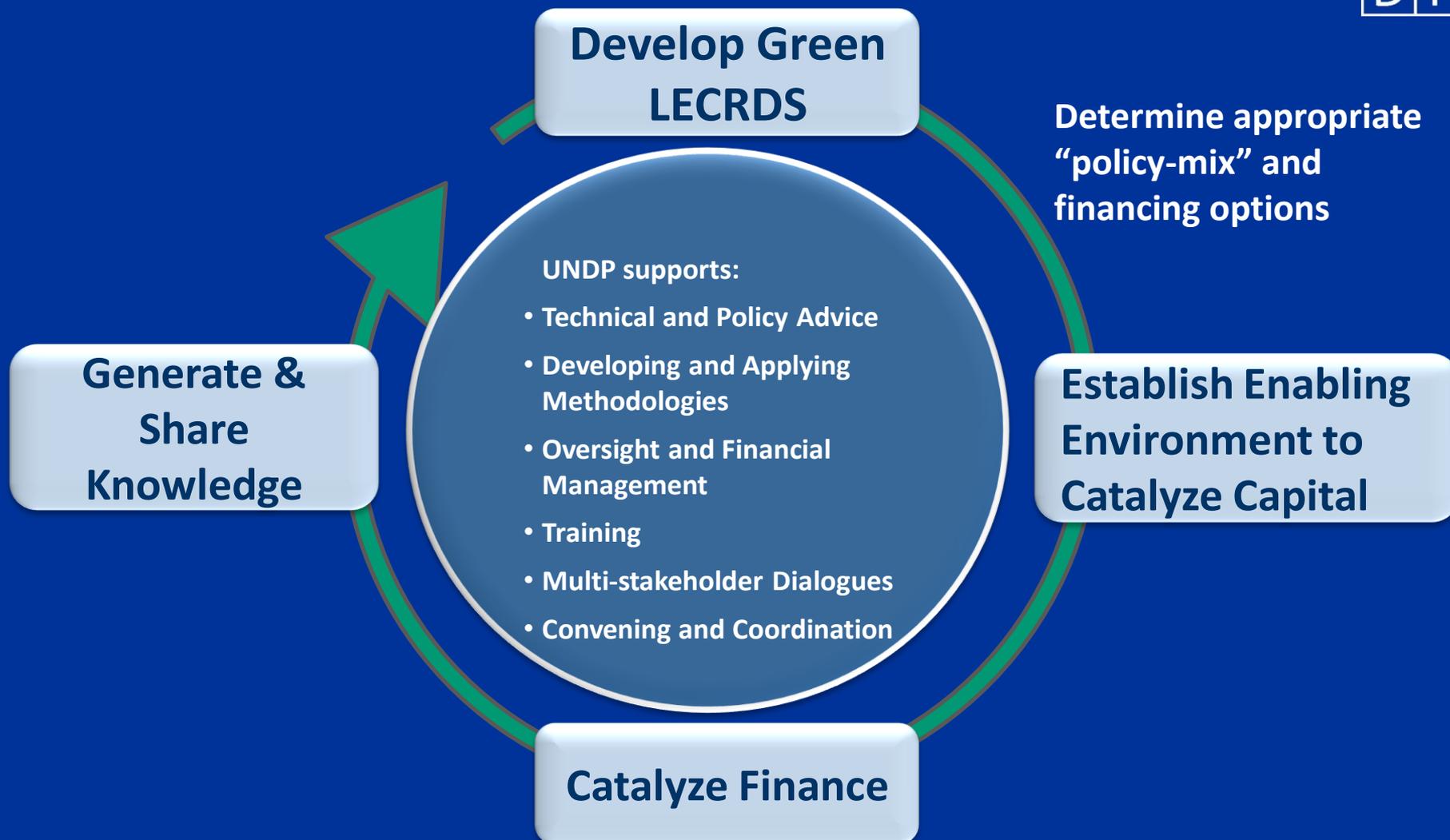
Supporting national systems through this process for climate finance helps countries to use finance effectively

Building capacities for planning, accessing, delivering and MRV ensures climate finance is available and effective in all countries

Financial planning: Preparing Green Low-Emission Climate-Resilient Development Strategies (Green LECRDS)



Robust strategic planning must underpin financial decision-making



Components of Climate Finance Readiness and Associated Capacities Required



Levels of national capacities	Financial Planning	Accessing Finance	Delivering Finance	Monitoring, Reporting & Verifying
Policy Level	Formulation of green, low-emission and climate-resilient development strategies and implementation plan, including costing	Sectoral policy incentives and regulations to catalyze private investments		
Institutional Level	Effective national multi-stakeholder coordination mechanisms	Implementing entities with fiduciary systems and safeguards; national banking institutions	Implementing & executing entities with fiduciary systems and safeguards; project-level multi-stakeholder mechanisms; climate-aware public financial management systems	Centralized unit to compile data and for quality control reporting; communications unit
Individual/skills level	Baseline assessments; I&FF assessments; expenditure reviews; costs-benefit analyses	Financial management (combining/ blending) skills; project/programme formulation skills; expertise in private sector pricing incentives	Specialist technology skills (e.g. wind energy technologies installation); project management skills	Expenditure review methodologies; GHG inventory skills; independent verification skills

UNDP's support in China



Formulate provincial strategies

- UNDP supported formulation of 32 provincial climate change programmes to implement national strategy
- Identified priority mitigation and adaptation priority measures and associated costs

Green Markets Formation

- UNDP supported development of 2 energy efficient roadmaps
- Assisted efforts to gradually develop a carbon market including a national emissions trading scheme

Develop Implementation Capacities

- UNDP contributed to the design of China's first climate change think-tank – National Centre for Climate Change Strategy and International Cooperation

Monitor, Report & Verify

- UNDP supported development of national GHG inventory in framework of National Communications
- Critical for emission trading systems and formulation of transparent sectoral NAMAs

UNDP relevant support for Green LECRDS in Asia



- National Communications: 24 countries
- Low Emission Capacity Building: 7 countries
- Mitigation: 24 countries
- Adaptation: 38 countries (incl. regional projects)
- Capacity Development: 28