

Climate Finance for Adaptation and Resilience Building



WORLD BANK GROUP
Climate Change

**Financing climate
change adaptation in
transboundary basins**

September 2016

Outline

Part I: Landscape of Climate Finance Instruments

Part II: Blending Sources of Funding (Case Study)

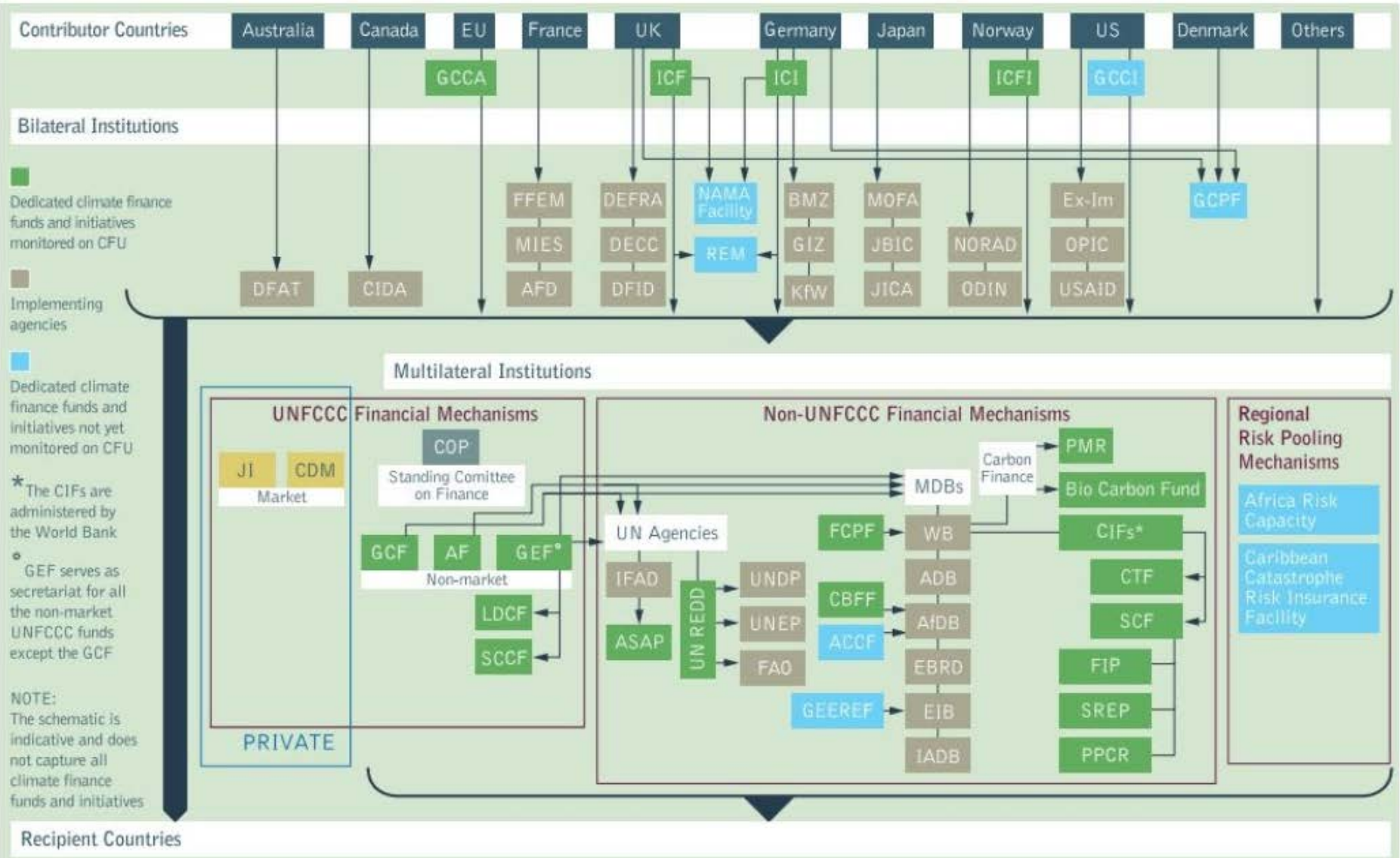
Learning Objectives

- Understanding the goals around various climate finance instruments
- Awareness of key operational differences between funds, important navigation options, and feasibility for client support
- Recognizing the opportunity to deploy different climate instruments over time to push a development trajectory forward, “crowding in” other actors and sources of finance

PART I: Landscape of climate finance instruments

Global Climate Finance Architecture

The architecture of the funds



Climate Finance Instruments – World Bank Group Example

Readiness

Policy Mapping & Analysis; Institutional capacity building; MRV, Baseline setting; Methodological framework; Enabling environment

- Partnership for Market Readiness (PMR)
- CADF (CPF Readiness Fund)
- Forest Carbon Partnership Facility (FCPF) Readiness Fund
- Carbon Initiative for Development (Ci-Dev) Readiness Fund
- BioCarbon Fund Initiative for Sustainable Forest Landscapes (BioCF ISFL)
- Pilot Program for Climate Resilience (PPCR) I/II
- Global Environment Facility (GEF)
- Ozone Trust Fund (OTF)
- Least Developed Countries Fund (LDCF)
- Special Climate Change Fund (SCCF)
- Adaptation Fund (AF)
- Global Fund for Disaster Reduction and Recovery (GFDRR)
- Korea Green Growth Trust Fund (KGGTF)
- Carbon Finance Assist (CF-Assist)

Investment

*Loan/Credit
Guarantee* *Grant
Equity*

- Clean Technology Fund (CTF)*
- Forest Investment Program (FIP)*
- Scaling-up Renewable Energy Program (SREP)*
- PPCR I*
- GEF*
- OTF
- AF
- IFC-Canada Climate Change Program
- Green Climate Fund

** IFC can access these sources of climate finance to support private sector projects*

Results-based Payments

*Carbon credits (incl. REDD)
Carbon-linked mitigation results*

- CPF Carbon Fund
- FPCF Carbon Fund
- Ci-Dev Carbon Fund
- BioCF ISFL
- Methane Facility (PAF)
- Transformative Carbon Asset Facility (TCAF)

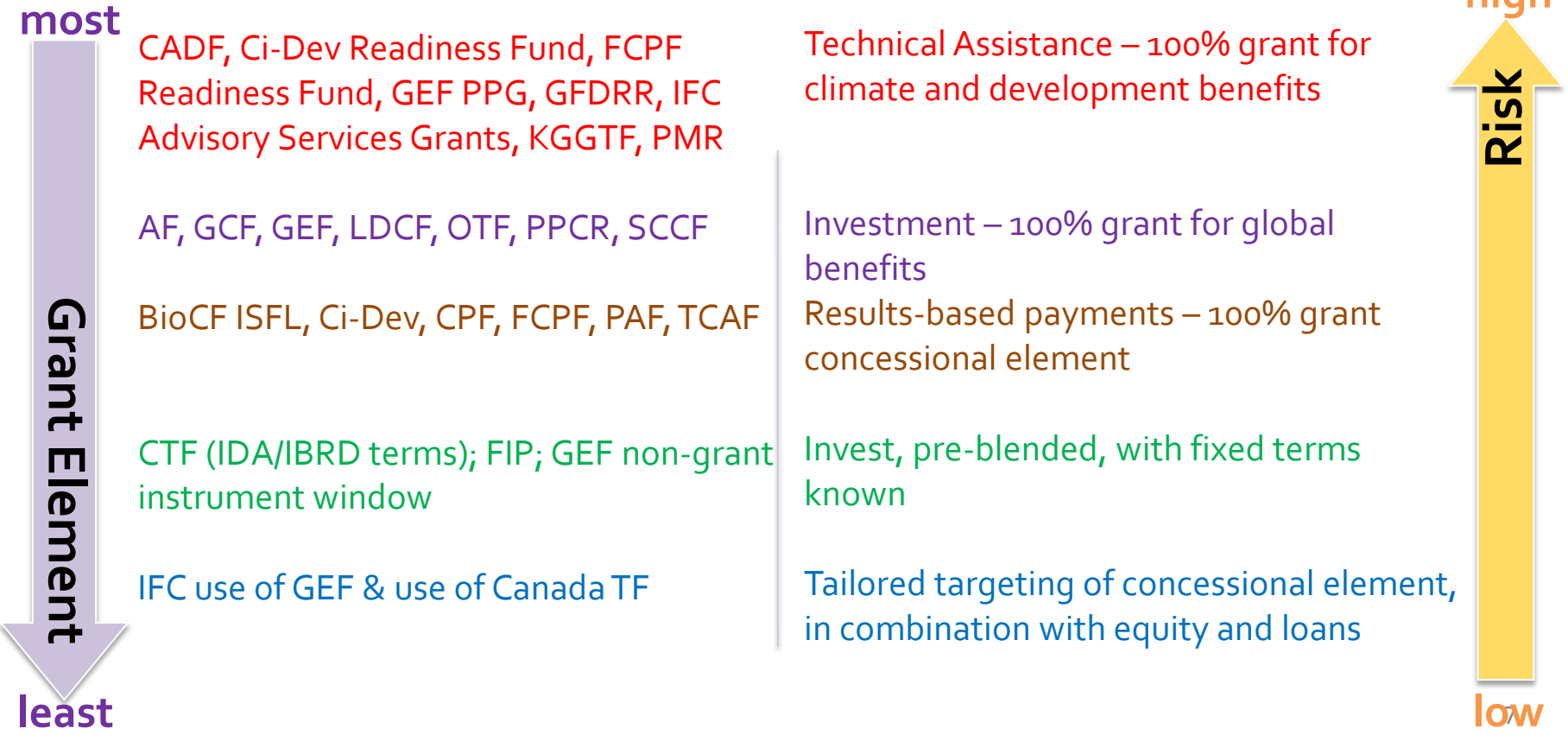
Note: IBRD, IDA, IFC internal financing instruments are not included.

Funds Have Different Levels of Concessionality

Concessional funds are scarce and often used in combination with other funds to target specific project barriers that need to be overcome:

- when the project requires Technical Assistance, demonstration/development costs, & similar activities with unclear/broadbased benefits
- where the economic or financial rate of return is low
- technology, counterparty, policy risk is high
- where a large capital investment into enabling infrastructure is needed to support the project

Some donors may award concessional funding on country basis, rather than by project (e.g., low income countries, high climate vulnerability).

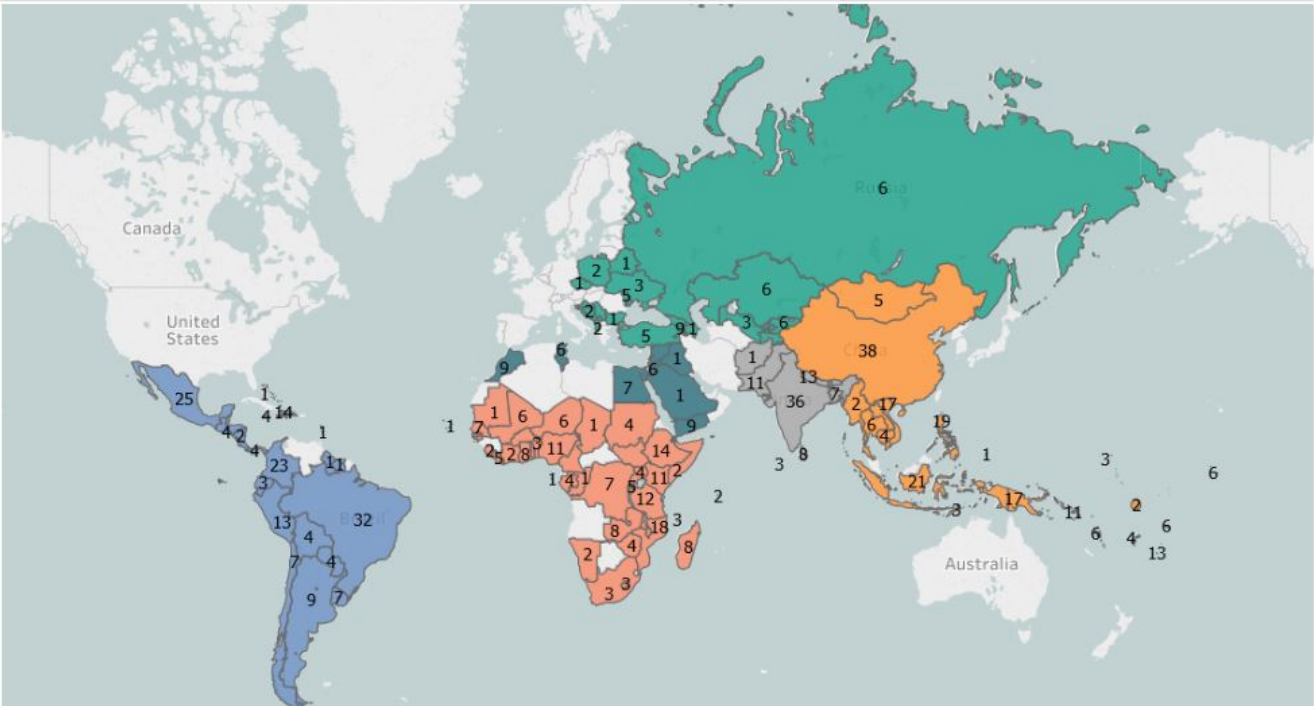
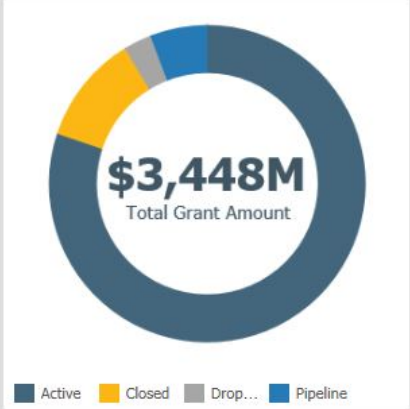
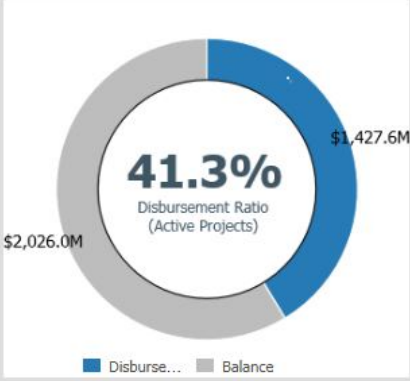


Trust Funds Managed by the World Bank's Climate Change Group

World Bank is working to connect teams (and clients) to relevant trust funds to leverage and track climate finance

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Climate Finance Instruments Dashboard

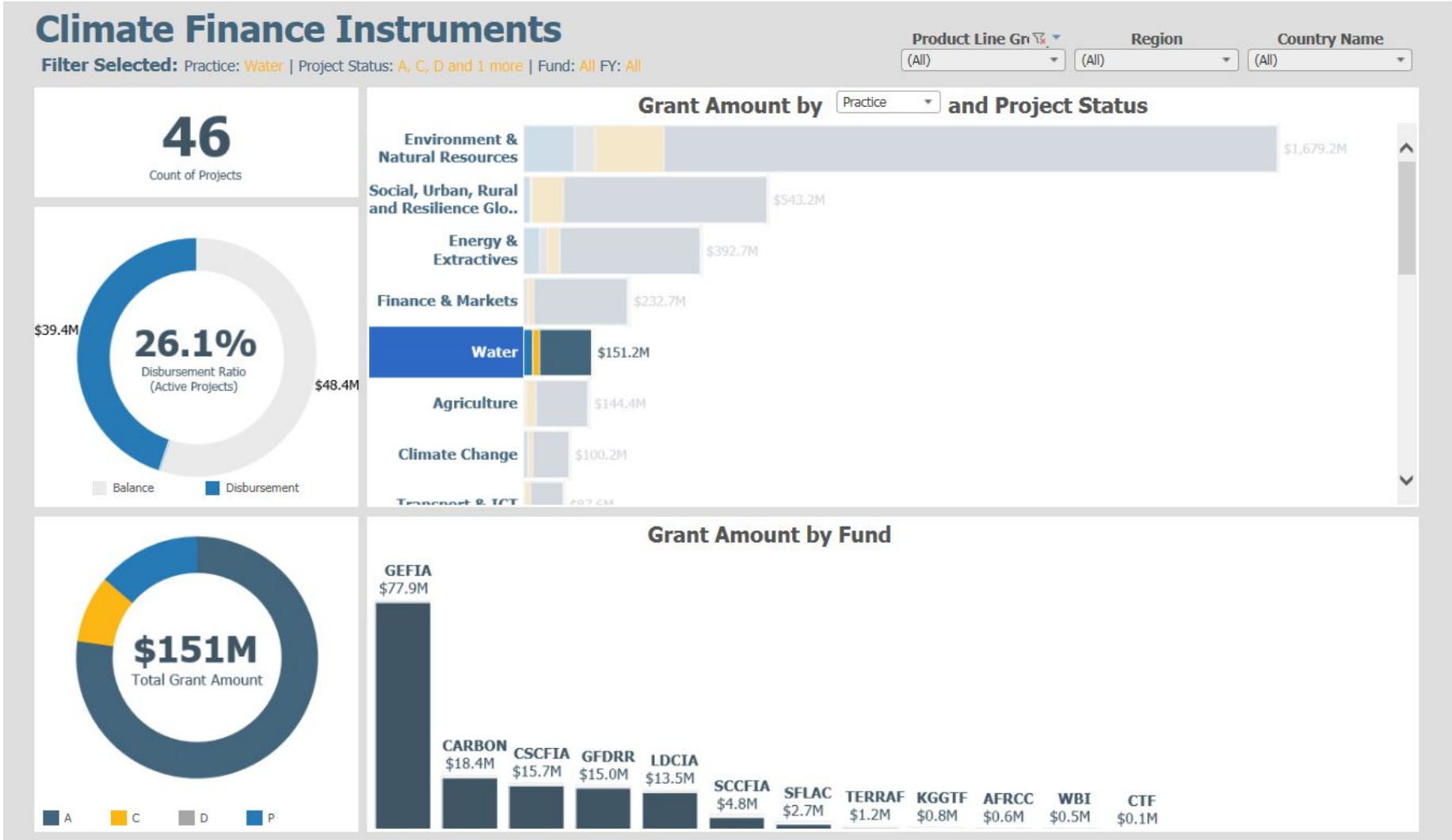


World Africa Latin A. Pacific I. East Asi. Central .. Caribbe.. Middle .. South A. Europe .. Multi-R. South E. Wester.. Central .. Eastern.. OECSD C. Andean.. Central .. Mekong PNG & ..



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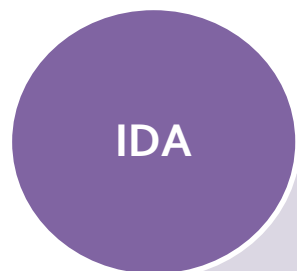
Snapshot of climate related trust funds accessed by water sector teams



PART II: Blending Sources of Funding (Case Study)



Supporting Disaster Risk & Adaptive Delta Management in Bangladesh



IDA

Credit

Financing for the 2007 Emergency Cyclone Recovery and Restoration project that is addressing ensuring more resilient coastal and river embankments, supporting agriculture recovery and building cyclone shelters



GFDRR

Grant

Provision of specialized expertise and technical assistance, shaped by a Damage Loss and Needs Assessment for Cyclone Sidr, led by the Bank and GFDRR

Support for research for the Coastal Embankment Improvement Project to help deal with saltwater intrusion onto farmlands



PPCR
(WB &
IFC)

Grant & Loan

Supporting the Coastal Embankment Improvement Project



Where to Find More Information

PMR	https://www.thepmr.org/
CPF Carbon Fund	http://cpf.wbcarbonfinance.org/
CADF (CPF Readiness Fund)	
Ci-Dev Readiness Fund	http://www.ci-dev.org/
Ci-Dev Carbon Fund	
PAF	http://www.worldbank.org/en/topic/climatechange/brief/pilot-auction-facility-methane-climate-mitigation
TCAF	http://www.worldbank.org/en/news/feature/2015/11/30/carbon-pricing-its-on-the-move
FCPF Readiness Fund	http://www.forestcarbonpartnership.org/
FCPF Carbon Fund	
BioCF ISFL	http://www.biocarbonfund-isfl.org/
PPCR	http://www-cif.climateinvestmentfunds.org/fund/pilot-program-climate-resilience
CTF	http://www-cif.climateinvestmentfunds.org/fund/clean-technology-fund
SREP	http://www-cif.climateinvestmentfunds.org/fund/scaling-renewable-energy-program
FIP	http://www-cif.climateinvestmentfunds.org/fund/forest-investment-program
GEF	http://www.worldbank.org/en/topic/climatechange/brief/gef // https://www.thegef.org/gef/
LDCF	
SCCF	
AF	https://www.adaptation-fund.org/
OTF (Montreal Protocol)	http://www.worldbank.org/en/topic/climatechange/brief/montreal-protocol // http://www.multilateralfund.org/default.aspx
GFDRR	http://www.gfdr.org/
Korea Green Growth Trust Fund	http://www.worldbank.org/en/topic/sustainabledevelopment/brief/korea-green-growth-partnership
CF-Assist	
GCF	http://www.greenclimate.fund/home

Thank You!