



# Low Emission Development Strategies Global Partnership

## Finance Working Group

## Draft 2016 Work Plan

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## 1. Introduction

The mission of the Low Emissions Development Strategies Global Partnership (LEDS GP) is to scale up climate resilient low emission development around the world through sharing and applying the collective knowledge and resources of government, practitioners, donors, and other international organizations. The LEDS GP advances country-led efforts towards low emission, climate-resilient development pathways by enabling learning and cooperation across practitioners to:

- Strengthen quality, coordinated support, and leadership of low emission climate resilient development strategies by governments in all regions.
- Support effective implementation of LEDS.
- Spur development of new LEDS by national and sub-national governments.

The LEDS GP Finance Working Group (FWG) provides technical assistance, matchmaking, training and thought leadership on financing strategies and approaches. The Climate and Development Knowledge Network (CDKN), the National Renewable Energy Laboratory (NREL), the Energy Research Centre of the Netherlands (ECN), and the Ministry of Planning and Investment of Vietnam (MPI) lead the activities of this Working Group. Working Group members consist of a global representation of governments, international development organizations, and the private sector, who together collaboratively implement the activities.

A full description of the FWG's value statement and alignment with the LEDS GP's overall objectives and priorities can be found in Appendix C.

This work plan describes the activities that the FWG plans to undertake in 2016.

- **Section 2** highlights a selection of projects that the FWG sees as especially promising and is currently developing
- **Section 3** describes the activities that will be implemented with the core funding that has been allocated to the FWG from the LEDS GP.
- **Section 4** provides a longlist of high-level concepts for potential FWG activities that require further development.

This work plan was developed based on input received from the FWG, the Latin American and Caribbean, Asian, and African regional platforms, feedback from participants at the LEDS GP annual event in October 2015, as well as others within the LEDS GP secretariat. It is intended to be a public document available on the [LEDSP.org](http://LEDSP.org) website.

## 2. Work plan highlights

The FWG has an ambition to be closely involved in a number of projects that are truly impactful in advancing knowledge and understanding about how to finance low emissions development. These projects require partnerships to be built and additional funding to be secured. This section describes some of the project concepts that the FWG plans to develop in the immediate future.

### **INDC/LEDS Investment Plans**

Many LEDS GP members have submitted INDCs to the UNFCCC in the last 6 months, and are now turning their focus towards the development of plans and strategies to achieve their goals and targets. The FWG can help members work out how much finance they will need to implement those plans, and identify where that financing could come from. Support will be provided to (at least) 2 countries to articulate the investment needs for implementing their INDCs, and to develop a high level plan / strategy to mobilize this investment. This project will require additional funding to be secured.

### **Development of Investment Prospectuses**

An 'Investment Prospectus' can be a valuable tool to help attract private sector investment towards priority sectors and opportunities in countries developing and implementing LEDS. An investment prospectus contains the key information that investors require in order to engage in a specific investment opportunity (for example the geothermal sector in Kenya). This project will develop investment prospectuses for specific opportunities at the sector level for at least 2 selected African countries. This will be a joint effort with the Africa Regional Platform and will require additional funding to be secured.

### **Developing financial instruments**

Working as part of an IKI-funded project, this activity helps advance INDC/LEDS implementation in nine countries through support for innovative, country-driven investment mobilisation measures and to facilitate peer to peer learning and technical assistance to support replication of these investment measures more widely. The LEDS GP regional platforms and FWG will play a key role in forming project partnerships and enabling replication of the results. A proposal for funding for this project has been submitted by CDKN to the International Climate Initiative, which if successful will fund the FWG's involvement.

### 3. Activities and deliverables with LEDS GP core funding

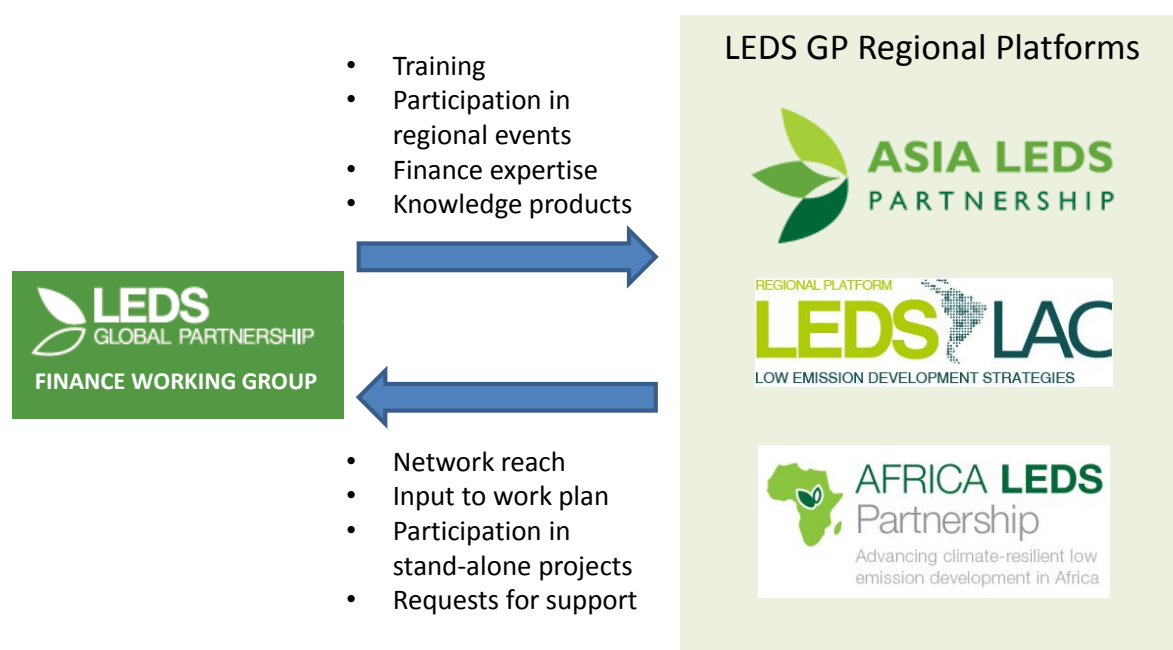
The LEDS GP has provided core funding for the activities of the FWG for 2016. The FWG plans to utilize these funds in the following areas:

- Collaboration with regional platforms
- Development and dissemination of knowledge products
- Servicing ad-hoc requests for expert assistance and training
- Dissemination and Outreach: Events and presentations
- Fundraising
- Working group management

The activities planned in each of these areas are briefly described below. A summary of all of the deliverables planned for the core funding can be found in Appendix A.

#### Collaboration with regional platforms

The FWG aims to work collaboratively with the three LEDS GP regional platforms to understand and help meet the needs of their membership groups in the finance area, and to ensure the resources of the LEDS GP are used as effectively and efficiently as possible, for example by leveraging their networks and events to disseminate the FWG's knowledge. The regional platforms also provide input that shapes the activities of the FWG. Through these collaborations the FWG hopes both to support the objectives of the regional platforms and to maximize its own impact.



The FWG co-chairs will continue to engage with the regional platforms throughout the year to identify additional opportunities for collaboration. As a minimum, the FWG

intends to participate in each regional platform's annual event, and to deliver a training session or workshop in each region.

As described in Section 2 of this work plan, the FWG also hopes to participate in a small number of highly impactful projects that require external funding. The involvement of the regional platforms (and their members) in both the proposal development process, and delivery of the projects themselves, will be key to their success. Core funding will be used to support the proposal development process for these projects. The specific project opportunities are (described in greater detail in Section 2):

- **Development of INDC/LEDS Investment Plans** for selected countries across regions.
- **Development of Investment Prospectuses** for specific sector investment opportunities in Africa.

The following table outlines the main deliverables the FWG plans at this stage under the regional collaboration heading.

Deliverable #	Description	Organisations involved
1	Participation in Asia regional event + training session	ECN / MPI
2	Webinar on mobilizing private investment into low carbon infrastructure (targeting LAC region)	ECN / LEDS-LAC
3	Develop concept for INDC/LEDS investment plans	ECN / NREL / USAID / E3G / LEDS-LAC / AfLP
4	Participation in LAC regional event + training session	ECN
5	Participation in Africa regional event + training session	ECN
6	Development of investment prospectus concept and fundraising	Africa Platform / ECN

In 2015 the FWG successfully supported the regional platforms at several high-profile events. Appendix B provides a brief summary of these.

## Development and dissemination of knowledge products

The FWG will develop a range of knowledge products to support financing of LEDS. These products will respond to needs identified amongst LEDS GP members.

### Climate Finance Readiness: Supporting Strategic Engagement of the Private Sector

The FWG will use some core funding to support a research project being commissioned by GIZ's Climate Finance Readiness programme. The project aims to improve understanding of Nationally Designated Authorities and Accredited Entities of the GCF on how to strategically engage the private sector to get involved in their GCF activities. The LEDS GP co-funding will be used to deliver a webinar on the outcomes of this study.

### Policy brief on mobilizing private investment into low-emission infrastructure

At the annual and LEDS-LAC event, a training session was given on the topic of mobilizing private investment into low-emission infrastructure. A visual tool was presented, which received positive feedback. The inputs from the training will be used to develop a policy brief, which will be communicated via webinar.

### Collaboration with AFOLU WG on 'Financing Emissions Reductions in the AFOLU Sector'

The AFOLU WG has invited the FWG to support finalization of a report they have prepared. This includes providing finance expertise and knowledge, and specifically applying the financial instrument screening tool used in the FWG training at the LEDS GP annual event.

### Online list of resources available to support planning for LEDS finance

To help LEDS GP members identify the resources they can draw upon as they begin to map out and approach funding sources to finance their LEDS, the FWG plans to develop a simple list of resources, facilities and networks (e.g. CEADIR, CTCN, EU TAF) that members can access, along with brief descriptions of the support available and other key information (application deadlines, eligibility criteria etc). This will be available on the LEDS GP website.

Deliverable	Description	Organisations involved
7	GIZ project collaboration - webinar	ECN / GIZ
8	Mobilizing investment policy brief & webinar	ECN / LEDS-LAC
9	Support completion of AFOLU financing report	ECN / AFOLU WG
10	Development of online list of finance resources	ECN

### Servicing ad-hoc requests for expert assistance

In line with the LEDS GP priority to connect experts with country teams, the FWG will support the LEDS GP's Remote Expert Assistance on LEDS service (REAL). This service provides virtual consultation and advice to members. In the area of Finance, the assistance could cover activities such as the review of draft finance strategies, identification of LEDS finance case studies, approaches for budget allocations, support using financial analysis, practices for engaging the private sector, as well as topics identified by the regional platforms. Prioritisation in implementation of country requests is made on the basis of a number of factors, including whether the request: (a) is focused on a LEDS theme/area of interest; (b) has strong support within the country and the necessary implementing conditions exist; (c) has been sufficiently developed and specified; (d) complements and adds value to larger LEDS GP projects undertaken with external support; (e) leverages lessons from across different LEDS GP members in an area where national and sub-national government are facing particular challenges and blocks in the creation and implementation of LEDS; and/or (f) provides assistance when this would not be available through other channels within the required timeframe. Requests are received, developed and considered by the FWG and Secretariat.

It is envisaged that 2-3 REAL responses will be implemented by the FWG under this Work Plan. Activities include: identifying and matching requests with experts; building awareness of available experts in given fields; raising awareness of the REAL service amongst the LEDS GP membership through day-to-day interactions with them; and helping to build a pipeline of matured requests that can be addressed.

Deliverable	Description	Organisations involved
11	3 ad-hoc requests for expert assistance serviced	LEDS GP Secretariat / ECN

### Dissemination and Outreach: events and presentations

To raise awareness of the LEDS GP's work on finance, share lessons and build engagement with relevant stakeholders and networks, the FWG will use some core funding for attendance at a small number of relevant external events. Events will be prioritized at which the FWG can deliver presentations on the FWG/LEDS GP activities, or which offer opportunities to further the FWG's fundraising plans (see next activity).

Deliverable	Description	Organisations involved
12	Attendance at events in 2016	ECN / MPI

## Fundraising

The LEDS GP aims to diversify and grow its funding to enable it to expand and deepen its activities. In support of that aim, the FWG will develop a plan to identify and target additional sources of funding, and to develop new partnerships with organizations and networks engaged with LEDS implementation and finance. Following development of the plan, the FWG aims to submit at least 2 proposals to priority potential sources of additional funding.

Deliverable	Description	Organisations involved
13	Prioritizing and elaborating existing longlist of concept activities (see Section 4)	ECN / FWG / LEDS GP secretariat
14	2 funding proposals submitted (additional to deliverables 3, 6, and the IKI proposal)	ECN / FWG / LEDS GP secretariat

## Working Group Management

### FWG quarterly reporting and workplan updates

The FWG intends for this workplan to remain useful throughout the year, and for it to reflect the FWG's ongoing priorities and focus. At the end of each of the first 3 quarters the FWG will issue a brief (1-2 page) update highlighting key outcomes in the previous quarter and identifying where the FWG will be focused in the next 3 months. This will also feed into the quarterly reporting required by the secretariat. The workplan updates will be sent to the FWG mailing list.

### Monthly updates

A short (1-page) monthly update will be sent to the FWG mailing list to update them on upcoming events, as well as to disseminate content produced by the FWG (or other highly relevant external content). The updates will also be posted on the website and the FWG's LinkedIn group.

### Working Group Meetings

Quarterly FWG meetings will be held via teleconference.

Deliverable	Description	Organisations involved
15	Quarterly reporting and quarterly workplan updates	ECN / MPI
16	Monthly update	ECN / MPI
17	Network management	Secretariat (CDKN)
18	Meeting organisation	Secretariat (CDKN)
19	Chairing meetings	ECN / MPI



## 4. Concepts that require further development

The FWG has developed a first list of potential concepts that could be pursued in 2016 but which will require additional conceptual development. This list is based on inputs from across the FWG, the regional platforms, and feedback from participants at the LEDS GP 2015 annual event. The LEDS GP Secretariat has also provided input and ideas.

These concepts need to be prioritized and elaborated. Core funding has been allocated for this (under fundraising and ad-hoc technical assistance). This is a dynamic list that will be updated over the course of the year.

Concept	Potential organisations involved	Status	Potential next steps
Potential REAL activities			
Probiomassa programme readiness for GCF submission	ECN, LEDS-LAC	Argentinean representative requested support from FWG.	See section 3.
Nigeria remittance pension funds –how remittances and pension funds could be channelled into green growth	ECN, AfLP	Nigerian representative indicated that there could be some interest to explore this area.	
Vietnam. Green Credit Lines	ECN / MPI / GIZ	Vietnam MPI is working with national banks, GIZ, and others to develop green credit lines for several priority sectors. They may be interested in expert assistance and review and sharing experiences with other countries developing similar credit lines with bank to inform their efforts	
Ghana. Review of how they can make their RE FiT more attractive for investors	LEDS GP Secretariat / FWG	Priority identified during LEDS GP Annual Event to be further discussed with officials in Ghana and the Africa LEDS platform.	
Niger. Assistance in exploring teaming with World Bank on proposals for GCF support	LEDS GP Secretariat / FWG	Partnership activity to be explored further along with the Working Group and officials in Niger.	
Projects			
Energy WG: Caribbean	EWG, FWG	Discussion between FWG	ECN to reach out to

regional geothermal financing strategy		and EWG on potential collaboration and transfer of ECN knowledge on geothermal to Caribbean region	EWG to articulate whether this has potential and to decide whether a proposal should be developed, and who it should target
Network of major private sector actors in the Africa region	AfLP, FWG, NREL	AfLP floated idea of network to engage in providing input on country policies and finance measures. Suggested to focus on one or two sectors.	ECN / NREL to discuss further with AfLP and identify next steps.
<b>Potential collaboration with regional platforms</b>			
Asia LEDS Forum 2016 (about June 2016): A front-runner theme is, roughly, “financing implementation of priority LEDS actions in country INDCs”.	ALP	ALP has requested Finance WG can reserve time/resources to help: further shape the theme, design the program, engage resource persons, attend, design and deliver selected sessions, and provide some pre or post event support to country teams. The WG could consider working with an Asian country to develop an investment plan to present at this workshop and train on the framework/approach.	ECN / Secretariat to consider these.
Workshop on mobilizing investment for RE (about March 2016 or later)	ALP	This would be a similar event to the one we just held in the same topic but on agriculture/crops. The Finance WG could consider replicating work done in Kenya with an Asian country to present at this workshop and train on the framework/approach. Collaboration on design (as proposed in item #1) would also be welcomed.	ECN / Secretariat to consider these.
Vietnam MPI which Co-Chairs the Finance WG has submitted an idea to hold a workshop on “role of financial institutions in	ALP	Their interests include bridging the finance and LEDS communities and addressing how to mobilize finance specifically to de-	Vietnam MPI to pursue, role of broader FWG to be determined

promoting LEDS and GG” in Vietnam in 2016.		risk private investments. This has not yet been discussed further, but the topic could be integrated/merged with one or both of the above (versus having three separate events).	
Developing a network of major private sector actors in the region that could engage in providing input on country policies and finance measures and help mobilize investment.	AfLP	Idea generated by AfLP. It will likely be necessary to focus this on one or two priority sectors and topics to make this manageable and perhaps then grow from there if this is effective. This also would fit well with plans we are developing to expand assistance to countries on LEDS and INDC investment plans (and possibly investment prospectuses) and measures	ECN to explore further
<b>Trainings</b>			
Climate finance training for African countries	LEDS GP secretariat (NREL) / FWG / AfLP to convene	Morocco 4C (Climate Change Competence Centre) has offered to conduct training similar to the recent workshop they convened for Moroccan officials and experts - <a href="http://www.clifit.org/en/home/dok/19.php">http://www.clifit.org/en/home/dok/19.php</a>	NREL / FWG to prepare 1-page concept note to circulate at COP 21. Meetings with potential donors to be organised. Need to coordinate with GIZ.
Convening GIZ / WRI Climate Finance Readiness project webinar(s) on GCF readiness / accreditation / pipelines through LEDS GP platform	FWG / GIZ	GIZ programme has several off the shelf trainings / presentations it could roll out to platform members.	ECN / GIZ to discuss what is feasible / appropriate.
<b>Additional knowledge products</b>			
Clarifying terms for accessing finance from different donor programs	MPI / FWG / GIZ	Idea generated by MPI Vietnam, Difficult to understand the terms and procedures for all the different funding windows and identify which projects to submit to whom.	Could be a nice extension of online resource. Need to explore what makes sense here.
Regional level institution	FWG	Idea generated during	Need to explore

matchmaking / portal for proposal development to the GCF		finance training session from Peruvian country representative.	what makes sense here.
<b>Support for S-S collaboration and events</b>			
Peru. Potential learning from Colombia (visit) on design of their green infrastructure procurement program	LEDs GP Secretariat	Priority identified during LEDs GP Annual Event to be further discussed with countries and the LEDs LAC platform.	Consider in context of an evolving fellowships programme and Knowledge Management strategy
AFOLU WG: 'Shark-tank' event where countries bring their business plans for review by group of experts	AFOLU / FWG	Idea generated by AFOLU WG.	FWG to contact AFOLU WG to see if any traction here.
<b>Partnerships</b>			
CIF – Potential to team up on outreach and joint assistance to countries on investment plans and proposals for CIF funding and sharing CIF results	FWG / LEDs GP Secretariat	Partnership activity to be explored further along with the Working Group	LEDs GP Secretariat and FWG to explore partnership further, specifically in the context of INDC investment planning.

## Appendix A: Summary of deliverables

#	Deliverable	Organisations involved	Deadline	Performance Metrics
1	Participation in Asia regional event + training session	ECN / MPI	Sep	
2	Webinar on mobilizing private investment into low carbon infrastructure (targeting LAC region)	ECN / LEDS-LAC	May	
3	Develop concept for INDC/LEDS investment plans	ECN / NREL / USAID	Jan	
4	Participation in LAC regional event + training session	ECN	Sep	
5	Participation in Africa regional event + training session	ECN	June	
6	Development of investment prospectus concept and fundraising	Africa Platform / ECN	Feb	
7	GIZ project collaboration - webinar	ECN / GIZ	June	
8	Mobilizing investment policy brief & webinar	ECN / LEDS-LAC	Feb	
9	Support completion of AFOLU financing report	ECN / AFOLU WG	May	
10	Development of online list of finance resources	ECN	March	
11	3 ad-hoc requests for expert assistance serviced	LEDS GP Secretariat / ECN / NREL	Dec	
12	Attendance at events in 2016	ECN / MPI	Dec	
13	Prioritizing and elaborating existing longlist of concept activities (see Section 4)	ECN / FWG / LEDS GP secretariat	Ongoing	

14	2 funding proposals submitted (additional to deliverables 3, 6, and the IKI proposal)	ECN / FWG / LEDS GP secretariat	June	
15	Quarterly reporting and quarterly workplan updates	ECN / MPI	Ongoing	
16	Monthly update	ECN / MPI	Ongoing	
17	Network management	Secretariat (CDKN)	Ongoing	
18	Meeting organisation	Secretariat (CDKN)	Quarterly	
19	Chairing meetings	ECN / MPI	Quarterly	

## Appendix B: Regional Collaboration Events undertaken in 2015



The FWG co-chair, the Government of Vietnam Ministry of Planning and Investment, through the Asia LEDSPartnership (ALP) organized a regional forum on “catalyzing investment for LEDSP and green growth in Asia”, in October 2015. The focus was on agriculture, rural areas and livelihoods, with main target audiences being government (i.e., state bank, relevant ministries), commercial banks (local and international), NGOs active on-the-ground, other private sector. The objectives were threefold:

- Government – Motivate responsible government agencies (e.g., national and subnational governments, state banks) to establish better policies/programs that support low-emission, climate-resilient lending; determine appropriate mix of public policy or financial instruments.
- Commercial Banks – Engage banks to build knowledge and interest in developing offerings that support LEDSP and green growth implementation; seek their in-depth recommendations to share with responsible government agencies on how to best structure interventions (e.g., policies, regulations) to create an enabling environment for private investment.
- Offer training on how to prioritize and select projects to fund – consider focusing on projects that advance mitigation and adaptation goals in the agriculture sector.



The FWG participated in the Africa Carbon Forum (ACF) to be held in Marrakech in April, 2015. The ACF was set up in 2008 by the Nairobi Framework Partners. It is considered to be the premier public climate event on the continent. Last year’s theme focused on “Promoting Access to Low Carbon Development in Africa” and the latest developments on carbon finance and policy, technology; as well as best practices and lessons learned from implementation of carbon markets. It is anticipated that the next Africa platform will be held back to back with next year’s ACF



The FWG supported a training session on mobilizing private investment for low emission infrastructure during the LEDS-LAC annual event on accessing climate finance.



## Appendix C: FWG Value Statement and Alignment with LEDS GP Objectives and Priorities

### Finance Working Group Value Statement

Bottom-up, government-led, national and subnational mechanisms are crucial for supporting low-emission, climate-resilient national development plans by effectively leveraging a balance of national and private sector investments, and donor funds. Achieving this goal requires sound investment choices and robust policies and regulatory systems based on a comprehensive understanding of the location-specific pathways for low emission and climate resilient development.

To increase the overall efficiency of resources there is a need for finance-related activities to build on and integrate with existing structures and approaches for government coordination. In particular government arrangements need to focus on enhancing the coherence of funded activities and promote integration between national development plans, NAMAs, and low-carbon development pathways. In this regard, a particular focus is required to support the preparation of national and subnational investment strategies in priority areas within the context of understanding how donor monies can leverage and /or be blended with domestic resources, other multilateral/bilateral channels of finance and/or private finance for implementation of country priorities.

Preparation of LEDS investment strategies foremost requires engagement by governments, including those involved with managing finance policies and programs, development funds, and budget processes. Private sector stakeholders, both national and foreign/international must also be engaged beginning in the earliest stages. Bilateral and multilateral donors can provide not only funding and innovative financing programs but also technical assistance, which can also be delivered by technical institutions and NGOs. Through this coordinated development of a finance strategy, governments may seek a variety of impacts including the reduction of investment costs via financial incentives, removal of cross subsidies, increased liquidity, and increasingly open markets.

In line with the LEDS GP priority to support mobilizing investment for LEDS implementation, the finance working group seeks to support the development of national and subnational finance and funding strategies via the unique tasks described in this work plan.

### Alignment with LEDS GP Priority Objectives and Services

The Finance Working Group supports the Low Emissions Development Strategies Global Partnership's (LEDS GP) mission, objectives, FY15 priorities, and services that include:.

LEDS GP Mission and Objectives:

The mission of the LEDs Global Partnership is to scale up climate resilient low emission development around the world through sharing and applying the collective knowledge and resources of government, practitioners, donors, and other international organizations

The LEDs GP advances country-led efforts towards low emission, climate-resilient development pathways by enabling learning and cooperation across practitioners to:

- Strengthen quality, coordinated support, and leadership of low emission climate resilient development strategies by governments in all regions
- Support effective implementation of LEDs
- Spur development of new LEDs by national and sub-national governments

#### LEDs GP Overarching Priority Objectives:

- **Build Enduring Support for LEDs:** Share approaches and support analysis and communication of LEDs development benefits and effective LEDs planning with broad stakeholder engagement
- **Mobilize Investment for LEDs Implementation:** Share and support approaches for aligning public budgets and enabling environments, use of investment instruments, and cooperation across governments, international programs, and the private sector to scale up investment to support LEDs implementation
- **Facilitate Access to Assistance:** Enable access to resources and support from LEDs assistance programs and deliver gap filling responsive support to countries

#### Supporting LEDs GP Unique Services:

- **Peer Learning, Training, and Knowledge Sharing** across countries and international organizations and the private sector
- **Connecting Experts and Matchmaking** to provide tailored and responsive support to countries in collaboration with development assistance programs where possible
- Advancing Collaboration on Innovative Approaches and Tools
- Enhancing Knowledge of Country LEDs Priorities and Needs and of Assistance Resources to enable alignment
- Supporting and Cultivating Champions

#### Supporting LEDs GP Events

The finance working group members agree as part of their contributions to the LEDs GP events to:

1. Strengthen leadership roles for LEDs GP WGs in design and delivery of sessions
2. Explain to all participants the activities and services of the WGs at the start of each session
3. Clarify the substantive niche of the LEDs GP in each WG area with emphasis on sharing leading examples from others countries and methods and approaches central to LEDs design and implementation – e.g., benefits analysis and communication and design of LEDs sector strategies (not tools for project analysis or detailed technical implementation issues for each sector) and finance strategies

4. Develop a more complete framework in each WG area to guide country LEDS and assistance delivery. This would include defining the key components of an effective LEDS approach or strategy for the topic, leading examples or models from other countries, and the tools and resources available from all sources, along with supplementary assistance available from the LEDS GP WG.
5. Develop a plan for seeking co-funding from other sources to sustain WG activities