



# Strengthening Vertical Integration to Enhance the Investability of NDC 3.0

*October 2 (13:30 – 15:30)*

Sendere V Room



United Nations  
Climate Change



# Outline

- 1** Welcome and introduction – **NDC Partnership**
- 2** Main presentation: The Importance of Planning & Mobilizing Climate Investments at the Sub-National Level – **Asian Development Bank**
- 3** Panel: Strengthening vertical integration to enhance the investability of NDC 3.0 – **Moderated by the World Resources Institute**
- 4** Table discussions: opportunities for strengthening vertical integration to enhance the investability of NDC 3.0

# Main presentation

## THE IMPORTANCE OF PLANNING & MOBILIZING CLIMATE INVESTMENTS AT THE SUB- NATIONAL LEVEL

*Samet Sevket Bulut, Climate Change Specialist  
Asian Development Bank (ADB)*





# The Importance of Planning & Mobilizing Climate Investments at the Sub-National Level

*Samet Sevket Bulut, Climate Change Specialist, Asian  
Development Bank (ADB)*

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## Why are Subnational Authorities Key To Reach the Goals of the Paris Agreement?

Mobilizing all levels of government has long been recognized as a vital tool in climate action



### Urban Areas

- Subnational entities **account >70%** of the global GHG emissions
- Cities host **>50% of the global population**
- Urban areas **consume substantial resources** (e.g. energy, water)



### Economic & Social Drivers

- Cities account **for >80% of GDP** in 2023 (economic hubs)
- Cities are often at forefront of technological & infrastructural innovation



### Climate Action

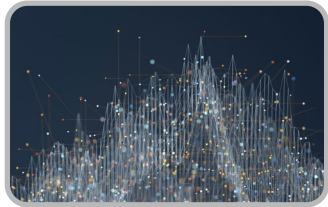
- **50-80% of mitigation & adaptation action** will need to be implemented at the **subnational or local governance level**
- Climate action needs to be **tailored to the local circumstances**
- Subnational governments can **monitor & report** on climate action – increasing accountability & transparency

## 2. Challenges for Subnational Authorities to Boost Climate Action



### Institutional capacity gaps

- Weak governance & coordination systems
- Vertical coordination remains complex in many countries (with other subnational units, central government, development partners, private sector, civil society, academia etc.)
- Human resource capacities



### Technical capacity gaps

- Difficulties in collecting and managing data for informed decision-making regarding climate action
- Shortage of skilled professionals who can manage and implement climate projects



### Limited financial resources

- Many subnational governments struggle accessing climate finance
- Many climate plans (NDC, NAP etc.) are not investment-ready to localize climate actions
- Climate not mainstreamed into budgetary & financial systems

### 3. Need for Subnational Investment Planning Frameworks



#### Subnational Entities Account for a Significant Portion of Global Emissions

- Cities, regions, and other subnational entities are responsible for more than **70% of global CO<sub>2</sub> emissions**, primarily due to urbanization, energy use, and transportation

#### Cities Are on the Frontline of Climate Impacts

- Over **90% of all urban areas are coastal**, making cities particularly vulnerable to sea-level rise, extreme weather events, flooding, and other natural hazards
- As a result, they are at the **forefront of mitigating and adapting** to the effects of climate change, and they **need financing** to meet the challenge

#### Subnational Governments have Limited Access to Public Climate Finance

- This highlights the need for **better financing mechanisms targeted at local governments**

#### Subnational Climate Action Can Significantly Contribute to National Goals

- Subnational climate action has the **potential to achieve 40-70% of the emissions reductions required to meet national climate goals** by 2050

# 4. The Draft Framework will be used to develop a Subnational Investment Planning Supplement



## GCF/NDC Partnership Climate Investment Planning and Mobilization Framework





# 5. Subnational Investment Planning



**National  
Climate  
Action Plans**  
(e.g., NDC,  
NAP, LTS, JT)



## Subnational Investment Planning

### 1. Investment Planning & Mobilization Capacity

- Climate profile & ambition (more ambitious than national plan?)
- Expertise, institutional arrangement/governance stakeholder coordination

### 2. Investment Needs Identification & Prioritization

- Subnational Action Plans (sector)

### 3. Subnational Finance Strategy

- Sources/Instruments of climate finance; Pipeline stock taking; Enabling Environment

## Subnational Finance Mobilization

### 4. Programming with financial partners

- Public & Private Sector; Blended finance
- Project identification/ feasibility study (update pipeline stock taking)

### 5. Funding Proposal development

- Programme/Project developed or approved

### 6. Project Implementation

- Implementation – Monitoring, Reporting, and Verification

## Enabling Conditions



Mandate (policy & regulatory boundaries)

Vertical & Horizontal Coordination

Data Sharing

Budget, Finance, and Capacity



# Global Climate Action Partnership

regional leadership, global change

# Thank you!

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# Panel discussion

## STRENGTHENING VERTICAL INTEGRATION TO ENHANCE THE INVESTABILITY OF NDC 3.0

*Miriam Garcia, Senior Climate Policy  
Manager, WRI Brasil*



# Panelists



**Reshma Ram**

Biennial Update Report (BUR) National Coordinator at the Ministry of Environment and Climate Change in Fiji



**Jerome E. Ilagan**

Chief, Policy Research and Development Division, Climate Change Office, Climate Change Commission, Republic of the Philippines



**Andy Deacon**

Co-Managing Director, Global Covenant of Mayors for Climate and Energy (GCoM)

# Initial reflections

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Perspectives and experiences in promoting vertical integration and mobilizing climate finance for subnational climate action

# Rapid-fire discussion

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What one piece of advice would you offer to stakeholders working on vertical integration for NDC 3.0 to implement after this event?

# Rapid-fire discussion

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With a new round of NDC updates upon us, what can we do differently to better promote vertical integration and enhance the investability of NDC 3.0?

# Rapid-fire discussion

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Is there an element of financial instruments used at the subnational level that can be shared with others?



# Table discussions

**Objective:** Explore and identify actionable opportunities for strengthening vertical integration to enhance the investability of NDC 3.0, focusing on key areas including subnational government finance access, investment needs, climate finance sources, enabling environments, and NDC investability.

**Mechanics:** Participants will engage in table discussion (no rotation). Each table will focus on a specific topic related to vertical integration and NDC investability (60 mins).

**Group Harvest (20 minutes):** Each table selects a representative to summarize the key insights in and ideas (5 minutes) generated during their discussions.

# Table discussions

**Table 1 - Improving Understanding of Investment Needs:** Examines the challenges in identifying and articulating investment needs, such as data gaps, coordination issues, and limited expertise, and discusses tools and methodologies to better align these needs with financial resources and strategic goals.

**Table 2 - Evaluating Sources and Instruments of Climate Finance:** Examines the various sources of climate finance, both domestic and international, and their impact on national and subnational initiatives. It discusses strategies for aligning these efforts with global finance opportunities to maximize impact and ensure coordination.

**Table 3 - Fostering Enabling Environments:** Examines the key components for successful NDC implementation, including strong governance, transparent processes, and stakeholder engagement. It discusses policy reforms, institutional changes, and capacity-building needed to create an environment that supports sustained climate action and investment.

**Table 4 - Boosting the Investability of NDCs:** Discuss strategies to make NDCs more attractive to private investors and donors by presenting them as viable opportunities. It highlights the importance of transparency, strong governance, and robust monitoring in enhancing the investability of NDCs.

An aerial photograph of a dense, vibrant green forest. A winding river or stream flows through the center of the forest, reflecting the surrounding greenery. The forest is thick with various shades of green, and a light mist or fog hangs in the air, particularly on the right side of the image. Two thin white lines cross the forest diagonally from the top right towards the bottom left. A dark green horizontal bar is positioned at the bottom of the image, containing the text 'Group harvest' in white.

# Group harvest



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