



# Mobilizing Investments for NDC Implementation – the Role of Technical Assistance



Tuesday, 24 May 2016

18:30 – 20:00, Bonn III

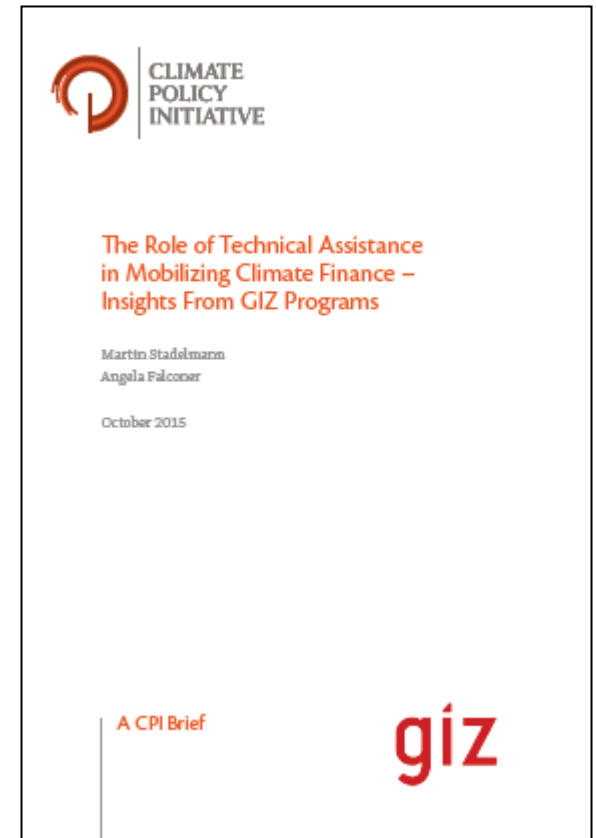
UNFCCC SB 44, Bonn



# The role of technical assistance in mobilizing climate finance

by the Climate Policy  
Initiative

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## Guiding questions

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- Identify an **appropriate methodology to quantify the “leverage effect”** of technical cooperation in the area of climate change
- **Quantify the “leverage effect” of TA programs** on private and public resources (both national and international)
- Identify **success factors** for mobilizing private and public financial resources
- Identify options to **further increase the leverage effect** of climate-related technical assistance and capacity development.



# Approach

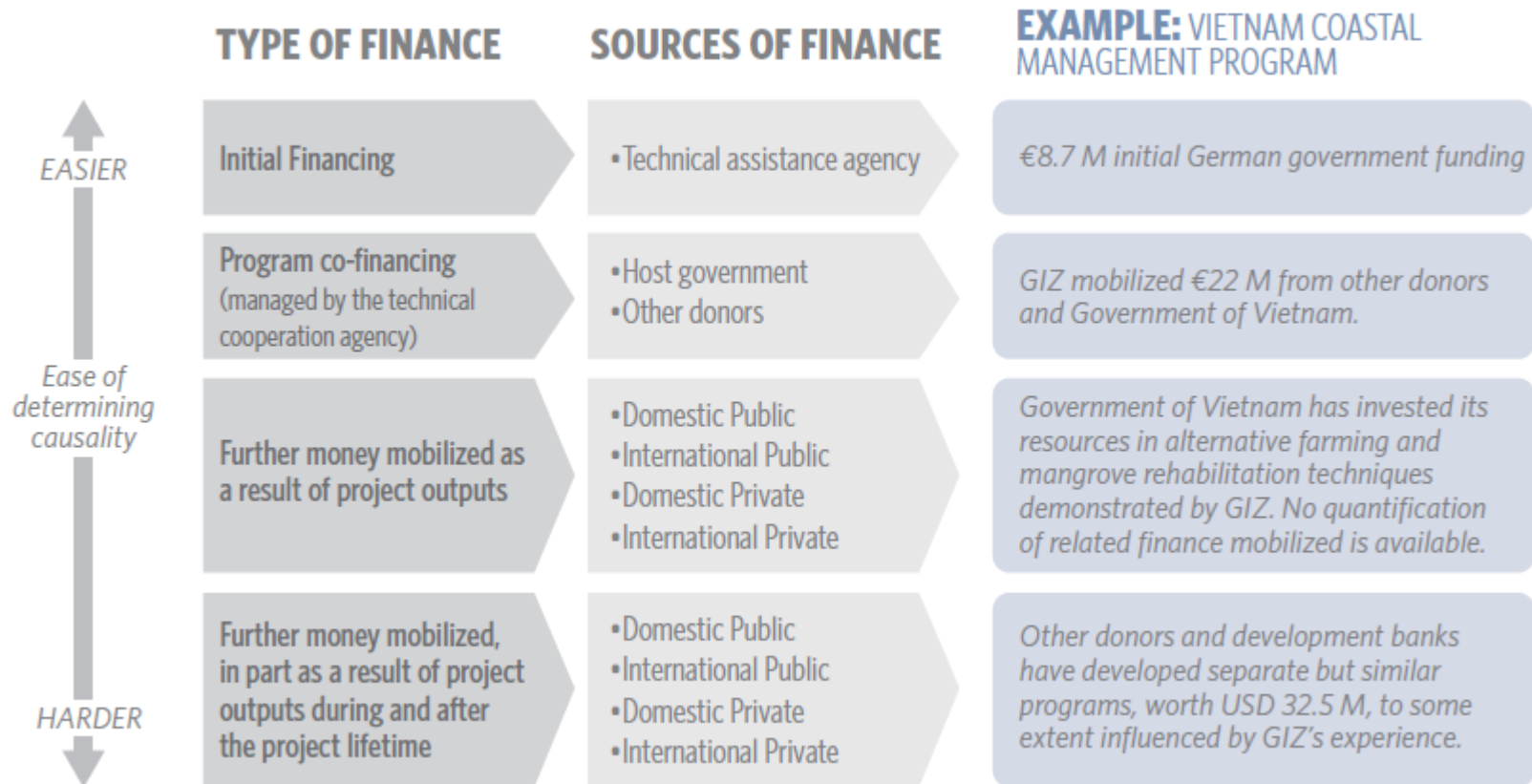
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- 5 case studies
  - Chile - Renewable Energy Program, commissioned by BMUB
  - Mexico - Energy Efficiency in New Social Housing commissioned by BMUB
  - Pacific Islands – Coping with Climate Change Program, commissioned by BMZ
  - Vietnam – Integrated Coastal Management Program, commissioned by BMZ
  - Global - Climate Finance Readiness Program, commissioned by BMZ (early stage of implementation)
- 55 interviews, data survey, literature review
- “Pro-rata approach” for quantifying direct mobilization of climate finance; “case study approach” for post-project and indirect leverage effects



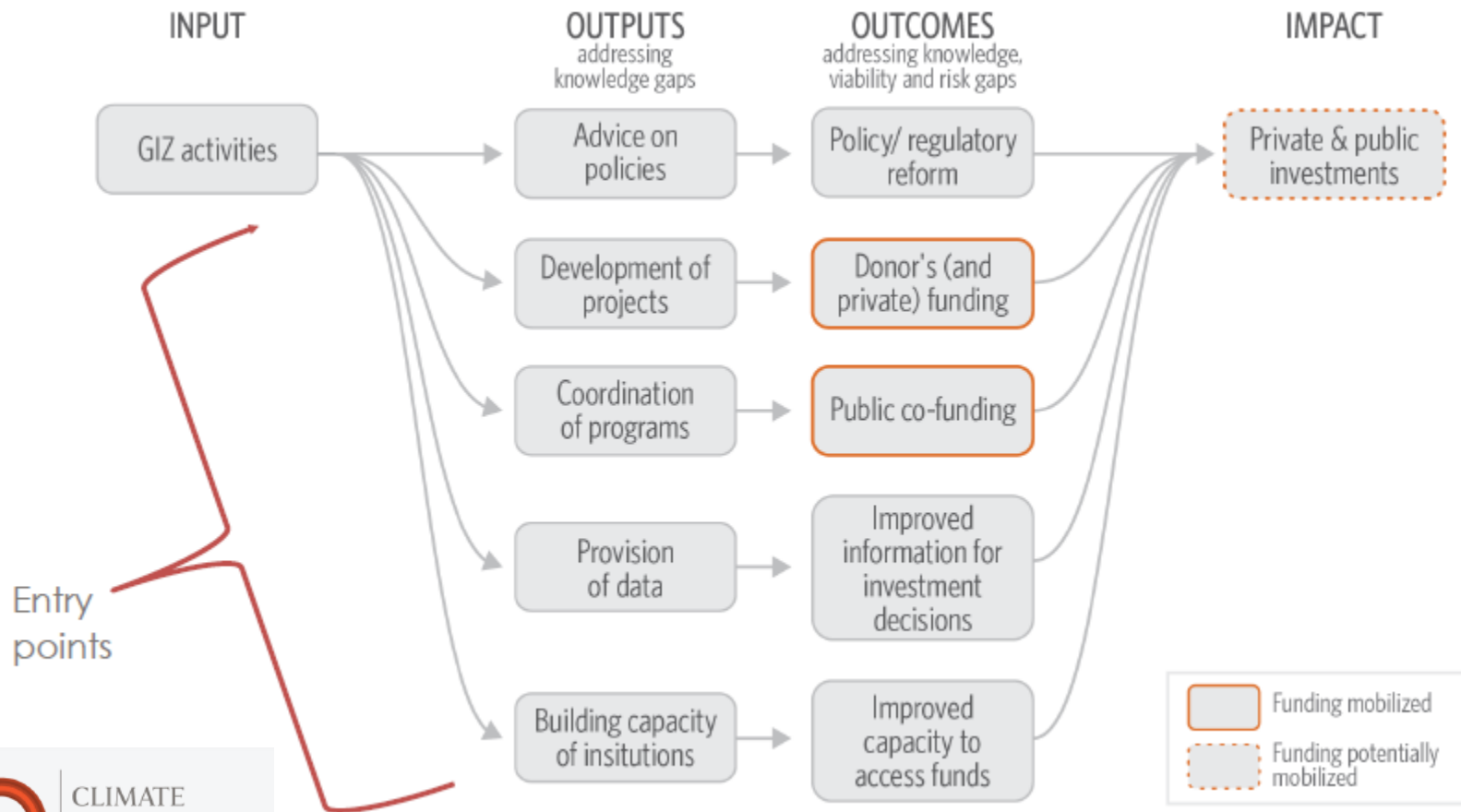
# Types of climate finance „mobilized“ by TA

Figure 1: Types of climate finance ‘mobilized’ by technical assistance, as shown by the GIZ’s coastal management program in Vietnam





# Technical assistance primarily addresses knowledge, policy and regulatory gaps, but also risk and viability gaps





## Is it possible to quantify the leverage effect of TA?

|  | Chile, Pacific, Mexico,<br>Vietnam             | Climate Finance<br>Readiness             |
|--|--|--|
| Ratio of mobilized to<br>managed funding<br><b>For selected case studies</b> | 0.9-15 : 1 (probably<br>closer to lower range) | 0-0.5: 1 (short-term),<br>more long term |

- Methodological challenges and high uncertainty, but...
- Assessing indirect mobilization can help to identify ways to **maximise the effectiveness** of programmes and of mobilized resources



# Recommendations for improving the leverage effect

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- Support improved coordination of climate finance institutions / donors / programs in target countries
- Closer cooperation with development banks
- Advise governments on enabling environment for private climate finance, target the development of domestic capital markets and support start-up companies
- Technical support to develop well-designed projects





# Thank you!