



Baseline Assessment

Training and Knowledge Products for Capacity Development
on Climate Finance

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List of Abbreviations

ADB	Asian Development Bank
AF	Adaptation Fund
BIRD	Bankers' Institute for Rural Development
BMZ	German Federal Ministry of Economic Cooperation and Development
CCIP	Climate Change Innovation Programme
CD	Capacity Development
CF	Climate Finance
CIF	Climate Investment Fund
CSO	Civil Society Organisations
CTN	Clean Technology Fund
DA	Development Alternatives
DFID	Department for International Development
DST	Department of Science & Technology
EU	European Union
FAO	Food and Agriculture Organization
GCF	Green Climate Fund
GEF	Global Environment Facility
GHG	Greenhouse Gas
GIZ	Deutsche Gesellschaft fuer Internationale Zusammenarbeit
HBF	Heinrich Boell Foundation
ICCCAD	International Centre for Climate Change and Development
IFAD	International Fund for Agricultural Development
IFMR-LEAD	Institute for Financial Management and Research - Leveraging Evidence for Access and Development
IHCAP	Indian Himalayas Climate Adaptation Programme
IIED	International Institute for Environment and Development
IREDA	Indian Renewable Energy Development Agency Limited
JICA	Japan International Cooperation Agency
M & E	Monitoring and Evaluation
MoEFCC	Ministry of Environment, Forest and Climate Change
NABARD	National Bank for Agriculture and Rural Development
NABCONS	NABARD Consultancy Services

NAFCC	National Adaptation Fund for Climate Change
NAPCC	National Action Plan on Climate Change
NDC	National Determined Contribution
NGO	Non-governmental organizations
NIE	National Implementation Entities
NIFM	National Institute of Financial Management
NIPFP	National Institute of Public Finance and Policy
OECD	Organisation for Economic Co-operation and Development
PMF	Performance Measurement Frameworks
SAPCC	State Action Plan on Climate Change
SDC	Sustainable Development Commission
SIDA	Swedish International Development Cooperation Agency
SIDBI	Small industrial Development Bank of India
TAP	Technical Advisory Panel
TERI	The Energy and Resources Institute
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNFCCC	United Nations Framework Convention on Climate Change
UNITAR	United Nations Institute for Training and Research

Foreword

The Paris Agreement on Climate Change, while emphasising the need for global climate action, also highlighted the need for mobilising means of implementation by submitting Nationally Determined Contributions. As per India's National Determined Contribution (NDCs) submitted to UNFCCC, India would need around USD 206 billion for the period between 2015 and 2030 for adaptation actions alone. Further, investments are also required for strengthening the capacity towards climate change issues. Such finance is likely to come from different sources-public and private, domestic and international. Also, finance may flow through several instruments such as grants, loans, capital markets as well as equity.

Given the complexity of climate finance landscape as well as the urgency for action, it is now well recognised that, adaptation to and mitigation of climate change require investments in not only physical infrastructure but also in strengthening capacities of individual and institutions. In India, there is need to upscale capacity development initiatives on Climate Finance for mobilising additional finance from existing sources, enhancing leverage potential of climate finance as well as accessing finance from domestic and international sources.

Keeping in view the need for a focused attention on capacity development in the areas of climate finance among the stakeholders, collaboration with the Bankers' Institute of Rural Development (BIRD) was identified. Under this collaboration, Indo-German bilateral cooperation project, 'Centre of Excellence for Capacity Development on Climate Finance' was initiated with an overall objective to support NABARD's Centre for Climate Change housed at BIRD, Lucknow in improving mobilisation of and access to national and international climate financing sources.

GIZ India assigned this study to conduct baseline assessment and analysis of available knowledge products, training content, training methods and training institutes on Climate Finance. This was also to identify innovative climate adaptation projects, to understand the use of such projects as illustrations during trainings and courses, and to inform about the process of how to best identify innovative project ideas. This study will help BIRD to extract good practices for effective trainings, which has been analysed based on training materials and knowledge products available in public domain, and through analysis of different methodologies employed across trainings.

This report is an assessment of some of the recent short trainings/courses executed to facilitate understanding and developing competencies to access Climate Finance, from both national and international sources.

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1. Introduction

This report is a summary and assessment of some of the recent short trainings/courses executed to understand and access Climate Finance, from both national and international sources. All the courses/trainings analysed are designed for concerned government officials, civil society members and institutes working on climate change adaptation. In general, the courses' objective is to strengthen the capacity of relevant actors in understanding climate change adaptation, the climate finance landscape and how to access climate finance (from coming up with relevant ideas to writing effective proposals and managing finance more efficiently). Participants were provided with training on how to access, mobilise and deliver international and national climate finance. While half the trainings/courses analysed have been delivered in India, the rest are conducted internationally but have relevance for the Indian situation as well. The Indian courses were delivered by civil society institutions and the international courses are a mix of civil society, multilateral and bilateral institutes such as the International Institute for Environment and Development (IIED), the International Centre for Climate Change and Development (ICCCAD), the United Nations Development Programme (UNDP) and the United Nations Institute for Training and Research (UNITAR), GIZ, UNFCCC, World Bank and Green Climate Fund (GCF).

- The overall objective of conducting a baseline assessment and analysis, was to compile available knowledge products, training content, training methods and training institutes on Climate Finance.
- Under the overall rubric the idea was also to identify innovative climate adaptation projects, understand the use of such projects as examples during trainings and courses, and to inform about the process of how to best identify innovative project ideas.
- Another objective was to help BIRD extract good practices for effective trainings by analysing training materials and knowledge products available in the public domain, along with an analysis of different methodologies employed across trainings.
- Finally, to compile a database of different institutes working on climate finance, financing adaptation and mitigation projects and conducting trainings related to different aspects of climate adaptation.

The analysis consists of three parts, looking at

- Training modules and contents
- Training methods
- Available knowledge products

This is followed by an overview of climate change projects in India funded under the GCF, AF and National Adaptation Fund for Climate Change (NAFCC). This overview gives a short analysis on the kind of projects funded and how to write proposals to access funds.

All the background material used has been provided in the annexures and has also been attached separately with the report.

2. Analysis of Training Institutes and Modules on Climate Finance

There are several training programmes, courses, and online tools available that serve as a guide in accessing climate finance. The report looks at 5 major institutes in India (Table-1) and 11 at the international level (Table-2) that conduct programmes or courses on writing effective proposals for accessing climate finance (Details given in Annexure 2).

Table 1: National Institutes

National	Name of Institute
Public	1. Bankers institute of Rural Development (BIRD) (NABARD, MoEFCC)
NGOs/ Foundation/ CSOs	2. TERI
	3. Shakti Foundation
	4. Development Alternatives
Bilateral Organisations	5. GIZ India

Table 2: International Institutes

International	Names of Institutes
	6. Green Climate Finance (GCF)
	7. ClimaSouth (EU)
	8. UNDP
	9. World Bank
Bi/Multilateral Organisations (International Trainings and Courses)	10. International Red Cross and Red Crescent
	11. OECD
	12. IIED
	13. Asia Pacific Adaptation Network (APAN)
	14. USAID
	15. SDC
	16. Global Green growth Institute

For the sake of in-depth comparison, the report only covers 4 national level trainings and 4 international trainings. The selected trainings were deemed to be the most relevant to the present discussion and cover most of the aspects discussed. The overall aim is to enhance capacities of relevant actors and institutions in understanding the nuances of climate change adaptation, climate finance and then use this understanding to write successful proposals and implement climate projects responsibly.

All the courses cover the theoretical and practical starting points, to understand and develop good adaptation proposals that are in tune with local needs; and is written in a form that is understood by the larger international community including the funders. Broadly speaking trainings cover the following learning goals, objectives, target groups and training formats:

Learning Goals	Objectives
<ul style="list-style-type: none"> What is climate change and how is it linked to development? Where to find relevant climate information and how to use it? 	<ul style="list-style-type: none"> Capacity building of relevant actors and institutions on understanding climate change and its linkage to development planning and execution

<ul style="list-style-type: none"> • How to apply a climate lens to development interventions? • How to follow systematic steps to define concrete adaptation steps to define concrete adaptation actions at the local, sectoral, national and project levels? • How to monitor adaptation actions and measure their results? • How to define necessary institutional capacities to carry out the proposed actions? • How to plan and support the process of mainstreaming climate change? • Some of the trainings also include practice sessions on using the training content in the participant's work context. 	<ul style="list-style-type: none"> • Introducing the climate finance landscape (national and international), scope and modalities • Capacity development in selecting relevant themes or project ideas for accessing climate finance • Developing proposals for accessing domestic and international finance • Understanding and incorporation Result Management Frameworks in the proposals and execution of projects • Building a network of professionals and peers
<p>Target Group</p> <ul style="list-style-type: none"> • Technical staff in government institutions at all levels (e.g. agriculture, water and NRM sectors, as well as coordination and planning departments and ministries) • Representatives of NGOs and civil society • National and international development cooperation experts in climate-relevant fields of work • Missing – Training for bankers is only provided by BIRD in India <p>There is no training offered for educational institutions.</p> <p>Training of trainers is carried out by GIZ India on different aspects of Climate Finance.</p>	<p>Training Formats</p> <p>The trainings follow a similar structure (basic formats)</p> <ul style="list-style-type: none"> • Short introduction to climate change concepts and application in the development context • Practitioner training – use of real cases from participants, focus on climate information and managing uncertainty • Training focus on monitoring and evaluation • Training focus on ecosystem adaptation • Landscape of climate finance • Project cycle – preparing proposals • Understanding basics of proposal writing • Identification of successful examples • Identifying donor and funding mechanisms

2.1 Training Content Overview

The modules available online for comparison show similarities in the way the trainings are designed (see Figure 1).

- There is a short introduction to the course followed by an introduction to climate change science, impacts and scenarios, this is followed by an overview of the Climate Finance landscape.
- The following session(s) deal(s) with assessing vulnerability, identifying adaptation options and measures that could potentially address the requirements. Herein data sets, sources of data, interlinkages between policy and practice and planning processes are explained in detail. Participants are taught 'how to make a case' for climate-based adaptation planning and projects.
- Once the concepts are clear and the linkages between climate change and local conditions have been established, the trainings would address local situations either through already present

examples of projects or by asking the participants to use the learning in developing their projects as per the local conditions/project ideas that they have brought with them.

- The participants share their project and assignments with peers and educators and incorporate the suggestions.
- Some of the trainings result in development of rough concept note(s) or proposals. Overall structure of the training/course is illustrated in fig. 2

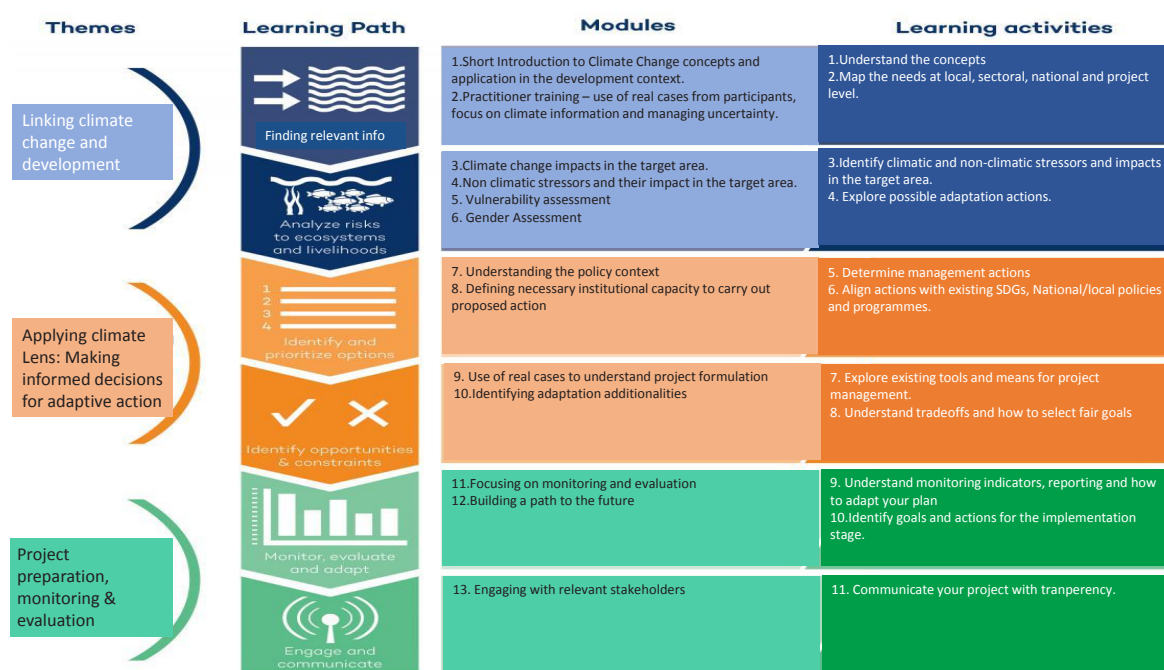


Figure 1: General overview of training contents (author's summary)

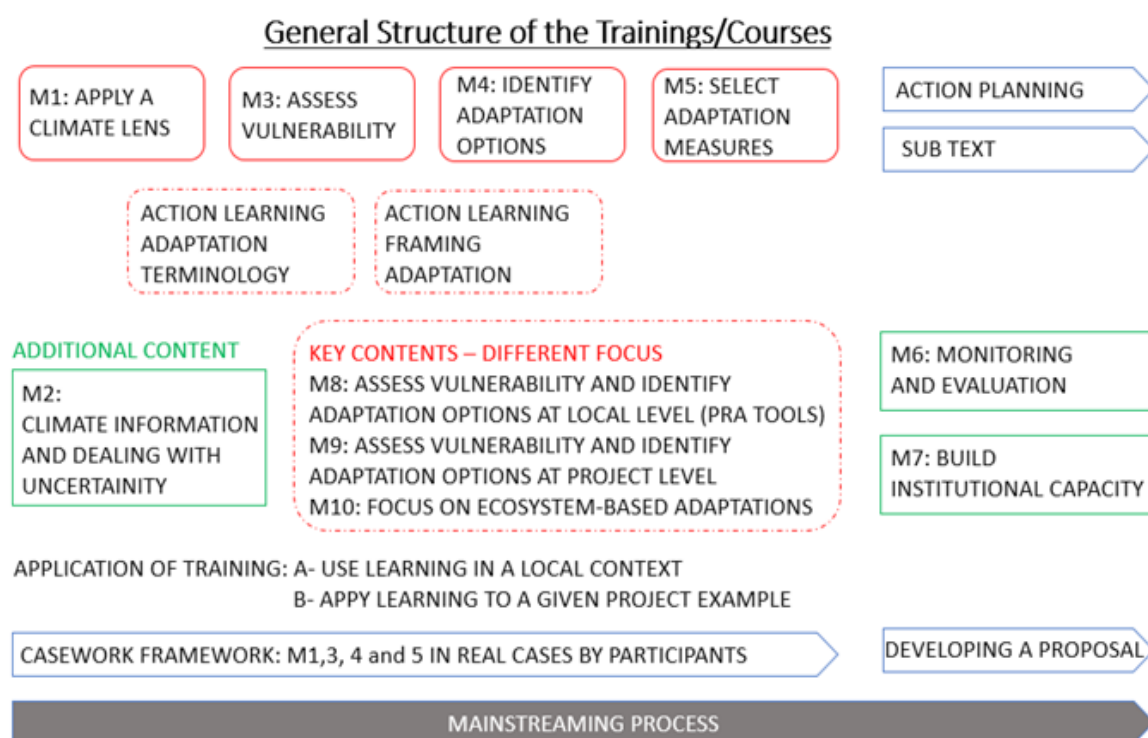


Figure 2: General structure of the trainings/courses¹

1. Source: Adapted from GIZ Training Manual (<https://www.oecd.org/dac/environment-development/46905379.pdf>)

2.2 Representative Comparison of Training Content

S. No.	Institute	Training Content
1	Bankers Institute of Rural Development (BIRD)	<ul style="list-style-type: none"> Climate Change: Concepts - Impact on Agriculture & Rural Livelihoods Policy Framework for Climate Change – Adaptation and Mitigation – International and National Initiatives Group Activity: Reflections on Climate Change in respective states – Issues & Interventions - Presentations Climate Finance – Funding Mechanisms - NAFCC & GCF - Operational Procedures
2	The Energy and Resources Institute (TERI)	<ul style="list-style-type: none"> Module A - Introduce climate finance Climate Change: The scale of the environmental challenge The economics of climate stabilisation The economics of adaptation to climate change International co-operation to climate change International collective action: The theory A multilateral response to climate change The role of adaptation finance in international agreements Generating the funding needed for mitigation and adaptation Potential sources of public finance Policies and instruments to leverage private and multilateral flows Green Climate Fund (GCF)
3	Development Alternatives (DA)	<ul style="list-style-type: none"> Climate Science and Policy Framework for India
4	International Institute for Environment and Development (IIED)	<p>Opening Session: Welcome, Objectives and Expectations</p> <p>Session 1: Introduction to Climate Policy and Public Finance</p> <p>Session 2: International and National Policy Response to Climate Change</p> <p>Session 3: National Climate Finance Channels</p> <p>Session 4: The Peer-to-Peer Learning Network for Climate Finance</p>

The detailed comparison matrix is given in Annexure 3

2.3 Overall Observations and Suggestions

1. National level trainings

BIRD does regular programmes while other institutes conduct annual trainings (TERI) or customised and need based trainings (Shakti Foundation, GIZ, etc.). BIRD can also expand its horizon and ask for an 'expression of interest' to carry out customised and targeted trainings for different audiences – government functionaries, educational institutions, civil society organisations, etc.

2. Examples of customised trainings from GIZ India (2018)

- Sectoral Training Programme on Integrating Climate Change in Development Planning (24-27 July 2018 in Punjab)
- Stakeholder consultations with Tamil Nadu and Telangana
- Developing concept for a project under NAPCC financing in Haryana
- Consultation on updating State Action Plan on Climate Change (SAPCC) 17 September 2018
- Demo-Projects: Ecovillages in Himanchal Pradesh; Developing Farmer-Network in Punjab on Climate Resilient Agriculture, etc.
- Develop concept notes on capacity development of states and on Himalayas on invitation of MoEFCC (Global technology roadmap)

3. International Trainings

GCF conducts regular programmes but for NIEs and government functionaries. UN and other multilateral organisations conduct both regular programmes that are regionally focussed or country specific or Fund focussed (AF, GCF). Many of the programmes are also conducted in the form of online courses or delivered through preparation of targeted (regional/national) training manuals, updated from time to time (ClimaSouth, OECD, etc.).

4. Objectives

- With clearer statement of the objectives of the training, better target audience would be selected, based on objectives and their own needs/interests.
- The GCF trainings have session-wise objectives listed in the agenda itself. This helps in narrowing down the focus for participants, especially in a setting where parallel sessions are offered.
- Participants could be asked to come up with their own set of issues/concerns related to raising climate finance and could then be divided into breakout groups to discuss, work together and synergise.
- The format of panel discussion could be incorporated for clearing doubts and giving specific information on topics. It will provide a break from the classroom teaching format.

5. Content

Although raising private finance for adaptation activities is still in a nascent stage, the topic should be broached by adequately going over the aspects of availability, sources and accessibility.

6. Modules

- Each training is unique, so modules could be kept flexible for better adaptability. Keep modules flexible to modify according to the needs of the participants and usage of real examples from India or nations that have a similar climate/finance landscape to India. (more relatable projects for instance some components of successful NAFCC could be used)
- GCF training uses sector-experts for trainings on different aspects of accessing climate finance - for instance, role and experience of NIEs (NABARD also takes such sessions) and problems in budgeting. It uses a problem centric approach. Some of the sessions on finance could benefit from such an approach, by raising areas of concern and addressing them interactively.
- A pool of subject experts from different fields could be maintained for ease and diversity.

- Possible collaborations with other training establishments to be considered (tentative list of institutes is given, and could be modified further).
- To keep the training modules/content flexible a checklist of contents could be prepared covering all the topics from which a suitable mix can then be arranged as required.
- GCF template is comprehensive and hence used for training. Here, accessing domestic finance could also be discussed at greater length, since it is within reach.

7. Training Content

- Keep background information ready for technical presentations and general sessions – handouts, slides with list of websites, papers, pen drive with papers, references, etc.
- The sessions can give reference to reading material given to participants and allot some time each day for participants to read the material and give feedback.
- Casework and reflection sessions should be spread in congruence with theoretical sessions and the logic and flow is to be strictly followed.
- Modules covering formats for applications and project proposals can be a mix of homework, classroom teaching and practice (case studies).
- M&E should be given enough coverage in the schedule and in the reading material.
- Information about field visit- objectives, expectations, and expected outcomes are to be provided with the reading material.
- Exercises to help participants learn how to develop specific indicators (e.g. NAFCC indicators).

3. Analysis of Training Methods on Climate Finance

The trainings on Climate Finance essentially cover the classroom training method, be it in the form of multiple-day training courses or online courses. The trainings administered in person also (but not necessarily) incorporate an element of field-based training, taking participants to actual project sites for exposure and illuminating what climate change adaptation might look like on the ground. Steps in preparing and delivering a training is given below Figure 3.

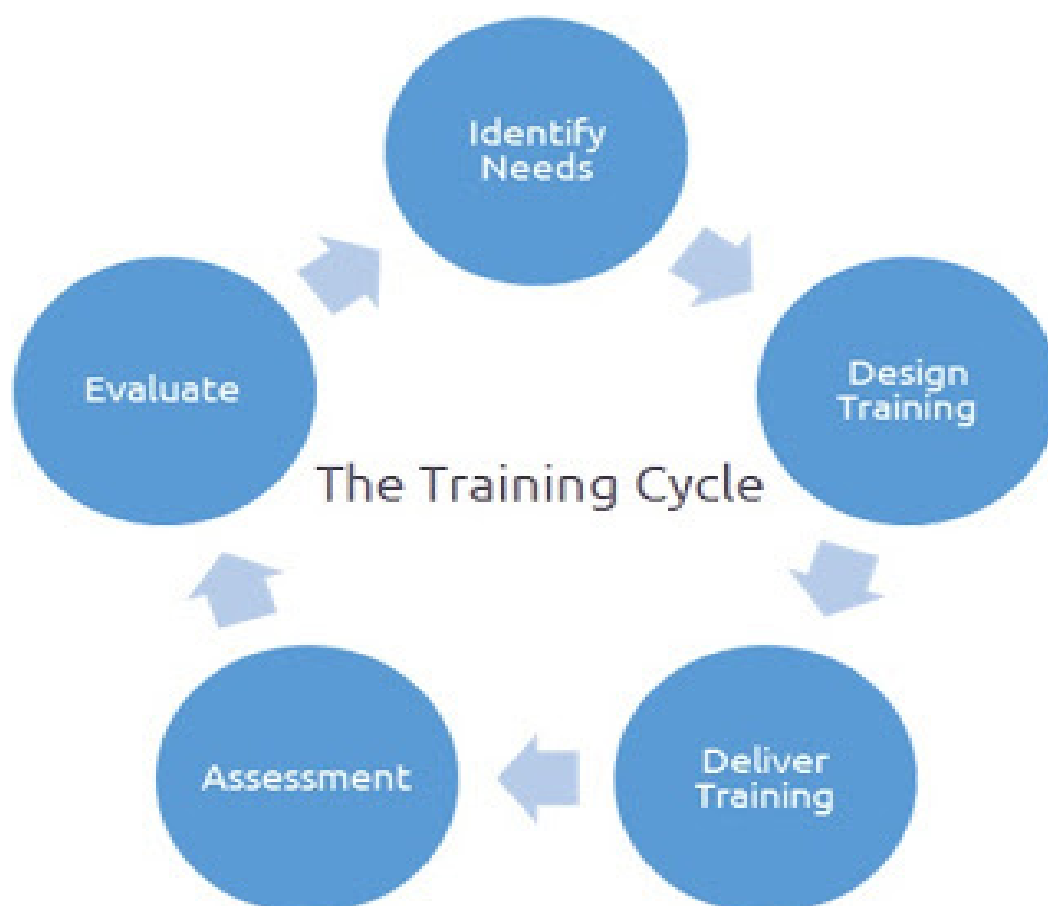


Figure 3: Steps in preparing and delivering a training

3.1 Training Methods

The main methods used in the trainings on climate finance cover:

- Lecture

Covering introduction of the topic, purpose of the lecture, and priorities and preferences of the order in which the topic is to be covered.

- Discussion

Two-way communications; exchange of ideas and critical thinking skills. Discussion groups' size and a well-defined task, which can be easily understood and implemented within the given time, play a vital role.

- Audio Visual

Use of various media to illustrate key points - short movies, videos, slide shows, use of charts, cue-cards, pictures etc.; should not overwhelm trainees with information, should be easy to read and follow. Figure 3: Training cycle

- Case studies

Trainees discuss, analyse and solve problems based on a real situation (to think for themselves and develop problem-solving skills, while the trainer functions as a catalyst for learning).

- Role-playing (also used as Ice-breakers)

A versatile teaching method; brings realism and insight into problems and experiences that otherwise might not be shared. It covers development, enactment and debriefing (of the topic) along with continuous communication with participants.

- Mentoring

An experienced person should help participants with implementation of learnings in 'case' situations.

- Field exposure/Field based training

Participants are taken to project sites of adaptation projects to assess what adaptation means on the ground and how projects are implemented, what are the issues faced in translating a project from the paper to reality, etc.

3.2 Comparison of National & International Trainings

Comparison of training on climate finance delivered by national level institutes				
Institution	Bankers Institute of Rural Development (BIRD)	IFMR-LEAD (SHAKTI Foundation)	The Energy Resource Institute (TERI)	Development Alternatives (DA)
Programme	Programme on Project Formulation - Climate Change Mitigation and Adaptation for NGOs and State Government Officials	One day stakeholder consultation workshop with Gujarat and MP state officials	Five Day Capacity Building Programme on Climate Finance	Training Manual on Accessing CF in India
Number of Days	05 28 May - 01 June 2018	1	05 22-26 July 2013	

Method of Delivery	4 sessions each day for four days and one day field visit.	Lectures using presentations and interactive workshop.	The training programme was in the form of lectures, case studies,	Proposed - Lectures based on presentations and interactive sessions.
	Lecture by Experts, Presentations, Interactive Writeshop.		experience sharing, and interactive discussions. A negotiating game was also be included in one of the modules.	
Source of Documents	BIRD	http://shaktifoundation.in/wp-content/uploads/2014/10/India-Climate-Finance-Readiness-FINAL-30914.pdf	http://www.teriin.org/eventdocs/brochure/brochure_climate-finance.pdf	http://www.devalit.org/images/L2_ProjectPdfs/(8)ClimateFinanceCB.pdf?Oid=143

Comparison of training on climate finance delivered by International level institutes						
Institution	GCF	GIZ - International	Int'l - Red Cross Red Crescent Society	ClimaSouth	OECD	IIED
Programme	Empowering Direct Access Workshop Primary target audience: • Direct Access Entities • National Designated Authorities/ Focal Points	Guidebook: Writing a Green Climate Fund Funding Proposal	Accessing climate finance An overview (Document)	Accessing climate finance A step-by-step approach for practitioners, 2016	Integrating climate change adaptation into development planning TRAINER'S HANDBOOK	Climate Finance Short Course
Number of Days	04 29 May - 01 June 2018; Songdo Republic of Korea	July 2017				05 January 31 -February 4, 2016. Dhaka, Bangladesh

Method of Delivery	Plenary and Breakout sessions. Presentations and Case based examples from peers.	Provision of literature.	Provision of literature.	Provision of literature.	Templates for funding applications. Checklists for guidance.	Interactive course including presentations, exercises, group discussions, experience sharing and mutual learning.
Source of Documents	https://www.greenclimate.fund/meetings/2018/direct-access	http://environmental-impact.org.za/site/wp-content/uploads/2017/07/GIZ-CF-Ready-GCF-Funding-Proposal-Guidebook-V1.pdf	https://www.climatecentre.org/downloads/files/IFRCGeneva/IFRCClimateFinance.pdf	http://www.climasouth.eu/sites/default/files/handbooks/E_N8_EN.pdf	https://www.oecd.org/dac/environment-development/46906641.pdf	http://pubs.iied.org/pdfs/G04029.pdf

3.3 Methodological Outlay of Trainings

In terms of the general methodological flow of trainings and courses, a common thread runs across all themes – provision of inputs by experts followed by discussion on ‘how-to’ carry out preparation of projects using examples (or cases) and then the participants develop their cases and present to the gathering for inputs and reflection.

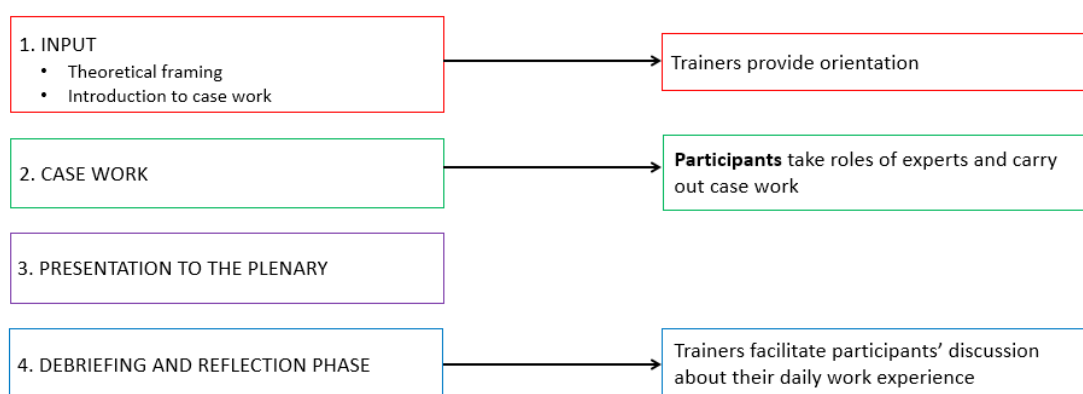


Figure 4: Overview flow of trainings/courses

3.4 Observations and Suggestions

Based on an overview of all the trainings, certain best practices emerged that can be incorporated in future trainings:

- Use interactive presentations rather than Power Point, if possible (e.g. Initiate panel discussions, problem specific break-away group discussions, use a pool of experts to interact and mentor participants in the training and afterwards).
- Keep enough time for Q&As after the end of the expert's presentation (Initiate discussions if participants seem reluctant).
- Facilitate transfer of knowledge by giving practical examples related to participants' work context.
- Keep a session on helping participants map a 'future' plan – next steps (post training); this will make the training a part of a continuous process rather than a one-off exercise (e.g. GCF training).
- Keep space for participants to give feedback on methods used and room for incorporating suggestions in future trainings wherever relevant.
- Seating arrangements should be dynamic enough to fit in with the different modes of teaching.

4. Analysis of Available Knowledge Products on Climate Finance

4.1 Training Materials

A comprehensive set of materials is used in all the trainings on Climate Finance including:

Training Manuals

Addresses the participants. It explains the casework tasks per module and includes all necessary supporting information for completing the exercises.

Handouts

Provide a summary of learning points and references for each module. They should only be given to the participants after the relevant module has been completed.

Library of PowerPoint slides

A library with notes supporting the input sessions.

Exchange

A platform for exchange among practitioners, in the field of adaptation to climate change, who use webinars to showcase their experience and discuss online with peers.

- Trainer Handbook
- Online courses/interaction platforms

4.2 Observations and Suggestions

- Materials can be customised to each training and can be in the form of – sector specific guidebooks, manuals, session handouts, etc.
- A system knowledge database management must be provided, to maintain categorised and catalogued for easy access.
- Library of audio-visual aids for cases, success stories, online modules from similar trainings (if available).



Figure 5: Examples for training materials

5. General Recommendations for BIRD

1. Provide more specific writeshops and preparatory training catering to the state, region, sector and eco-systems.
2. Focus on other sectoral training as well - RE, urban, road and transport etc.
3. Build internal capacities on climate change by training regional office/state office staff.
4. Empanel domain experts and technical institutions
5. Provide extension support to sustain selected adaptation outcomes.
6. The role of field visits needs to be qualified further, there is a need for careful selection of area and topic according to a trainings' requirements. There should be a brief introduction and linking of the visit and project to the relevant topics being covered in class.
7. More thought can be given on 'How to assess and aid participant's subsequent ability to communicate knowledge gained with others outside of the course?'. One possibility is by follow-up training, on how to help interested participants in setting their learning agenda – learning points that reflect the specific needs of individual participants.
8. Coordination between different departments and sectors involved in the process of implementation is an issue, BIRD/NABARD could think of ways to bridge the gap by acting as an interlocutor.
9. There needs to be more internal discussion, learning and training on ways to customise vulnerability assessment to specific climate risks and hazards in India.
10. Additional sessions on 'Linking and Leveraging Investments' – cofinancing options, community buy-in, etc. should be a part of the training, along with broadening the horizon for leveraging climate finance domestically.
11. Separate sub-trainings could be organised on 'How to build stakeholder engagement, ownership and support for planning and engagement in the proposed project?'. Another area to cover is sessions/short trainings on 'Enhancing Learning and Exchange between various stakeholders of a project; across areas and themes, sharing practical experiences and engendering shared learning'.
12. BIRD can also look at ways to increase the role and involvement of the private sector in climate proofing – for instance in provision of technical assistance and targeted advisory services etc. for projects.
13. BIRD/NABARD should also discuss the progress of NAFCC projects, and the issues faced by them in implementation, learnings, other constraints, etc. to benefit future applicants.
14. NABARD has helped by commenting on and refining proposals for state level projects under the NAFCC but in the Shakti Foundation report on their training, it is pointed out that most of the learning comes from participating in the process of submission. In tune with this, BIRD can explore the possibility of an 'orientation training' as a pre-requisite for new EEs. (<http://shaktifoundation.in/wp-content/uploads/2017/11/Financing-State-Climate-Actions.pdf>).

Annexures

Annex I: Climate Finance Landscape in India

- Ministry of Finance and CC – CC Finance unit set up in 2011 to advise the government on National Climate Policy Framework (NAPCC) and represent India in UNFCCC
- For the financial year 2018-19, total budget of INR 150 Crore has been allocated to climate change division of Ministry of Environment, Forest and Climate Change (March 2018)
- The Government of India ordered a revision of the SAPCC and asked states to integrate CC in their existing and new policy and programmes (2018)
- A second round of proposals for the NAFCC has been announced. The Government of India is seeking innovative project proposals. Government has set up a budget provision of INR 350 crores for the year 2015-16 and 2016-17, with an estimated requirement of INR 181.5 crores for financial year 2017-18 for NAFCC.

Accessing Climate Finance

Two projects from India were cleared in 2017 –

1. Innovation in Solar Power and Hybrid technologies - Mitigation project funded by Clean Technology Fund (CTN)
2. Ground Water Recharge and Solar Micro Irrigation to Ensure Food Security and Enhance Resilience in Vulnerable Tribal Areas of Odisha – Adaptation project funded by GCF.
<https://climatefundsupdate.org/data-dashboard/>

India at UNFCCC

India has submitted the Intended Nationally Determined Contributions to UNFCCC on 1 October 2015, highlighting a strong Greenhouse Gas (GHG) mitigation plan until 2030 and providing a glimpse into national vulnerability to adverse impacts of climate change across regions and sectors.

India's NDCs

To achieve about 40 percent cumulative electric power installed capacity from non-fossil fuel-based energy resources by 2030 with the help of transfer of technology and low-cost international finance including from GCF.

Financial Gaps

One key study, by the Asian Development Bank estimates that implementation of adaptation actions will require India to invest 0.48 percent of GDP annually [ADB, 2014]. This translates to finance requirement of US USD 206 billion (excluding the energy sector) by 2030 [MoEFCC, 2015].

- Another assessment finds that adapting infrastructure to climate change may be as high as USD 178 billion for current infrastructure alone. Further the ADB (2014) does not account for costs associated with policy implementation.
- In 2030, these investments may be about USD 360 billion (at 2005 prices) as per the spread of current distribution.

India's strategy/policy on CF? Development measures taken by India on CF?

- There are twenty-one (from a total of sixty-six) Central Government Schemes that are directly related to climate change adaptation. The total commitment for these 21 schemes (actual expenditure as per revised estimates for 2013-14) was INR 740 billion during 2013-14 or 0.7 percent of GDP. The total spending therefore on developing adaptation capacity and adaptation was INR 5,970 billion (around USD 91.8 billion) in 2013-14. The Loss and Damage from extreme events were estimated additional at USD 5-6 billion in that year.

Climate Finance Policies

- Setting up of INR 3,500 million (USD 55.6 million) National Adaptation Fund (2015).
- Reduction in subsidies on fossil fuels including diesel, kerosene and domestic LPG.
- Coal cess quadrupled from INR 50 to INR 200 per tonne to help finance clean energy projects and Ganga rejuvenation.
- Introduction of Tax-free Infrastructure Bonds for funding of renewable energy projects.

Link with 2030 Agenda

- Deep financial, technological, institutional and capacity building needs to fill the adaptation gap for India. The financial needs could be up to USD 360 billion in 2030. In real terms, the adaptation gap for India could be over a trillion USD from now until 2030.

Private sector potential –

- Green bond issuance in India rose sharply in 2017 — to more than USD 4 billion from USD 1.3 billion in 2016, according to data provider Dealogic (<https://indianexpress.com/article/opinion/columns/a-climate-for-green-funds-climate-control-measures-floods-landslides-5301082/>)
- YES BANK, India's fifth largest private sector bank, made a major announcement for mobilising USD 1 billion till 2023 and USD 5 billion till 2030, towards financing solar energy projects in India at the International Solar Alliance (ISA) conference organised at World Future Energy Summit 2018 in Abu Dhabi.

Towards this, the Bank also signed five solar energy co-financing Letters of Intent (LoI) with Hero Future Energy (up to 1.5 GW capacity), Greenko Group (up to 10 GW capacity), Amplus Solar (up to 1 GW capacity), Jakson Group (up to 1 GW capacity) and Tata Power Delhi Distribution Limited (up to 10 MW capacity) for their solar projects in India to be completed by 2023. (2018 - <https://www.yesbank.in/media/press-releases/yes-bank-commits-usd-5-billion-for-solar-projects-in-india-at-isa>).

Annex II: List of Agencies Working on Capacity Development and Funding of Mitigation and Adaptation Projects

Collaboration with Training Establishments

- State Level Training Institutes
- Collaboration with NIPFP, New Delhi, IIM, Lucknow, Noida Campus on sustainable development, NIFM, Faridabad
- LBS Academy- CCC can provide a customised programme on Climate Change

Collaboration - Financial & Non-Financial

- Indian Himalayas Climate Adaptation Programme (IHCAP) (thru NABARD Consultancy Services - NABCONS) in 12 Himalayan States - works with State Governments - Developed Training Modules which can be shared with CCC.
- Exposure Visit of officials of 12 States Programme – CCC
- Online training programme (Department of Science & Technology - DST) on Glaciology available through IHCAP at www.glaciology.in – CCC can use it
- DFID- Climate Change Innovation Programme (CCIP) has their projects in 6 States- Assam, Bihar, Chhattisgarh, Kerala, Maharashtra, Odisha- SOPs for Climate Change Cells of these States- Networking of Cells with CCC (CG & MR set up)/training modules of CCIP can be shared
- Multiple Frame Work –Governance, Cl. Fin, CRWM, Agri Value Chain for Climate Resilient crops
- International Centres - in Afghanistan, Climate Finance Unit set up. Pakistan, Nepal & Bangladesh
- E-Learning module on Financing Frameworks for Resilient Growth - CCC can use the same agencies (bilateral, multilateral) working on capacity development or supporting adaptation and mitigation projects (for possible synergies)

S. No.	Bilateral/Multilateral Agency working on CF in India	Nature of Work - Capacity Development (CD), Concept/Proposal Development (C/PD) & Funding	Possible Synergies
1	SDC	CD, Funding adaptation activities	Capacity building training
2	USAID	CD, Funding adaptation and mitigation projects	
3	SIDA	CD - involved through funding other organisations working around advocacy, adaptation projects	
5	DFID	CD, Funding adaptation and mitigation projects	CF workshop in the past - CCRAI - NAFCC
6	World Bank	CD and supporting programmes	Carbon markets
7	ADB	Support for mainly mitigation projects	Carbon markets
8	IFAD (International Fund for Agricultural Development)	Supports adaptation projects and CD	Can use case studies and other material for training on CD
9	UNEP	Mainly research	
10	UNDP	Supports concept/project development	Use of project formulation material
11	JICA	Directly supports adaptation and mitigation projects	
12	HBF	Supports projects on adaptation and CD	
13	ActionAid	Advocacy and direct work on adaptation and disaster management	
14	Oxfam	CD and direct work on adaptation	
15	FAO	Technical Cooperation on research on climate	Use of material for training

Annex III: Sources of Funding in India

Sources of Funding in India		
Financing Intermediary	Eligibility criteria	Financing schemes
NABARD	Offering loan via Composite Loan Scheme (CLS) for SME Integrated Loan Scheme (ILS) Rural Housing and capital cum interest subsidy scheme for Renewable Energy and direct finance for Agriculture and rural areas, credit link subsidy scheme for small industries, rural innovation und and acts as a National entity for adaptation fund and GCF.	Long term loan is given by NABARD to State Co- operative Agriculture & Rural Development Banks (SCARDBs) Regional Rural Banks (RRBs) State Co-operative Banks (SCBs) Commercial Banks (CBs) State Agricultural Development Finance Companies (ADFCs) Scheduled Primary Urban Co-operative Banks (PUCBs) North East Development Finance Corporation (NEDFC) Non-Banking Financial Companies (NBFCs) Short term loan for fisheries apart from Agriculture and rural sectors
SIDBI	Waste to Energy Projects, Common Effluent Treatment Plants Industrial pollution control technologies, Sustainable transport solutions (e.g., Transport operators using cleaner energy such as LPG/CNG, etc.) Commercial Green building (Co-generation of energy and use of Renewable Energy, CDM registration related expenditure and any Climate Change Mitigation projects.	
	(xxvi) Green micro finance (micro loans up to 5 lakhs to micro enterprises for green / energy efficient equipment measures through various micro finance intermediaries or NBFCs. Any sector- Out phasing of ozone depleting substances	
IREDA	All renewable energy projects executed by Private Sector Companies/ firms • Central Public Sector Undertaking (CPSU) • State Utilities/ Discoms/ Transcos/ Gencos/ Corporations • Joint Sector Companies	Line of Credit Short term loan assistance Bridge loan assistance Policy on Underwriting of Debt/Loan Syndication. Guarantee Assistance Scheme to RE suppliers/ Manufacturers/EPC Contractors FI under consortium/syndicated Loans/ multi banking arrangements by

		charging lead fee Direct Discounting of GBI Claims payable to renewable energy developers under MNRE Scheme for Generation Based Incentive (GBI) for grid interactive wind and solar power projects direct discounting of MNRE capital subsidy payable to accredited channel partners and State Nodal Agencies (SNA) for installation of Solar water heating systems
Indian Infrastructure Finance Company Ltd.	Deals with promoting infrastructure development of airport/power sector/ metro rail/gas pipelines of public and private sectors and private public partnership projects	<ul style="list-style-type: none"> • Long term debt; • Refinance to Banks and Public Financial Institutions for loans granted by them • Take out financing • Subordinate debt • Credit enhancement • Any other mode approved by the Ministry of Finance from time to time • Loan can be provided by international funding
L& T Infrastructure (Non-Govt./ NBFC)	Providing project debt financing (No external borrowing) to Solar SPV, EPC companies, Infrastructure Developers, & Infra-debt Fund	<ul style="list-style-type: none"> • Term loan • Debentures • Securitised and subordinate debt • Convertible and non-convertible debentures • Shares • Equity based funding to Infrastructure under infra-debt fund
State bank	Agriculture road & urban infrastructure Power and utilities Oil & gas, other natural resources Ports and airports Telecommunications Non-infrastructure sector: Manufacturing: cement, steel, mining, engineering, auto components, textiles, Pulp & papers, chemical & pharmaceuticals Tourism & hospitality, educational Institutions, health industry. The minimum project cost is INR 200 crores (INR 100 crores in respect of services sector). The minimum proposed term commitment is of INR 50 crores from SBI.	<ul style="list-style-type: none"> • Rupee term loan • Foreign currency term loan/ convertible bonds/GDR/ADR • Debt advisory service • Loan syndication • Loan underwriting • Deferred payment guarantee

ICICI bank	Apart from agro-financing, technology financing through World Bank and USAID	No detailed info can be sketched
HDFC	Power (generation, transmission and distribution) /Renewable Energy (wind, solar and hydro) transportation fertilisers, cement, mining, telecommunication, oil & Gas,	Equity capital markets
Axis Bank	Private finance for the private organisation for their project appraisal activity and construction finance for the constructional activity/To rural and SME enterprises	Loan and working capital finance

Annex IV: Short Introduction to the Adaptation Fund and the Green Climate Fund

Adaptation Fund

The Adaptation Fund of the Kyoto Protocol was established as a financial instrument under the UNFCCC to finance adaptation projects and programmes in developing countries that are particularly vulnerable to the adverse effects of climate change. It is financed by voluntary contributions and from a two percent share of the proceeds of the Certified Emission Reductions issued under the Protocol's Clean Development Mechanism projects. By 2017, the total commitments had reached close to USD 438 million in 67 countries.

The Fund is governed by the Adaptation Fund Board, which consists of 16 members and 16 alternates representing Parties to the Kyoto Protocol. Most members – about 69 percent – represent developing countries. Its Secretariat is serviced by the Global Environment Facility (GEF), which is operated by the World Bank, who is also its trustee.

The fund has significantly been pioneering 'direct access' funding arrangements, allowing countries to have a simplified and an accelerated way to access and manage funds, without having those funds pass through financial intermediaries. The fund's implementing entities consist of national, regional and multilateral organisations that are selected through an accreditation process. This process is bolstered by a reaccreditation procedure that takes place every five years. These processes aim to ensure that the fund's implementing entities are complying with the fund's fiduciary standards, transparency, accountability, integrity and, other standards; including environmental and social safeguards, and a gender policy. These entities are eligible for project and readiness grants. Project finance amounts range approximately between USD 700,000 and USD 14 million, averaging at around USD 6.7 million per grant. Readiness assistance of amount in between USD 10,000 and USD 50,000 is provided for South–South cooperation. Technical support is also provided for environment, social and gender programmes.

The Green Climate Fund

The GCF is an operating entity of the financial mechanism of UNFCCC and the Paris Agreement established with the aim of assisting developing countries mitigate and adapt to climate change by promoting 'a paradigm shift to low-emission and climate-resilient development, taking into account the needs of nations that are particularly vulnerable to climate change impacts'.

The GCF is governed by a 24-member Board, equally comprised of developed and developing countries,

representing the United Nations Regional Groups. Its Secretariat is independent and overseen by the Board. The World Bank is serving as an interim trustee until a permanent trustee is selected.

The GCF became operational in 2015 with pledges from countries, regions and cities, summing up to USD 10.3 billion. To this day the GCF has approved financing to the tune of USD 2.2 billion for 43 projects, providing a mix of grants (42 percent, concessional loans (39 percent), guarantees (1 percent) and equity (18 percent).

The projects comprise individual funding volumes as follows: micro (< USD 10 million) (12 percent), small (USD 10–50 million) (35 percent), medium (USD 50–250 million) (37 percent) and large (>USD 250 million) (16 percent).

To access GCF project financing, every organisation, be it – private, public or other non-governmental entities – must be accredited. Accreditation requires that applicant entities comply with GCF's standards. As of June 2017, the GCF had accredited 48 diverse entities, of which 23 are direct access national or regional organisations.

In addition to the project support, the GCF also provides readiness grants and technical assistance.

As of June 2017, GCF had approved 115 readiness requests for 85 countries, totalling USD 37.2 million. National Designated Authorities are eligible to apply for readiness resources to strengthen their institutional capacities and direct access entities to efficiently engage with the Fund. Funding is capped at USD 1 million per year per country. In addition, up to USD 3 million may be provided annually, to help countries formulate adaptation plans.

Proposal Screening Processes at the Green Climate Fund

Regular proposal screening at the GCF can be said to represent the process, which commences with the submission of a funding proposal (by an accredited entity) to the GCF Secretariat and concludes with a decision by the GCF Board.

Note: The proposal screening process is only one part of the full GCF project cycle. The 'Updated Project and Programme Cycle' document², which covers all phases of the cycle, includes preceding stages such as structured dialogues, voluntary steps such as submission of concept notes, and post-approval legal arrangements, which are not examined here.

Stages in the GCF proposal screening process as follows:

- Submission of funding proposal to the Secretariat
- Verification of the completeness of submission (Secretariat)
- Assessment of expected performance in activity-specific criteria (Secretariat)
- Assessment of compliance with standards (e.g. Legal, Fiduciary, Gender) (Secretariat)
- Independent assessment of performance by the Technical Advisory Panel (TAP)
- Decision by the Board (based on Secretariat and TAP submissions)

Overall, the GCF's investment framework has three elements:

- (a) Investment policies [financial policies];
- (b) Investment strategy and portfolio targets; and

2. https://www.greenclimate.fund/documents/20182/239759/Proposal_Approval_Process__Updated_.pdf/53357eae-1a4d-48da-99c5-e11c5ef7761c

- (c) Investment guidelines composed of activity-specific decision criteria to be utilised in the initial proposal approval process³.

These activity-specific criteria, used in the proposal screening process by both the Secretariat and the Technical Advisory Panel, are essentially the activity-specific versions of the GCF's six general investment criteria, which are the following:

- (1) Impact/result potential
- (2) Paradigm shift potential
- (3) Needs of the beneficiary country/ alternative funding sources
- (4) Country ownership and institutional capacity
- (5) Economic efficiency
- (6) Financial viability (for revenue-generating activities).⁴

Thus, for example, in the context of an adaptation project, reviewing the general criterion of impact/result potential would entail reviewing the activity-specific criterion of 'adaptation impact' i.e. 'contribution to increased climate-resilient sustainable development'. The activity-specific criterion is gauged according to pre-established 'indicative assessment factors' which are both qualitative and quantitative; in the context of adaptation impact, these indicative assessment factors include 'expected total number of direct and indirect beneficiaries' and the 'degree to which the activity avoids lock-in of long-lived, climate-vulnerable infrastructure'.⁵

To calculate and compare performances, GCF uses performance measurement frameworks (PMFs) whose methodologies are informed by the methods developed by other multilateral climate finance institutions such as the Adaptation Fund (AFs) and the Climate Investment Funds (CIFs); these include the use of scorecards.⁶

These methodologies are expected to be refined over time.

3. https://www.greenclimate.fund/documents/20182/24943/GCF_B.07_06_-_Investment_Framework.pdf/dfc2ffe0-abd2-43e0-ac34-74f3b69764c0

4. Ibid.

5. Ibid.

6. https://www.greenclimate.fund/documents/20182/296788/GCF_Handbook__Decisions__Policies_and_Frameworks.pdf/25fd22ec-4f81-44ee-b5d1-20bceb2c9264

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