Finance Guide for Implementation of Technology Action Plans

This guidebook provides information on how to develop a business case for interventions that are inclusive of climate change mitigation and adaptation technologies, and to present this information in structured proposals to donors and financiers.

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2PM-3:30PM CET
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Content

• Background
• Scope
• Structure
• Content
Background

- Reallocation of the global investment portfolio is needed to achieve the goals of the Paris Agreement
- Limited availability of public resources -> need to catalyse and leverage private finance
- Developing countries express lack of finance available despite the unspent finance available in international climate funds
- Gap in understanding what is necessary to access finance for climate interventions
- Increasing demand for capacity-building to turn the TNA/TAP results into financially sustainable climate interventions and translate these into project proposals
Scope

• Develop a business case
• Understand central aspects of project and climate finance
• Present a targeted project proposal to potential financiers and donors
Structure

Chapter 1 - Introduction to TNA process and financing for TAP
Chapter 2 - Phases of proposal development
Chapter 3 - Preparing the business case and financial plan
Chapter 4 - Application of financial instruments, concessionality and incremental cost
Chapter 5 - Building blocks of a proposal: preparing the first draft proposal
Chapter 6 - Selecting the appropriate financial partners for a targeted proposal
Chapter 1 - Introduction to TNA process and financing for TAP
Chapter 2 - Phases of proposal development

- **CONCEPT PHASE**
  - Initial business idea/model
  - Alignment with national priorities and context
  - Pre-feasibility
  - First concept note

- **DEVELOPMENT PHASE**
  - Business Case /financial plan
  - Risk mitigation
  - Potential financing mechanisms and sources
  - First draft proposal

- **SUBMISSION PHASE**
  - Align with financier’s services
  - Align with financier’s priorities
  - Targeted proposal

**TNA PROCESS**

- **01 CONCEPT PHASE**
  - Feasibility

- **02 DEVELOPMENT PHASE**
  - Viability

- **03 SUBMISSION PHASE**
  - Bankability

**IMPLEMENTATION**

Negotiations and contractual agreements
Chapter 3 - Preparing the business case and financial plan

<table>
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<tr>
<th>Variable</th>
<th>Base Case</th>
<th>What-If Scenarios</th>
<th>Sensitivity*</th>
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<td>Construction cost</td>
<td>1,115,000</td>
<td>A1 5% higher</td>
<td>9.7%</td>
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<td></td>
<td></td>
<td>A2 30% higher</td>
<td>7.1%</td>
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<td>B2 30% lower</td>
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<td>Revenue all years</td>
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<td>E2 80% increase</td>
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<td>F2 8.5% increase</td>
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<td>Project IRR Pre-tax (IRR)</td>
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Chapter 4 - Application of financial instruments, concessionality and incremental cost
Chapter 5 - Building blocks of a proposal: preparing the first draft proposal

- Project design and implementation plan
- Implementation partners
- Stakeholder engagement
- Technical assistance and capacity-building needs
- Budget and use of funds
- Impact potential and expected results
- Monitoring progress and impact indicators
- Risks and risk mitigation
Chapter 6 - Selecting the appropriate financial partners for a targeted proposal

Thank you for your attention.

You can find the *Finance Guide for Implementation of Technology Action Plans* here:

[https://tech-action.unepdtu.org/resources/](https://tech-action.unepdtu.org/resources/)