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NEW PUBLICATION

## 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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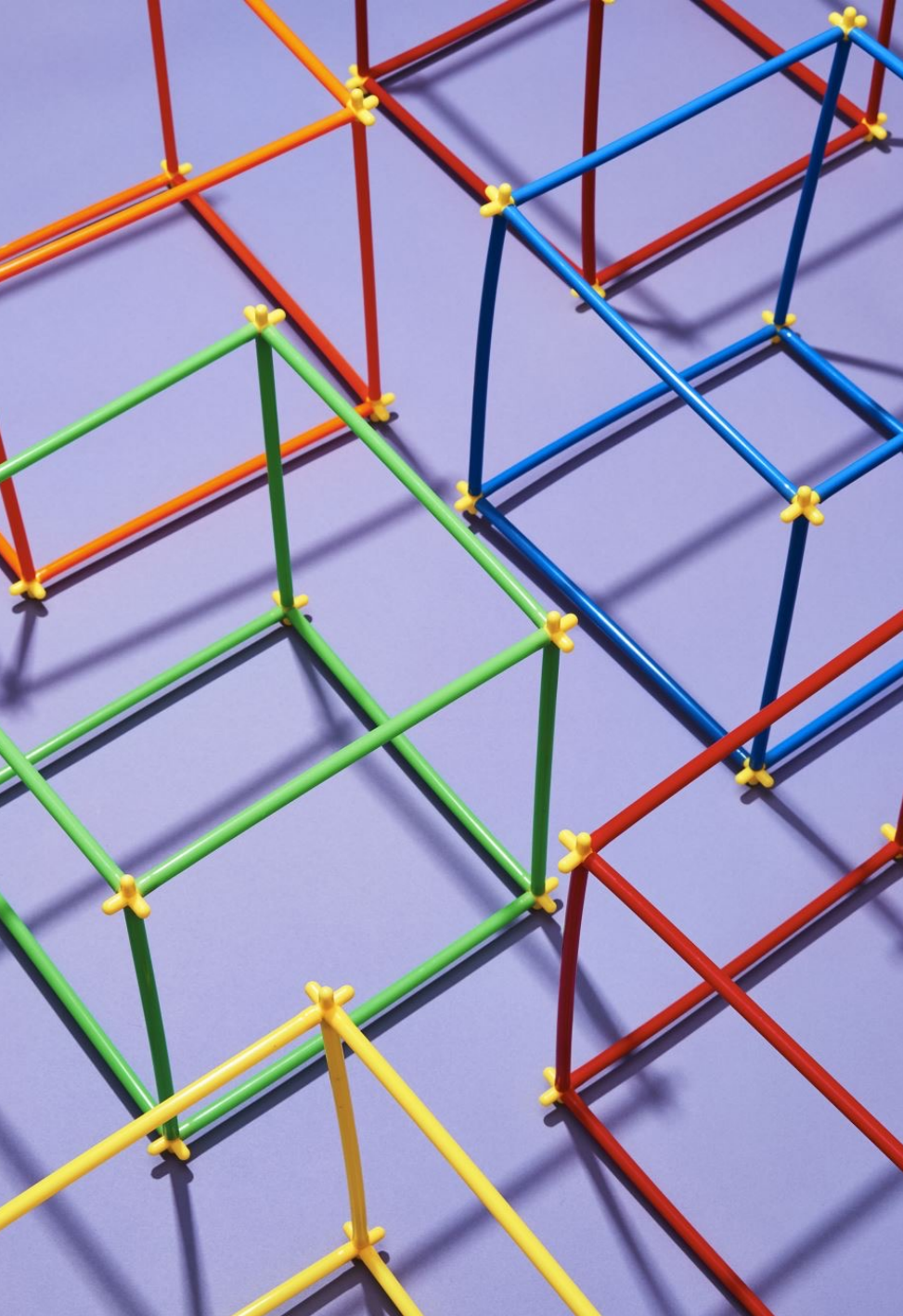
Webinar

30/09/2020

2PM-3:30PM CET

Federico Antonio Canu – UNEP DTU Partnership

[www.tech-action.org/](http://www.tech-action.org/)



# Content

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- 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







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

## Scope



# Structure

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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

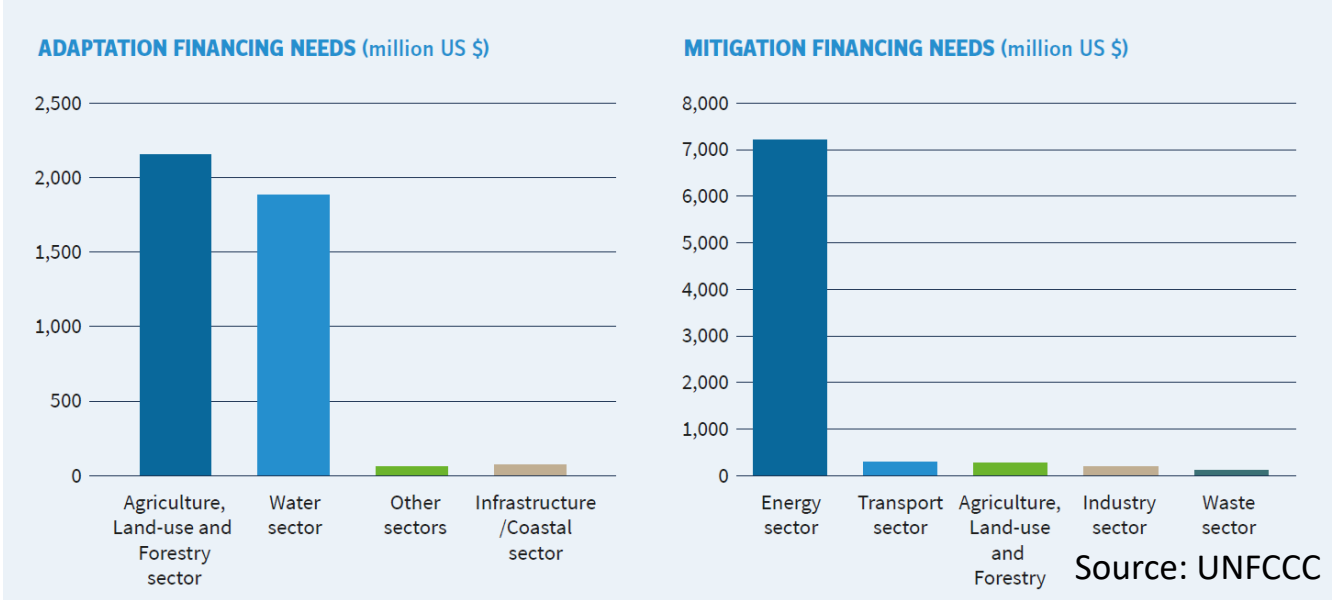
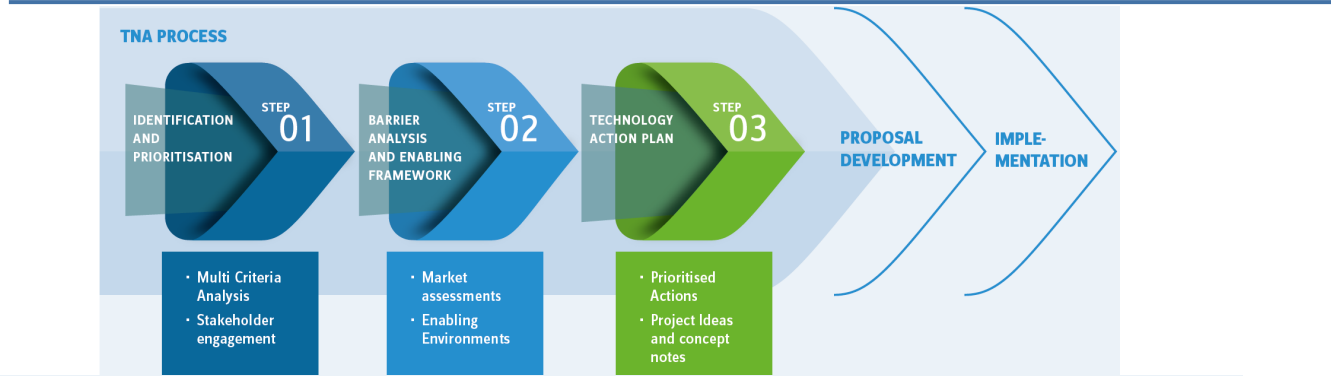


Chapter 6 - Selecting the appropriate financial partners for a targeted proposal





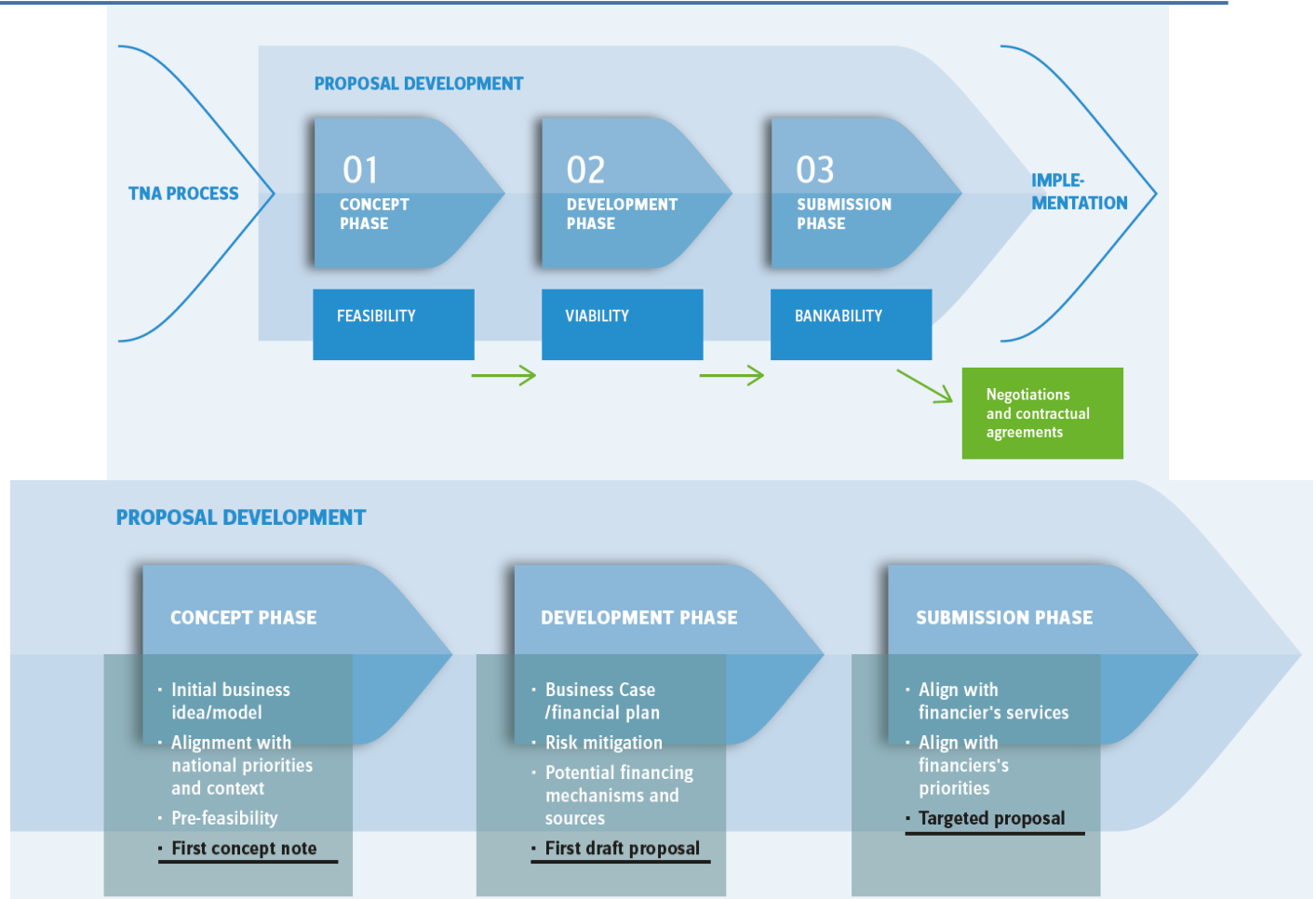
# Chapter 1 - Introduction to TNA process and financing for TAP





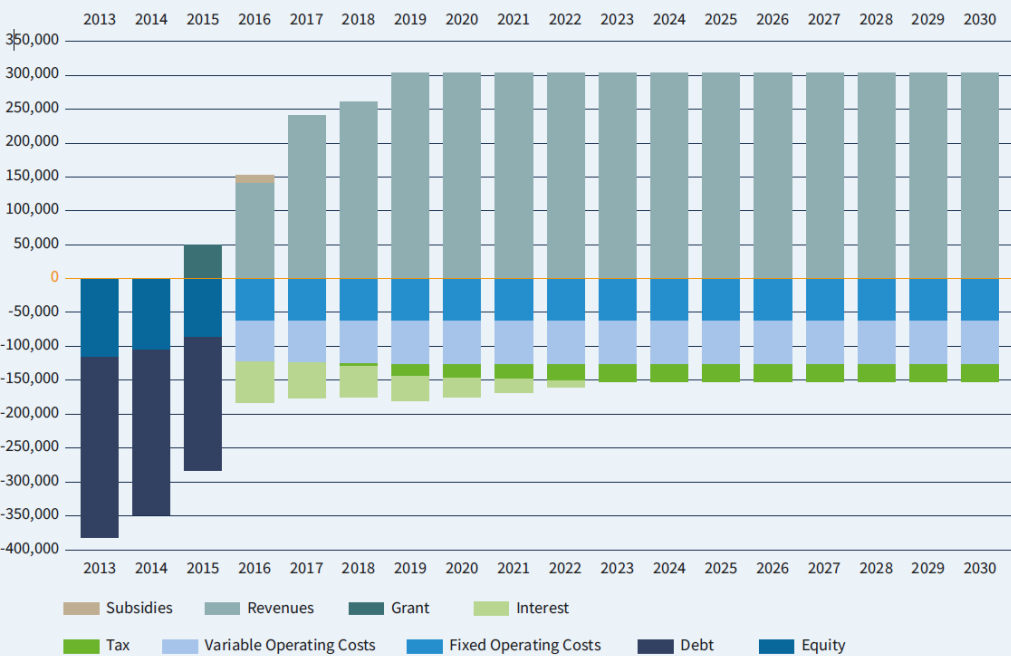


# Chapter 2 - Phases of proposal development





# Chapter 3 - Preparing the business case and financial plan

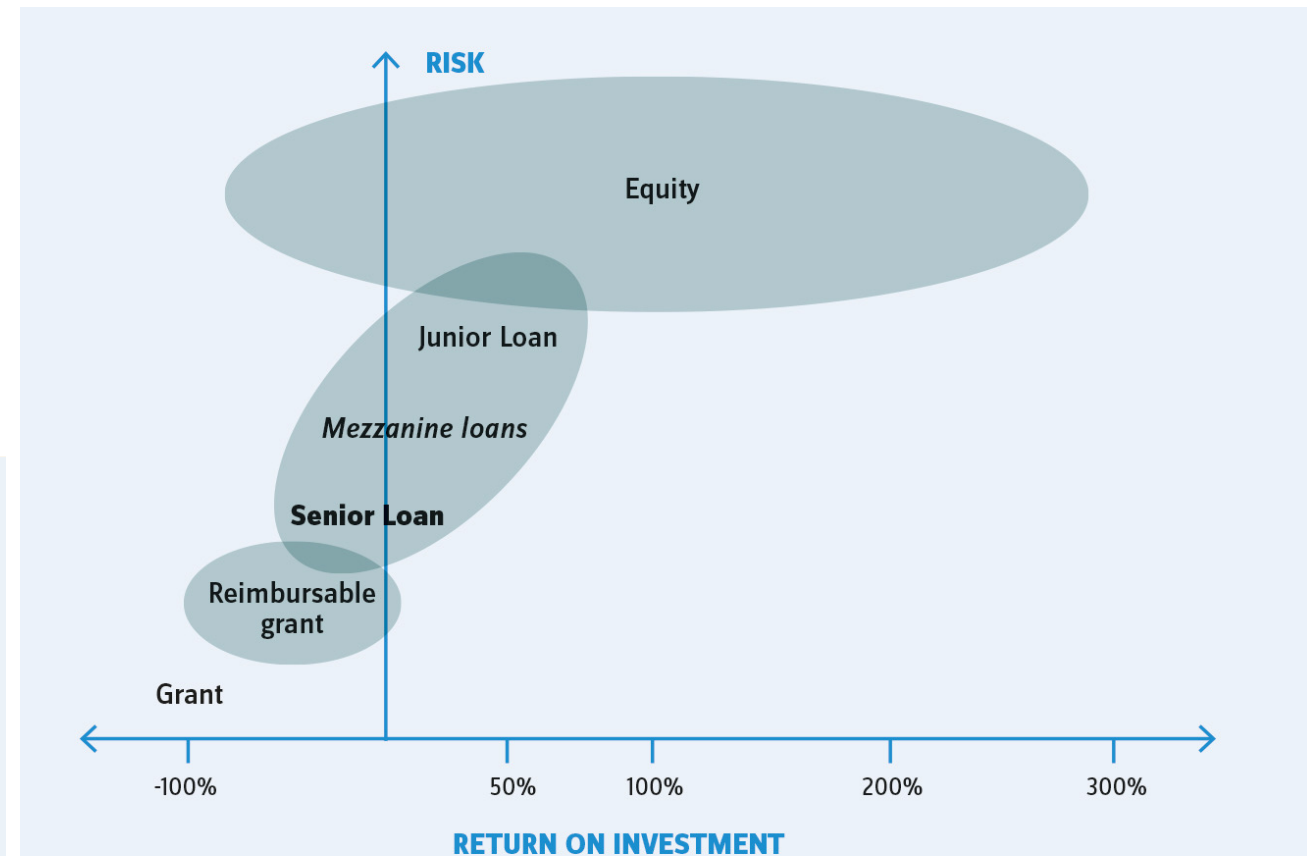


Base Case		What-If Scenarios					Sensitivity*	
Variable		Scenario	Description	IRR	NPV	Avg DSCR	IRR	NPV
Construction cost	1,115,000	A1	5% higher	9.7%	223,499	2.1	-0.1%	-4%
		A2	30% higher	7.1%	18,091	1.7		
Year 1 revenue	140,000	B1	20% lower	10.0%	244,315	2.2	0.0%	0.3%
		B2	30% lower	9.9%	236,705	2.2		
Revenue all years	4,290,000	C1	20% lower	5.8%	62,620	1.5	0.2%	39.9%
		C2	30% lower	3.8%	186,943	1.3		
Operating costs, all years	1,880,000	D1	15% higher	8.5%	128,906	1.9	-0.1%	-7.1%
		D2	30% higher	6.7%	-8,068	1.7		
Cost of debt	8.5%	E1	75% increase	10.3%	261,800	2.1	-	-0.1%
		E2	80% increase	10.3%	260,362	1.9		
Discount rate	5.0%	F1	6% increase	10.3%	192,947	2.2	-	-27.8%
		F2	8.5% increase	10.3%	59,061	2.2		
Project IRR Pre-tax (IRR)	10.3%	H comb.	A1+B1+C1+D1+E1+F1	3.3%	-267,065			
NPV	263,237							
Average DSCR	2.2							





## Chapter 4 - Application of financial instruments, concessionality and incremental cost







## Chapter 5 - Building blocks of a proposal: preparing the first draft proposal

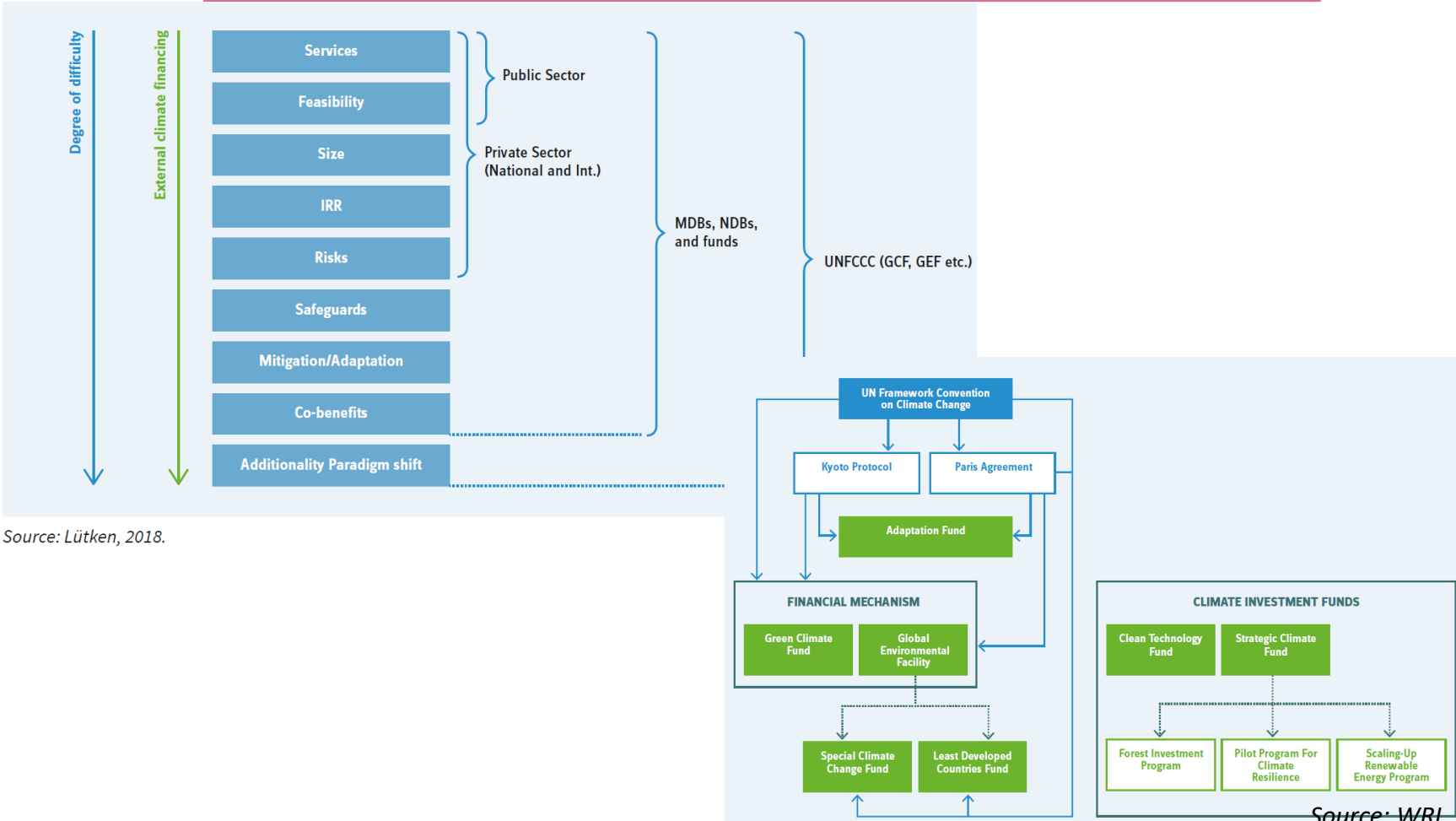
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- Project design and implementation plan
- Implementation partners
- Stakeholder engagement
- Technical assistance and capacity-building needs
- Budget and use of funds
- Impact potential and expected results
- Monitoring progress and impact indicators
- 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/>**