Subnational Climate Fund Technical Assistance Facility Draft Capacity Building Strategy and 2024 Work Plan

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Table 1. Capacity Building Component in the SOFTA Funding Proposal

Outcome TA2. Relevant stakeholders have the information and guidance needed to	360
support the development of sound policy and incentive schemes that enable and fast-track	stakeholders
low-carbon infrastructure projects on a subnational level, as well as to foster up-scaling and	trained
replication of investment deals	
Output TA2: Stakeholders are informed and trained to implement and incentivize	Deliverables
sustainable, green infrastructure, incorporating Nature-based Solutions	Indicators
Outside TAGA	

Output TA2.1: Various stakeholders are trained fit-forpurpose to fasttrack project investments

Activity TA2.1.1: Training of <u>project developers</u> to increase understanding of safeguard requirements, ESMS requirements, SDG and NbS criteria, business viability, and other investment requirements for high-

-	Public authorities at national and subnational levels have distinct roles in the implementation

Current use case, applicability, good practices and lessons learned on financial instruments (PA, FA)

Building policies and regulations to enable upscaling of climate/nature businesses and investments (PA)

Roles of public authorities in mobilizing climate/nature finance (PA)

Improving access to finance by subnational governments (PA)

Understanding and addressing the data needs for upscaling climate/nature finance (PA)

Development of green finance products (FA)

Mobilizing finance for climate adaptation businesses (PA, FA)

2) Maximizing NbSinvestment opportunities (main target groups: PD, PA)

Basic understanding of key NbS concepts, examples of projects with strong NbS potentials, Project decision-making informed by accounting of NbS benefits (PA, PD)

Designing "bankable" projects leveraging NbS with robust revenue streams (e.g. agri-food and water infrastructure projects) (PA, PD)

Designing projects and activities integrating smallholder regenerative/NbS agriculture approaches and technologies (PA, PD)

3) Managing ESG risks and impacts (main target groups: PD, FA)

Understanding how to assess and manage E&S risks and impacts and elaborate ESMS/ESAP (PD, FA)

Impact MRV: collecting data and reporting on environmental and social impact metrics (PD, FA)

4) Ensuring gender equality (main target groups: PD, FA)

Enhancing awareness on gender equality requirements, including 2X Challenge criteria (PD)

Understanding how to design gender-sensitive/responsive projects (PD)

Developing, implementing and monitoring Gender Action Plans (PD)

5. Status of SOF project pipeline in countries

A brief analysis of the SCF pipeline tracker⁵ highlights following regions and countries with high number of potential projects:

Eastern & Southern Africa : South Africa (14), Kenya (9)
South America : Ecuador (7), Brazil (7)
North and West Africa : Morocco (5), Senegal (5)

- Asia : Indonesia (7)

As for sectoral distribution, energy, waste management and agri-food are the three dominant sectors, each accounting for roughly 1/3 of the analysed SCF project pipeline.

Table 2: Countries with 3 or more projects (to be) screened in the SOF project pipeline

	Countries	Number of projects
1	South Africa	14
2	Kenya	9
3	Indonesia	7
4	Ecuador	7
5	Brazil	7

⁵ Data derived from the pipeline tracker as of 17.11.2023. 99 projects with "to be screened", "parked" or more advanced status are included in this analysis. Projects with status " (to be) screened out" and "discontinued" are excluded.

6	Senegal	5
7	Morocco	5
8	Rwanda	5
9	Dominican Republic	4
10	Guinea	4
11	Mexico	4
12	Jamaica	3
13	Nigeria	3

6. Proposed approach

10. Contribution to indicators and targets

Expected contributions of the 2024 activities to the project targets are as follows, where the figures under " plan" refer to the number of participants who complete the in-country thematic training workshops (target number of beneficiaries of online courses TBD):

	Indicators	Targets	Progress	2024	Online	Remarks
				plan	course	
TA2.1.1	PDs trained	60	82	160	TBD	40 * 4 countries
TA2.1.2	PAs trained	150	77	160	TBD	40 * 4 countries

TA2.1.3 Fls trained

Annex 1. Initial concept notes of SOF thematic trainings in 2024

This paper presents the draft initial concept notes of SCF's national thematic training workshops. Contents and feedback from the workshops will then be transformed into 3 thematic webinars and self-paced free sponsored online training courses with the IUCN Academy (https://iucnacademy.org/) to be offered as SCF

Attracting workshop

Main target:

- (1) Officials from subnational (e.g. provinces, municipalities) and national governments
- (2) Members of financial institutions (fund managers, investors, private banks, public development banks)

Background:

Cities and subnational actors play major role in achieving global nature and climate goals, however often lack knowledge needed to mobilize finance (especially private finance), strengthen enabling environment to attract investments, and leverage the potential benefits of NbS.

Expected outcomes:

By the end of the training, participants will have deeper understanding on:

3.

workshop

Main target:

Financial institutions interested in nature and climate investments.

Background:

One of the barriers in scaling up nature and climate investments in developing economies is the limited capacity of financial institutions to put in place and enforce ESMS and impact MRV requirements for investees. This training aims to address these capacity gaps by introducing the key elements of ESMS and impact MRV, in line with requirements set forth by SCF as an example.

Expected outcomes:

By the end of the training, participants will have deeper understanding on:

Investor requirements and objectives of developing and implementing ESMS and impact MRV Basic components of ESMS and steps required for its application to own businesses, including gender and social inclusion policies

Frameworks, tools and metrics used for impact management and reporting Available technical tools and resources to support the above process

Session topics (tentative):

Major global frameworks used for impact management and reporting (e.g. IFC/WB, ISSB, Gold Standard, ISEAL), investor requirements (e.g. SCF requirements)

Structure, components, process and cost of developing and implementing ESMS and impact MRV (to be grouped by sub-modules – governance and responsibilities, key E&S risks, D/D, stakeholder engagement, gender and social inclusion, M&E)

Major metrics used for assessing and monitoring different types of impacts

Available technical tools and resources to support the above process

Examples of ESMS and impact MRV efforts by (prospective) SCF investees and TA provided