HOW TO PREPARE BANKABLE PROJECTS FOR FINANCING CLIMATE CHANGE ADAPTATION IN TRANSBOUNDARY BASINS

Dakar, Senegal, 21-23 June 2017

Preparing Project Profiles & Identifying Sources

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Identifying Sources for Transboundary Finance

1. PROJECT PREPARATION
   a. SECURE RESOURCES/PARTNER FOR PREPARATION
   b. IDENTIFY NEEDS
   c. IDENTIFY POLICIES
   d. PRIORITIZE NEEDS
   e. PROJECT IDENTIFICATION
   f. CONSULTATION
   g. IDENTIFY POTENTIAL FUNDING SOURCES
1. TRANSBOUNDARY ISSUES
   a. POLICY FRAMEWORKS
      • RBO Directives
      • International and National Water, Climate, Environment Agreements
      • SDGs
      • National policies and politics
      • Financial Dependence/Autonomy
      • Eligibility for direct financing
      • Institutional Capacity & Resources
PREPARING THE GROUNDWORK

2. NATIONAL CONSIDERATIONS
   a. National needs
   b. National laws
   c. Political priorities
   d. Political stability
   e. Sovereignty
   f. Local stakeholder consultation
   g. Capacity & Resource constraints
   h. Finance Ministries – National resources & contacts
   i. Finance & Implementing institutions/capacity
   j. Private Sector portal
3. FINANCING & DEVELOPMENT PARTNERS

INSTITUTIONAL ISSUES

a. INSTITUTIONAL MANDATE
b. REGIONAL & NATIONAL PRIORITIES
c. FINANCING / SUPPORT PROCEDURES
   • SCOPE
   • LIMITATIONS
   • ELIGIBILITY
d. VARIETY OF FUNDS (eg. AfDB) & RELATIONSHIPS
Securing Sources for Transboundary Finance

1. RESOURCE MOBILIZATION
   a. IDENTIFY PARTNERS
   b. UNDERSTAND PROCEDURES/PRIORITIES
   c. ESTABLISH/IDENTIFY RELATIONSHIPS
   d. PREPARE DOCUMENTATION
   e. ORGANIZE/HOST DONOR ROUNDTABLE
   f. LOBBY
   g. * MINISTRIES OF FINANCE
   h. FOLLOW UP
Key steps of resource mobilization strategy

• Set-up a **national fundraising working group** leveraging national expertise to formulate and execute the strategy, including:
  
  ➔ Climate finance experts and finance ministry representatives, including the appropriate focal points (GCF, GEF, etc)
  
  ➔ Representatives from ministries in charge of water and environment (including the national focal structure)
  
  ➔ Representatives from sectoral activities, implementing the projects (sectoral ministries and private sector);
Key steps of resource mobilization strategy

• Prioritize and package actions:
  • Set/confirm the national priorities so as to address climate vulnerabilities;
  • Map opportunities based on their goals and requirements;
  • Screen the project lists;
  • Categorize/Package the national projects accordingly to match climate vulnerabilities, financial needs, and type of projects with funding opportunities and their requirements.
Key steps of resource mobilization strategy

• Develop engagement strategies specific to the targeted funding source:
  ➔ Meet with their representatives and investigate their willingness to support, capitalizing on the project profiles prepared;
  ➔ Flag the key elements they require in the project profiles (e.g. action type, risk profile, direct and indirect benefits, economic and financial returns);
  ➔ Adapt the scale of the project to the target;
  ➔ Consider clustering small projects into components of a larger projects, as small projects may benefit to each other and leverage funding;
  ➔ Consider blending funding sources to be the most specific to each project component;

• Involve national expertise to prepare the required analysis and documentation and ensure follow-up mechanism
Developing a Project Profile

• Summary
• Development Challenge/Project Context
• Vulnerability to Climate Change
• Project Objective
• Project Description
• Expected Results Including Climate Change Benefits
• Institutional Framework and/or Enabling Environment
• Budget
• Project Preparation Status
• Contact Information
Some Dos and Don’ts of funding proposals

DO
• Fully understand the funding agency’s mission & criteria
• Investigate/Contact previous successful awardees
• Get clarity on the guidelines and procedures
• Plan carefully – time and resources
• Consult your stakeholders and national experts who can contribute information
• Give yourself time to revise

DON’T
• Hesitate to ask questions & seek help
• Guess. Check facts and get the information
• Neglect to use all resources
• Wait until the last minute. Your proposal will suffer.
• Give up.