

Climate Finance: Developing Bankable Proposals

UNIT 2: ALIGNING NATIONAL POLICIES AND PRIORITIES WITH CLIMATE FINANCE OPPORTUNITIES

African Group of Negotiators Expert Support (AGNES) and Alliance of Bioversity and CIAT





Overview of National Climate and Development Policy Frameworks

- ❖ These frameworks define country priorities, identify vulnerable sectors, establish targets for adaptation and mitigation, and guide public and external investment decisions.
- ❖ For climate finance purposes, policy frameworks perform 3 main functions:
 - provide justification for why a proposed intervention is nationally relevant.
 - identify sectors and geographic areas already recognized as climate priorities.
 - indicate where institutional responsibility lies, which is important for project ownership and implementation arrangements.





1. Nationally Determined Contributions (NDCs)

- ❖ Formal climate commitments that countries submit under the Paris Agreement.
- ❖ Outline national priorities for reducing greenhouse gas emissions and adapting to climate change, identifying conditional actions that require external support; including finance, technology transfer, and capacity building.
- ❖ Livestock-related actions appear under agriculture, food systems, methane reduction, drought resilience, or sustainable land management.
- ❖ NDCs are often the first document consulted during project preparation





2. National Adaptation Plans (NAPs)

- ❖ Strategic instrument that help countries identify medium- and long-term adaptation priorities and implementation pathways.
- ❖ NAPs provide detailed sector-level analysis of climate risks, vulnerable populations, and priority adaptation actions.
- ❖ In sectors such as livestock, NAPs may identify priorities such as drought management, pasture rehabilitation, water systems, climate services, disease surveillance, and livelihood diversification.

*Since many adaptation funds require strong evidence of vulnerability and adaptation need, NAPs provide an important policy basis for proposal justification





3. Long-Term Low Emission Development Strategies (LT-LEDs)

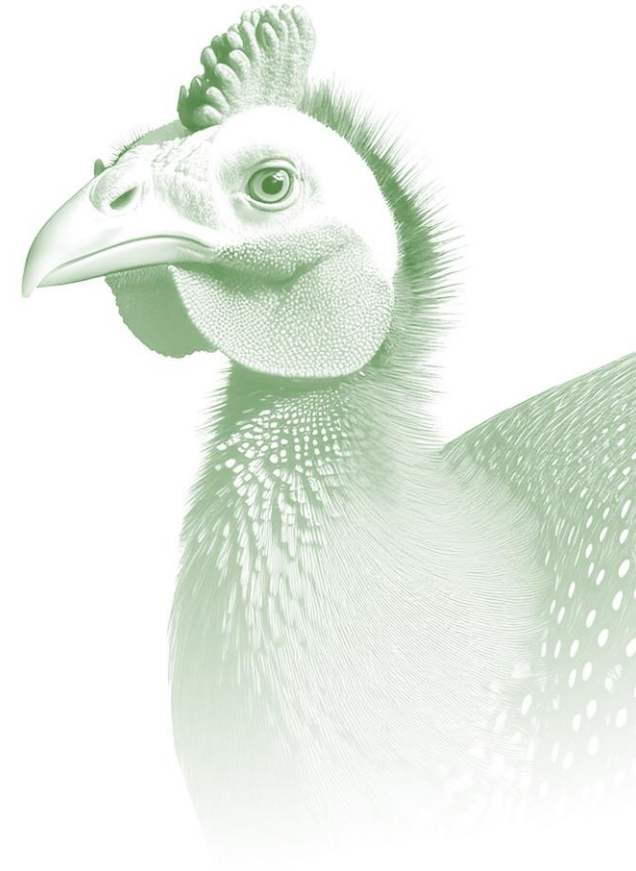
- ❖ Provide a country's long-term pathway toward low-emission and climate-resilient development, often extending to 2050.
- ❖ LT-LEDs are useful when developing large-scale/transformational climate investments because they identify future development directions, technology transitions, and sectoral shifts required over time.
- ❖ In livestock systems, this may include low-emission production systems, methane reduction pathways, circular bioeconomy opportunities, and sustainable land-use transitions





4. Sectoral Strategies and Sector Plans

- ❖ These include agricultural sector plans, livestock master plans, irrigation strategies, water policies, energy transition plans, and land restoration frameworks
- ❖ For project developers, sector strategies are often the most practical documents because they identify concrete interventions, investment gaps, and implementation responsibilities.
- ❖ Livestock-related climate finance opportunities are easier to identify in sector plans than in national climate frameworks because sector plans contain operational priorities and implementation language.





5. Subnational climate and development policies

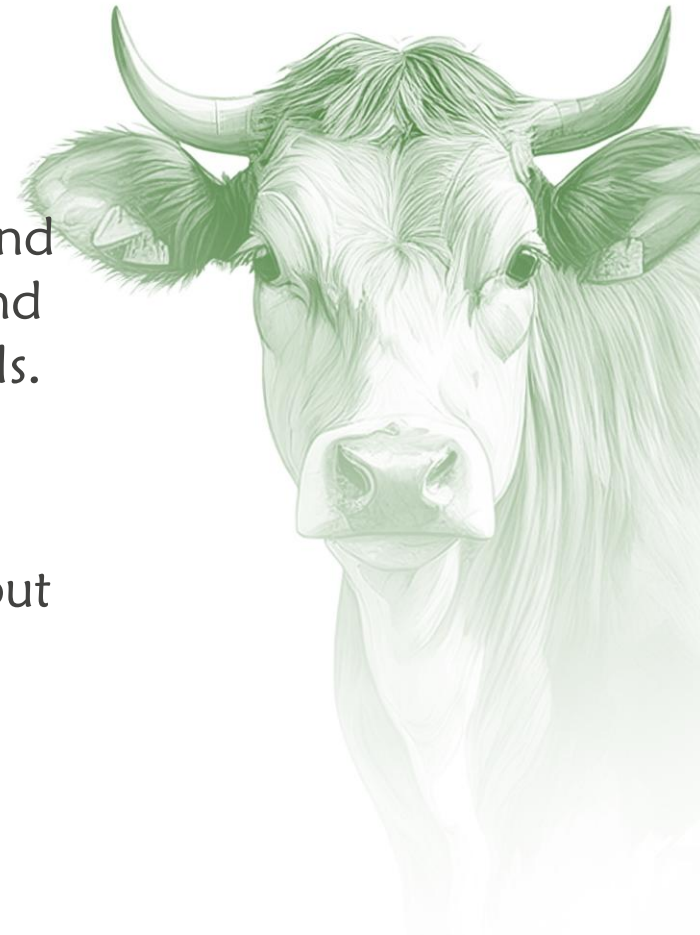
- ❖ These policies may include local climate change action plans, county integrated development plans, land use plans, resilience strategies, local disaster risk management frameworks, and sector plans for agriculture, water, energy, or natural resources.
- ❖ Shape climate finance opportunities because many adaptation and mitigation actions are planned, delivered, and enforced at state, county, provincial, district, or municipal level.
- ❖ For project developers, subnational policies are important because they help identify locally defined priorities, vulnerable populations, implementation responsibilities, and entry points for place-based climate investments.





Identifying national livestock priorities

- ❖ Livestock-related climate actions are not always presented in policy documents as a standalone climate finance category
- ❖ Identifying entry points means looking across climate, agriculture, and development frameworks to see where livestock already appears and how those references can be used to justify climate finance proposals.
- ❖ For project developers, identifying policy entry points is not only about showing that livestock is mentioned in national documents, but about using those references strategically to build a stronger investment case.





Key Policy Entry Points

Key Policy Entry Point	How livestock is captured
Climate-smart agriculture and food systems	Livestock is often captured under wider climate-smart agriculture and food systems priorities.
Adaptation and resilience priorities	In adaptation-focused frameworks, livestock commonly appears through issues such as drought resilience, pasture and rangeland restoration, fodder systems, water access, animal health, climate information services, and livelihood protection in pastoral and mixed farming systems.
Mitigation and low-emission development priorities	In mitigation-oriented policies, livestock may be linked to methane reduction, improved feed and herd management, manure management, renewable energy use, and more efficient production systems.
Land, water, and ecosystem management	Livestock-related actions are found under broader priorities linked to land restoration, watershed management, sustainable grazing, ecosystem resilience, and natural resource governance.
Pastoral development and rural livelihoods	In many countries, livestock enters policy through pastoral development, rural transformation, and livelihood support agendas.
Agricultural value chains and market systems	Policy frameworks may also highlight livestock through value chain development, market access, cold chain systems, processing, and enterprise development.
National climate commitments and sector plans	Livestock priorities should be traced across NDCs, NAPs, LT-LEDs, agricultural strategies, livestock master plans, and national investment plans. Where livestock is clearly reflected in these instruments, it becomes easier to show country ownership and strategic alignment in climate finance proposals.



Mapping National Priorities against Climate Finance Eligibility Criteria

- ❖ Mapping involves comparing national priorities identified in NDCs, NAPs, sector plans, or investment frameworks with the requirements of climate funds such as the GCF, AF, GEF or bilateral financing windows

Climate funds assess proposals using criteria such as:

- climate impact and paradigm shift potential,
- sustainable development benefits,
- Social inclusion and responsiveness
- Cost-effectiveness and efficiency of resource use
- Relevance to national priorities and country ownership
- Quality of project design and implementation arrangements.





Role of Institutions and Coordination Mechanisms in Accessing Climate Finance

- ❖ Institutional arrangements are central to climate finance access because most funding mechanisms require formal endorsement, institutional leadership, and clear implementation responsibilities.

Coordinating Institutions:

i. National coordination mechanisms

- At the national level, climate finance access is shaped by ministries, designated authorities, focal points, and interministerial platforms that coordinate climate priorities across sectors.
- These mechanisms help ensure that projects align with national climate commitments, sector strategies, and financing priorities, while also clarifying institutional roles in project endorsement, oversight, and implementation.





Coordinating Institutions /2

ii). Accredited and implementing entities

- Accredited and implementing entities are important because they translate policy priorities into financeable projects and programmes.
- Role in project preparation, fiduciary oversight, safeguards, monitoring, and reporting, while also helping countries meet the access requirements of specific climate finance mechanisms.
- Their effectiveness depends not only on accreditation or formal mandate, but also on their ability to work across institutions and sectors.





Coordinating Institutions /3

iii). Subnational coordination mechanisms

- These mechanisms include local planning structures, devolved government departments, county climate change units, local technical committees, and community-based institutions that help identify priorities, coordinate delivery, and ensure that climate finance responds to local realities.
- Strong subnational coordination helps bridge the gap between national policy commitments and place-based implementation, particularly in sectors such as livestock where climate risks, production systems, and vulnerabilities are highly location-specific.

