



International Climate Fund (ICF) UK Technical Assistance

China Green Finance Programme

Implementers Briefing

June 2018



BEIS International Climate Fund (ICF) and Technical Assistance Programme (TAP)



BEIS International Climate Fund (ICF)

The ICF helps deliver the UK's commitment as part of the Paris Agreement to keep global warming well below two degrees, compared to pre-industrial levels



- Global commitment as part of **Paris Agreement (2015)** to keep global warming well below two degrees, compared to pre-industrial levels
- £93 trillion of finance is needed to support this wide-ranging and ambitious global low carbon transition. Finance is critical.
- Paris agreement included commitment for **\$100bn to be mobilised each year for developing countries by 2020**. Commitment shared between developed countries, private sector and development banks.



BEIS International Climate Fund (ICF)

Department for Business, Energy & Industrial Strategy (BEIS) ICF seeks to deliver transformational change to maximise impact and value for money. This is reflected in the guiding principles.



Innovate to overcome critical barriers in the market

Taking financial and technological innovation to developing country markets to test approaches tailored to their unique contexts



Invest with impact by mobilising private capital at scale

Embedding private finance and technical assistance across the portfolio to enhance the impact and success of our projects



Inspire by sharing UK skills to raise ambition

Harnessing UK strengths and leadership in key countries, sharing evidence and expertise to build confidence and capabilities

BEIS Technical Assistance Programme (TAP)



The Independent Commission for Aid Impact review of the ICF recommended that the ICF should widen the range of delivery partners it works with and that **a greater emphasis should be placed on providing capacity building and technical assistance programmes, including for middle-income countries.**



BEIS Technical Assistance Programme (TAP)

Technical assistance is, broadly, money for experts, training, research, services and data (programmes), rather than “hard assets” (capital).

The overarching aims of the UK Technical Assistance Programme being developed are to:

- **Increase the capacity and capability of partner institutions, in order to facilitate increased ambition for emissions reductions at the country level; and**
- **Put our best foot forward by working in key areas of strength for UK.**

It will do this in line with principles and best practice for TA delivery. To be...



BEIS Technical Assistance Programme (TAP)

What the UK offers and research into demand, suggesting starting in the following sectors and countries

Independent research by Vivid Economics found that the UK's strong technical areas match country demand in four key areas, which will be the initial focus for our research into demand and supply opportunities:



Deforestation



Energy decarbonisation

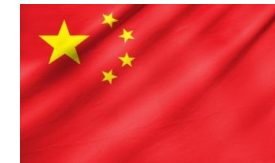


Green finance



Climate legislation and governance

We propose early activities in **Colombia, Mexico and China** in the first instance. We intend to then roll out the programme to other priority countries as well as have a global competitive fund.





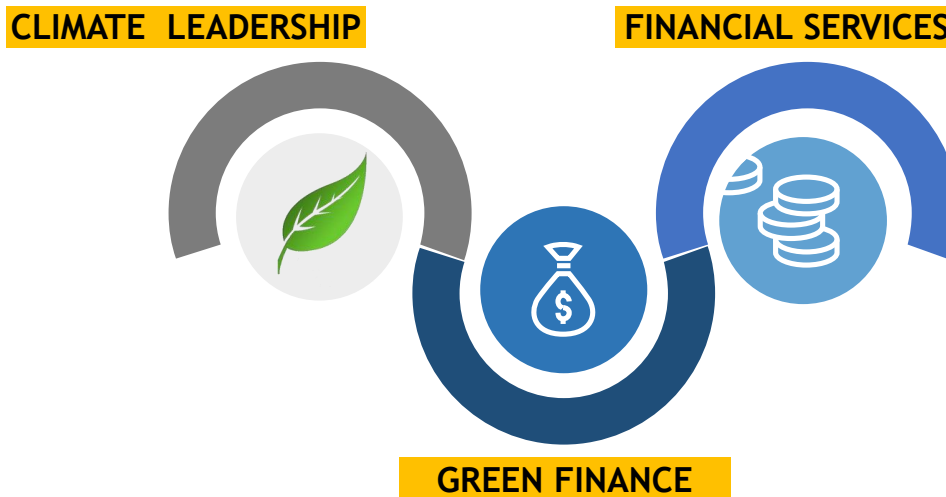
China Green Finance call for proposals – Strategy



Green finance priorities

1. Achieving the our domestic clean growth ambitions , low carbon economy.

2. Meeting international commitments to unlock the trillions needed for the global transition to a resilient.



3. Supporting the competitiveness of UK financial services.

Accelerating the green finance market:

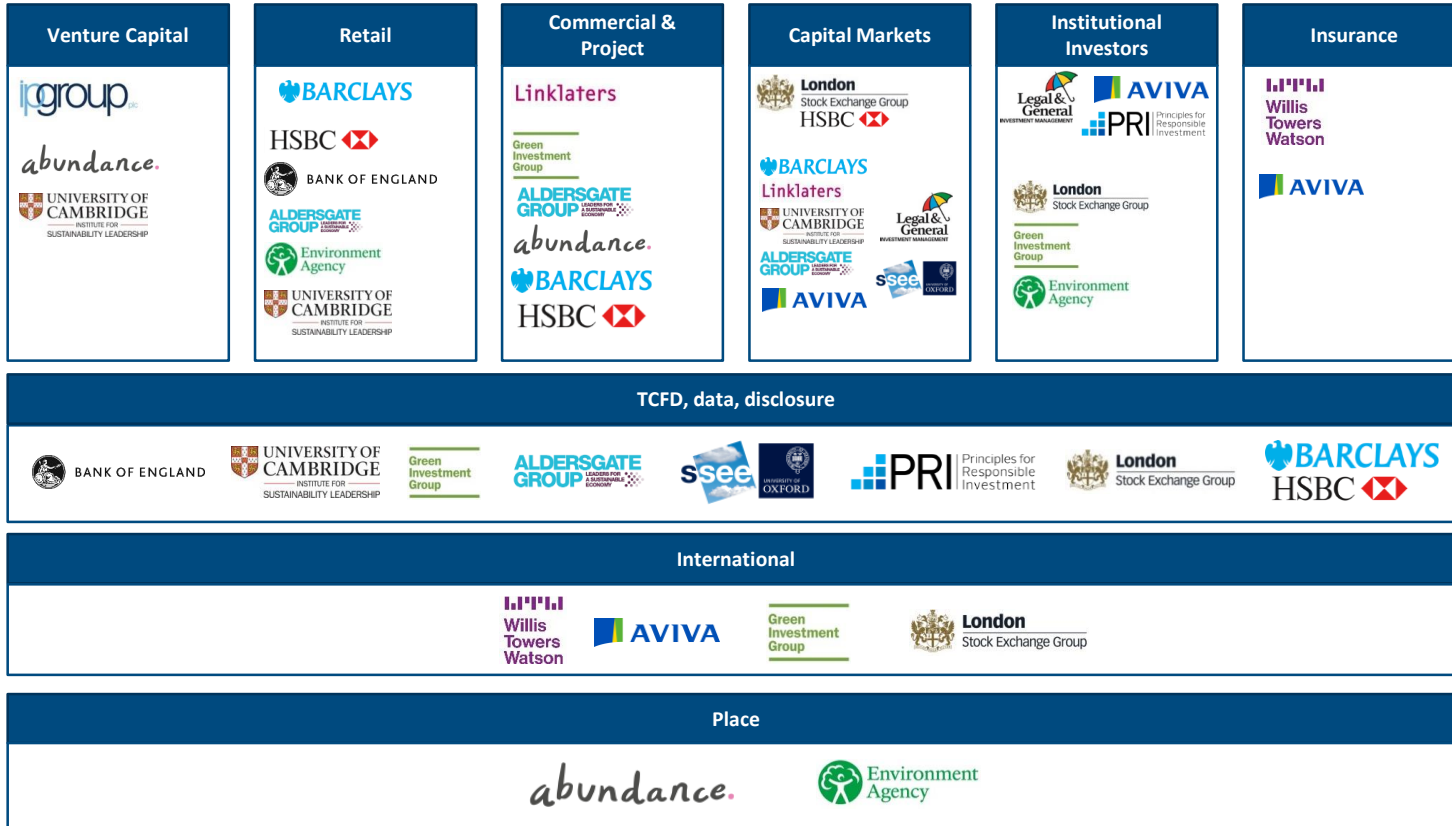
- Endorsed TCFD
- British Standards Institute
- Clean tech early stage funding
- Innovation supper
- Green Mortgages
- Powering Past Coal Alliance
- Technical Assistance





Green Finance Taskforce

Sir Roger Gifford [Chair]





The Taskforce Report

- Over 160 organisations were consulted
- Over 300 attendees across 50+ stakeholder workshops.
- 12 Government Departments provided input and support
- More than 100 recommendations were put forward.
- The final Report had 30 recommendations grouped in 10 themes.



1. Relaunch UK green finance activities through a new unified brand
2. Improve climate risk management with advanced data and analytics
3. Implement the TCFD recommendations
4. Drive demand and supply for green lending products
5. Boost investment into innovative clean technologies
6. Clarify investor roles and responsibilities
7. Issue a sovereign green bond
8. Build a green and resilient infrastructure pipeline
9. Foster inclusive prosperity by supporting local actors
10. Integrate resilience into the green finance agenda



Why China?

- ▶ The UK has an **established reputation** in green finance innovation and leadership, and is at the forefront of shaping the sector during this period of rapid growth.
- ▶ Building on existing momentum in green finance domestically, UK is well placed to **leverage such leadership** via our relationship with China.
- ▶ China and the UK have been jointly playing a leading role in driving global green finance development. At the 9th **UK-China Economic and Financial Dialogue** the UK and China have agreed that both countries recognise each other as their primary partner in green finance for capital raising, product innovation and thought leadership.



UK-China cooperation on green finance

- UK-China leadership through co-chairing **G20 GFSG/SFSG since 2016**
- Thought leadership between City of London Green Finance Initiative and China Green Finance Committee (CGFC) since 2016 (**UK-China Green Finance Taskforce**)
- The UK-China Green Finance Taskforce published its **interim report in September 2017**, providing actionable recommendations for scaling up bilateral green finance collaboration.
- **UK-China Green Finance Centre** co-chaired by Sir Roger Gifford and Ma Jun was launched in March 2018.
- Notably green bond market growth – **LSEG hosted the first ever green RMB bond, the first ever green bond by a Chinese bank** (Agricultural Bank of China) and the first ever **Chinese green covered bond**.

China Green Finance Strategy

Four pillars	Description	Priority Areas
1. Harmonisation	<ul style="list-style-type: none"> • More unified & harmonised guidelines • Align with international practices (especially investment along BRI) 	<ol style="list-style-type: none"> 1. Green Bond Standards (streamline domestic policies; align with international standards) 2. Unified voluntary guidelines for BRI investment
2. Transparency	<ul style="list-style-type: none"> • More transparent and responsible investment approach • Incorporate Environmental, Social and Governance(ESG) 	<ol style="list-style-type: none"> 1. Supporting UK-China TCFD pilot and disclosure roadmap for listed companies 2. Research on positive correlation between ESG investment and financial returns
3. Innovation	<ul style="list-style-type: none"> • Increased innovation in green finance products and practice models 	<ol style="list-style-type: none"> 1. Green asset securitisation 2. UK-China greentech incubator/park
4. Capacity Building	<ul style="list-style-type: none"> • Accelerate practical implementation of national green finance policies • Promote partnership and wider stakeholder engagement 	<ol style="list-style-type: none"> 1. Promote knowledge sharing & training at regional /city/local level and along BRI regions 2. Strengthen the existing UK-China green finance partnership



China Green Finance Strategy

Programme Impact and Outcomes

Goal:

1. Developing a **commercially driven and sustainable market** for green finance, one that is invested in and further developed by commercial interest over and above policy-led demand
2. Support and incentivise China's **transition to a more environmentally sustainable growth model** through green finance



China Green Finance Strategy

ICF-China Green Finance Programme

- Programme was officially launched on 21 May 2018
- Call for proposals concept bids open from 21 May – 29 June 2018
- Projects estimated to start implementation from September 2018

Call for proposals on embassy website:

<https://www.gov.uk/government/news/china-green-finance-call-for-proposals>



China Green Finance call for proposals – Application process

Eligibility

Up to one year (from contracting) in length

Strategic Fit (at least one of the two goals; at least one of the four pillars)

Scale: £150-500k, indicative

Compatible with Official Development Assistance (ODA) criteria

<http://www.oecd.org/dac/stats/officialdevelopmentassistancedefinitionandcoverage.htm>.



Requirements

At least one Chinese implementing partner and **at least one UK and/or international** implementing partner or demonstrate substantial involvement of UK and/or international participants. Grant Contract will be signed with one implementer.

Strong engagement and support of **the host government** or other key beneficiaries and stakeholders.

Evidence-based **policy outcomes** based on the four pillars.

Funding will only be provided for **single year** activities, though may apply for further funding if such funding becomes available. Project outcomes must be stand-alone for **the single year activity**.

Assessment Criteria

- Strategic fit:** must meet one or more of the programme objectives.
- Transformational impact.** Indicators for this are:
 - Improved political will and local ownership
 - Increased capacity and capability
 - Innovation
 - Evidence-based outcomes
 - Leverage: that the activities incentivise others to act
 - Replicability
 - Scale: that interventions have sufficient reach to achieve reform
 - Sustainability beyond the support provided by the ICF
- Additionality:** the project would not take place without funding from the ICF, and would add value to, not duplicate existing activities
- Value for Money:** how the project ensures an efficient allocation of resources for maximum impact
- Deliverability:** evidence that the proposed project can be delivered as expected. This includes as a core component the extent of key stakeholder(s) buy-in



Other considerations

Co-funding

- Projects may operate with co-funding from other stakeholders. Implementers must demonstrate how the funding from the ICF is additional and necessary, and not duplicative.

Multi-year projects

- Project proposals must request funding for only up to one year of activity, though implementers may give detail of intended multi-year activity which may be possible either through co-funding or if further funding were to become available. Project outcomes must be stand-alone for the single year activity.

Budgets

- Should be inclusive of all activities required to fully achieve the project's stated goals, including dissemination and translation activities.
- Unless approved by the BEIS programme team, the fund cannot be used to pay for the costs/time of any other organisation/expert other than the implementer or sub-contracted organisation. The fund cannot be used to pay for Government Officials' time involved in the project.



Indicative timeline

Proposals should be submitted by email to the ICF programme team at ICF.China@beis.gov.uk by **23:59 on Friday, 29 June (UK time)**





Logistics

Submission

Concept proposals must be submitted in **English only**.

Submission should include:

- The completed **Project Concept Bid Form**
- The complete **Project Concept Bid Checklist**
- The **CVs** of key staff leading the delivery of the project at the implementing organisation(s)
- Submissions should be made to ICF.China@beis.gov.uk by the deadline

Contact details

For enquiries please contact:

China Green Finance Technical Assistance Programme Team

ICF.China@beis.gov.uk

*For enquiries about TAP work in **Mexico**, contact: Steven.Gray@BEIS.gov.uk*

*For enquiries about TAP work in **Colombia**, contact: Kate.Dowen@BEIS.gov.uk*



Questions

Call for Proposal

Project Concept Bid Form

Project title	Only one sentence long
Implementing organisation(s) <i>Name and registered address of the main delivery organisation. CVs of key staff should be submitted separately.</i>	If any partner are involved, CVs of key delivery staff should be attached
Project purpose and impact statement <i>One clear and succinct sentence. Give the immediate change or result the project aims to bring about, and the expected impact.</i>	Should not contain <u>details</u> of the project outputs or activities (be in later part)
PROJECT ELIGIBILITY	
Strategic fit <i>State which theme(s) of the Call the project will address.</i>	State if it links to more than one theme.
Scale <i>State the total expected timescale for the project (max 1 year), including the estimated project start and end date. State if you intend for this project to extend beyond the ICF funding to a longer term multiyear project.</i>	This funding supports one stage within a longer aim.
ODA eligibility <i>State how this project meets the ODA requirements, and helps to support economic and welfare development.</i>	Link to the ODA rules: http://www.oecd.org/dac/stats/officialdevelopmentassistance/definitionandcoverage.htm .

Call for Proposal

Project Concept Bid Form

PROJECT PLAN	
<p>Context (Max 300 words)</p> <p><i>Explain the problem that the project addresses and state why action on this problem is important. State how the project relates to the programme objectives. Why we need to do the project now? What is the impact of not doing the project? Who are the other relevant stakeholders working in this specific sector? How will you collaborate and add value to existing activities without duplication? Explain <u>why UK is in the best position to fund this project.</u></i></p>	<p>Include: whether you have got support from the local/ national government and how they will be involved/engaged</p>
<p>Outputs (Max 300 words)</p> <p><i>Give the project outputs – the deliverables resulting directly from the project activities. <u>These should be sufficient to achieve the project purpose and are something that the project can guarantee to deliver.</u> Indicate the timescale to which the outputs will be delivered, which must be within the duration of the project.</i></p>	<p>List all specific, deliverable outputs that you expect the project activities to deliver, by number. It will be monitored.</p>
<p>Main Activities (Max 300 words)</p> <p><i>List the tasks that are needed to deliver the outputs. Link the activities to the outputs through numbering (output 1 may have three activities: 1.1, 1.2 and 1.3)</i></p>	<p>Logical order and numerically linked to the relevant outputs</p>
<p>Risks</p> <p><i>Provide brief details of any serious risks to the success of the project and how these will be mitigated.</i></p>	<p>All levels i.e. political, stakeholders, administrative, etc.</p>

Call for Proposal

Project Concept Bid Form

BUDGET AND FUNDING DETAILS	
Total GBP cost to BEIS for the duration of the project <i>(max 1 year)</i>	In GBP
Budget rationale <i>State and justify the budget required. Give details of what the project budget will fund.</i>	Supported by the budget breakdown
Co-funding (if any) <i>Provide brief details of any co-funders for the project, and list the activities that are being co-funded by other stakeholders.</i>	What financial contribution secured
Contributions from other donors/co-funder/implementer, if any (RATE)	Convert to GBP
Have you received any funding from HMG in the past three years? If so, please provide details.	
Contact Details	
<i>Lead implementing organisation</i>	
<i>Partner implementing organisation(s) (please list more than one if needed)</i>	
<i>Key beneficiary organisation(s) (please list more than one if needed)</i>	

Call for Proposal Project Concept Bid Checklist

DOCUMENTATION		
Project concept bid form		<input checked="" type="checkbox"/>
CVs of key staff from implementing organisation		<input checked="" type="checkbox"/>
ELIGIBILITY		
Is your proposal ODA compatible? (please refer to the Strategy for information on ODA)		<input checked="" type="checkbox"/>
SUBSTANCE		
Is the concept addressing one of the 4 programme objective strands?	1. Harmonisation	<input checked="" type="checkbox"/>
	2. Transparency	<input checked="" type="checkbox"/>
	3. Innovation	<input checked="" type="checkbox"/>
	4. Capacity-building	<input checked="" type="checkbox"/>
Does your proposal demonstrate substantial involvement of UK and/or international participants?		<input checked="" type="checkbox"/>
Does your proposal demonstrate evidence of engagement and support of the host government?		<input checked="" type="checkbox"/>
Have you made contact with the Embassy to confirm that the concept proposal complements the ICF Technical Assistance China Green Finance Strategy, and meets one or more of the objectives?		<input checked="" type="checkbox"/>
Have you explored co-funding opportunities (where appropriate and applicable)?		<input checked="" type="checkbox"/>