

General Guide on How to Create a National Scan:
Key Factors Unlocking Local Government Access to Finance for Climate Actions¹

TEMPLATE FOR NATIONAL SCAN

COUNTRY NAME: _____

Overall Structure of Local Governments (LGs)

ADD DESCRIPTION HERE

	Key Enabling Factors in Country?	Diagnosis (Yes/No/TBC)	Details on Enabling Factors	Sources
A.	NATIONAL LEGAL, REGULATORY, AND POLICY FRAMEWORKS			
1.	LG ability to incur bank debt?			
2.	Ability of LG-owned entity to incur bank debt?			
2.	LG ability to issue bond?			
3.	LG ability to set up company/SPV?			
4.	LG ability to enter into PPP?			
5.	LG ability to collect taxes, fees, etc.?			
6.	LG ability to enter into contracts for period in excess of 3 years?			
	LG utility ability to enter into contracts for a period in excess of 3 years?			
7.	National government intergovernmental financial transfers to LGs or related entities?			
8.	Cost-reflective tariffs?			
9.	Tax incentives available to the private and/or public sector for energy			

¹ For instructions on *how to conduct a national scan*, please go to the Annex.

TBC = to be confirmed

	Key Enabling Factors in Country?	Diagnosis (Yes/No/TBC)	Details on Enabling Factors	Sources
	efficiency, renewable energy, or other Climate Actions?			
10.	Have carbon or landfill taxes been implemented that can subsidize interventions?			
11.	Subsidies aimed at Climate Actions or related infrastructure? (for example, solar water subsidies)			
	Subsidies to insure project viability			
12.	Regulations aimed at incentivizing Climate Actions? (for example, ban of non-LED bulbs)			
13.	Do planning and budgeting process expressly incorporate climate impact?			
B.	NATIONAL GOVERNMENT FINANCIAL INSTRUMENTS AND PROGRAMS			
1.	Existing or potential sector programs in support of Climate Actions? (see NDC and government programs)			
	Specific National Programs for Local Governments (LGs)			
1.	One-off guarantees to LGs and related entities?			
2.	Guarantee facility that unlocks commercial loans across a program?			
3.	Provision of capital to LGs and related entities?			
4.	Funds or guarantees earmarked for Climate Actions?			
5.	Government green bond(s) that can be accessed for LG Climate Actions?			
6.	Pooled credit-enhanced bond issue (municipalities can access debt through pooled finance facility)?			
7.	National or subnational development bank or funding entity?			

	Key Enabling Factors in Country?	Diagnosis (Yes/No/TBC)	Details on Enabling Factors	Sources
8.	Are LGs able to pledge conditional grants to raise debt?			
9.	Ability to enter into energy saving contracts and reallocate electricity budget?			
8.	Project development funds for technical assistance?			
9.	GCF accredited entity that is able to support the development of funding applications?			
C.	SUPPORT OF DEVELOPMENT PARTNERS			
1.	Local currency loans or bonds for LGs or related entities?			
2.	Guarantees or co-financing for LGs or related entities?			
3.	Concessional finance for LGs or related entities?			
4.	Project development funds for LGs or related entities?			
5.	Technical assistance for LGs or related entities?			
6.	Support for Climate Actions that could possibly be used for projects sponsored by Local Government or related entities?			
D.	DOMESTIC CAPITAL MARKETS			
1.	Availability of long-term bank finance to LGs and related entities?			
2.	Possible interest of institutional investors?			
3.	Appetite for green or climate bonds?			
4.	Ability to list climate projects on stock exchange?			
5.	Availability of other local finance?			
E.	PROJECT PARTNERS			

	Key Enabling Factors in Country?	Diagnosis (Yes/No/TBC)	Details on Enabling Factors	Sources
1.	Potential <u>national</u> early stage investors (providers of equipment, services, capital?)			
2.	Potential <u>African</u> early stage investors (providers of equipment, services, capital?)			
3.	Potential <u>international</u> early stage investors (providers of equipment, services, capital?)			
4.	Partners improving the national enabling environment?			
F.	PROFESSIONAL SUPPORT			
1.	Project developers/transaction advisors with successful track records in developing projects that reach financial close?			
2.	Legal experts with knowledge of project finance structures and contracts able to set up the required legal structures to meet investor requirements?			
3.	Climate experts and environmental engineers with adequate knowledge of technologies and project designs, and track record in conducting environmental assessments per required international standards?			

For more information, please contact GlobalDF at feedback@globalclearinghouse.org or use the Contact form on the website www.globaldf.org.

ANNEX
INSTRUCTIONS ON HOW TO CONDUCT A NATIONAL SCAN

1) How to fill out Template

- a. *Record summary results on the template form.*
 - i. In the “*DIAGNOSIS*” column, record YES or NO. If not clear, please indicate so with “TBC” (to be confirmed) noting any specific issues that need to be addressed.
 - ii. In the “*DETAILS ON ENABLING FACTORS*” column, provide details and if possible examples.
 - iii. In the “*SOURCES*” column, document the sources.
 - iv. Use *endnotes* to provide details and URLs.
 - v. Refine your answers through interviews (see end of this section for ideas on who to interview).
- b. *Put all your source documents in a NATIONAL SCAN FOLDER for easy reference as you develop your finance strategies.*

2) How to find answers

- a. *Conduct desk-based research for each main category of the National Scan Template.* Examples of on-line sources are provided below for each main category of the National Scan Template.
 1. NATIONAL LEGAL, REGULATORY, AND POLICY FRAMEWORKS
 - a. See the World Observatory on Subnational Governments <http://www.sng-wofi.org>. Country profiles are available at http://www.sng-wofi.org/publications/SNGWOFI_2019_report_country_profiles.pdf
 - b. Goggle the country and key words “subnational, regulations, finance, policies, etc.”
 2. NATIONAL GOVERNMENT FINANCIAL INSTRUMENTS AND PROGRAMS
 - a. For the official country policy framework for climate change, see the country’s NDC. For easy access to Country NDCs, go to the interim NDC registry hosted by UNFCCC <https://www4.unfccc.int/sites/ndcstaging/Pages/Home.aspx> For country NDC briefs, go to the World Bank NDC Platform http://spappssecext.worldbank.org/sites/indc/Pages/Content_Brief.aspx
 - b. Goggle the country name and key words “climate change, finance, programs, loans, green bonds, guarantees, etc.”
 - c. Go to leading stakeholders advancing climate finance, such as UN agencies, the Climate Policy Initiative, the Climate Bond Initiative, World Resources Institute, Overseas Development Initiative (ODI), etc.
 3. SUPPORT OF DEVELOPMENT PARTNERS
 - a. See aggregate donor information provided on the UNDP Support Program: <https://www.ndcs.undp.org/content/ndc-support-programme/en/home.html>

- b. See information provided on the World Bank NDC Platform: <https://www.ndcs.undp.org/content/ndc-support-programme/en/home.html>
 - c. See World Bank website and goggle the country’s program.
 - d. See AfDB website and goggle the country’s program.
4. DOMESTIC CAPITAL MARKETS
 - a. See the country reports provided by the World Bank, IMF, OECD, and others.
 - b. Goggle the country name and key words “banks, stock exchange, pension funds, bonds, climate change projects, etc.”
 5. PROJECT PARTNERS: Google the country name and key words “investors, climate change, renewable energy, waste, climate change projects, etc.”
 6. PROFESSIONAL SUPPORT: Goggle the country name and key words “financial advisors, project finance lawyers, environmental engineers, etc.”
- b. *After desk research, interview key experts and stakeholders across national government, local government association and selected municipalities, business associations, commercial banks, other potential investors, relevant providers of equipment and services, and related professionals.*
1. In some cases the contact information for people or their organizations will be provided on the web. For example, you can use “CONTACT US” to ask the organization to connect you to the person.
 2. Another common way to reach people is through LINKED IN.

Check List of Follow-Up Interviews to Define Possible Finance Options for LCs and related Entities
 (to be detailed based on country)

1. National Government Agencies
 - a. Ministry of Urban Planning/Local Government/Devolution
 - b. Ministry of Water
 - c. Ministry of Education
 - d. Ministry of Finance
 - e. PPP Unit
 - f. Investment Promotion Agency
 - g. NDC Team
 - h. Other as needed

2. DFI Programs (DFIs and bilateral agencies, donor coordination committees)
 - a. Climate Change
 - b. Municipal Support
 - c. PPP
 - d. Specific Support Programs (grants, loans, guarantees)

3. Private Sector
 - a. Investors (banks, pension funds, stock exchange, etc.)
 - b. Providers of services and equipment
 - c. Business Associations
 - d. Rating Agency analysts

ENDNOTES AND REFERENCES

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