Climate Policy and Law as Instruments for Finance Readiness

Experiences from El Salvador

Supported by:

Federal Ministry for the Environment, Nature Conservation, Building and Nuclear Safety

Based on a decision of the German Bundestag
Legal frameworks for Environment in El Salvador

- **Environment Law**
- **Climate change Policy**
- **National Climate Change Strategy**
- **National Climate Change Plan**

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Results

Creation of **Sectoral Policies** to deal with Climate Change and Develop a **Strategy and Institutional Architecture for Climate Finance** that allows the management of financial resources mainly of the GCF

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Baseline
Context

Limited knowledge of international finance sources

Deregulation of GHG emissions in economic sectors

Lack of a climate finance strategy
Sequencing of interventions on policy

- Inventory of the bilateral and multilateral funding mechanisms
- Development of an Agriculture Policy incorporating climate change risks and solutions
- Development of Urban development, Infrastructure and Transport Policy incorporating CC risks and solutions
- Definition of an institutional architecture, strategy and MRV for Climate Finance in El Salvador

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Why were Climate change policies on agriculture and Infrastructure/transport formulated?

Total GHG Emissions from El Salvador (kt, CO, eq) per sector, 2014 year. Font: Marn Elaboration for the Tcnc and the first IBA, 2018

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52.36% of public spending on climate change in El Salvador goes to these 2 sectors, as follows: Infrastructure, transport and Urban Development (41.62%), and Agriculture and Livestock (10.74%).

Why were Climate change policies on agriculture and Infrastructure/transport formulated?
Keys in the process of preparing the Policies
Based on the needs of the country

Selection of sectors agreed with governing bodies on CC

The sectoral decision-makers are convinced of the need to have a policy for CC
The active participation of the national policy experts

Financial Resources needed for Implementation of Policies need to be considered / costs were calculated

The political support from the sectoral Ministries for approval and implementation
Objective of the National Climate Finance Strategy

Ensuring the transparent and efficient management of climate funds

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Lessons learned on the formulation process of the Climate Finance Strategy and definition of Institutional Architecture

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Learn about the experiences from other countries that have developed their strategies

Ensure a participatory process

Get feedback from top decision-makers

Involve Treasury/Finance and Planning ministries

Ensure that stakeholders feel empowered and accept their roles
Sustainable Development Goals

NDC’s

GCF

SUPPORT FROM INTERNATIONAL COOPERATION

Challenges

Have sufficient and timely finance

Complete the process of capacity building

Implementation of the Policy with new Govt

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Thanks for your attention!!