Data-to-Deal (D2D)

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Climate Compatible Growth

UKaid from the British people

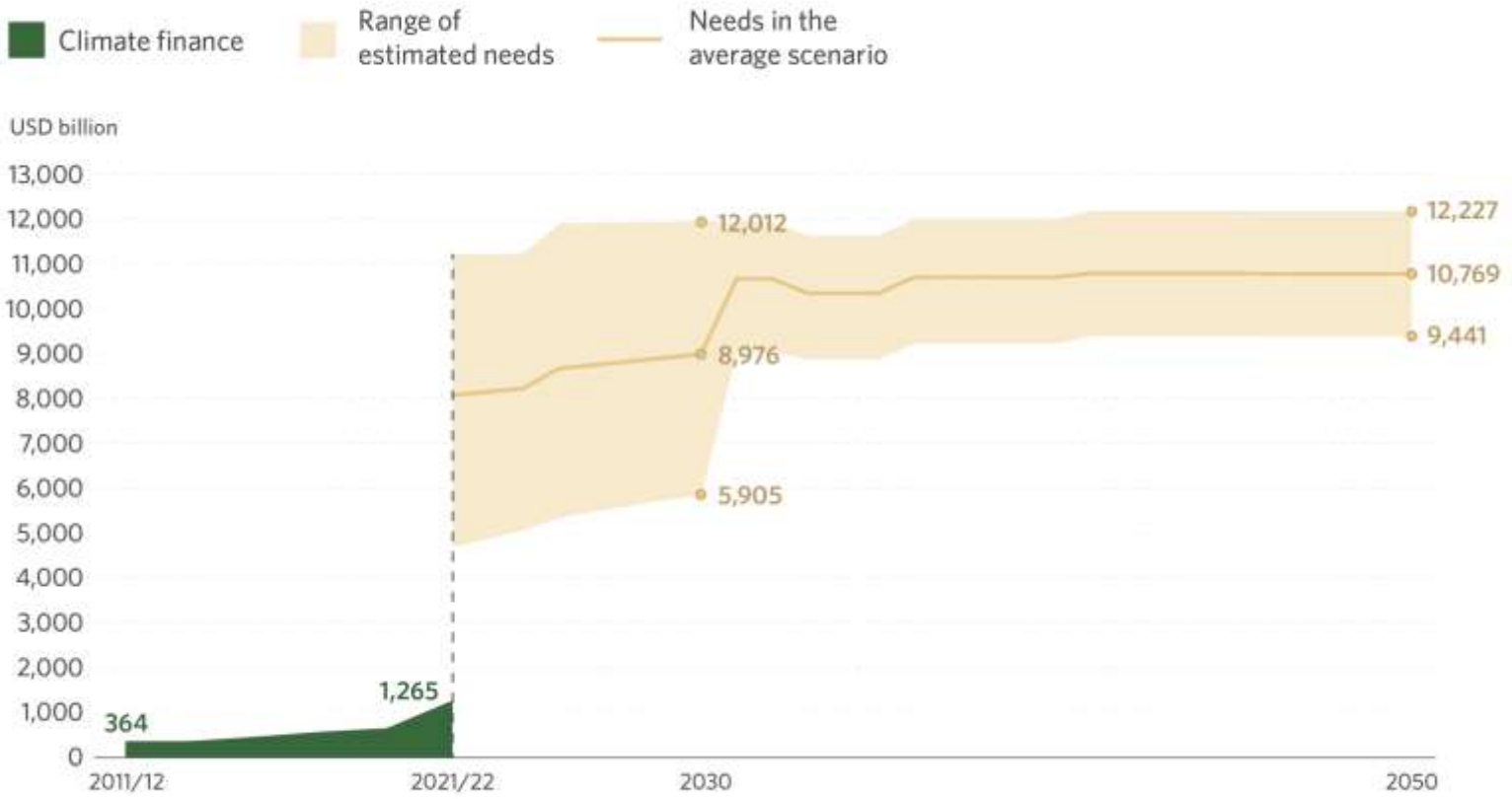
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University Partnership:

University of Cambridge
The Open University
Climate Parliament
University of Strathclyde Glasgow
UCL
Centre for Global Equality
University of Oxford
Loughborough University
KTH
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Closing the Climate Finance Gap: A Crucial Step towards Achieving the 2015 Paris Agreement Mid-Century Goals

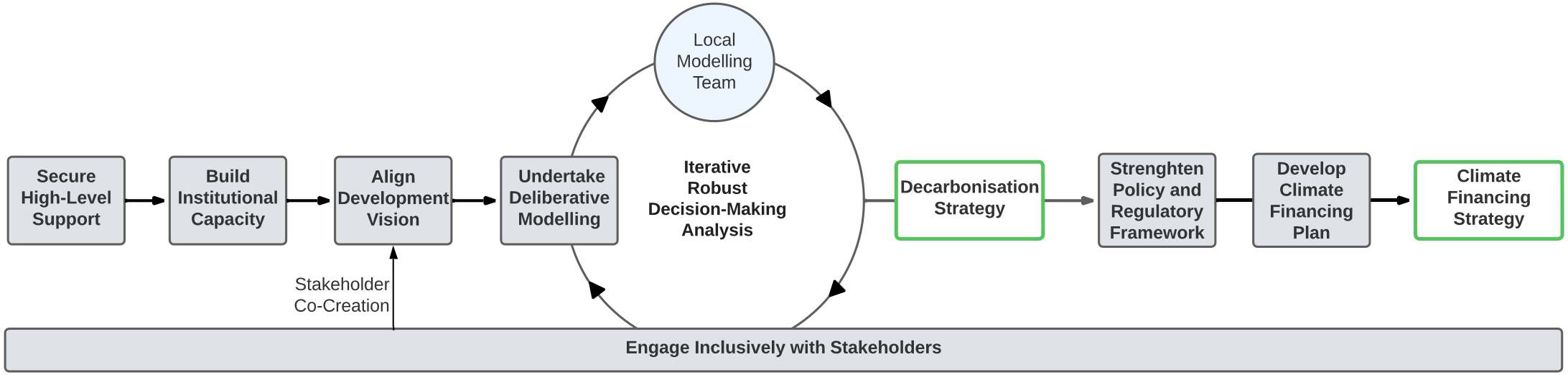
Figure ES3: Global tracked climate finance and average estimated annual needs through 2050



Source: Climate Policy Initiative

Data-to-Deal: A holistic approach aimed at mobilising finance

The term **Data-to-Deal** *refers to actions taken throughout an entire process that runs from* **data** *collection, system modelling, and development planning, all the way through to national financing strategies and project finance arrangements to the agreement of a* **deal** *(investment), all driven by a strong stakeholder engagement process.*

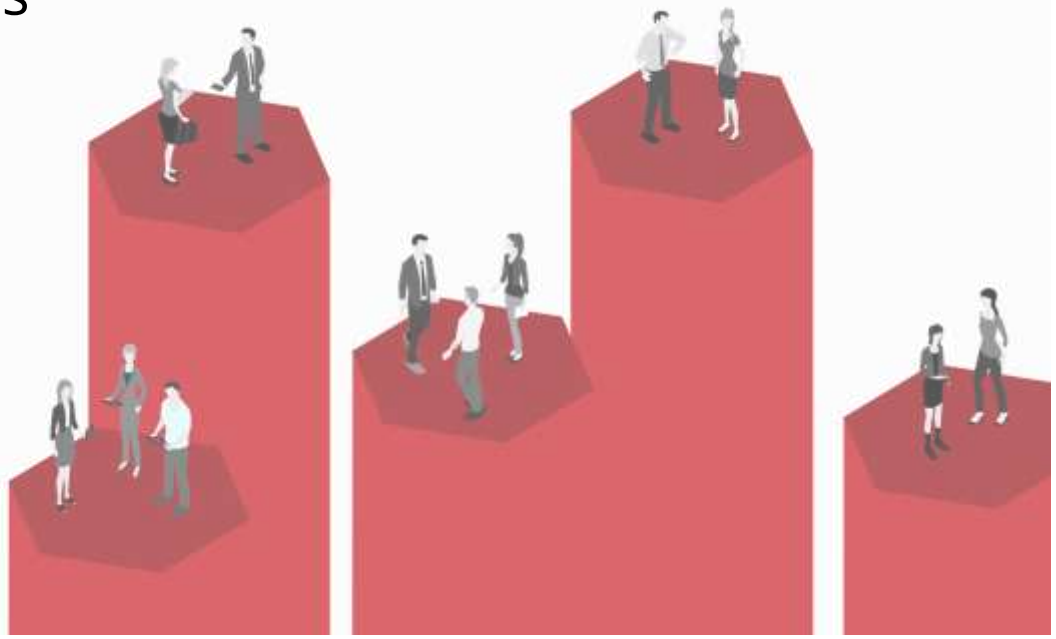


1. Politics: Securing high-level support for decarbonisation

High-level political mandates break down working siloes within governments and help to:

- Align policy priorities across ministries
- Ensure consistency across different areas of planning
- Enable collaborative cross-sectoral workflows

This can be supported by the formation of a central coordination team



2. Preparation: Laying the foundations of institutional capacity

Sustainable:
Ensure sustainable capacity development through long-term engagement and peer learning

In-Country:
Establish the necessary human and institutional capacity within national and local governments

Capacity Building

Technical Proficiency:
Cultivate collaborative understanding among specialists: policymakers benefit from basic technical understanding.

3. Vision: Aligning climate objectives with broader development goals

- Countries need to begin by identifying their broad development aspirations beyond climate issues
- Open discussion with a wide range of stakeholders fosters consensus-building and identifies the most critical policy questions
- Country ownership ensures that the country's context is adequately reflected: including political, economic, and social factors
- Once a long-term vision is drafted and validated, a work plan must be decided allowing the country to move into a deeper phase



The existence of a widely **shared vision** and associated **political commitment** will increase the chances of more **funding** being made **available** at this point to support the subsequent work plan.

4. Consultation: Engaging inclusively across stakeholder groups

Engage early: Engagement should begin early and be deep, iterative, and transparent. Emphasising the ongoing and unfinished nature of the consultation builds transparency and trust, which are pivotal factors in successfully mobilising funds

Communicate effectively: Stakeholder engagement is greatly enhanced when communication is tailored to stakeholders' specific language and interests

Involve the MoF: The Ministry of Finance has the power to shape economic norms and policies and brings a comprehensive understanding of the overall national landscape, including the economic and distributional impacts of different policies



5. Modelling: Undertaking the data-driven quantification of scenarios

Calibration:

- Establishing a strong partnership enables access to accurate and reliable data sources
- Calibrating the model using data provided by stakeholders instils confidence in a model, ensuring it reflects reality accurately

Scenario Development:

- Clear mechanisms should be established to effectively integrate stakeholder feedback into the modelling process: to facilitate this models should be understandable, subject to scrutiny, and capable of garnering support from stakeholders
- Scenarios must align with political objectives to foster trust
- Analyse sectoral interlinkages and incorporate social aspects for buy-in and finance

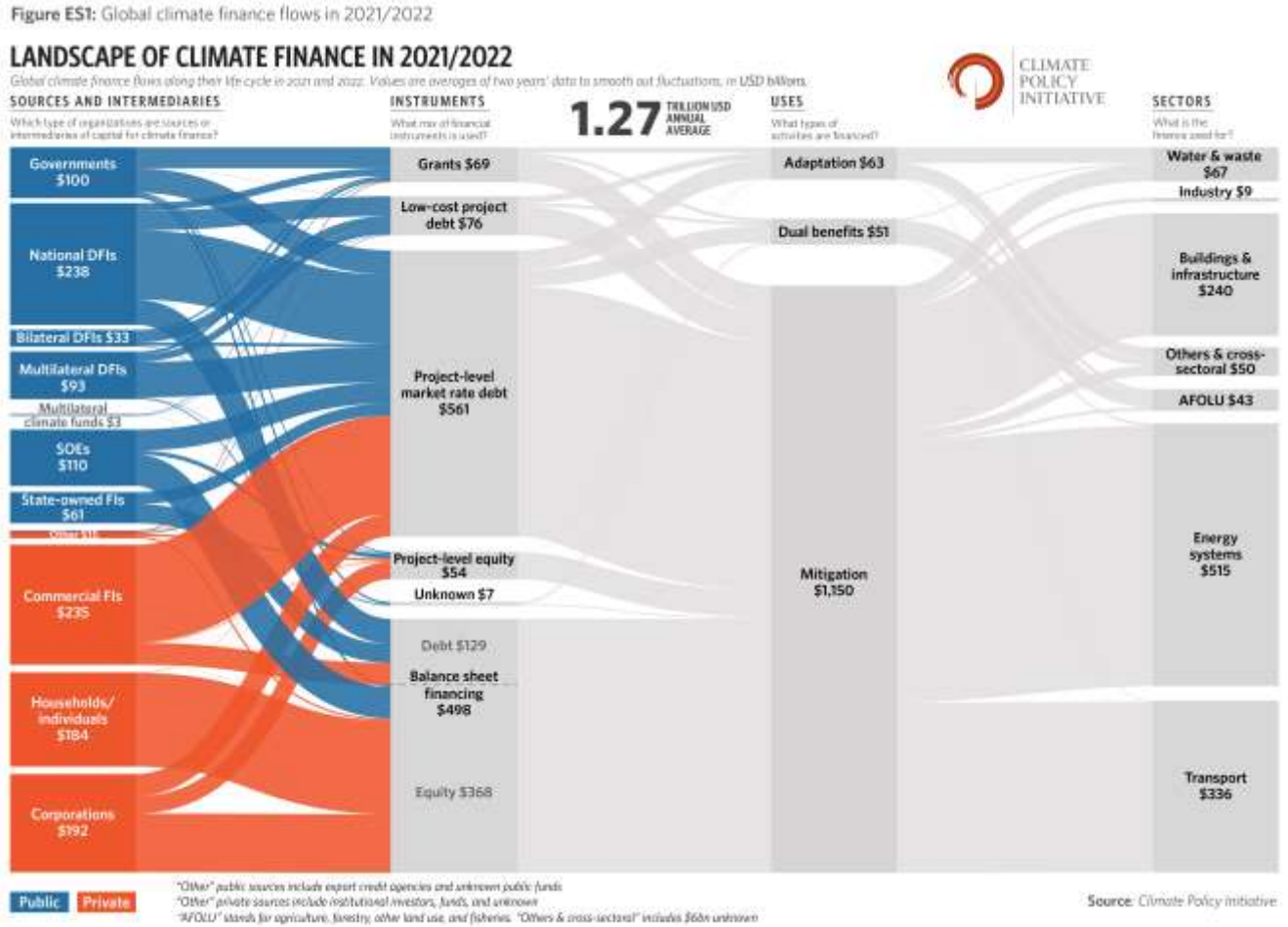
Co-creating scenarios with stakeholders is crucial as it fosters a sense of involvement in the assessment, enhances **transparency**, and **empowers** stakeholders to embrace and **trust** the analysis.

6. Operationalisation: Strengthening the policy and regulatory framework

- Shifting away from standalone projects towards providing strategies that incorporate integrated, multisectoral, and cross-cutting policies offers certainty to investors
- These strategies must articulate a clear strategic vision, supported by tangible short-, medium- and long-term milestones and strong accountability frameworks

7. Finance: Developing investment plans and financing strategies

- Ministries of Finance should be engaged to convert decarbonisation plans into specific financing requirements
- MoF's should tap into a diverse range of financial sources, and realign existing streams of finance towards decarbonisation objectives
- It is important to quantify associated long-term benefits and related fiscal and macroeconomic impacts as this will impact the viability of projects



Key Policy Recommendations

- International organisations supporting LMICs to develop **credible investment cases** should structure assistance using the **Data-to-Deal** framework
- Country stakeholders should be **technically equipped** and empowered to determine their own **consensus-based** and **nationally-owned** decarbonisation pathways
- High-level leadership should drive a process of **cross-government collaboration**, with the Ministry of Finance engaging from an early stage with the critical line ministries
- **Capacity-building** efforts in-country should be **sustained** over time, building individual technical skills, as well as strengthening relevant institutions, with the central involvement of local academia

Case Studies

- Using this approach Costa Rica mobilised over **US$2.4 billion of climate finance**
- The approach has also been successfully applied in Cyprus and is increasingly being adopted across Latin America, in countries such as Chile, Dominican Republic, and Uruguay
- Data-to-Deal currently provides the guiding framework for Climate Compatible Growth's ongoing National Partnership engagements in Ghana, Kenya, Lao PDR, Vietnam and Zambia
- Being adopted by **international organisations**



Data-to-Deal Papers

Costa Rica Case Study

Data-to-Deal COP28 Brief

To be continued...