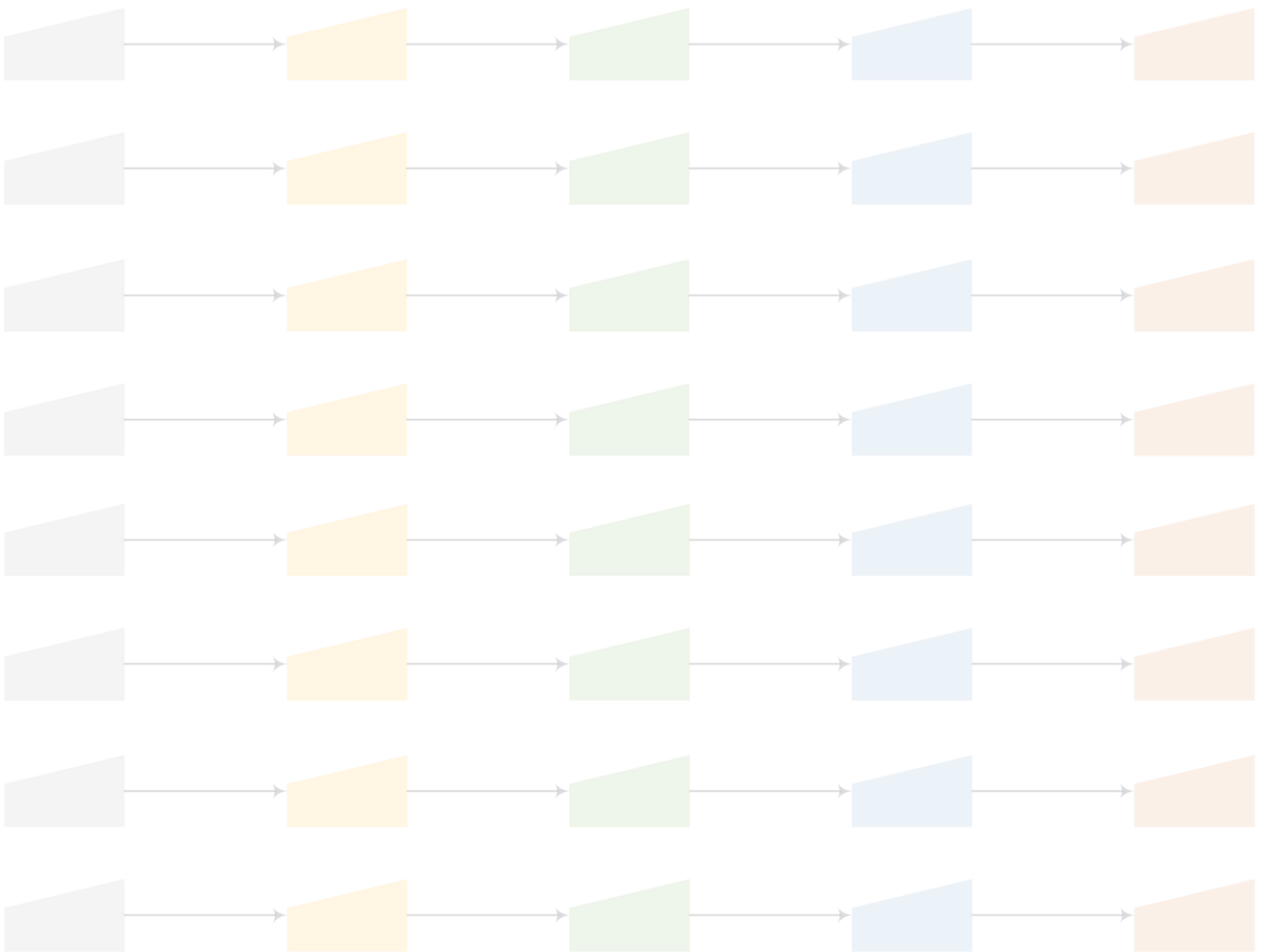


Annual Report on the Taskforce on Access to Climate Finance 2023



Acknowledgements

This paper was prepared by the UK government as the interim Taskforce on Access to Climate Finance Secretariat. It reflects contributions from Taskforce Steering Committee Members, Pioneer Countries, expert advisers and other stakeholders. We acknowledge and thank all those who contributed for their time and perspectives.

Disclaimer

The activities, case studies, and recommendations in this report are non-exhaustive and reflect a mix of opinions and perceptions about the Taskforce, its Principles and Recommendations and climate finance more generally. Some contributors are also not directly associated with the Taskforce. The specific examples of progress and the recommendations proposed in this report should therefore be seen as suggestions and input for further discussion within the Taskforce.

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Acronyms and Abbreviations

ADB: Asian Development Bank	JETP: Just Energy Transition Partnership
AfDB: African Development Bank	LoCAL: Local Adaptive Living Facility
CCDRs: County Climate and Development Reports	LDCs: Least Developed Countries
CCFAH: Commonwealth Climate Finance Access Hub	LICs: Low Income Countries
CFU: Climate Finance Unit	LIFE-AR: LDC Initiative for Effective Adaptation and Resilience
CIFs: Climate Investment Funds	MICs: Middle Income Countries
COP: Conference of Parties	MDB: Multilateral Development Bank
EIB: European Investment Bank	NAP: National Adaptation Plan
FCDO: Foreign, Commonwealth and Development Office	NDC: Nationally Determined Contribution
GCF: Green Climate Fund	NDCP: NDC Partnership
GEF: Global Environment Facility	OECD: Organisation of Economic Cooperation and Development
GGGI: Global Green Growth Institute	ODA: Overseas Development Assistance
IADB: Inter-American Development Bank	P&Rs: Principles and Recommendations
ICF: International Climate Finance	RST: Resilience and Sustainability Trust
IFIs: International Finance Institutions	SIDS: Small Island Developing States

1. Executive Summary

- The Taskforce on Access to Climate Finance (the Taskforce) was convened by the UK COP26 Presidency alongside Fiji in response to calls for enhanced access to climate finance by climate vulnerable developing countries. It is a joint initiative involving the participation of a range of climate vulnerable developing countries, bilateral and multilateral climate finance providers, dedicated climate funds and other relevant organisations and initiatives. This is the second Annual Report on its progress.
- The five principles and twenty-two recommendations (Principles and Recommendations) previously developed by the Taskforce's Steering Committee set out a new approach to access, programming and use of climate finance.
- A group of 'pioneer' countries have been testing this approach, beginning with Bangladesh, Fiji, Jamaica, Rwanda and Uganda and then expanding to Mauritius. Initial work is now also underway in Somalia.
- **Pioneer Country trials** are at different stages in each country and are moving steadily forward. Pioneer Country governments have, with Taskforce support, identified climate plans to form the basis of the country trials, and technical assistance and coordination mechanisms are now in place or nearly in place for all countries.
- The Taskforce has continued to ensure that the selection of Pioneer Countries considers those with particularly entrenched access challenges (specifically Least Developed Countries (LDCs) and Small Island Developing States (SIDS) and countries with high humanitarian needs) which has led to Somalia becoming the newest Pioneer Country trial.
- **At the system level**, the Taskforce has been working with the dedicated climate funds and Multilateral Development Banks (MDBs) to continue enhancing access, especially for LDCs and SIDS. Application of the Principles and Recommendations (P&Rs) for complementarity, coherence, and collaboration have been demonstrated clearly with the Long-Term Vision of the Green Climate Fund (GCF) and the Global Environment Facility (GEF), which is being implemented in Pioneer Countries.
- **Bilateral donors** have been able to demonstrate how they are applying the P&Rs through their ODA activities.
- Good progress has been made against the **2022 Annual Report recommendations**:
 - Communication and outreach have become integral to the Taskforce's work, underpinned by a new Theory of Change that outlines how the Taskforce will

be an independent voice in the climate finance architecture and achieve its desired impact

- Regular Steering Committee meetings, Anchor Donor and Pioneer Country meetings, and country-driven meetings have provided forums for discussion, information sharing, and case study presentations.
- There has been extensive collaboration between Taskforce members and MDBs, as well as the IMF, in both considering application of the P&Rs in their working methods, including seeking alignment of climate ambition under the IMF's Resilience and Sustainability Facility and the World Bank's Country Climate and Development Reports (CCDRs), and through forming wider partnerships with multiple International Financial Institutions (IFIs) as part of the country trials.
- A new Centre for Access to Climate Finance will further boost this outward-facing work. This Centre, to be launched at COP28, will also play a key role in monitoring and evaluation of the Taskforce's work.

Recommendations for the Taskforce in the year ahead include:

- 1) encouraging application of the P&Rs by a wider group of relevant multilateral institutions, climate funds and bilateral donors;
- 2) continuing to build capability to communicate knowledge and evidence gained through its work and the Pioneer Country trials, with the help of the new Centre;
- 3) continuing efforts to consider how to better harness the role of the private sector in climate finance;
- 4) considering how to strengthen public participation in climate finance implementation mechanisms through the trials;
- 5) working in support of greater coordination between providers and greater efficiencies as agreed upon by the MDBs in their Joint Statement at the World Bank/IMF Annual Meetings in 2023;
- 6) using its independent status to build influence with a wider coalition of countries and further improve access to finance.

2. Purpose of the Report

The report has been developed by the United Kingdom (UK) Foreign, Commonwealth and Development Office (FCDO) as the interim Secretariat to the Taskforce, with input from Taskforce members and observers. The approach and methodology for this report was agreed by the Taskforce Steering Committee at its ninth meeting in June 2023.

The [2022 Annual Report](#), produced by DAI Global with UK funding, provided an initial snapshot of the developments achieved and supported by the Taskforce since COP26 and contained several near-term recommendations.

This year's Annual Report aims to provide:

- i. An overview of the progress made through the Pioneer Country trials, highlighting key lessons that may be beneficial to a wider group of countries and partners.
- ii. An overview of the progress that has been made to introduce efficiency reforms at the system level.
- iii. An account of progress made against the 2022 Annual Report recommendations.
- iv. Recommendations for the year ahead.

3. Background and Context

The Taskforce was convened in response to longstanding concerns from climate vulnerable developing countries that the mechanisms for accessing climate finance remain, all too often, slow, complex, uncoordinated, resource intensive and highly projectised.

Led by a Steering Committee currently co-chaired by Rwanda (and previously by Fiji) and the UK, the Taskforce is a joint initiative involving the participation of a range of climate vulnerable developing countries, bilateral and multilateral climate finance providers, dedicated climate funds and other relevant organisations and initiatives. Current members include Belize, Bhutan, Fiji, Germany, the GCF, Malawi, Rwanda, Senegal, Sweden, the UK, the United States and the World Bank Group, with Bangladesh, Jamaica, Mauritius, Niger, Uganda, Canada, and the NDC Partnership (NDPC) as observers.

The primary aim of the Taskforce is to improve access to climate finance for climate vulnerable developing countries so they can define and deliver their national climate plans and nature priorities more effectively. The Taskforce aims to achieve this by demonstrating new approaches to climate finance access and by supporting reforms to the global climate finance architecture.

The [Taskforce P&Rs](#) guide and underpin all Taskforce efforts. Developed via a consultative and collaborative process,¹ the P&Rs draw on the experiences of climate finance recipients and providers and apply lessons from the history of aid effectiveness practices. They set out the actions needed to deliver enhanced climate finance access to support recipients' national priorities, and to enhance access arrangements across the broader global system of climate finance. The P&Rs can be summarised as follows.

Country Ownership: Programmes and projects should be owned and driven by recipient governments and the communities they intend to benefit. This means using climate finance to address the most urgent local needs and supporting the most vulnerable communities and populations.

Harmonisation of Processes and Alignment of Finance: The processes associated with every stage of accessing climate finance should be streamlined and coordinated to offer a more strategic, coherent and efficient approach for recipients. Climate finance should be aligned behind national plans.

Responsiveness to Country Needs and Climate Vulnerability: Climate finance should clearly respond to the self-defined needs and priorities of recipients, including those countries and communities with the greatest needs and the lowest capacities to

¹ Stakeholders included academia, non-governmental organisations, partner governments, multilateral development banks, major climate funds and bilateral donors.

access funds. Climate finance must be consistent with the goals of the Paris Agreement, including pursuing efforts to limit global temperature rise to 1.5°C.

Flexibility and Innovation: Climate finance should adopt more innovative and agile approaches to delivery (alongside proportionate risk management processes) to ensure it responds to variations in local capacity and need.

Transparency and Accountability: Climate finance should be more predictable, transparent and yield measurable progress towards recipient countries' climate goals.

4. Progress Against the 2022 Annual Report Recommendations

This section sets out the progress made against the recommendations in the previous Annual Report.

4.1 Progress Against Annual Report 2022 Recommendation 1

Annual Report 2022 Recommendation 1:

Brand the Taskforce as a new independent voice in the climate finance architecture: *A clear articulation of the purpose and objectives of the Taskforce is critical to: ensure coherence; enhance impact and effectiveness; secure resources to fulfil its objectives; and improve coordination to maximise synergies and avoid duplication of work.*

A strengthened Taskforce Theory of Change will outline how it intends to achieve its desired impact, including on communication, outreach, knowledge, capacity building and monitoring of progress against the P&Rs, and clarifying its value-add.

Progress to date:

The Taskforce Secretariat has developed a Theory of Change in response to this recommendation. This is presented via the schematic and accompanying narrative at Annex 1.

4.2 Progress Against Annual Report 2022 Recommendation 2

Annual Report 2022 Recommendation 2:

Focus on communication to amplify influence: *To achieve greater impact, communication (both internal and external) and outreach should become a central component of the Taskforce's work; to increase awareness of the Taskforce's objectives, the P&Rs, and the country trials. In this regard, enhancing communication could mean establishing regular communication and knowledge channels/platforms. This could be one of the functions of the independent Centre on Action to Access Climate Finance proposed by the UK.*

The Taskforce Secretariat has focused on communication and outreach as an integral means of advancing the Taskforce aims and objectives over the last year. Relevant highlights include:

Taskforce Steering Committee meetings: Regular Steering Group meetings, of which there have been 10 to date, have provided a formal opportunity for Taskforce members, represented at Director level, to report how they have applied the P&Rs to

their own systems and processes. These meetings have been a forum for members to share their approaches and priorities for climate finance access and explain how these align with the Taskforce P&Rs. For example:

- **Rwanda** officials set out how they have looked beyond their Nationally Determined Contribution (NDC) to establish a Green Growth and Climate Resilience Strategy. This strategy sets out a long-term shift (up to 2050) towards a multi-sectoral programmatic approach for Rwanda's climate and development priorities. In addition, Rwanda has integrated the programmatic approach to climate finance in the revised National Investment Policy (NIP) that was approved by the Cabinet in June 2023 and overseen by Rwanda's Ministry of Finance and Economic Planning (MINECOFIN). Rwanda also outlined how their successful receipt of finance from the International Monetary Fund's (IMF's) Resilience and Sustainability Trust (RST) demonstrates their advanced efforts to engage in long-term structural reforms to increase the scale of climate investment from a range of sources.
- **Senegal** officials explained how they are continuing to work in partnership with other countries to develop and accelerate climate finance solutions. This includes through the working groups and strategic dialogues supporting the New Global Financing Pact and the process of building a more inclusive international financial system. Senegal is also one of the countries piloting Country Adaptation Compacts and is downscaling NDCs into adaptation business investment plans to better attract resources. Furthermore, it is one of four Just Energy Transition Partnerships (JETPs). These offer finance at scale to support emissions reductions. The partnership with Senegal (led by France and Germany for the International Partner Group) aims to increase renewable energy to 40% of the energy mix by 2030.
- The **World Bank** described how its [Country Climate and Development Reports](#) (CCDRs) are helping countries prioritise the most impactful actions capable of reducing greenhouse gas emissions and boosting adaptation, while delivering broader development goals. The CCDRs form the basis for the World Bank's Systematic Country Diagnostics and Country Partnership Frameworks and are designed to help attract and direct finance towards impactful climate investments. There are currently CCDRs for two of the Pioneer Countries - Bangladesh and Rwanda. They have the potential to form the diagnostic tool commonly adopted by development partners in-country, thereby supporting the improved coordination, harmonisation and alignment of effort.
- The **World Bank** also shared their Evolution Roadmap, which provides the basis for the group's priorities for growth and reform. The Roadmap reflects the Bank's continued commitment to becoming a more impactful organisation, including by working effectively with other MDBs, International Financial Institutions (IFIs) and partner governments.

Pioneer Country and Anchor Donor Meetings: The Taskforce has delivered a series of lesson learning discussions between Pioneer Countries and Anchor Donors. The discussion themes were driven by the needs and priorities of partner countries.

The discussion held in June 2023 explored the different approaches to programmatic and platform-based financing and involved presentations on the Climate Investment Funds (CIFs) and JETPs. Other Pioneer Country and Anchor Donor discussions focused on the challenges and solutions to accessing finance through the major climate funds, and others have been used to share early results and emerging lessons from the country trials.

Country-Driven Meetings: In addition to the meetings convened by the Taskforce Secretariat, Taskforce members have also organised their own related discussion fora. For instance, the first Taskforce discussion on programmatic finance was convened by the Rwandan Ministry of Environment at COP27. The discussion brought together the Governments of Fiji, Rwanda, Uganda, UK, Niger and Namibia alongside other actors to develop a shared understanding of programmatic financing and to agree actions to accelerate results.

The Ugandan Ministry of Finance has also established a new series of East Africa Climate Finance meetings. First hosted by Uganda in February 2023, with a second held in September 2023, the conversations have kickstarted a regional dialogue on climate finance access and mobilisation. Building out from the Pioneer Country trials in Uganda and Rwanda, the meetings have fostered exchanges between the East African Community and wider region. Participating countries have included Burundi, Democratic Republic of the Congo (DRC), Kenya, Rwanda, South Sudan, Tanzania and Uganda and the United Arab Emirates (UAE). A third meeting is planned for February 2024.

The Taskforce aims to build on and replicate this model of regional engagement in the Indian Ocean region (building on the Mauritius Pioneer Country trial), Pacific (building on the Fiji trial), and the Caribbean (building on the Jamaica trial).

There have also been several exchanges between the Strategic Advisers assigned to support the Pioneer Country trial process. These have focused on the key elements needed to establish a successful roadmap for the trial, thereby enabling new teams to learn from more advanced contexts and accelerate progress. Meetings have, for example, taken place between the Strategic Advisory Teams in Fiji and Rwanda, between Rwanda and Bangladesh and between Rwanda and Somalia. Counterparts in Fiji and Bangladesh also plan to share assignment synergies and opportunities. There has also been lesson and experience sharing between Rwanda and Antigua/Barbuda and Mozambique. The role of the Strategic Advisers is explained further in section 5.

Collaboration with the IMF: The Taskforce has supported IMF capacity-building efforts by presenting on the role of the Taskforce and the P&Rs at IMF-led workshops

on Climate Change and Macro-Financial Policies. The workshops were held in March and June 2023 under the IMF's Africa Regional Technical Assistance Centre (AFRITAC) initiative in partnership with the Africa Training Institute and involved Ministry of Finance and Central Bank representatives from AFRITAC East and AFRITAC South countries.² Presentations were delivered on the aims of the Taskforce, initial successes and learning from the Pioneer Country trials, and opportunities for enhanced wider regional access building out from the trials.

Under the IMF's Resilience and Sustainability Facility (RSF) arrangement, the Government of Jamaica has been working with the Inter-American Development Bank (IDB), the GCF, the UK, and the European Investment Bank (EIB) to strengthen cooperation, crowd in private investment, and build climate resilience.³ This includes the creation of a Project Preparation Facility to generate a pipeline of bankable projects. Appropriate project identification will be underpinned by support from the Jamaica Systemic Risk Assessment Tool (J-SRAT), developed by Oxford University with UK funding, to identify climate risk and hotspots. A new Jamaica Green Facility is being developed to help identify and finance projects, and for which the GCF will provide credit and capacity building. Low-cost long-term financing instruments from the EIB will support investment in climate-resilient infrastructure. The UK will invest up to £7 million into the new facility, to further leverage increased access to climate finance, resulting from Jamaica's pioneering role in the Taskforce.

A similar coordinated approach is being taken by the Government of Barbados⁴ under the IMF's RSF, working with long-term financing partners the IDB, World Bank Group, Development Bank of Latin America and the Caribbean (CAF), the EIB, and the GCF.

In Bangladesh this approach has resulted in the announcement of the Bangladesh Climate Development Partnership (BCDP), a collaborative effort between the Asian Development Bank (ADB), the World Bank, International Finance Corporation, Agence Francaise de Development (AFD), the GCF, Japan International Cooperation Agency (JICA), the UK and the EIB to support a package of measures to enhance Bangladesh's ability to mitigate and adapt to the effects of climate change. The BCDP will generate a pipeline of climate projects, integrated with a financing strategy

Centre for Access to Climate Finance: The aims and objectives for a Centre for Access to Climate Finance ('the Centre') respond directly to this recommendation. The purpose of the Centre is to act as an independent body capable of being a vocal advocate for climate finance access reforms, a broker of knowledge and best practice, and an independent Secretariat to the Taskforce. Informing, actioning and communicating the work of the Taskforce would be a key part of its mandate.

² AFRITAC East and AFRITAC South are collaborative ventures between the IMF, recipient countries, and bilateral and multilateral development partners, providing technical assistance and training to a wide range of countries. AFRITAC East includes Eritrea, Ethiopia, Kenya, Malawi, Rwanda, South Sudan, Tanzania and Uganda. AFRITAC South includes Angola, Botswana, Comoros, Eswatini, Lesotho, Madagascar, Mauritius, Mozambique, Namibia, Seychelles, South Africa, Zambia, and Zimbabwe.

³ <https://www.imf.org/en/News/Articles/2023/10/11/pr23346-jamaica-working-international-financial-institutions-following-rsf-arr-imf>

⁴ <https://www.imf.org/en/News/Articles/2023/06/22/pr23231-barbados-forms-coalition-multilateral-banks-develop-infras-investments-building-rsf-imf>

4.3 Progress Against Annual Report 2022 Recommendation 3

Annual Report 2022 Recommendation 3:

Monitoring, Evaluation, and Learning: *To ensure impact at the scale required, it is important that all the actors involved, including providers, recipients, and practitioners/research institutions, collaboratively share knowledge and experience, enhance processes and frameworks, and monitor progress. This will also be an important component of assessing, refining and improving the Taskforce's P&Rs and the work in the Pioneer Country trials. The modalities through which lessons learned are collected and disseminated need to be articulated and strengthened. The planned independent Centre for Action on Access to Climate Finance proposed by the UK could positively support these efforts.*

A new Centre for Access to Climate Finance will be able to disseminate learning from the Taskforce to a larger audience than the current Taskforce arrangement allows. This Centre will have sufficient capacity, networks and expertise to share knowledge and insights between Pioneer Countries, whilst also reaching other countries and the wider community of practice through online communications, research products, dedicated events and via key international fora. The Centre will collate evidence from the Pioneer Countries to build case studies, guides and toolkits which can be easily accessed and applied by others.

The UK also intends to commission an independent evaluation to critically examine how the Taskforce is delivering its stated goals and objectives and the effectiveness of its approach. This will be undertaken by an external evaluation partner through UK funding. A baseline assessment for this work is expected to commence in early 2024, with a mid-term review planned for 2025/26 and a final impact assessment in 2028.

The Taskforce has continued to ensure that the selection of Pioneer Countries considers a variety of contexts, including those with particularly entrenched access challenges (specifically LDCs and SIDS) and countries with high humanitarian needs so that learnings and evidence are as useful as possible. Introducing Mauritius as a Pioneer Country trial at COP27 widened the scope of the trial coverage to a near to ODA graduation SIDS.⁵ The announcement of Somalia as the newest Pioneer Country trial in July 2023, following discussions with Taskforce members and an expression of interest by Somalia, extended the sample to include a country facing extreme climate vulnerability, food insecurity, conflict challenges, and capacity constraints.

⁵ <https://www.oecd.org/dac/financing-sustainable-development/development-finance-standards/daclist.htm>

5. Progress Across the Pioneer Country Trials

5.1. Summary of Progress

This section presents the main highlights from the Pioneer Country trials. The first phase of trials to get underway were in Bangladesh, Fiji, Jamaica, Rwanda and Uganda. Further Pioneer Country trials have since been introduced, including Mauritius and Somalia. Initial pre-trial scoping work started in Niger in May 2023 but has been paused in light of the wider political context.

The Pioneer Country trials involve recipient country governments and climate finance providers working closely together to test new methods of climate finance access, as guided by the Taskforce P&Rs. The trials are country-led and designed to align programmatic climate finance behind existing national frameworks in a coherent and coordinated manner. The overarching objective is to demonstrate a new and improved way of accessing and leveraging climate finance which becomes standard practice in-country, and delivers the evidence needed to help deliver reform at the system or institutional level.

The Pioneer Country governments lead the trial process with the support of an 'Anchor Donor' and the backing of other finance providers and initiatives. In most countries, a Taskforce Strategic Adviser has been assigned to support the partner government design and deliver the country trial. The Strategic Advisers, often resourced by the Anchor Donor, work with the partner government to establish the necessary organisational structures, delivery modalities and coordination mechanisms for the trial. The Strategic Advisers are often embedded, or spend periods of time embedded, within government structures (including, for example, a Ministry of Finance and/or Environment and Climate Change). This requires a clear view of national plans, strategies, actors and interests on the ground. Currently there are Strategic Advisers in place in Rwanda, Fiji, Mauritius and Bangladesh.

The highlights from the Pioneer Country trials, covered in more detail below, demonstrate that good progress has been made against the P&Rs. Pioneer Country governments have, with Taskforce support, identified climate plans (inclusive of nature and biodiversity) to form the basis of the country trials, and technical assistance is now in place or nearly in place for all countries. Coordination mechanisms are also in place, building on existing mechanisms in most trial locations. Information/lesson learning exchanges between Pioneer Countries have been regularised.

5.2. Highlights from the Pioneer Country Trials

Country trials are at early or inception stages, so empirical measures of progress will not necessarily be possible at this point. There are nevertheless some highlights of note.

Bangladesh: The Taskforce Strategic Advisory Team were appointed in January 2023 (funded by the UK). Initial scoping meetings were conducted with the Government of Bangladesh and other climate finance providers. Technical workshops involving a full range of government, development partner and civil society actors took place in spring and summer 2023. Existing national priorities are clearly set out in Bangladesh's NDC (2021), National Adaptation Plan (NAP) (2022), and the Mujib Climate Prosperity Plan (2023). Priority themes/sectors for the trial may include hard to finance priority areas encompassing Locally Led Adaptation (LLA) and private sector participation (PSP) in adaptation. In the medium to long term, the private sector will have to cover a significant share of the large adaptation and resilience investment needs in Bangladesh, and because most adaptation financing needs are at the local level a dual shift involving PSP and LLA will be necessary for delivery of adaptation finance. The Taskforce will seek to address: barriers to a whole of government approach; human resource and technical capacity constraints; fragmented and unpredictable concessional finance offerings from donors; and a weak pipeline of 'investable' projects. Potential mechanisms for the country trial may include: a whole of government approach through a Bangladesh Climate Development Partnership (BCDP) to generate a robust pipeline of climate projects, integrated with a financing strategy; and a multi-sector multi-donor project preparation facility focused on improving the bankability and scalability of projects to attract private investments while reducing financial burden on the public sector.

Fiji: The Taskforce Strategic Advisory Team (funded by the UK) started work in April 2023, with the lead Adviser embedded in the Climate Change Division within the Office of the Prime Minister. The Government of Fiji has a clear set of climate policies and strategies which, with recent consolidation and clarity of institutional responsibility, has created a policy landscape and governance framework for climate finance providers to align behind and operationalise. Building from the existing governance arrangements and legislative instruments that are in place, Fiji looks to improve the human, institutional and financial capacity to deliver its climate finance priorities.

The emerging priority areas for the trial align with the country's NAP and Ocean Policy and Climate Finance Strategy. These include: i) advancing strategic interventions to support and enable compliance with the Climate Change Act; ii) increasing climate finance effectiveness through a programmatic approach; iii) leveraging private sector engagement to support resilience building and low-carbon transition; and iv) piloting innovative approaches to help improve access to climate finance, including harnessing innovative financing tools such as green and blue bonds. Fiji also aims to build regional capacity and share lessons on access via a small peer learning group of two or three other Pacific Island countries.

Jamaica: The UK is working closely with the Government of Jamaica to identify opportunities to design a new simplified, programmatic approach to financing the country's climate plans and commitments. The trial is expected to explore options to further embed reformed systems to prioritise and finance resilient infrastructure projects, including – as mentioned earlier – the Jamaica Systemic Risk Assessment

Tool (J-SRAT), funded by the UK through the Coalition of Climate Resilient Investment (CCRI). This may involve helping the Government set up a climate finance 'hub' and linking with the expansion of a coordinated project preparation facility and the establishment of a new green finance facility to fund project implementation. The facility would pool financing from diverse sources (MDBs, climate funds and private sector) and potentially link with innovative instruments such as green and blue bonds and debt for nature swaps. The aim would be to demonstrate a model which can be scaled-up and/or replicated across the Caribbean. This work will apply best practice from other examples (most notably, the Rwanda Green Fund) and build on the political and financial commitments made during the UK-Jamaica Strategic Dialogues in May 2023.

Rwanda: The Rwanda Green Fund, the Government of Rwanda established lead institution on climate finance, is leading the country trial, coordinating closely with Ministry of Environment and the Ministry of Finance and Economic Planning. The Governments of Germany and Sweden are the Anchor Donors with support from the UK. The lead Taskforce Strategic Adviser for Rwanda (resourced by the Government of Germany and appointed through NDCP in May 2022) is embedded in the Rwanda Green Fund to support the design and implementation of the trial process.

Over the last year, the trial has specifically focused on developing platforms capable of funding climate plans and priorities on a programmatic basis. This means coordinated and longer-term financial support for national climate policies, sector strategies and investment plans rather than project-by-project based assistance.

The Rwanda Green Fund has established a new Rwanda Green Investment Facility (Ireme Invest) to test this approach. The model combines a Project Preparation Facility, managed by the Rwanda Green Fund, and a Credit Facility, managed by the Development Bank of Rwanda (BRD), to develop and finance a pipeline of climate investments. Ireme Invest sits alongside a newly reinvigorated public sector investment window, Intego, which is primarily supported by the Government of Germany. The UK announced £7 million to support the implementation of the facility at COP27 and is providing technical assistance to support its design and set-up, including the production of an updated operation manual for the facility and the development of eligibility criteria that guides access to green and climate financing. The outcomes of this work (which will address challenges such as pricing/currency hedging, lending in local currency, selection criteria, project pipeline and deal structuring) will hopefully help inform a blueprint for blended finance facilities for the other country trials. Results have already started to emerge with inflows of capital. The BRD is now finalising the identification of a pipeline of private sector projects estimated at €400 million with the EIB expected to provide €100 million of public finance, supported by the European Union, and Ireme Invest private stakeholders contributing €130 million equivalent in private equity.⁶

⁶ https://international-partnerships.ec.europa.eu/news-and-events/news/rwanda-team-europe-and-partners-pioneer-additional-eu300-million-financing-crowd-private-investment-2023-06-22_en

Rwanda is the first country to trial the GCF and GEF's [Long-Term Vision](#) on Complementarity, Coherence and Collaboration (LTV), focusing on a priority area of ecosystem restoration (see also section 6.1).

Rwanda is bringing at least two programmatic approaches to COP28 (on agriculture and sustainable cities), with the intention of supporting them through a mix of public and private resources. This builds on Rwanda's design of Ireme Invest, the longer-term experience of establishing the Rwanda Green Fund, and the clear strategic framework and political commitment evident in adoption of the programmatic approach in the recently revised National Investment Policy (NIP) approved by Cabinet in June 2023 and provided through Rwanda's Green Growth and Climate Resilience Strategy.

Uganda: The focus of the country trial in Uganda has been the establishment of the Climate Finance Unit (CFU) within the Ministry of Finance, Planning and Economic Development (MoFPED). This is a three-year partnership between the UK, MoFPED and the Global Green Growth Institute (GGGI).

The objective of the CFU is to establish the institutional frameworks, coordination mechanisms and tracking tools needed to manage and mobilise domestic and international climate finance in support of Uganda's climate plans and priorities. This directly addresses the lack of sufficient dedicated government capacity to develop and coordinate Uganda's climate finance policy and its implementation. The Taskforce P&Rs have been fully integrated into the design of the CFU.

Following its initial operationalisation, the CFU has focused on designing and implementing a National Climate Finance Strategy; developing and operationalising Climate Budget Tracking tools; effectively coordinating existing climate finance mechanisms and initiatives; and exploring options for financing vehicles capable of blending varied sources of public and private climate finance.

The next phase of work will see CFU counterparts identify and introduce new models and innovative approaches to climate finance access and utilisation, for instance, by building on existing green bond development workstreams. Other opportunities include aligning the IMF Resilience and Sustainability Trust with Uganda's priorities and objectives for climate finance access reform, and linking the trial with The Long-term Vision (LTV) on Complementarity, Coherence, and Collaboration between the GCF and the GEF.⁷ In relation to the LTV, a joint programming consultation was held in Uganda from 15-17 November with discussions focussed on strengthening coordinated programming by the two Funds, the Taskforce and additional bilateral climate finance providers and development partners. This is also discussed with reference to the Rwanda LTV in section 6.

Mauritius: The Taskforce Strategic Adviser for Mauritius was appointed in August 2023 and is supporting the initial stages of scoping and design. Working with the Government of Mauritius (the Ministry of Finance, the Ministry of Environment and

⁷ <https://www.greenclimate.fund/document/towards-long-term-vision-complementarity-gef-and-gcf-collaboration>

relevant Line Ministries), the inception phase has so far involved workshops and discussions which have resulted in a country-led definition of the anticipated “paradigm shift” required for improving access to climate finance, and which will inform the roadmap and country trial. Initial areas for actions and sequencing of interventions were discussed and provisionally agreed. An Inception Report was produced in October 2023 and a more detailed diagnostic assessment will follow. The trial is expected to consider areas such as: improving the government’s public financial management arrangements; mobilising private finance through improvements in the enabling environment and/or supporting private finance; introducing innovative financial instruments including disaster risk financing, climate resilient debt clauses and channelling Special Drawing Rights, including through the IMF’s Resilience and Sustainability Trust. The areas defined for initial intervention were broadening country ownership and harmonisation and alignment of finance.

Somalia: Initial work is underway with the Government to consider the scope of the trial and identify the capacity needs to support implementation. This expands the Pioneer Country trials to include settings affected by conflict and fragility.

Niger: The UK-commissioned exploratory research and engagement in May 2023 to establish a deeper understanding of the efficiency and effectiveness of climate finance flows in Niger, to inform the country’s potential participation in the trial process. The objective was to apply the Taskforce P&Rs to the Sahelian context and generate opportunities for cross-country learning. Climate action in Niger remains critical to long-term stability. Although engagement was paused due to the current uncertain political situation, the UK will continue to support desk research on key barriers and opportunities, while the Taskforce continues to refine its approach to supporting access to climate finance in fragile contexts.

6. Progress Across the System-Level Reforms

6.1. Institutional-Level Actions

In addition to the Pioneer Country activities, the Taskforce is engaging at the system level to encourage supply-side reforms to enhance the speed and scale of access for LDCs and SIDS. This has seen the Taskforce working with the dedicated climate funds and MDBs to continue to enhance access.

For example, the Taskforce has worked with the policy teams of respective members (e.g. the UK) to inform and support an agenda for continued improvements in accessing GCF funding in line with the P&Rs. The GCF Board adopted the 2024-2027 GCF Strategic Plan in July 2023, with access positioned as the core operational and programming priority for the Fund's next period.

Key Highlights: GCF Strategic Plan 2024 – 2027

Highlights of the [Strategic Plan's](#) commitment to enhanced access include:

- Improving access to readiness and preparatory support, including through seeking to strengthen country capacities and enabling environments for NDC, NAP, and Long-Term Strategy (LTS) implementation, investment planning, and enhanced access to GCF resources.
- Increasing the roll-out of the simplified project approvals process, reducing the time taken to process applications for funding, and better targeting capacity-building support to meet country needs so they can more successfully apply for GCF funding.
- Increasing ambition on adaptation and resilience, targeting support to the most vulnerable. GCF aims to deliver a 50:50 balance between mitigation and adaptation allocations in its portfolio and maintains a floor of at least 50% of the adaptation allocation to developing countries that are particularly vulnerable to the adverse effects of climate change, including SIDS, LDCs and African States, while aiming to meet or exceed GCF-1 outcomes (66%).⁸
- Expanding the use of early warning and risk management approaches.
- A recognition of the imperative to shift from incremental to systemic responses to support transitions in key sectors, including food, energy, ecosystems, and resilient infrastructure, as well as increasing the share of funding allocated through the GCF's dedicated Private Sector Facility to promote innovation and catalyse green financing.
- In addition, the GCF Board has decided to assess options for a GCF regional presence. This could bring the GCF closer to countries it serves, increase country ownership and enable more responsive adaptive management. The Board approved Terms of Reference for a feasibility study in July 2023.

⁸ GCF-1 outcomes refers to the end of the first GCF replenishment period.

The Pioneer Country trials have also started to show that they can influence areas of institutional reform. For example, both the GCF and GEF will be trialling their Long-Term Vision on Complementarity, Coherence and Collaboration (LTV) in the initial five Pioneer Countries. The LTV aims to enhance the planning, implementation, and outcomes of GEF and GCF investments and help identify and pursue opportunities for blended, parallel, and sequenced finance. This is a result of strong collaboration, where the Climate Funds have been brought into the work of the Taskforce.

This partnership presents opportunities to translate the successes observed through the LTV pilots and broader Taskforce trials into permanent changes to GCF and GEF processes, procedures and ways of working. It may also be possible to scale-up successful LTV projects through the wider programmatic approaches being developed through the Taskforce country trials.

The Taskforce has, for example, supported IMF capacity building efforts by raising awareness of the role of the Taskforce and the P&Rs. It has also provided technical assistance to help governments prepare applications for RST support. Three of the first climate-focused RST loans have been announced for Taskforce Pioneer Countries (Bangladesh, Jamaica and Rwanda), and this presents an opportunity to build synergies, as the Taskforce can provide support to help countries achieve the funding conditionalities and use this process to catalyse access to other forms of climate finance. In Jamaica, the UK, as part of the Taskforce trial, is working in coordination with the IMF through the new Resilience and Sustainability Facility to improve investments in climate resilience, as previously mentioned.

Case study: Joint programming in Rwanda

In 2022, the Taskforce Secretariat, GEF and GCF began to explore opportunities to trial the Long-Term Vision (LTV) in the initial five Taskforce Pioneer Countries. The aim being to advance collaborative and coordinated programming and support greater harmony across the climate finance landscape, in line with the P&Rs.

This collaboration was announced at COP27 where a workshop was held between GEF, GCF, government representatives from the five Pioneer Countries, and the Taskforce Secretariat, to consider how to coordinate and integrate the two initiatives.

Rwanda is the first Pioneer Country to trial the LTV, having identified a priority investment in Rwanda's South Province (a large ecosystem restoration programme) to be the focus of the approach and support the priority areas of the broader Taskforce trial.

Rwanda's GEF-8 STAR allocation is providing the baseline funding for the programme, laying the foundations for the GCF and other partners to finance complementary elements in a coordinated manner, contributing to a programmatic approach in line with the aims of the Taskforce. The trial will also include an element which tests the streamlining of processes and procedures to reduce the burden of the application process for additional funds.

This initial engagement with Rwanda was expanded to Uganda in November 2023 and the intention is to further expand coverage to the other three initial Pioneer Countries (Fiji, Bangladesh and Jamaica) in 2024.

Underpinned by the Taskforce P&Rs, this partnership presents the opportunity to share lessons, scale up the approach and deliver tangible impact for others

In July 2023, Wilton Park, with UK support, convened a conference to identify actions to improve access to climate adaptation finance for countries with high humanitarian need. The event brought together participants from the governments of Somalia and Niger, climate and humanitarian communities, donors, climate funds, members of the Taskforce, MDBs, humanitarian agencies, and representatives from civil society.

The conference identified a set of joint recommendations and commitments which support the Taskforce objectives for system reform. This includes the commitment to increase access to climate finance in settings affected by conflict and fragility, including via building the capacity of stakeholders to access, absorb, distribute, and monitor climate finance, and streamlining access processes and procedures. Agreements were also reached to strengthen the evidence base around the types of climate action that are feasible in such settings, share experiences around what works, and to strengthen the collaboration and coordination across sectors and between climate finance providers, recipients and local actors.

In Fiji, the lead Adviser together with the Taskforce Strategic Advisory Team and the Director for the Climate Change Division (CCD) agreed to identify a local counterpart to 'champion' the Taskforce initiative at working level. The CCD recently established the UNDP-funded Project Development Unit (PDU) whose primary role is to vet and develop project concepts and proposals that will require climate finances. The PDU was therefore identified to champion the Taskforce initiative and will play a critical role in the consultation and development processes of the Fiji Country Trial Plan. As the Fiji Country Trial Plan will need ownership to drive its implementation, the lead Adviser will continue to work with CCD and the British High Commission to strengthen and increase political ownership of the Taskforce.

In recognition of the challenges LDCs and SIDS face in accessing climate finance, the African Development Bank (AfDB) launched the Climate Action Window (CAW) in October 2023. This is a \$429 million financing instrument to strengthen Africa's development efforts and promote a low carbon and climate resilient trajectory. The Taskforce Pioneer Countries of Rwanda, Uganda and now Somalia are eligible to access these resources, where 75% of the resources will be for adaptation action, 15% for mitigation action and 10% for technical assistance. Through providing an avenue (financial and technical) for countries to enhance their access to climate finance, the initiative is aligned with Taskforce principles, namely on responsiveness to country needs and climate vulnerabilities

6.2. Actions by Bilateral Donors to Apply the Principles and Recommendations

This section summarises the progress made by bilateral climate finance providers in applying the Taskforce P&Rs.

United Kingdom:

The UK's new [International Development White Paper](#) sets out a re-energised agenda for the UK, working with partners, to accelerate progress on tackling climate change and biodiversity loss.

Country Ownership: The UK has long placed country ownership at the heart of its development partnerships. It aims to go even further by distributing climate finance through country systems and institutions to the maximum extent possible. The new White Paper underscores that the UK's approach to partnerships will be founded on mutual respect, with an emphasis on country ownership, accountability, transparency and common values; and that the UK will work towards a more inclusive and more locally-led approach.

Responsiveness to Country Needs and Climate Vulnerability: The UK intends to be responsive to country need by having more and even closer bilateral partnerships. These partnerships will be tailored to the geopolitical realities faced by partner countries. Multilateral organisations will remain essential partners in achieving UK objectives, including on ambition for the Taskforce. The UK also aims to respond to those most in need by ensuring a balanced split between mitigation and adaptation finance and at COP27 the UK's Prime Minister announced a tripling of adaptation finance from £500 million in 2019 to £1.5 billion in 2025. The White Paper prioritises going further, faster to mobilise international finance and increase private sector investment in development; and building resilience and enabling adaptation for those affected by climate change.

Flexibility and Innovation: The UK's FCDO has streamlined its processes and is working to reduce the time taken to approve a Business Case down from many months to less than 6 weeks for programmes under £40 million in value. The UK incorporates a degree of flexibility to into all its development or policy programmes so it can respond to contextual changes. Moreover, programmes are designed to build in a deliberate process of testing, learning and experimentation so that they are genuinely adaptive. The FCDO maintains a high level of transparency for aid programmes, publishing key data and documents to the [International Aid Transparency Initiative](#) and [Development Tracker](#) by default. It has committed to further improving aid transparency practice and aims for the highest rating attainable in the independent 2024 Aid Transparency Index.

Sweden:

Country ownership sits at the heart of Swedish development finance. Programmes and projects are owned and driven by recipient governments and the communities they intend to benefit, according to the principles of effective development cooperation as enshrined originally in the Paris Declaration of aid effectiveness of 2005. Sweden is currently co-chairing the Global Partnership on Effective Development Co-operation (GPEDC), together with Indonesia and DR Congo. Responsiveness to country needs is another key element of Swedish development policy, resulting, inter alia, in 50% of bilateral climate finance being allocated to adaptation. Sweden strongly supports and encourages developing country partners to integrate climate action in national budget and planning processes, while as donors mainstream climate action throughout its development finance. Sweden's approach to transparency and accountability is reflected on the website www.openaid.se, where data on all interventions can be found. Sweden also supports developing country partners in improving transparency and reporting requirements in relation to the UNFCCC, through both Sida (as the agency for development cooperation) and the Environmental Protection Agency (EPA). Sweden endorses the approach being taken in setting up a Centre for Access to Climate Finance and is supporting this with an approximate \$7 million contribution annually.

Germany:

With regards to progress in delivering the Taskforce P&Rs, Germany has engaged in establishing strong bilateral Climate and Development Partnerships (P+) that put country ownership and responsiveness to country needs and climate vulnerability at their heart. A good example is the bilateral P+ with Rwanda signed in 2022, which has enshrined the enhancement of access to climate finance into the partnerships' key targets. Germany is also committed to responding to needs for the most vulnerable in its overall climate finance. In 2022, a record sum of €2.83 billion out of a total of €6.39 billion from budgetary sources was provided to adaptation, almost striking a balance between mitigation and adaptation finance. With regards to the harmonisation of processes and alignment of finance, Germany provides an active voice advocating for harmonisation, simplification and complementarity between funds, as well as enhanced access for most vulnerable countries as a board member to various climate funds, including the GCF, Adaptation Fund (AF), GEF and CIFs.

United States:

In addition to its broader climate-related development assistance, the US Government is directly supporting many countries in accessing and utilising climate finance to address their climate priorities. For example, USAID supports the [Comprehensive Action for Climate Change Initiative](#) which assists with the development and implementation of NDCs and NAPs. The US is also working with development partners to strengthen the international climate finance architecture. For example, in its current role as co-chair of the GCF's Board, the US is working closely with the Fund and other

board members to improve access to funds for developing countries and subnational entities. The US is also committed to increasing the resources available to meet global climate finance needs by leveraging substantial private sector investment. To illustrate, USAID's Climate Finance for Development Accelerator aims to mobilise \$2.5 billion of private finance for adaptation and mitigation efforts by creating incentives and reducing risks for large-scale private investment to address the climate finance gap.

7. Lessons Learned

Government champions and coordination mechanisms: The Pioneer Country trials have demonstrated the importance of sustained government ownership and commitment. This includes equipping relevant government departments with the capacity, resources and mandate to deliver the trial.

Having a dedicated focal point or working-level champion for the Taskforce in government means the country trials and wider Taskforce priorities are more likely to be reflected in relevant workplans, budgets and strategies so they are adequately resourced.

In Rwanda, the Taskforce work has generated interest and momentum at Development Partner and Government coordination forums/group (DPCG) chaired by the Minister of State in charge of Treasury. This momentum building has translated into policy adoption of some of the core principles of the Taskforce. The revision of the national investment policy to incorporate programmatic approach is a result of the growing momentum and advocacy by the Taskforce actors including the Anchor Donors.

In Rwanda and Fiji, a Taskforce Steering Group has also been established to provide higher-level oversight, strategic direction, and coordination of the country trial process. These meetings tend to be chaired by the host government with the attendance of Anchor Donor country team, Strategic Advisers and other contributing countries and finance providers.

The AfDB closely engages with government officials in the countries it works with, specifically the Ministry of Finance, Ministry responsible for environment and climate change and relevant sector Ministries during the design, preparation and appraisal of its operations. In Somalia, the newest Pioneer Country, officials have expressed the need for technical assistance to build capacity to mobilise resources for the coordination of the newly established Ministry of Environment and Climate Change and implementation of the Act.

Programmatic Approach: The advantages and opportunities to adopt a programmatic approach are being explored across several of the more advanced country trials, including Rwanda and Bangladesh. For example, in Bangladesh the UK is working with major multilateral and bilateral partners (including the IMF, World Bank and ADB) to address the country's long term climate challenges through a programmatic approach, facilitated by tools such as project preparation, blended finance and green bonds. However, whilst the potential benefits of the programmatic concept are well known, it will be essential that the Taskforce monitors the realisation of these benefits versus the traditional project-by-project model, identifies ways to improve its impact, sustain the approach, and consider replicability in different contexts with lower government capacity and a smaller presence of climate finance providers. It has also become evident that consolidation and streamlining of technical assistance

constitutes a critical component to a programmatic approach. Platform financing is therefore considered an effective mechanism for coordinating such technical support, as well as enabling cross-sectoral coordination on adaptation investment planning.

Private Finance: For many of the country trials, it was quickly apparent that many Pioneer Countries could not deliver their climate finance ambition without engaging the private sector and catalysing private finance toward low-carbon and climate resilient development.

Where blending facilities form a core component of the trial, it will be important to test their ability to crowd-in private finance behind projects which do not naturally lend themselves to commercial finance, such as adaptation and biodiversity. This will need to be carefully balanced to ensure that government efforts to incentivise private finance do not result in risks to wider fiscal space and debt sustainability.

Lessons can be learned by looking in the Pioneer Countries at the relationship between the national investment climate and a country's ability to crowd in private finance from domestic and international investors. The regulatory aspects of climate finance, systems and structures for national resource mobilisation and national budget processes are all important to analyse in this respect, and will have implications for policy instruments, such as the operation of carbon markets or the issuing of green bonds.

Alignment and Coordination: The Taskforce has always had a clear ambition to work with and build on existing initiatives, plans and structures, enhancing coherence while supporting and amplifying efforts already underway.

There have been several good examples of this over the past year. For instance, in Jamaica, the Taskforce process worked closely with NDCP to ensure plans for embedded advisory support is coherent and complementary. The country trial will build on the International Climate Finance Strategic Framework developed with funding from Global Affairs Canada.

The Climate Finance Unit in Uganda plays an important role in the coordination of climate finance mobilisation efforts, domestically and internationally. This includes coordinating a range of climate funds and initiatives including the GCF, GEF and AF; Least Developed Country (LDC) Initiative for Effective Adaptation and Resilience (LIFE-AR); and Local Adaptive Living Facility (LoCAL). The Pioneer Country trial in Jamaica is also considering options for a similar coordination unit or hub within government.

For the country trials in Mauritius and Fiji, the Taskforce has worked with the Commonwealth Climate Finance Access Hub (CCFAH) to ensure respective workstreams offer a complementarity package of support to government.

The AfDB, at the request of African countries, has established several climate finance initiatives to support African states. Recognising that domestic resource mobilisation is a vital aspect of climate finance the AfDB has implemented the Africa Financial Alliance on Climate Change, bringing together key players in Africa's financial sector to align their investments with the Paris Agreement. This initiative should add value to the work of the Taskforce.

The ADB is building on existing work of other partners to ensure complementarity and avoid duplication. In Indonesia for example they are working as co-leads in the international partner group for the JETP and are also providing support to the JETP Secretariat.

8. Recommendations for the Taskforce

This section provides a series of recommendations for the Taskforce to action in 2024.

Recommendation 1: The Taskforce should encourage further efforts to apply as appropriate the P&Rs from a wider group of relevant multilateral institutions, climate funds and bilateral donors. For the priority organisations, such as those listed below, it is proposed that the Taskforce Secretariat works with each organisation to put together a set of short and long-term actions related to the work of the Taskforce and its trials.

G20: The Brazilian presidency in 2024 will have a focus on climate finance reform. This presents the Taskforce with an opportunity to promote its work and highlight potential synergies with the G20 agenda.

Regional Development Banks: The AfDB publicly endorsed the P&Rs at COP27 and conveyed the support of the ADB and EIB. To fully engage them in the work of the Taskforce, opportunities could be taken to work more closely to support a programmatic shift. This could be taken forward both at HQ and in the Pioneer Country trials – for instance, working with the IDB in Jamaica and the ADB in Bangladesh to lead multi-provider coordination of climate finance programming. The AfDB is also working with the Global Centre on Adaptation to develop country-led “Compacts” in Kenya, Nigeria, Mozambique, Congo Brazzaville, Equatorial Guinea, Algeria, Senegal and Tanzania, which will identify key investment priorities, financing needs, and strategies to implement climate adaptation measures in those countries. These Compacts will enable efficient resource allocation and overall coherence of adaptation actions, in alignment with the P&Rs, and present an important route for alignment with the work of the Taskforce, and additional knowledge generation on furthering access to finance.

Adaptation Fund (AF): The Adaptation Fund could provide lessons and insights to improve the Taskforce’s approach to climate finance for adaptation.

Climate Investment Funds (CIFs): The CIFs have a strong track-record of applying the programmatic approach which the Taskforce could benefit from. In Rwanda, the Taskforce supported the Expression of Interest to secure funding for Nature, People and Climate, with the potential to access \$35 million for the investment plan. This is an example of the catalytic role the Taskforce can play in participating countries.

Bilateral donors: The Taskforce should aim to work with major providers of climate finance who are not members of the Steering Committee to apply the P&Rs as appropriate. Using existing groupings to engage donors will be more efficient, e.g. the Champions Group on adaptation finance, the NORDIC+ Development Ministers and the OECD-DAC. The Taskforce should also encourage more bilateral providers to support the model of Pioneer Country trials seeking to provide climate finance and capacity building in a coordinated, programmatic manner and trial innovative approaches to improving access in countries with which they work.

Recommendation 2: The Taskforce should continue to build on recommendations in the 2022 Annual Report to ensure there is an effective mechanism for communicating the knowledge and evidence generated through the Taskforce's efforts, and that approaches proved successful in the Pioneer Country trials are made widely available so they can be replicated by other countries, whether regionally or internationally.

It is expected that these efforts will form part of the scope of work for the future Centre for Access to Climate Finance. However, it will be important that the Taskforce Steering Committee members also support and lead these communications efforts, both to enhance the effectiveness of communications and to ensure that the Taskforce is represented as a shared endeavour. Knowledge products designed to capture and communicate experience and best practice, advance global discourse and promote the aims of the Taskforce, will be critical to success. This will help engage with a wider group of finance providers, recipients and related initiatives.

Recommendation 3: The Taskforce should deepen its focus on the private sector in climate finance and related processes where this corresponds with country need and priorities.

It is recommended that the Taskforce explores how a wider set of instruments such as blended finance approaches, green bonds, equity, and carbon markets can help mobilise more private sector investment. Access to Disaster Risk Finance can also help protect the vulnerable from the impacts of adverse climate events.

The Taskforce should use the Pioneer Country trials to compare how the different regulatory environments and overall national investment climate affects a country's ability to utilise instruments such as green bonds, equity, and carbon markets, with a view to identifying the most successful means for crowding in private finance from domestic and international investors.

Beyond the exploration of innovative financial instruments in the trials, the Taskforce should consider options for strengthening the participation of the private sector in its wider decision-making processes, advocacy strategies, knowledge sharing and lesson learning events. The nature of this participation, whether specific industry bodies or private enterprises, will naturally depend on the focus theme, sector and/or geographic context.

Recommendation 4: The Taskforce should consider ways to support strengthened public participation in climate finance implementation mechanisms through Pioneer Country trials. Limited public participation in planning and implementation processes can increase the risk of climate funds being used ineffectively. Participation of civil society in policy and decision-making processes and in monitoring the effectiveness of Pioneer Country trials and projects using climate finance accessed is an important part of ensuring that the most vulnerable are protected from the impacts of climate change.

Recommendation 5: A new Centre for Access to Finance should consider how to support process improvements identified in the [Joint Statement at the World Bank/IMF Annual Meetings in 2023](#) on working together and increasing efficiencies. These include enhancing country-level coordination and strengthen co-financing among MDBs, including through harmonising and mutually recognising each other's policies and standards where appropriate.

The Centre could consider providing support on absorption and delivery of finance, helping to reduce delays in disbursements of existing finance which is often a result of countries having insufficient capacity to absorb/deliver.

Recommendation 6: The Centre should use its independent status to build influence with a wide coalition of countries and further enhance access to international climate finance.

To gain traction in-country the Taskforce should use its relationships with diplomatic heads of mission to increase awareness of the Taskforce initiative in formal and informal discussions with political leaders. Political leadership is critical for buy-in to the Taskforce's work, and for ownership and continuity.

At operational level, the Taskforce should consider 'informal' development partner discussions as a forum to share experiences and plans for bilateral and regional climate financing and explore opportunities for partnerships in terms of supporting national climate action agenda.

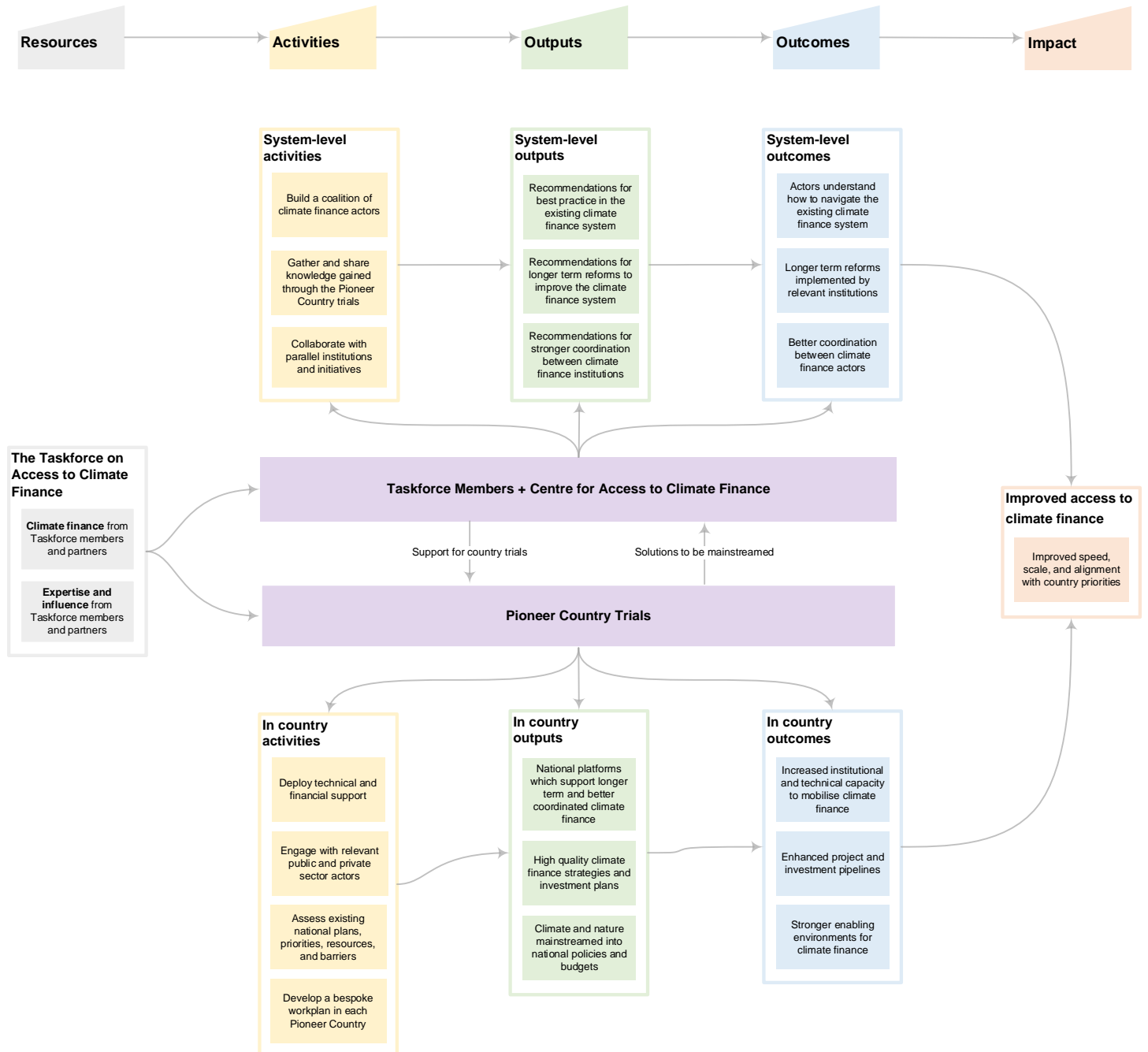
The Taskforce should keep track of the outcomes of COP28, particularly regarding access on climate finance and what actions need to be achieved before the next COP.

9. Conclusions

The Taskforce Secretariat would like to conclude by reiterating thanks to all the stakeholders that provided written or oral contributions to this report. The report underlines the strong progress being made through the Taskforce's work, with many recommendations from last year's report taken forward and some excellent progress happening in the Pioneer Country trials. It also highlights the wide interest generated. But there is still much work to do and to come. The establishment of a new Centre for Access to Climate Finance in 2024 will help deliver it.

Annex 1: Theory of Change

Theory of Change Diagram



Theory of Change Assumptions

General
Increased climate finance is needed to fully achieve the goals of the Paris Agreement, including to respond to the needs and priorities of developing countries. It is critical that the accessibility of those resources is enhanced, to assure they can be deployed for climate action.
The benefits of establishing the Taskforce outweigh the risks of duplicating parallel initiatives and further complicating the climate finance landscape. Note the Taskforce is not intended to be a permanent initiative.
Resources
The climate finance, skills, and expertise mobilised by Taskforce members is proportional to the ambitions of the Taskforce.
Focusing resources on a limited number of Pioneer Countries is an effective way of achieving our stated outcomes whilst generating evidence for subsequent efforts.
Coordinating resources through a bilateral relationship between a developed country (Anchor Donor) and developing country (Pioneer Country) is an effective delivery model.
Activities
The Taskforce can collaborate effectively with parallel initiatives and add value by building a coalition of climate finance actors and sharing knowledge gained through the country trials.
A combination of technical and financial support, delivered through bespoke workplans in each Pioneer Country, will enable a wider range of activities and outputs than technical assistance alone.
A country-driven approach, with support from the Taskforce and parallel institutions, is an effective way of aligning resources with the needs and priorities of developing countries.
A new Centre for Access to Climate Finance will strengthen the link between the Pioneer Country trials and the Taskforce's multilateral activities. It will support the trials, help to mainstream solutions and provide important input for future updates of the Taskforce's P&Rs.
Outputs
Establishing national platforms is an effective way of supporting longer-term and better-coordinated climate finance.

Mainstreaming provisions for climate and nature into national policies and budgets will improve sustainability and create a stronger enabling environment for climate finance.

Outcomes

At the multilateral level, access to climate finance can be improved by 1) actors understanding how to navigate the existing system; 2) better coordination between institutions; and 3) improving the coherence and complementarity of actors over the longer term.

At the country level, access to climate finance can be improved by 1) increased institutional and technical capacity; 2) enhanced project and investment pipelines; and 3) an improved enabling environment.

A Centre for Access to Climate Finance, and the wider Taskforce, will be able to support and influence relevant actors and institutions to adopt its recommendations.

Theory of Change Narrative

Context: Climate finance is a critical enabler of ambitious climate action in developing countries. Resources need to be more accessible for developing countries, and particularly climate vulnerable countries, to deliver their climate plans and priorities more effectively.

Resources: The Taskforce was established to identify key actions which would serve to enhance access to climate finance. Members of the Taskforce contribute skills, expertise, financial resources and political influence to progress this shared goal.

Activities: The Taskforce has two core workstreams to achieve its objectives. The first is to progress efforts at the **national level** in climate vulnerable developing countries. To do this, the Taskforce will support a series of Pioneer Country trials. These are long-term pilots which see climate finance providers and recipients work together, combined with technical assistance and financial support, to demonstrate new and improved ways of accessing and programming climate finance, as guided by the Taskforce P&Rs, which continue to be iterated and improved.

The trials are intended to generate evidence of what works to develop new long-term solutions for scale-up and replication.

The second workstream is to progress efforts at the international level. This will be achieved by identifying and actioning a forward-leaning agenda of measures informed by evidence from the Pioneer Country trials and broader research and analysis. Taskforce members and partners are also expected to use their international influence to advance the Taskforce objectives through their representation on relevant boards, negotiating groups and participation in different international fora. Once established,

a new Centre for Access to Climate Finance ('the Centre') is expected to perform a key role in advancing this workstream in an evidence-based manner.

Success Criteria: The ultimate intended impact for the Taskforce is to improve the speed and scale at which climate vulnerable developing countries can access finance to deliver high-quality national climate and nature plans.

At the international level, success means:

- Building a coalition of support and advocacy for the Taskforce aims and objectives, leading to clear advancement across the global climate finance system.
- Sharing knowledge and lessons generated by the Pioneer Country trials, leading to scale-up and replication of successful models and an evidence base to support related systems-level efforts.
- Closer coordination and collaboration between climate finance providers, leading to a more streamlined and less complex climate finance system

At the national level, success means contributing to:

- Improved coordination of climate finance, leading to greater alignment of finance behind long-term national climate and nature plans.
- The mobilisation of climate finance from different public and private sector sources behind high quality climate finance strategies and investment plans.
- The mainstreaming of climate finance into national policies and budgeting process, leading to a whole-of-government approach.

Complementarity with parallel initiatives: Considering that there are other initiatives with interests in this field, it is important that the Taskforce presents a complementary offer and works closely with partners to align efforts. For instance, working with the Commonwealth Climate Finance Access Hub (CCFAH), NDCCP, the Climate Finance Action Network (CFAN), and LDC Initiative for Effective Adaptation and Resilience (LIFE-AR) at both international and national level.

The Taskforce offers a unique platform for promoting good practice in alignment with the P&Rs and complementarity with other initiatives, which can be described as follows:

- The Taskforce can promote access to climate finance through long-term Pioneer Country trials with associated financial and technical backing. This implements new concepts and ideas which deliver both tangible real-world climate benefits and lessons for others to draw from. For the evidence generated to be as useful and replicable as possible, the trials are being conducted in a range of climate and development contexts including LDCs and SIDS, for whom access is a particularly acute challenge.
- The Taskforce can flex its approach in response to members' needs. For instance, in the last year the Taskforce has taken a specific focus on leveraging private climate finance and different forms of platform-based financing.

- The Taskforce has an open and inclusive approach and actively encourages participation from a wide range of climate finance actors. It presents different opportunities for such participation, including in thematic discussions between the Pioneer Countries and Anchor Donors, and by welcoming observers to Steering Committee meetings. It also facilitates engagement in local-level coordination groups, and at regional and international Taskforce meetings and events.
- The Taskforce Secretariat maintains a close relationship with Taskforce members so that it can be responsive and nimble to issues or requests. For instance, calls for specific thematic discussions, 1-2-1 peer learning sessions between Pioneer Countries, and engagement in relevant international meetings and events.