

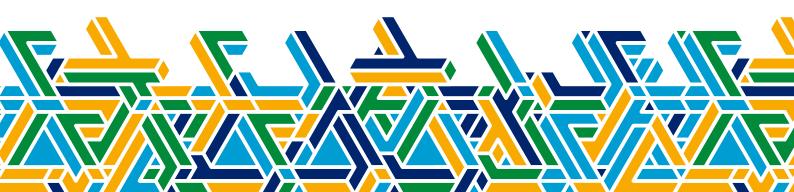
**Establishing Climate Finance Units** 

**Policy Brief** 

# **About Policy Briefs**

Policy Briefs aim to analyze the state of play, extract best practices, and provide advice on how to further embed the Taskforce on Access to Climate Finance's Principles and Recommendations across the international climate finance system. Policy Briefs are drafted under the leadership of the Center for Access to Climate Finance, hosted by the NDC Partnership Support Unit with support from the United Kingdom Foreign, Commonwealth & Development Office.

The Policy Brief was drafted by Climate Analytics. Country representatives consulted include the Belize Climate Finance Unit (Ministry of Finance, Economic Development, and Investment), Rwanda Green Fund (FONERWA), and Uganda Climate Finance Unit (Ministry of Finance, Planning, and Economic Development). Additional cases from Pakistan, Bangladesh, Fiji, Kenya, and Mozambique were also analyzed based on data available in the public domain or through engagement with organizations that supported those countries. Organizations interviewed include the **Coalition of Finance Ministers for Climate** Action (CFCMA), the Climate Finance Access Network (CFAN), the Climate Policy Initiative (CPI), the Commonwealth Secretariat, Enabel Mozambique, Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) Bangladesh Improved Coordination of International Climate Finance (ICICF), the Grantham Research Institute on Climate Change and the Environment, the London School of Economics (LSE), and World Resources Institute (WRI) Mexico. Private sector representatives engaged include Africa Investor, Annycent Capital, Climate Fund Managers, and Incofin IM.



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### **Executive Summary**

This Policy Brief has been developed to address the interests of the Taskforce on Access to Climate Finance members and to contribute to knowledge and learning within the wider climate finance community by providing actionable insights for the development and effective implementation of Climate Finance Units (CFUs) within governments.

The development of this Policy Brief involved a detailed literature review; mapping and consulting more than a dozen key stakeholders from targeted countries and organizations, including private sector representatives; and conducting thematic and comparative analyses of the case studies of Bangladesh, Belize, Fiji, Kenya, Mozambique, Rwanda, and Uganda.

The analysis finds that the rationale for establishing CFUs is rooted in the need countries have for financing to implement their Nationally Determined Contributions (NDCs), National Adaptation Plans (NAPs), Long-Term Low Emission Development Strategies (LT-LEDS) and in the recognition that, without dedicated and skilled units to plan, access, coordinate, and manage climate finance, countries risk experiencing inefficient financial flows, duplicative efforts, and a lack of alignment with national climate and development priorities. **CFUs enable countries to mainstream climate action into core national development and financing instruments, identify and prioritize climate investments, develop investment-ready projects, and leverage opportunities. CFUs use attractive and innovative financing vehicles and create enabling environments for private sector participation.** 

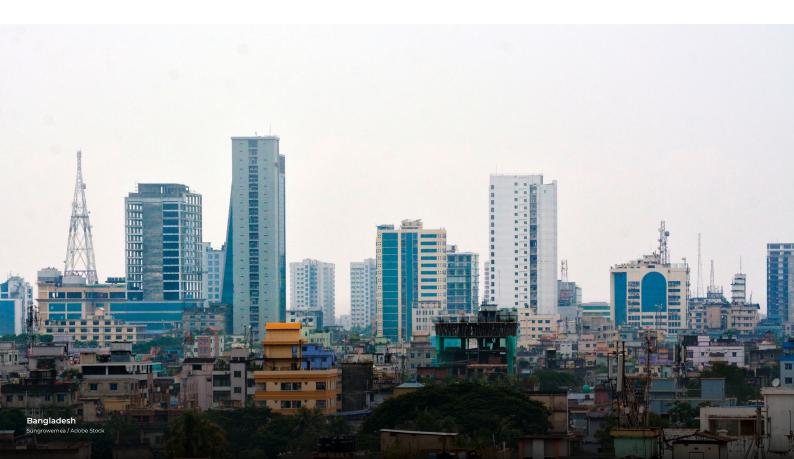
CFUs are most often housed within ministries of finance (MoFs) due to the unique role these ministries play in resourcing development initiatives, articulating national priorities, and coordinating across sectors. However, depending on their scope, mandate, and authority within the governance context of the country, CFUs can also be placed in other ministries, the presidential or prime minister's office, or even be established as a standalone unit.

CFUs enable countries to mainstream climate action into core national development and financing instruments, identify and prioritize climate investments, develop investment-ready projects, and leverage opportunities. The most common functions performed by CFUs include mobilizing and coordinating climate finance in alignment with national goals, mainstreaming climate considerations across national development and economic architecture, preparing and appraising projects, embedding gender equality and social inclusion in climate finance processes, and supporting capacity building and institutional strengthening.

Despite their potential, CFUs face several challenges that can hinder their effectiveness:

> CFUs may not be staffed appropriately, or the existing teams may lack the specific technical expertise to navigate climate or finance matters, to develop projects, to track, and to report crosssectoral financing. Staffing gaps are often addressed by bringing in external advisors. But this reliance on external expertise may not be sustainable in the long term, underscoring the need for capacity building.

- CFUs and other government agencies may have multifaceted and conflicting mandates. A range of government ministries and agencies as well as nonstate actors might be responsible for various climate interventions, which can result in duplication of resources and efforts and can impede the efficient access and deployment of climate finance.
- Most CFUs focus on attracting international climate finance from the public sector, thus limiting their ability to engage in more comprehensive interventions and to create an enabling environment to attract private sector participation and investment.
- CFUs must navigate the complexity of international and national climate finance mechanisms, which are often slow, fragmented, and highly bureaucratic and can delay access to climate finance.



Based on the findings and challenges presented above, the **main recommendations of this policy brief** are as follows:

- The scope and mandate of a CFU should be carefully defined to ensure that it does not duplicate the work of other governmental institutions and that it is enabled to steer effective communication and collaboration with ministerial and external partners.
- Capacity building and related support for CFUs are essential to enable them to fulfil their mandate to, for example, implement effective coordination and engagement with public and private sector stakeholders to mobilizing investments and finance including via blended finance—for countries' NDC priorities.
- Embedding liaisons with technical expertise from key sectors within the CFU can ensure that the CFU's work is aligned with sectoral priorities, such that the resources and responsibilities are allocated efficiently and correspondingly. The early integration of sectoral and ministerial representatives into the CFU as staff or as secondees enhances its legitimacy within key stakeholder groups and can lead to better staff and institutionalcapacity retention.
- Financial sustainability is a key concern for CFUs, as many rely on short-term external funding during their initial phases.
   Developing a transition plan can ensure that the CFU can continue to operate without dependence on external experts and external financing in the medium and long term.

- Integrating CFUs into national governance structures and securing consistent political and financial backing helps long-term sustainability. Political buy-in can enable the CFU to secure resources for its own operations and for the coordination of climate finance across ministries. CFUs that have a mandate derived from or report directly to top-level decision-makers, at the presidential or prime ministerial level, are more likely to receive the attention, support, and resourcing necessary to effectively realize their objectives and functions.
- Besides governmental support, CFUs should explore cost recovery models to diversify their funding sources to ensure their financial stability. This can include opportunities from the private sector and innovative financing instruments.
- CFUs must also strengthen their institutional capacities to withstand political changes or fluctuations in external support. This can be achieved by establishing transparent governance frameworks, which can clarify crucial operational processes (such as key priorities for the entity and staffing plans and functions), thereby ensuring their institutionalization and easy adoption by new staff, while building confidence with external partners.

# **1. Introduction**

The NDC Partnership is a global coalition, bringing together more than 200 members, including more than 130 developed and developing countries and more than 100 institutions to deliver on ambitious, transformational climate action that helps achieve the Paris Agreement and drive sustainable development. The NDC Partnership Support Unit hosts the <u>Center for Access to Climate Finance</u> (the Center), which is an initiative of the Taskforce on Access to Climate Finance (the Taskforce). The Taskforce is a collaboration between developing countries and climate finance providers to identify and implement solutions to improve access to climate finance. The Center leverages and amplifies learning from the Taskforce by providing thought leadership, sharing best practices, facilitating global knowledge exchange and South-South learning, and generating evidence to improve the international climate finance system.



Drawing from experiences in the NDC Partnership's Member Countries, this Policy Brief, developed by the Center, provides actionable insights about how to effectively design and implement Climate Finance Units (CFUs) within governments to set up institutional frameworks that accelerate the access and management of the flows of climate finance and ensure its alignment with national goals.

With strong mandates and skilled staff, dedicated units such as CFUs can enhance coordination among and across government agencies and with public and private sector stakeholders, improve access to climate finance, and distribute finance more efficiently.

Recognizing that countries have different institutional arrangements and that each government faces a unique set of climate finance challenges, CFUs may perform a range of functions tailored to these diverse contexts; there is no one-size-fits-all approach. Nevertheless, based on existing practices, valuable lessons can be drawn up and shared with countries that are considering or have already embarked on similar processes. A noteworthy variation has recently emerged in the approaches to defining the name, scope, and mandates for such units. The two most used terminologies are Climate Finance Units (CFU) and Climate Units (CU). For instance, CFU is the term used in Uganda and Mozambique. Meanwhile in Bangladesh a unit tasked with enhancing access and consolidation of climate finance from bilateral, regional, and multilateral sources and with effectively coordinating international climate finance across the government is called the International Climate Finance Cell (ICFC); a similar unit in Chile is called the Green Finance Unit.<sup>1</sup> Otherwise, many high-income countries, including Denmark,<sup>2</sup> Austria,<sup>3</sup> and the United States of America<sup>4</sup> have initiated Climate Units or Climate Hubs tasked with cross-sectoral and cross-ministerial mainstreaming of climate change considerations. This Policy Brief will refer to these entities and units that have a similar mandate as CFUs, even if they are named differently.

<sup>4.</sup> The Climate Hub seeks to provide overarching strategic direction and coordination and to enable information sharing regarding climate action across the U.S. Department of the Treasury, where it is housed.



<sup>1.</sup> Chile's Green Finance Unit has been noted for having a strong but relatively limited mandate, which enables it to engage with private sector stakeholders on climate change resource mobilization and, to some extent, implementation.

<sup>2.</sup> Known as the Green Policy Center, the unit is responsible for the budgets of the ministries responsible for the environment, energy, and climate. The Centre also coordinates Danish efforts around the green transition, positioning it at the very core of decision-making surrounding climate action and financing in the country.

<sup>3.</sup> Known as the Climate Hub, it includes 10–15 staff from all seven directorates of the Ministry of Finance. The hub seeks to harmonize budget, economic, and tax policies with climate,

environmental, and energy policies to maximize alignment.

## 2. Analysis and Findings

### 2.1. Reasoning and rationale for a CFU

Developing countries (excluding China) need investment of <u>USD 2.4 trillion per year by 2030</u> to meet climate goals, of which 40% per year needs to be sourced from external flows.

As countries seek to meet their Nationally Determined Contributions (NDCs), National Adaptation Plans (NAPs), and Long-Term Low Emission Development Strategies (LT-LEDSs), the need for effective mobilization, management, and coordination of climate finance across governmental systems has therefore become increasingly urgent. **The scale and complexity of climate finance requires dedicated institutional mechanisms that can operate across sectors, coordinate between government ministries and relevant public and private sector stakeholders and accelerate access to diverse financial sources— both domestic and international.** 

In this context, the driving factor for the creation of CFUs is the <u>need to enhance</u> <u>countries' access</u> to international and private climate finance. By establishing CFUs, countries are better positioned to identify, prioritize, and develop investment-ready projects and leverage opportunities, including the engagement of investors and financiers to attract larger volumes of climate finance.

As experience shows, without dedicated and skilled units to access, coordinate, and manage climate finance, countries have inefficient financial flows, duplicate efforts, and fail to align finance flows and national climate and development priorities.

- CFUs can enhance national financial and budgetary processes and develop climate-aligned budgets, which allocate funds for climate-related projects and programs.
   Collaborating with sectoral ministries, CFUs incorporate their climate considerations into budget allocations, ensuring that climate finance is embedded within broader economic planning and linking development investments to national climate priorities.
- The improved coordination among government agencies and public and private and stakeholders also ensures a unified approach to resource mobilization and allocation.
- CFUs also play a key role in identifying barriers that impede the flow of public and private finance for climate action<sup>5</sup> and promote actions that can unlock these barriers (e.g., improving enabling environments, building capacity, and facilitating partnerships).
- > Moreover, climate finance often comes from a range of sources, including domestic revenues, private sector investments, bilateral agreements, and multilateral financial institutions (e.g. Multilateral Development Banks (MDBs) and Climate Funds). Other sources include philanthropic organizations, charities, and innovative emerging instruments, such as green and blue bonds and debt-for-climate swaps. Accessing these different streams of finance and appropriately channeling them requires specialized capacity. CFUs can fill this gap by acting as dedicated focal points, coordinating the flow of climate finance and ensuring its alignment with national development goals.

<sup>5.</sup> These barriers include policy gaps, regulatory hurdles, lack of technical expertise, and inadequate financial instruments.

### 2.2. Legal basis and governance

The <u>legal basis and mandate</u> of a CFU is foundational to its success. The specific legal structure and mandate of a CFU depend on the institutional arrangements of a country, as well as the political will behind the CFU's establishment. In many cases, the mandate of a CFU is laid out in a legal or policy document, such as a decree or national climate strategy or policy, which defines its roles, responsibilities, and objectives. A common feature of a successful CFU is the granting of its mandate by a high-level decision-making authority such as a cabinet, ministry of finance (MoF), or an executive order. Many CFUs are currently housed within a government's MoF due to the unique status of these ministries in relation to resourcing of development initiatives, articulation of national priorities, and cross-sectoral coordination. MoFs are well suited to act as hubs for interministerial collaboration on climate finance related issues. Integrating CFUs into the MoFs' organizational structures allows a whole-of-government approach to climate finance in which climate goals are consistently embedded across national policies and climate action becomes a mainstream consideration within broader economic planning. Additionally, CFUs can benefit from greater high-level political involvement and ownership of climate change action because of the important status that MoFs enjoy in national governments.





> In Bangladesh, the International Climate Finance Cell (ICFC) has been established under the Economic Relations Division (ERD) of the MoF. The ERD's mandate of external resource mobilization for the country's socioeconomic development enables the ICFC to strategically mobilize and coordinate international climate finance in alignment with key development needs, priorities, and objectives.



In Rwanda, for example, the integration of the Climate Finance Department within the Ministry of Finance and Economic Planning (MINECOFIN) serves as a good example of how embedding a CFU in a finance ministry can enhance policy coherence. Rwanda's MINECOFIN took the lead in mainstreaming climate action by incorporating climate considerations directly into the national budget process. To ensure that climate priorities were not overlooked, Rwanda mandated the Ministry of Environment to participate in sectoral budget discussions. This collaboration ensures that climate-related investments are aligned with economic policies and broader development goals, resulting in coordinated action across various sectors, including agriculture, energy, and transport, while strengthening climate governance at both the national and subnational levels.



> In Fiji, the CFU is established under the Climate Change Division (CCD) of the Ministry of Environment and Climate Change. The CCD is guided by Fiji's National Climate Change Act (2021) and National Climate Change Policy, thus providing embedded agencies like the CFU with the robust national framework and strategic technical expertise necessary to coordinate on climate finance mobilization and utilization. The CCD also serves as Fiji's National Designated Authority (NDA) to the Green Climate Fund (GCF), which further consolidates all national activities related to climate finance access.



> In Uganda, the CFU operates within the Ministry of Finance, Planning, and Economic Development (MoFPED), drawing its mandate from the ministry's broader responsibilities for resource mobilization from both domestic and international sources. This mandate gives the CFU the authority to coordinate various climate finance flows and ensure sustained alignment with the country's national priorities and NDC goals.



> In Mozambique, the CFU was established with a formal mandate granted by presidential decree, embedding the unit within the Ministry of Economy and Finance (MEF).

Placing CFUs within the MoFs can therefore enhance collaboration across sectoral ministries and stakeholders, creating a coordinated and aligned approach to climate action that ensures consistency between economic policies and climate priorities. This holistic governance framework is crucial for achieving national climate targets and delivering impactful, long-term climate results.

However, depending on their scope, mandate, and authority, CFUs can also be housed within other ministries or governmental structures, as highlighted above in the case of **Fiji**'s Climate Finance Unit, which is housed within the <u>Climate Change Division (CCD)</u> of the Ministry of Environment and Climate Change. Considering the broader mandate of the CFUs in addressing climate finance-related challenges in developing countries, some stakeholders consulted during the development of this Policy Brief advocated for the CFU to be placed at a higher level in the presidential or prime minister's office to strengthen its coordination role and ensure political commitment.

Ultimately, there is no single location or institutional arrangement that works best for a CFU. The national context and governance system of each country should be thoroughly reviewed to determine where it would be best positioned to coordinate between multiple stakeholders to influence whole-of-government climate action and finance considerations.

### The case for a standalone CFU

While the integration of a CFU within a MoF can offer a range of advantages and benefits, a CFU established as an independent entity or embedded at a higher level under the office of the president, or the prime minister can help facilitate high-level coordination with other ministries and sectoral actors. The establishment of a CFU at the executive level of government or as an independent entity may render it better positioned to engage in cross-sectoral collaboration, while ensuring that institutional arrangements and human capacities are tailored for whole-of-society climate action. One example would be the CFU of **Belize**, which, for many of the reasons stated above, is considering a transition from being a sub-entity of the Ministry of Finance, Economic Development, and Investment to becoming an independent entity that reports directly to the Office of the Prime Minister.



### 2.3. Roles and responsibilities

The exact functions of CFUs will vary depending on national contexts, institutional frameworks, and the scope of their mandates. However, there are several common functions performed by CFUs across countries, summarized below.

# 2.3.1. Mobilizing and coordinating climate finance in alignment with national goals

A primary function of CFUs is the mobilization and coordination of climate finance from a range of sources—both domestic and international. CFUs are also often involved in the development and implementation of national climate finance strategies. This positioning allows CFUs to integrate climate ambition, especially the targets expressed in NDCs and LT-LEDS, into national development and related processes, ensuring that climate projects are both adequately funded and aligned with national development goals.



Mozambique

 Mozambique's CFU is involved in the development of a National Climate Financing Strategy and is
 playing a critical role in integrating climate considerations into national planning and budgeting processes.



 Uganda's CFU is also tasked
 with leading the development of national climate finance strategy.
 Additionally, the unit is empowered to work closely with other
 ministries to implement climate
 action, including the Ministry of
 Water and Environment (MWE) and
 the Ministry of Agriculture, Animal
 Industry and Fisheries (MAAIF),
 to ensure that the funds (to be)
 mobilized are utilized effectively
 across ministries. By acting as focal points for climate finance, CFUs can strengthen the wholeof-government and the whole-of-society approaches and help simplify and coordinate interactions between national governments, multilateral funds, bilateral donors, and the private sector, thus increasing the efficiency and speed of accessing finance. For example, Mozambique's CFU is actively involved in attracting climate finance by coordinating with development partners to secure funds for critical climate resilience projects. Another example is Pakistan's Climate Finance Wing, which is subdivided into two units, with one focused on facilitating access to private and global climate finance and the other dealing with carbon trading. Fiji's CFU serves as the national focal point for liaising between the government and the Green Climate Fund (GCF), as well as liaising for private-sector capital market mobilization. It is also the administrator of more innovative instruments such as finance incubators and the Pacific region's first ever parametric climate and disaster microinsurance product.

In Kenya, the CFU has been instrumental in facilitating the <u>establishment of county</u> <u>climate change funds (CCCFs)</u>, helping to create stronger institutional linkages between national and subnational levels of government.

CFUs also play a vital role in tracking the impact of these financial flows by providing governments and donors with transparency and accountability regarding progress towards climate objectives.



Relize

Belize's CFU, for example, is instrumental in ensuring that its climate finance is directed toward achieving the country's updated NDC. By overseeing the mobilization, allocation, and tracking of both domestic and international funds, Belize's CFU ensures that all funds raised in the name of climate action directly support the broader national climate strategy, priorities, and commitments.



 Uganda's CFU is collaborating with the Climate Finance Hub at Makerere University to establish a climate finance tracking system, ensuring that financial flows are transparently linked to national climate goals.

Through these efforts, CFUs not only mobilize essential financial resources but also ensure that they are strategically deployed in line with NDCs and related plans, maximizing their impact on transformative whole-of-society climate action.

### 2.3.2 Mainstreaming climate considerations across national development and economic architecture

CFUs are <u>uniquely positioned</u> to ensure that climate considerations are systematically integrated into the broader development and economic framework of a country, enabling long-term and sustainable economic transformation. By embedding climate objectives within fiscal policies, taxation systems, and national budgeting processes, CFUs contribute to an environment in which climate resilience and low-carbon development become integral to economic planning. This integration of climate change considerations into whole-of-government economic planning and systems can better facilitate the harmonization of climate needs and priorities across sectors and stakeholders, thus ensuring that such needs and priorities receive commensurate resourcing and political support for transformational action.

For instance, the integration of Mozambique's CFU into the Ministry of Economy and Finance has facilitated the alignment of national planning and budgetary processes with climate action, embedding climate priorities into fiscal decision-making. This approach shows how CFUs can leverage their institutional placement to influence economic instruments such as taxes or subsidies in order to incentivize climate-aligned investments and behaviors. By systematically integrating climate considerations into economic infrastructure, CFUs enable a whole-of-government approach that bridges the gap between fiscal policy and climateproofed development.

# 2.3.3. Supporting project preparation and appraisal

CFUs can play crucial roles in supporting the development of projects or proposals aiming at mobilizing climate finance. Often, they do so by acting as intermediaries between the national government and multilateral development banks and institutions or climate funding organizations. For example, Fiji's Climate Finance Unit also serves as the National Designated Authority (NDA) to the GCF and, to that end, supports a range of activities surrounding project pipelines, including appraising project proposals and supporting stakeholders in submitting funding proposals to the GCF for consideration. Similarly, Pakistan's Climate Finance Wing has an explicit focus on project development and the accreditation of national entities for reception of international climate finance, thus making it a crucial supporting entity in linking the national government to multilateral climate finance sources through concrete, nationally relevant projects and programs.

# 2.3.4. Mainstreaming Gender Equality and Social Inclusion (GESI)

Despite only emerging relatively recently, CFUs are increasingly seen as crucial in mainstreaming gender equality and social inclusion (GESI) into climate finance activities. Recognizing the disproportionate impact of climate change on vulnerable populations, CFUs are tasked with ensuring that climate finance not only supports mitigation and adaptation goals but also promotes inclusivity. By integrating GESI considerations into climate finance strategies, CFUs can help ensure that marginalized groups, including women, local communities, and Indigenous people, benefit from climate projects or at least are not negatively affected by them. In Kenya, capacity-building efforts led by the CFU involve training for a diverse range of stakeholders, including marginalized groups, thus enabling vulnerable groups to participate in more effective climate finance mobilization and utilization.

By integrating GESI considerations into climate finance strategies, CFUs can help ensure that marginalized groups, including women, local communities, and Indigenous people, benefit from climate projects or at least are not negatively affected by them.

# 2.3.5. Supporting capacity building and institutional strengthening

CFUs also perform a critical function in supporting capacity building and institutional strengthening, both within the government and across sectors involved in climate action. By providing training and technical support, CFUs help build the capacity of government agencies, local governments, civil society organizations (CSOs), and private sector actors to effectively engage with climate finance mechanisms. This strengthens the overall climate finance ecosystem and increases the capacity of stakeholders to develop, implement, and evaluate climate projects. In **Mozambique**, the CFU has worked closely with development partners to strengthen the country's institutional capacity, ensuring that the Ministry of Economy and Finance can effectively manage climate finance projects and align them with national priorities. Similarly, **Uganda**'s CFU has promoted training on mainstreaming climate change in the financial sector and on private sector participation in adaptation finance.



CFUs also perform a critical function in supporting capacity building and institutional strengthening, both within the government and across sectors involved in climate action.

### 2.3.6. Future activities

Looking ahead, CFUs are expected to take on expanded roles as countries strive to meet more ambitious climate commitments under their NDCs and LT-LEDS and mobilize the private sector investments at scale. In Uganda, the CFU is exploring innovative financial instruments, such as green bonds and blended finance mechanisms, to mobilize additional resources for climate action. Mozambique is developing strategies to enhance access to private sector finance and improve the integration of climate finance within domestic financial systems. CFUs will likely continue to evolve as they adapt to the increasing complexity of climate finance, the growing need for cross-sectoral collaboration, and the rising demand for a programmatic approach and long-term investments and financial solutions to meet climate goals. Future activities may include scaling up capacity-building initiatives, strengthening interministerial coordination, and expanding engagement with non-state actors, including the private sector and CSOs.

CFUs should also consider expanding their mandate by supporting private sector engagement in financing national climate action priorities. Most of the consulted CFUs so far have focused their interventions on mobilizing international climate funds such as the GCF, and limited efforts have been made to leverage private sector participation in financing climate actions. Countries' NDCs should serve as an investment platform and become a criteria and rationale for investment decisions. Section 3 of this Policy Brief provides more insights into the available options and recommendations at different stages of the NDC implementation processes (from investment planning to finance mobilization), using the GCF/NDC Partnership Climate Investment Planning and Mobilization Framework (CIPMF).

CFUs will likely continue to evolve as they adapt to the increasing complexity of climate finance, the growing need for cross-sectoral collaboration, and the rising demand for a programmatic approach and long-term investments and financial solutions to meet climate goals.

### 2.4. Composition and staffing

The composition and staffing of CFUs are critical to their ability to perform their mandates effectively. The size and composition of the team can vary significantly, but the inclusion of diverse expertise is crucial for the unit's success. By assembling a multidisciplinary team with a diverse range of skills and expertise, CFUs may, depending on the specificities of their mandate, effectively coordinate climate finance and support their countries in delivering impactful climate projects. In general, CFUs need strong leadership and strategic direction and expertise in climate policies, project development and implementation, investments and finance, monitoring, evaluation, and communication—as well as someone who understands legal and regulatory frameworks well.

Many CFUs have a relatively small staff footprint. CFUs also engage with a range of supporting partners to enhance the given CFU's effectiveness and capacities. There are several types of institutions that support CFUs by providing financial resources, technical expertise, and policy guidance, including the NDC Partnership, bilateral development partners, global initiatives and alliances, research and policy institutions, and bilateral development cooperation agencies. Some of these partners also embed experts within CFUs who can advise the organization about how to develop supportive policies and regulations to attract climate finance. More specifically, they can facilitate connections with climate financing sources, support the development of the staff's skills and knowledge, and provide technical assistance in developing investable climate projects.



Table 1 presents, based on available data, the case studies of the CFUs of Bangladesh, Belize, Mozambique, and Uganda. It includes their staffing composition, challenges they face, and how they seek to enhance their teams to deliver on more ambitious mandates.

### Table 1: CFU Case Studies

**Bangladesh** 

The International Climate Finance Cell in Bangladesh (ICFC) is housed within the Economic Relations Division (ERD) under the Ministry of Finance. The ICFC is <u>specifically mandated</u> to ensure strategic mobilization and effective coordination of international climate finance across the government. To do so, ICFC is led by a chief, two officers and 10 climate finance focal points from each ERD Wing. While considered a strong example of a successful CFU, the ICFC also experienced some challenges during its establishment. These included the definition of its mandate based on the varying scopes and interpretations of climate finance and navigating commitments with developing partners for future and long-term climate finance resourcing. While these challenges are pervasive throughout the global climate finance landscape today, they demonstrate the complexities that CFUs must navigate when being established.

### Mozambique

In Mozambique, the CFU has a staffing plan that was required to be submitted as part of the decree establishing the unit. The staffing plan provided an opportunity to articulate the budgetary demands and technical capacities of a CFU for potential state and non-state partners interested in collaboration, which underscores the value of transparency when establishing institutional arrangements. This team is relatively small, currently comprising seven staff members, all of whom were transferred from existing departments within the Ministry of Economy and Finance. This poses some challenges to the unit's existing climate finance and climate change action capacities and expertise. To address this, the CFU has access to and support from external advisors who provide technical assistance on specific issues like climate finance mechanisms and project development. This hybrid staffing model allows Mozambique to maintain internal government control and ministerial ownership over the CFU, while benefiting from external expertise, particularly in areas where capacity is still developing. It is worth noting that the Ministry is currently expanding its staffing plan to ensure that the CFU has the requisite technical and administrative capacity to manage the country's growing climate finance portfolio.



### Belize

The Belize CFU provides a good example of a strategic and flexible staffing approach. Starting with only three staff members, including the director, the team has grown to eight, including project development officers and a transparency specialist to handle monitoring and evaluation tasks. This growth has enabled the CFU to manage an increasing number of projects and to meet the reporting requirements of international funding sources, such as the GCF. The Belize CFU also collaborates with nongovernmental stakeholders and external experts to fill technical gaps, especially in areas such as private sector engagement and project implementation. One of the challenges noted by the Belize CFU is the ability of the unit to effectively carry out its mandate as a sub-entity of the Ministry of Finance, Economic Development and Investment. The reasons for this are discussed further in Section 3.1, which covers the challenges surrounding ambition and appropriate technical capacity for climate-specific interventions. The CFU seeks to redress some of these shortcomings by transitioning to an independent entity that reports directly to the Office of the Prime Minister.

### Uganda

In Uganda, the CFU has a relatively small but highly focused team. Uganda's staffing strategy reflects a collaborative approach in which the government and external partners jointly support the CFU's operations, ensuring a balanced mix of domestic and international expertise. The composition and staffing of Uganda's CFU demonstrate the potential for collaborative approaches between national governments and development partners to successfully operationalize CFUs. The current staff are employed by the MoFPED, in addition to technical experts provided by development partners, including GIZ and the Global Green Growth Institute (GGGI). The CFU leadership seeks to expand the team in line with the increasingly ambitious range of activities that can be undertaken in the future. <sup>6</sup>

6. Information was derived from interviews with senior staff of Uganda's Climate Finance Unit.



### 2.5. Collaboration with external partners

CFUs play a crucial role in mobilizing domestic and foreign (external) partners and resources for national climate action—and often collaborate with them to get support for their own efforts in the areas of capacity building, policy development, resource mobilization, project implementation, and coordination. Table 2 gives an overview of the typical areas of collaboration.

Potential areas of collaboration	Description
Capacity building on climate finance	<ul> <li>Offer training programs to CFU staff on climate finance concepts, tools, and methodologies; climate finance policy development; project appraisal; and risk management.</li> <li>Facilitate knowledge exchange between CFUs and other stakeholders through workshops, conferences, and peer-to-peer learning.</li> </ul>
Policy development and advocacy for climate finance access	<ul> <li>Support the development of comprehensive climate finance policies and strategies aligned with national climate goals.</li> <li>Assist in implementing regulatory reforms to create a conducive environment for climate investment.</li> <li>Advocate and lobby international climate funds and global development agencies for increased climate finance allocations and access to the country.</li> </ul>
Climate finance resource mobilization	<ul> <li>&gt; Help CFUs identify and access relevant climate finance sources, including multilateral and bilateral finance and private sector investments.</li> <li>&gt; Provide support for developing investable climate projects that meet the requirements of potential funders.</li> <li>&gt; Assist in managing climate risks and developing risk mitigation strategies to attract private sector investments.</li> </ul>
Project implementation and monitoring	<ul> <li>Offer guidance on project management, monitoring, and evaluation to ensure effective use of climate finance.</li> <li>Support the development of robust monitoring and evaluation systems to track project outcomes and impact.</li> <li>Assist in preparing climate finance reports and communicating progress to stakeholders.</li> </ul>
Coordination and collaboration	<ul> <li>Facilitate coordination between the MoF and other relevant ministries to ensure coherent climate policies and actions.</li> <li>Promote and support with stakeholder engagement and collaboration to build consensus.</li> <li>Foster international cooperation.</li> </ul>

#### **Table 2: The Collaborative Role of CFUs**

# 3. Challenges, Lessons Learned, and Recommendations

The establishment and operationalization of CFUs provide significant opportunities for countries to strengthen their climate finance ecosystem and related institutional arrangements, mainstream climate considerations into broader national development priorities, and increase access to domestic and international sources of finance and private sector investments. However, these opportunities come with challenges that require strategic management. This section outlines these challenges and provides suggestions for addressing them in

order to further enhance the impact of CFUs.

### 3.1. Challenges

In their establishment and operations process, CFUs face different challenges including: (i) limited technical capacity, (ii) conflicting mandates, (iii) financial sustainability, (iv) reliance on high-level political will and support, (v) the complexity of international and national climate finance mechanisms, and (vi) a focus on mobilizing international public climate finance instead of mobilizing domestic resources and promoting private sector participation.

 (i) A key challenge is the limited technical capacity and small staff footprints of many CFUs. CFU teams often lack the specific expertise to navigate climate action or perform financial management activities, such as project development, tracking, and cross-sectoral financial reporting. Some CFUs experienced difficulties managing a growing portfolio due to gaps in staff knowledge and expertise, which have, in some cases, been addressed by bringing in external advisors. However, this reliance on external expertise may not be sustainable in the long term, underscoring the need for ongoing capacity-building initiatives.

- (ii) Efficiency is also often hindered by multifaceted and conflicting mandates, whereby a range of government ministries and agencies, as well as non-state actors, might be responsible for various climate action interventions. A common example includes focal points for multilateral climate funds (such as the GCF or AF) being placed in a ministry separate from the ministry or entity responsible for climate finance coordination. This can result in a duplication of resources and efforts and can impede the efficient access to and delivery of climate finance.
- (iii) As new entities within government structures, CFUs face challenges related to their financial sustainability. Indeed, CFUs are not allocated a dedicated portion of national budgets to ensure sustained support for their operations. However, securing consistent funding sources beyond initial grants and donor support for their establishment is crucial for long-term operations.
- > (iv) Another key challenge is the reliance on high-level political will and support for the operationalization of CFUs with ambitious mandates. The changing of governments poses a major risk and can upend the ongoing work, thus underscoring the importance of establishing robust and transparent legal structures and mandates that can withstand political cycles.

- (v) The CFUs must navigate the complexity of international and national climate finance mechanisms, which is often <u>slow</u>, <u>fragmented</u>, and highly bureaucratic and can delay access to finance and implementation of NDCs.
- (vi) Most CFUs focus only on attracting international climate finance, thus limiting the scope, mandate, and ambition of the entity and keeping them from engaging in more comprehensive interventions and from creating an enabling environment to attract the private sector. By doing so, CFUs miss the opportunity to encourage domestic investment in climate action and to promote incentives that support private investment.

# 3.2. Lessons learned and recommendations

Several important lessons have emerged from the experiences of existing CFUs. This section highlights the key factors that enable CFUs to effectively and sustainably execute their mandates over the long term.

Most CFUs need significant technical support, especially in their early stages. Technical assistance is often required for tasks such as developing climate finance strategies, building monitoring and reporting systems, and managing relationships with other ministries and international climate finance providers. **Capacity building and support can enable CFUs to implement effective interministerial coordination and stakeholder engagement, including with the private sector**.<sup>7</sup> Embedding liaisons with technical expertise from key sectors within the CFU ensures that climate finance is aligned with sectoral priorities and that resources are allocated efficiently. Early integration of sectoral and ministerial representatives into CFU staff also enhances the legitimacy of the CFU within key stakeholder groups and can lead to better staff and institutional-capacity retention. The CFUs should consider collaborating with national universities and research and training institutes to access the latest climate science and research outcomes and promote capacitybuilding initiatives for staff as well as for other relevant climate finance policymakers and sectoral practitioners. These institutions can also help document and preserve the unit's experiences, lessons learned, and best practices to ensure continuity.

Integrating CFUs into national governance structures and clear mandates and garnering strong political support are essential for the long-term success of a CFU. Political backing can enable the CFU to secure significant international resources and coordinate climate finance across ministries. CFUs that have their mandates derived from or report directly to the president or prime minister's office are more likely to receive the supporting resources necessary to effectively realize the CFU's objectives and perform the CFU's functions.

In addition to securing government support, CFUs must also focus on strengthening their institutional capacities to withstand political changes or fluctuations in external support. This can be achieved through the **establishment of transparent governance frameworks**, which can set crucial operational processes (such as staffing plans, functions, and key priorities for the entity) and thus ensure their institutionalization and easy adoption by new staff, while also building confidence with external partners.

<sup>7.</sup> Interministerial coordination is key to the success of a CFU. However, considering that no individual ministry will have all the know-how and tools to address the complexity of climate change, it is important to assess the potential and different ways and modalities of embedding CFUs in broader governance arrangements and of pulling experts from different ministries, the private sector, and civil society should be studied.

Financial sustainability is a key concern for CFUs, as many rely on short-term external funding during their initial phases, making it difficult to plan for the long term. Uganda's CFU, for example, currently receives financial support from development partners to cover most operational costs-which tend to form the bulk of the upfront costs required to establish a CFU. However, the Government of Uganda has committed to a phased transition according to which the CFU would receive full budgetary support from the national government within five years. Similarly in Mozambique, while external partners provided initial financial and technical support, the Ministry of Economy and Finance is gradually assuming responsibility for covering the CFU's core operational costs. This approach aligns with Mozambique's broader fiscal policies, ensuring that the CFU remains integrated within the national economic system and receives sustainable financial backing from the national government over time. This type of transition plan is essential for ensuring that the CFU can continue operating without dependence on external experts and can benefit from financing in the long term.

CFUs should **seek to diversify their funding sources** and explore **innovative cost-recovery models.** This might include taking advantage of opportunities from the private sector<sup>8</sup> and using innovative financing instruments, such as green bonds, blended finance mechanisms, and leveraging administrative fees for managing international climate finance flows. By leveraging new financial tools and involving a broader range of financial actors, CFUs can create a more diversified and resilient funding base to mitigate their own long-term reliance on external funding, as well as enhancing the resource pool for ambitious national climate action.

As entities tasked with the coordination of climate finance flows and cross-sectoral mainstreaming, CFUs should pursue the **development of** <u>MRV systems</u>. Besides ensuring that climate finance flows are <u>effectively tracked</u> and that funds are utilized in line with national climate goals, these also create useful repositories of climate finance knowledge and data, thus mitigating the loss of valuable insights and experience in the event of staff turnover.

8. It should be noted that private sector financing of CFU operations may create conflicts of interest and, if undertaken poorly, could undermine the country ownership over the entity and its activities. Appropriate support from private sector actors could include actions such as in-kind assistance, seconding of employees, sharing of knowledge and resources, and engagement through transparent and government-recognized mechanisms.

By leveraging new financial tools and involving a broader range of financial actors, CFUs can create a more diversified and resilient funding base to mitigate their own long-term reliance on external funding, as well as enhancing the resource pool for ambitious national climate action. Ultimately, the sustainability of CFUs will depend on their ability to institutionalize climate finance within national frameworks, develop long-term financial strategies, and maintain technical and operational capacity through ongoing support from both domestic and international partners.

External partners as described above can play an important role in catalyzing the conceptualization, operationalization, and capacity building of CFUs. Such support should be strategically leveraged to maximize the direct and indirect support that CFUs can receive in delivering their mandates using the latest best practices, technical guidance, and range of multi-stakeholder insights.

CFUs can play a pivotal role in attracting private sector investment to support climate action. Private sector support towards climate action at the national level can be enhanced by (i) coordinating private sector engagement throughout the investment planning and mobilization processes per the guidance provided by the CIPMF, (ii) undertaking investment planning and developing financing strategies and instruments to mobilize private capital, and (iii) ensuring continuous on-thejob learning and capacity building jointly with governments, the private sector, and partners. The participation of investors and businesses can bring in much-needed capital, innovation, and expertise to scale up climate action and facilitate a transition to a low-carbon and resilient economy. The CFU can also play a vital role in fostering enabling environments for private sector investments. By collecting and sharing the input of investors and businesses about what constitutes an enabling environment<sup>9</sup> (e.g., policy coherence, fiscal and legal stability, regulatory frameworks, and other policy levers), CFUs can unlock significant private capital for climate-friendly investments aligned with NDCs.

The CFUs could assume the functions of a coordinating body<sup>10</sup> (referred to in the CIPMF) to lead interministerial coordination with relevant governments bodies (including sectoral leads, presidential/cabinet level authority, etc.) on climate finance related issues. In this coordination role, the CFU should facilitate an early, structured, and continuous engagement with the private sector, including investors and businesses. Such engagement would help raise awareness about the country's NDC priorities among private sector stakeholders and help collect their inputs on the potential commercial viability of NDC-aligned projects and programs and key investment barriers, as well as investment opportunities for private finance. The early mapping of relevant private sector stakeholders for various programmatic or sectoral priorities of the country is crucial to achieving this.

<sup>9.</sup> The CFUs can advocate for clear, consistent, and long-term climate policies and regulations that provide certainty to private investors. They can support the development of risk mitigation mechanisms, such as insurance products and guarantees, to reduce the perceived risks associated with climate investments. The CFUs can also facilitate the use of blended finance, which combines public and private capital to finance climate projects, particularly in high-risk or early-stage ventures.

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<sup>10.</sup> Since private sector coordination typically falls under the ministry of economy rather than the ministry of finance, this coordination role must consider the context of each country and whether these ministries are separate or combined.

As a lead in finance and investments, CFUs can:

- contribute to the NDC-development, investment planning, and other upstream processes (e.g., informing the policy levers such as green fiscal incentives) and develop financing strategies and instruments to mobilize private capital (e.g., blended finance, carbon pricing, direct investments, capital markets, and innovative products and structures).
- > strengthen linkages between upstream (investment planning and programming phases of the CIPMF)<sup>11</sup> and downstream (funding proposal development and project implementation phases of the CIPMF)<sup>12</sup> processes in collaboration with sectoral leads and decentralize and deepen multilevel engagement with subnational actors.
- help identify NDC-aligned projects/ programs with potential commercial viability to attract private capital on its own or with blended finance support and help coordinate different sources of climate finance (e.g., donors and public budgets) to optimize the use of public finance for mobilizing private capital at scale.

By providing targeted capacity building and by facilitating access to information, CFUs can **empower the private sector to understand, assess, and participate effectively in climate finance opportunities.** This can include facilitating climate finance events (roundtables, regional forums) and ensuring access to relevant resources and expertise for the private sector engagement. For example, Uganda's CFU has actively supported the training of banking sector representatives on crucial topics such as climate finance taxonomy and the mainstreaming of climate finance in the private financial sector.

To learn more about the key factors to be considered when establishing a CFU, Annex 1 provides a step-by-step guide to setting up a CFU and Annex 2 gathers additional tools and programs available for the CFUs.

11. The first four stages of the Climate Investment Planning and Mobilization Framework include: Stage 1: Investment Planning and Mobilization Capacity; Stage 2: Identifying and Prioritizing Investment Needs; Stage 3: Financing Strategy; and Stage 4: Programming with Finance Partners.

12. The last two stages of the Climate Investment Planning and Mobilization Framework include: Stage 5: Development of Projects and Programs and Stage 6: Project and Program Implementation.

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### Annexes

### Annex 1. Step-by-step guide for the establishment of a Climate Finance Unit

There is no one-size-fits-all approach to establishing CFUs, and each country must tailor the mandate, staffing, and institutional arrangements of the unit to their respective national climate context and governance systems. However, the following generic phases and steps summarize the journeys of the existing CFUs studied.

### Phase 1

### INITIAL ASSESSMENT AND SCOPING

When considering the establishment of a CFU, a thorough initial assessment and scoping exercise is essential. This process will help establish the national climate goals, evaluate and define the institutional arrangements, map and engage the stakeholders, and start the assessment of capacity as well as financial needs.

### Assess national climate goals

- Assess the key national documents that define climate goals.
- > Identify the gaps and challenges that hinder their achievement.
- > Define how the CFU could fill/address these gaps.

#### **Determine the institutional arrangements**

- Based on the roles the CFU will take on, define the most suitable host organization or the need for a new entity.
- Determine how the future CFU will interact with other government departments and agencies involved in climate change and finance.

#### Stakeholder engagement

- Identify stakeholders the CFU will work with. This might include government departments, private sector entities, civil society organizations, and international partners.
- Assess the stakeholders' diverse interests and expectations regarding the CFU.
- Prepare an engagement plan and define the means (and frequency) of communications.

#### **Capacity assessment**

- Identify the CFU's necessary technical expertise to fulfil its mandate and evaluate the availability of these experts.
- Determine the need for additional technical expertise or capacity building for the future CFU.

### **Financial needs assessment**

- > Estimate the financial needs to set up the CFU.
- Identify potential sources of funding for the CFU, including domestic revenues, international climate finance, and public-private partnerships.
- Outline the CFU's funding sources, expenditure projections, and financial sustainability strategies.

### Phase 2 SECURING POLITICAL BUY-IN AND INITIAL FINANCIAL SUPPORT

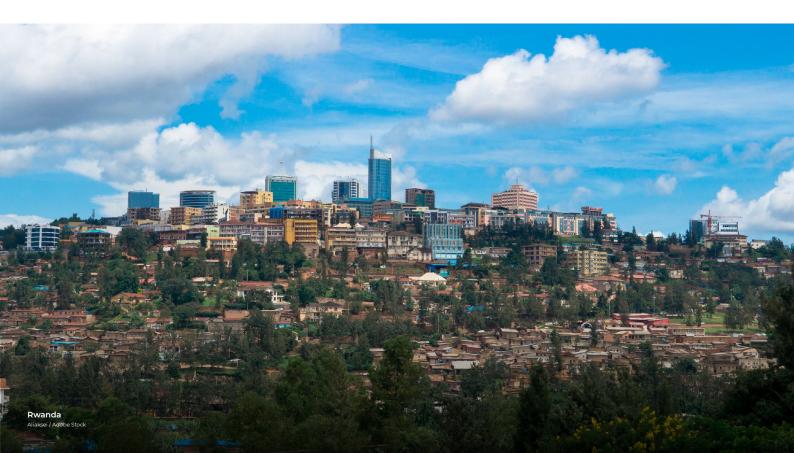
After the initial assessment and scoping, securing political and institutional buy-in is crucial for the successful establishment and operation of a CFU at the government level.

### Secure political support

- Clearly articulate how the CFU aligns with the government's overall climate change strategy, national development goals, and international commitments.
- Emphasize the economic, social, and environmental benefits of climate finance, including job creation, improved livelihoods, enhanced resilience, etc.
- Create a clear and compelling communication strategy to raise awareness about the CFU and its objectives.
- Identify and engage a high-level government official who can champion the CFU and provide political support.
- Identify and seek support from key decision-makers, including ministers, parliamentarians, and other influential figures.

### Secure financial support

- Identify potential challenges and obstacles that may arise during the establishment and operation of the CFU, and develop strategies to address these challenges and mitigate potential risks.
- Share examples of successful CFUs in other countries or regions to demonstrate the positive impact they can have. Emphasize the potential benefits that the CFU can bring to the country.



### Phase 3 DEFINING THE MANDATE, ROLES, RESPONSIBILITIES AND ORGANIZATIONAL STRUCTURE

Well-defined mandates, roles, responsibilities, and organizational structure are essential for the effective functioning of a CFU.

Most of the time, CFUs are endowed with (a) executive leadership, (b) technical teams, and (c) administrative support.

The organizational structure of a CFU may vary depending on its size, resources, and the specific needs of the country.

The CFU should be subject to appropriate governance and oversight mechanisms to ensure accountability and transparency. A governing board or committee may be established to provide strategic guidance and oversight.

### **Defining mandate and objectives**

- Link the mandate explicitly to the government's overall climate change strategy and national development goals.
- Put a strong focus on supporting climate mitigation and adaptation activities that contribute to achieving the country's climate targets.
- Ensure that the CFU promotes sustainable development by aligning climate finance investments with broader economic and social objectives.

### **Designing organizational structure**

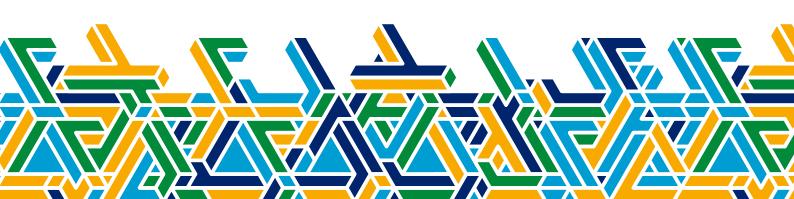
- Design the CFU to be scalable to accommodate future growth and increasing demand for climate finance and to adapt to changing circumstances and emerging opportunities in the climate finance landscape.
- Foster collaboration with other government departments, agencies, and external stakeholders.

### **Defining roles and responsibilities**

Define and clearly document the potential roles and responsibilities for the CFU. These can include but are not limited to:

- Mobilizing and coordinating climate finance in alignment with national goals.
- Mainstreaming climate considerations across national development and economic architecture.
- Supporting project preparation and appraisal.
- Mainstreaming gender equality and social inclusion (GESI).
- Supporting capacity building and institutional strengthening.
- Supporting private sector engagement in financing national climate action priorities.

Based on the mandate it is given by the government, a CFU can have one or more of the roles/responsibilities described above.



### Phase 4 STAFFING AND CAPACITY BUILDING

A well-staffed and capacitated CFU is essential for its effective functioning. At a minimum, the CFU should have staff with expertise in finance, project management, climate policy, and environmental economics. Depending on the CFU's specific mandate, additional specialized skills may be required. A diverse team with varying backgrounds and perspectives can bring valuable insights and enhance the CFU's effectiveness.

Considering that the field of climate finance is evolving rapidly, CFUs should provide regular training and development opportunities for CFU staff to enhance their skills and knowledge. The CFU should:

- > Develop a capacity-building plan.
- Mobilize external capacities (while ensuring knowledge transfer).
- Collaborate with universities and research and training institutions to access the latest science and research outcomes and promote capacity-building initiatives for staff as well as for other relevant climate finance policymakers and practitioners.
- Invest in building internal capacity through training, mentorship, and knowledge sharing.
- Document and preserve the unit's experiences, lessons learned, and best practices to ensure continuity.

### Phase 5 OPERATIONALIZATION

Once a CFU is established, its effective operationalization is crucial for achieving its objectives. At this phase, the CFU should develop and maintain regular communication and engagement with stakeholders, including government departments, private sector entities, civil society organizations, and communities. It is also recommended that the CFU ensure transparency and accountability in all its activities to build trust and credibility.

### Setting up operational and reporting processes

- > Set up solid and efficient MRV systems.
- Develop and track relevant key performance indicators (KPIs) to measure the CFU's performance and progress towards its objectives.
- Create a platform to enhance and secure regular cross-sectoral and stakeholder collaboration.
- Prepare regular reports on the CFU's activities, achievements, and challenges to inform stakeholders and decision-makers.

### **Ensuring financial sustainability**

- Explore alternative funding sources beyond external grants, such as domestic revenues, public-private partnerships, and innovative financial instruments.
- Explore opportunities to generate new own-revenue streams through fees, services, or investments.

### Guiding questions on establishing a CFU

encourage private sector investment?

The following questions can guide a country in establishing its CFU:

How does the CFU align with the	How will the CFU build the capacity
government's overall climate change	of government officials, private sector
strategy and national development goals?	actors, and civil society organizations to
What are the specific climate targets the	implement climate finance projects?
CFU will support?	
	How will the CFU promote knowledge
What is the optimal placement of the	sharing and collaboration among
CFU within the government structure?	stakeholders? What platforms and
Should it be a standalone unit, or should	networks will be established?
it be integrated into an existing ministry	
or department?	How will the CFU engage with
	international climate finance institutions
What is the legal and regulatory	and donors? What partnerships and
framework for the CFU? How will it	collaborations will be sought?
be governed and accountable to the	
government and the public?	How will the CFU ensure that climate
	finance flows align with the government's
How will the CFU mobilize financial	development priorities? What safeguards
resources for climate investments? What	will be in place to prevent conditionality or
are the potential sources of funding (e.g.,	undue influence?
domestic taxes, international climate	
finance, public-private partnerships)?	How will the CFU contribute to global
	efforts to address climate change?
How will the CFU promote climate-resilient	What role will it play in international
and low-carbon development? What	negotiations and initiatives?
incentives and regulations will be used to	



### Annex 2. Additional tools and programmes available for CFUs

Provider	Offer	Further Information
2050 Pathways Initiative	Financial and technical assistance to support governments in formulating LTSs	The Initiative includes a Knowledge Hub that provides a range of reports, best practices, guides, and other resources surrounding the development of robust LT-LEDS for climate action at different levels of governance
Coalition of Finance Ministers for Climate Action (CFMCA)	Capacity Building Catalogue	A compilation of capacity-building programs and tools provided by institutional partners to the Coalition
Green Climate Fund (GCF) and NDC Partnership	Climate Investment Planning and Mobilization Framework	A non-prescriptive guide supporting countries in navigating the steps involved in identifying and mobilizing finance for investment towards NDC/NAP/ LT-LEDS implementation
Green Fiscal Policy Network (GFPN)	Knowledge sharing platform and events on green fiscal policy	Network to facilitate knowledge sharing and dialogue on fiscal policies for an inclusive green economy.
IC4E	LTS Dashboard for Finance Ministries	A dashboard for finance ministers to support the implementation of long-term strategies
Inter-American Development Bank (IDB)	Climate Public Expenditure Classification Methodology	Various types of support available through the Regional Platform of ministries of finance for climate action
International Monetary Fund (IMF)	<u>Climate-PIMA</u>	Framework for assessing the institutions of public investment management that are key for climate-aware infrastructure
NGFS	Network for Greening the Financial System (NGFS)	Green knowledge sharing network for central banks
NDC Partnership	NDC 3.0 Navigator	A tool to support enhanced ambition and accelerate implementation of upcoming NDCs
OECD	Paris Collaborative on Green Budgeting	Network bringing together government officials and experts to put green budgeting into action
UNDP	Climate Public Expenditure and Institutional Review (CPEIR)	Framework to review how national climate change policy aims are reflected in public expenditures
USAID	<u>Climate Change</u> Institutional Assessment	Tool for assessing an institution's (including government ministries') capacity to address climate change issues
PEFA Secretariat	Public Expenditure and Financial Accountability (PEFA) Climate	Framework for assessing how well PFM systems support the implementation of government climate policies
World Bank	Climate Change Institutional Assessment (CCIA)	Tool to identify strengths and weaknesses of the institutional framework for addressing climate governance



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